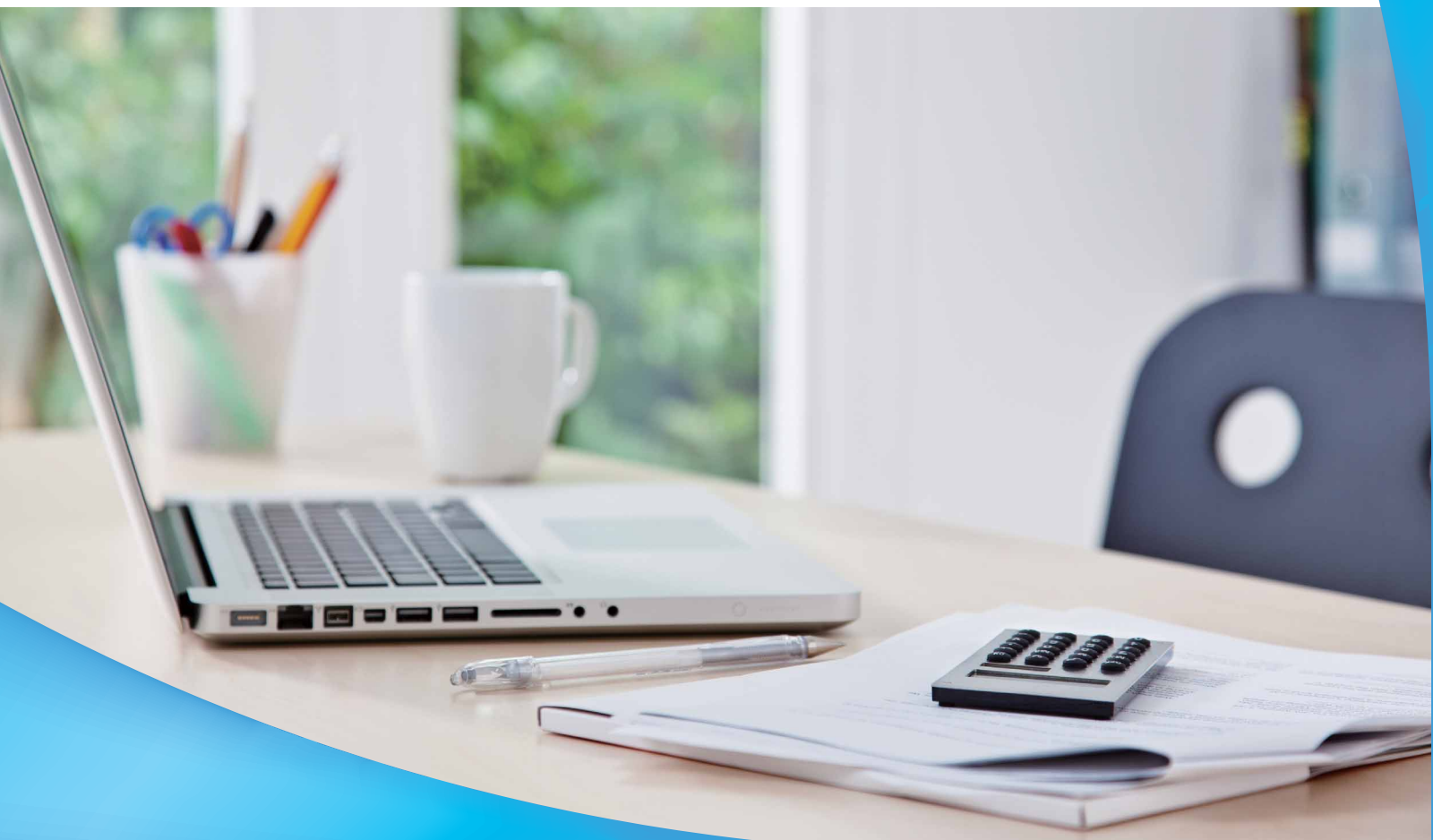
SuMi TRUST
SUMITOMO MITSUI TRUST HOLDINGS

ANNUAL REPORT

Year ended March 31, 2014

2014



SuMi TRUST



Symbol Mark

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

Corporate Color

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

Management Principles ("Mission")

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

(II) Adhere to the principles of sound management based on a high degree of self-discipline with the background of "Trustee 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 "Trustee Spirit" and with significant expertise and comprehensive capabilities, Sumitomo Mitsui Trust Group will create distinct values by leveraging a new business model, combining its banking, asset management and administration, and real estate businesses, and will move onto the global stage as a leading trust bank group which boasts the largest and highest status in Japan.

Codes of Conduct ("Value")

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

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

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

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

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

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

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

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Website

- **Sumitomo Mitsui Trust Holdings, Inc.** http://www.smth.jp/en/
- **Sumitomo Mitsui Trust Bank, Limited** http://www.smtb.jp/tools/english/

Top Message

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

We have compiled and hereby present our Annual Report for fiscal year 2013. We hope it proves useful to you.



Kunitaro Kitamura
President

Hitoshi Tsunekage
Chairman

In the fiscal year 2013, the Japanese economy experienced a steady recovery through the effects of the government initiative known as "Abenomics." Corporate business performance improved, mainly in manufacturing, as did consumer sentiment.

Looking overseas, financial markets largely remained calm. US and European economies showed a trend toward bottoming out, although a shadow began to loom over emerging economies.

Under this business environment, the Sumitomo Mitsui Trust Group (the "Group") worked to enhance its distinctive business model and increased profit earning capacity. A high degree of professional expertise and total solution capacity are the key competencies of each Group company, including Sumitomo Mitsui Trust Bank ("SMTB").

As a result, the consolidated business profit before credit costs, which indicates the Group's profit based on actual business performance, increased by ¥1.2 billion year on year to ¥285.8 billion. Net income also increased by ¥3.9 billion to ¥137.6 billion.

The increase in net business profit before credit costs was driven by an increase in net fees and commissions, which were brought about mainly by sales growth in investment trust and insurance and real estate brokerage business at SMTB, as well as greater contributions from other group companies. In addition, due to gains on the reversal of allowance for loan losses, which reflected the improvement of the credit status of obligors, net income results exceeded initial targets.

The fiscal year 2014 marks three years since the launch of the Group. This fiscal year, we are planning the completion of core banking system integration. This would be a milestone from where we can embark on a new stage from the integration stage. We will keep our mind on the need to enhance our unique competence as the Group and provide valuable total solutions to adequately and swiftly meet customers' needs. In this way, we will consolidate our overall presence in the financial industry under the brand of "The Trust Bank."

We appreciate your continuing support.

July 2014

Chairman Hitoshi Tsunekage

President Kunitaro Kitamura

Top Interview

We will pursue sustainable growth by further enhancing our ability to offer distinctive value.

We at Sumitomo Mitsui Trust Group seek to win an even greater level of trust from our clients and to further enhance our corporate value.

Question

Please share your thoughts that look back on the business strategies of fiscal year 2013.

As we pursued our various strategies, we endeavored to seize business opportunities presented by the changing and expanding needs of clients following changes in economic conditions, tax reforms and other factors.

In Retail Financial Services, we reinforced consulting capabilities to provide "long-term, diversified and stable" investment management service for our customers, and we offered various investment trusts and insurance products including discretionary investment management products (wrap accounts) that have been our strategic focus. In addition, we enhanced services through expanding our lineup of succession and asset inheritance related products. New branches were also opened.

We have been strengthening our real estate brokerage business in line with improvements in the domestic real estate market and growing demand from individual and corporate clients. In Fiduciary Services, we provided unique value-added information for clients as well as consulting services and high-quality custody and administration services. As a result, we were able to grow our net fees and commissions.

As for international business, we worked to strengthen our capacity to offer solution services to address the needs of corporate clients for overseas expansion and assistance related to local business, as well as the investment needs of overseas investors with regard to Japanese securities and real estate. Meanwhile, we accelerated our deployment of global services by expanding our network of business bases overseas.

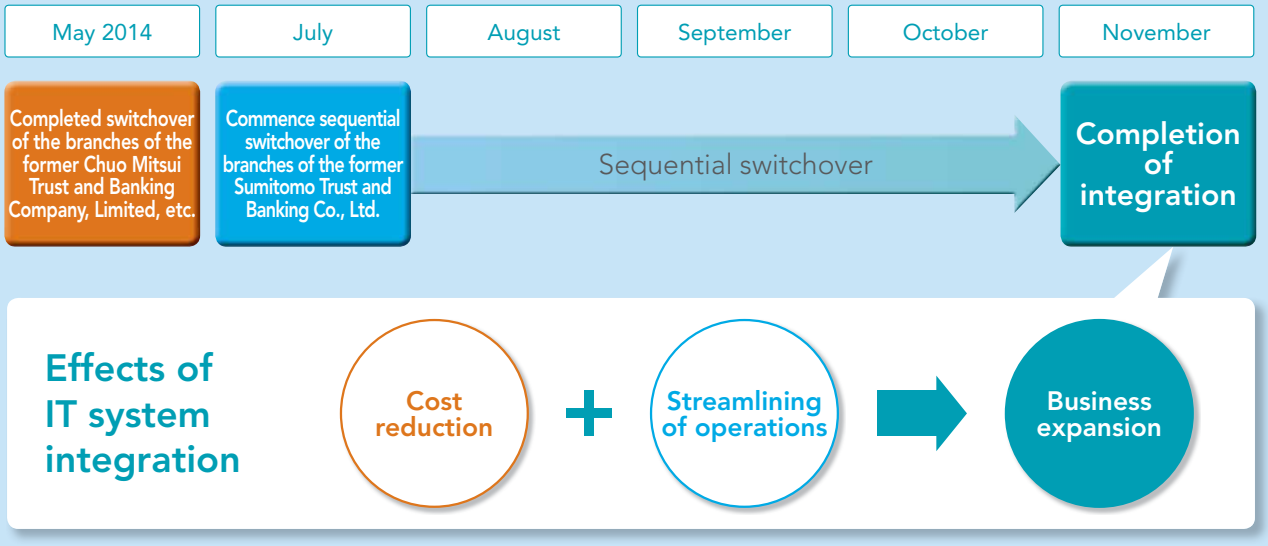




Question

The integration of core IT systems for deposits, loans and other products at SMTB are now approaching completion. Can you give us details on the current status?

Schedule for Integration of Core IT Systems



The integration of various IT systems that was scheduled up to fiscal year 2013 has proceeded smoothly.

The integration of core IT systems related to banking operations such as deposits and loans is scheduled for fiscal year 2014. This will bring the integration work to a finish.

The switchover to the new system had been completed at the branches of the former Chuo Mitsui Trust and Banking Company, Limited, etc. as of the end of May 2014. We will proceed sequentially with the branches of the former Sumitomo Trust and Banking Co., Ltd., with the first switchover to be carried out in July 2014 and completion scheduled for November.

At this stage, we are making smooth progress with various preparations including notices for our clients and taking every precaution for the switchover to the new system. We will exercise the utmost caution in every detail to ensure that our clients have no cause for concern.

The completion of this system integration will enable us to reduce system maintenance costs and to unify all business operational processes. By taking full advantage of the effects of integration, we will strive for even greater cost reductions and to expand the business through further streamlining of operations in the future. Human resources will be shifted to strategic business areas, and branches and offices will be consolidated.



Question

Can you give us an update on your response to the BIS capital adequacy regulations (Basel Ⅲ)?

Under the capital adequacy regulations (Basel Ⅲ), enhancing both the quality and quantity of capital is required.

For example, while the common equity Tier 1 ratio introduced under Basel Ⅲ calls for ratios to be raised to 7% or higher by the end of March 2019, the Group had achieved a common equity Tier 1 ratio of 8.4% as of the end of March 2014 (based on strict pro-forma fully loaded standards, not taking into account transitional arrangements associated with phased roll-out application).

Under the Midterm Management Plan, we will work to further enhance our sound financial base by setting an initial common equity Tier 1 ratio target of approximately 10% with a view to establishing a solid financial foundation that can withstand unexpected events such as a recession. At the same time, we will aim to maximize shareholder interests by pursuing enhanced capital efficiency.

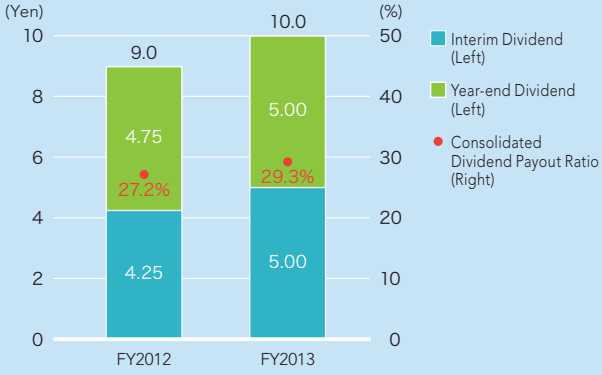
Question

Please explain your dividend policy.

The Group regards the return of profits to shareholders as one of its important management policies. Our basic policy is to return profits to shareholders commensurate with business results. We hope to meet the expectations of our shareholders while pursuing increased enterprise value through strategic investments that will lead to new growth.

Based on this philosophy, we aim to ensure a consolidated dividend payout ratio of approximately 30% in light of a comprehensive evaluation of factors such as the strategic investment environment in the medium term.

Dividend Per Share and Consolidated Dividend Payout Ratio



Question

Please give your message to stakeholders.

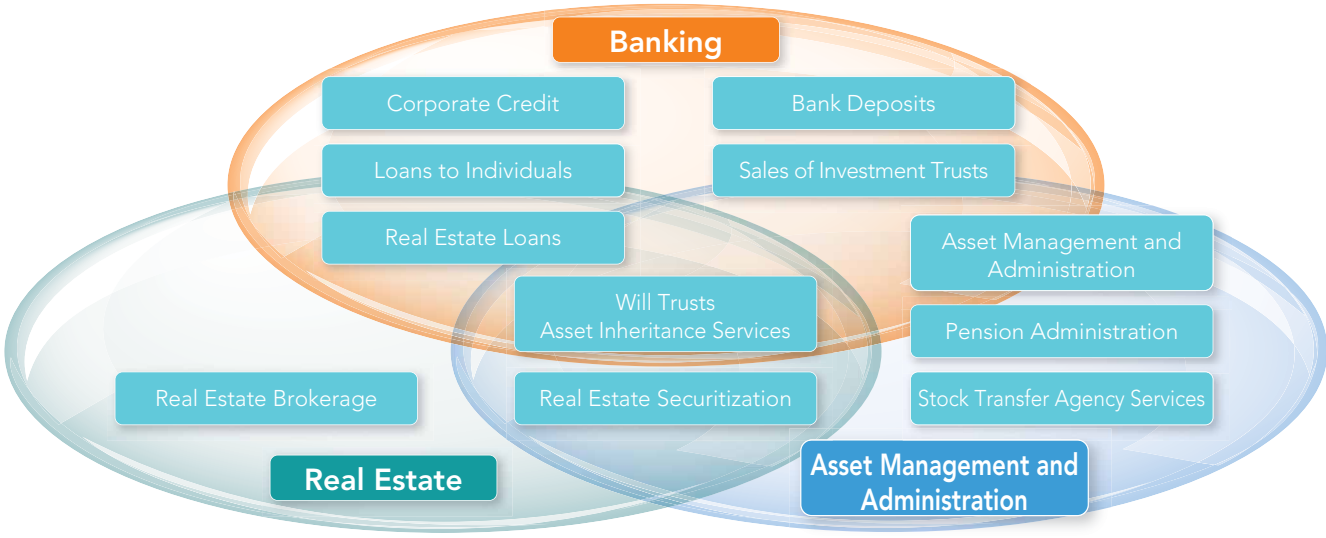
As Japan's only independent financial group that specializes in trust banking, the Group has striven to refine its business model that provides distinctive value and to enhance its profit earning capacity through collaboration among group companies. Amid an increasingly severe business environment, we will steadily press forward with our new Midterm Management Plan* in pursuit of sustainable growth.

We will continue to bring together our comprehensive abilities in an unceasing effort to further raise the level of products and services we offer. We sincerely ask for your ongoing support in that endeavor.

*Regarding the Midterm Management Plan, please see page 13–17.

Our Business Model

Based on the "Trustee Spirit" and with significant expertise and comprehensive capabilities, Sumitomo Mitsui Trust Group creates distinct values by leveraging a business model that combines its banking, asset management and administration, and real estate businesses.



Status of Group Businesses

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

(As of the end of March 2014)

Retail Financial Services Business	Sales Volume of Investment Trust/ Discretionary Investment	Approx. ¥1.5 trillion	among Japanese Bank Groups No. 1
	Number of Will Trusts	23,459 cases	among Japanese Trust Banks No. 2
	Balance of Loans to Individuals	Approx. ¥7 trillion	among Japanese Bank Groups No. 5
Wholesale Financial Services Business	Entrusted Balance of Monetary Claim-backed Securities	Approx. ¥12 trillion	among Japanese Trust Banks No. 1
	Balance of Loans to Corporates	Approx. ¥16 trillion	among Japanese Bank Groups No. 4
	Lending business/Total loan balance	Approx. ¥24 trillion	among Japanese Bank Groups No. 5
Stock Transfer Agency Services Business	Number of Shareholders under Administration (Total of the whole group)	22,849 thousand shareholders	among Japanese Trust Banks No. 1
Real Estate Business	Real Estate Business-related Revenue (Total of the whole group)	Approx. ¥46.9 billion	among Japanese Trust Banks No. 1
	Entrusted Balance of Securitized Real Estate	Approx. ¥10 trillion	among Japanese Trust Banks No. 1
Fiduciary Services Business	Assets under Management	Approx. ¥70 trillion	among Japanese Bank and Securities Company Groups No. 1
	Assets under Custody*	Approx. ¥197 trillion	among Japanese Bank Groups No. 1
	Balance of Corporate Pension Funds	Approx. ¥15 trillion	among Japanese Trust Banks No. 1
	Lead Manager for Corporate Pension Funds	1,468 funds	among Japanese Trust Banks No. 1
	Entrusted Balance of Investment Trusts	Approx. ¥40 trillion	among Japanese Trust Banks No. 1

* This refers to the aggregate balance of trust assets at Sumitomo Mitsui Trust Group.

Terms with an asterisk are explained in "Glossary" on page 10.

Financial Highlights

In the consolidated financial results for fiscal year 2013, net business profit before credit costs increased by ¥1.2 billion year on year to ¥285.8 billion, due to an increase in net fees and commissions and related profit of Sumitomo Mitsui Trust Bank (non-consolidated) and profit contribution from group companies, despite the disappearance of the positive effects from consolidated accounting treatment resulting from the management integration.

Net income increased by ¥3.9 billion year on year to ¥137.6 billion, due to such factors as improvements in total credit costs.

Regarding our year-end dividend, we paid ¥5 per common share according to our policy targeting approximately 30% as a consolidated dividend payout ratio. The annual dividend for the fiscal year was ¥10 per common share, including the ¥5 interim dividend per share we paid last December.

• Overview of the Financial Results in FY2013

<Consolidated> Sumitomo Mitsui Trust Holdings (Consolidated)

Billions of Yen (Unless specified otherwise)

	FY2013 (A)	FY2012 (B)	Change (A)–(B)	Rate of change
Net Business Profit before Credit Costs*	285.8	284.6	1.2	0.4%
Ordinary Profit	258.0	255.0	2.9	1.2%
Net Income	137.6	133.7	3.9	2.9%
Total Credit Costs*	9.1	6.1	3.0	49.7%
Return on Equity	7.13%	7.48%	(0.35%)	—
Net Income per Common Shares (Yen)	34.48	31.27	3.21	10.3%
Net Assets per Common Shares (Yen)	511.02	470.71	40.31	8.6%

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

Billions of Yen (Unless specified otherwise)

	FY2013 (A)	FY2012 (B)	Change (A)–(B)	Rate of change
Net Business Profit before Credit Costs*	211.8	210.2	1.6	0.8%
Net Interest Income and Related Profit*	215.7	207.2	8.5	4.1%
Net Fees and Commissions and Related Profit*	195.7	167.6	28.1	16.8%
Net Trading Profit	24.3	24.1	0.2	0.9%
Net Other Operating Profit	25.6	50.6	(24.9)	(49.3%)
General and Administrative Expenses	(249.7)	(239.4)	(10.2)	(4.3%)
Net Non-recurring Profit, etc.	(23.4)	(19.6)	(3.8)	(19.5%)
Ordinary Profit	188.4	190.6	(2.2)	(1.2%)
Extraordinary Profit	(2.4)	(31.6)	29.1	92.2%
Net Income	116.0	105.1	10.8	10.3%
Total Credit Costs*	7.6	5.3	2.2	42.4%

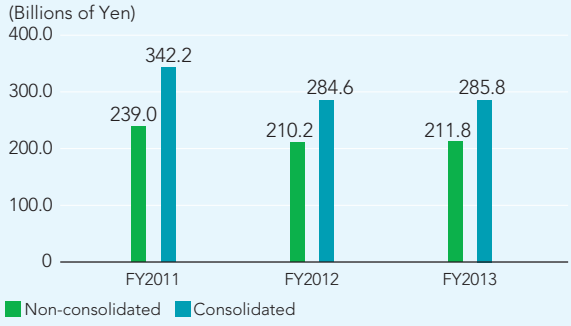
(Note) Amounts less than ¥100 million are rounded down.

<Dividends>

	FY2013 (A)	FY2012 (B)	Change (A)–(B)
Dividend per Share on Common Share (Yen)	10.00	9.00	1.00

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

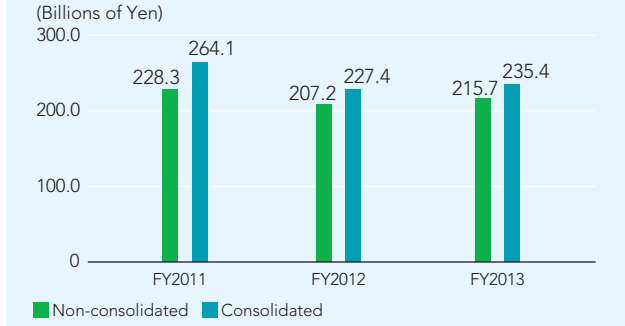
Status of Profit and Loss



• Net Business Profit before Credit Costs*

Net business profit before credit costs increased on both a consolidated and a non-consolidated basis, mainly due to an increase in net fees and commissions and related profit.

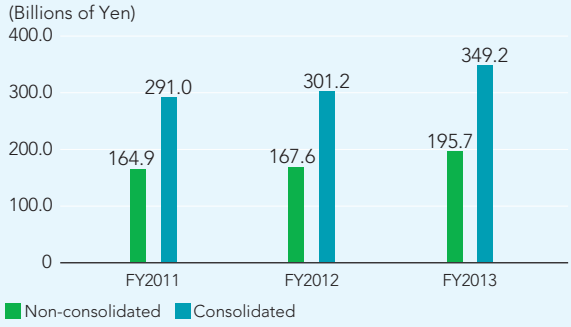
Although net gains on bonds decreased significantly, there was an increase in net fees and commissions and related profit, also, net interest income and related profit reversed to show an increase. As a result, net business profit before credit costs increased by ¥1.6 billion year on year to ¥211.8 billion on a non-consolidated basis, and by ¥1.2 billion year on year to ¥285.8 billion on a consolidated basis.



• Net Interest Income and Related Profit*

Net interest income and related profit increased due to an improvement in the yields on securities.

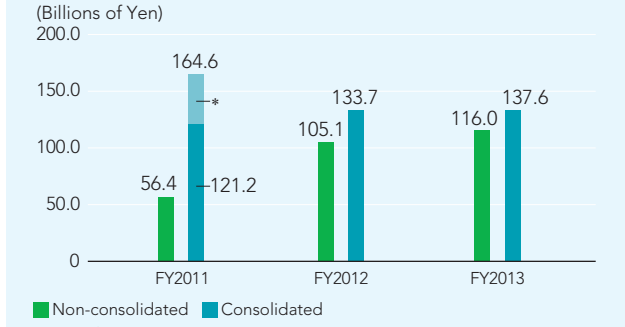
In addition to the improvement of income from the loan-deposit margin from the previous fiscal year, interest and dividends on securities improved due to an increase in the balance of bond investments. As a result, net interest income and related profit increased by ¥8.5 billion year on year to ¥215.7 billion on a non-consolidated basis, and by ¥8.0 billion year on year to ¥235.4 billion on a consolidated basis.



• Net Fees and Commissions and Related Profit*

Net fees and commissions and related profit increased in each business due to a recovery in the market.

A depreciation of the yen and an increase in stock prices, as well as a recovery in the real estate market, resulted in increases in fees from investment and insurance sales, Fiduciary Services Business and Real Estate Business. As a result, net fees and commissions and related profit increased by ¥28.1 billion year on year to ¥195.7 billion on a non-consolidated basis, and by ¥48.0 billion year on year to ¥349.2 billion on a consolidated basis.



* Gains from negative goodwill attendant with stock exchanges.

• Net Income

Net income increased due to such factors as improvement in total credit costs.

In addition to total credit costs that resulted in gains on the reversal of allowance for loan losses, a decrease in temporary costs concerning the integration was observed. As a result, net income increased by ¥10.8 billion year on year to ¥116.0 billion on a non-consolidated basis, and by ¥3.9 billion year on year to ¥137.6 billion on a consolidated basis.

Glossary

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

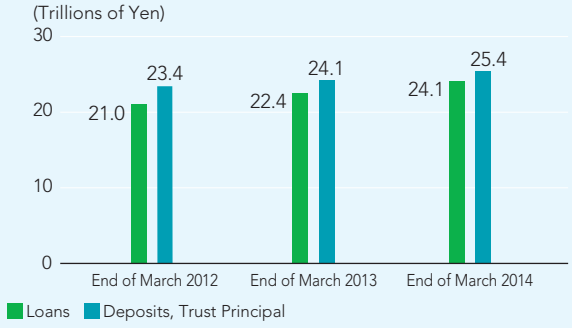
Total Credit Costs
Costs incurred in posting allowances for losses on loans and writing off loans.

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

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

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

Financial Status

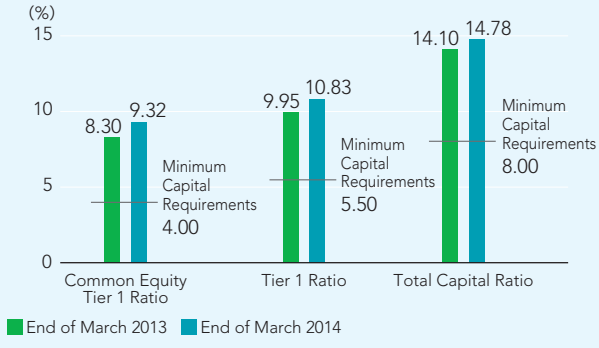


• Loans and Deposits (Non-consolidated)

Both loans and deposits increased.

Loans increased by ¥1.6 trillion from the end of the previous fiscal year to ¥24.1 trillion, due to increases in loans to individuals and loans to overseas. Deposits, etc.* increased by ¥1.2 trillion from the end of the previous fiscal year to ¥25.4 trillion, because the deposits of individuals increased and also deposits of corporate clients increased both in Japan and overseas.

* Deposits, etc. include the principal guaranteed trust account (loan trusts and jointly operated money trusts), but exclude negotiable certificates of deposit. It should be noted that new offerings of loan trusts have been suspended.

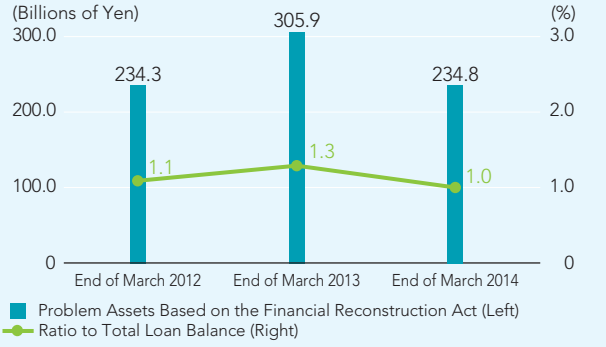


• Capital Adequacy Ratio, etc.* (Consolidated)

Sufficient levels were ensured due to such factors as sales of treasury stock.

As a result of sales of treasury stock and the accumulation of net income, the Common Equity Tier 1 ratio and total capital ratio improved by 1.02 and 0.68 of a percentage point from the end of the previous fiscal year to 9.32% and 14.78%, respectively, both of which were well above the regulatory required levels of 4.00% and 8.00%, 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. Basel Ⅲ newly defines "Common Equity Tier 1," which is comprised of capital components that can be used to cover unexpected losses and do not need to be repaid, such as common equity and retained earnings, and requires that the ratio of those capital components to risk-weighted assets, such as investments and loans, ("Common Equity Tier 1 ratio") must be kept higher than a prescribed level.



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

The ratio to total loan balance remained low at 1.0%.

The total balance of problem assets based on the financial reconstruction act, as a whole, decreased by ¥71.1 billion from the end of the previous fiscal year to ¥234.8 billion, mainly due to upgrades in credit status resulting from an improvement in the credit conditions of obligors. The ratio of problem assets based on the financial reconstruction act to the total loan balance decreased by 0.3 of a percentage point from the end of the previous fiscal year to 1.0%. As for the ratio of problem assets covered by collateral and the allowance for loan losses, the coverage ratio came to 96% for doubtful loans* and 71% for substandard loans*, indicating that a sufficient level of financial provision remained to be ensured.

Glossary

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

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

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

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

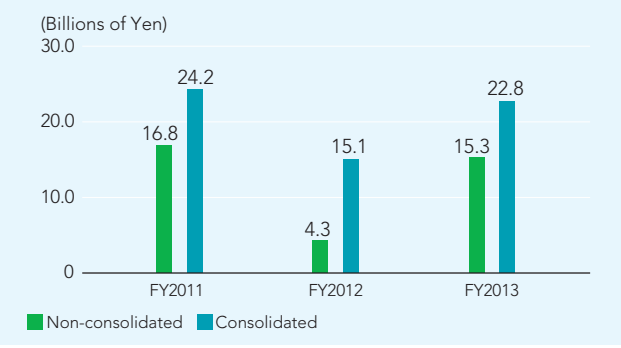
Capital Adequacy Ratio, etc.
Basel Ⅲ* defines the composition of capital in three steps: Common Equity Tier 1 capital, Tier 1 capital and total capital. The ratios obtained by dividing them by risk-weighted assets refer to Common Equity Tier 1 ratio, Tier 1 ratio and total capital ratio, respectively.

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

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

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

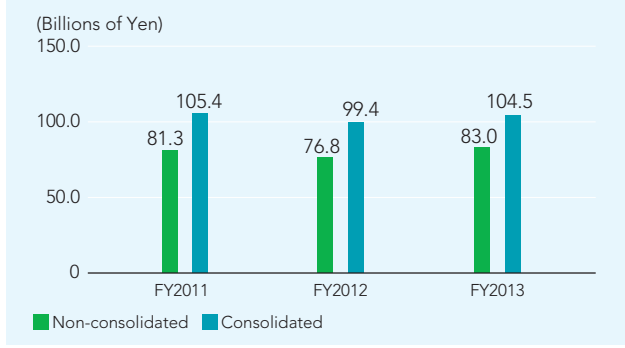
Net Business Profit before Credit Costs, by Business



• Retail Financial Services Business

Net business profit before credit costs increased mainly due to an improvement in fees from sales of investment trust and insurance products.

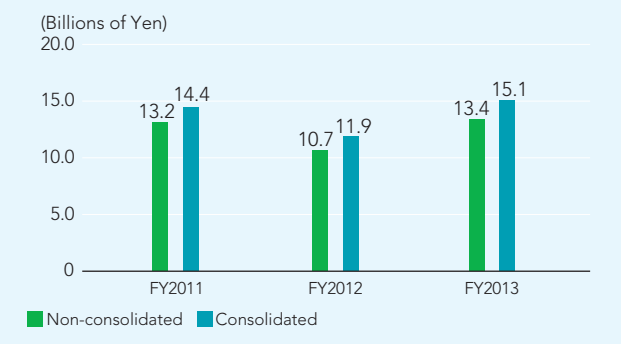
Fees from sales of investment trust and insurance products increased by ¥10.6 billion year on year due to a recovery in the market, while deposit income deteriorated as the interest rate declined. As a result, net business profit before credit costs increased by ¥11.0 billion year on year to ¥15.3 billion on a non-consolidated basis, and by ¥7.7 billion year on year to ¥22.8 billion on a consolidated basis.



• Wholesale Financial Services Business

Net business profit before credit costs increased mainly due to an increase in credit to overseas borrowers.

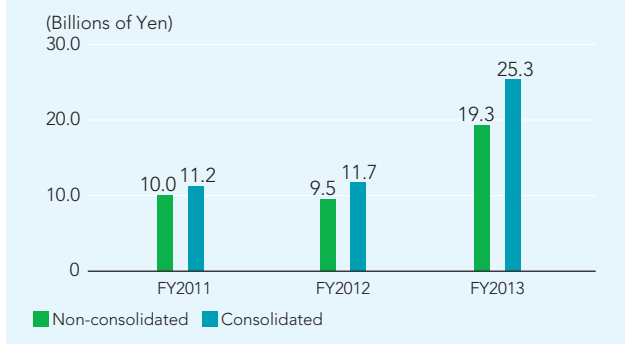
Net business profit before credit costs increased by ¥6.1 billion year on year to ¥83.0 billion on a non-consolidated basis, and by ¥5.0 billion year on year to ¥104.5 billion on a consolidated basis, due to expansion of credit to overseas borrowers, while domestic demand for financing continued to be weak.



• Stock Transfer Agency Services Business

Net business profit before credit costs increased because of the progress in the streamlining of administrative operations.

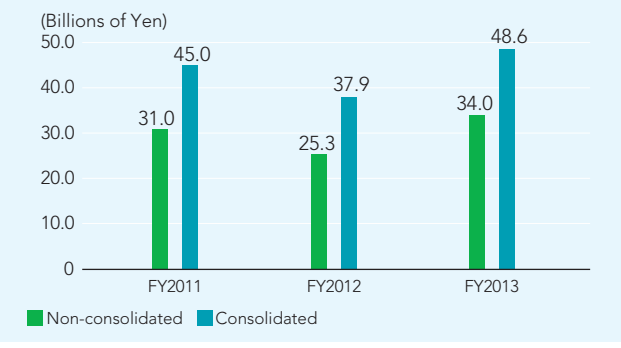
The number of shareholders under administration decreased due to a decline in the number of listed companies. However, the streamlining of administrative operations, including that of group companies, progressed. As a result, net business profit before credit costs increased by ¥2.6 billion year on year to ¥13.4 billion on a non-consolidated basis, and by ¥3.1 billion year on year to ¥15.1 billion on a consolidated basis.



• Real Estate Business

Net business profit before credit costs increased significantly due to an increase in brokerage fees.

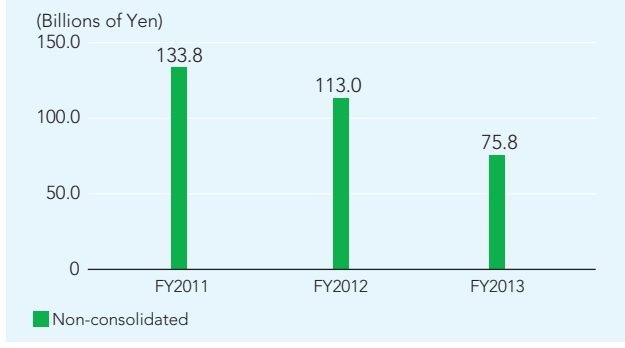
As real estate brokerage transactions increased dramatically, resulting from a recovery in the market, net business profit before credit costs increased by ¥9.7 billion year on year to ¥19.3 billion on a non-consolidated basis, while on a consolidated basis, including subsidiaries, it increased by ¥13.5 billion year on year to ¥25.3 billion.



• Fiduciary Services Business

Net business profit before credit costs increased due to an increase in the total market value of the balance of assets under management.

Net business profit before credit costs increased by ¥8.7 billion year on year to ¥34.0 billion on a non-consolidated basis, and by ¥10.7 billion year on year to ¥48.6 billion on a consolidated basis, mainly due to the effects of the rise in stock prices and the yen depreciation, as well as net cash inflows.



• Global Markets Business

Net business profit before credit costs decreased due to the prudent management of bond investments.

As the possibility of rising interest rates has increased both in Japan and abroad, bond investments were managed in a prudent way. As a result, net business profit before credit costs decreased by ¥37.2 billion year on year to ¥75.8 billion.

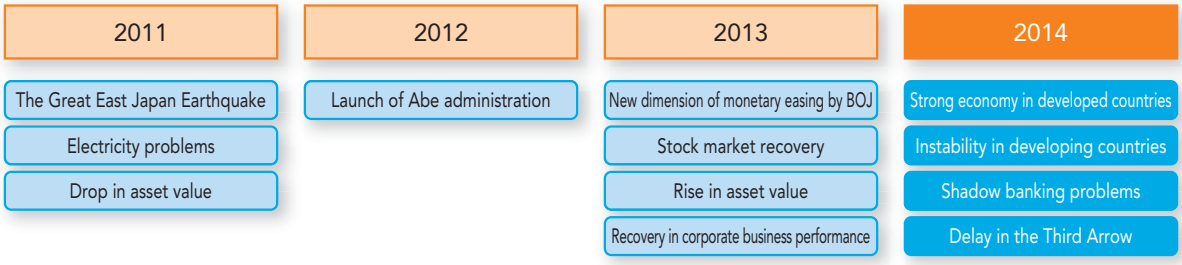
New Midterm Management Plan

The Group has launched a new midterm management plan for the three years from fiscal year 2014 to 2016 to revise the former midterm management plan published in 2011.

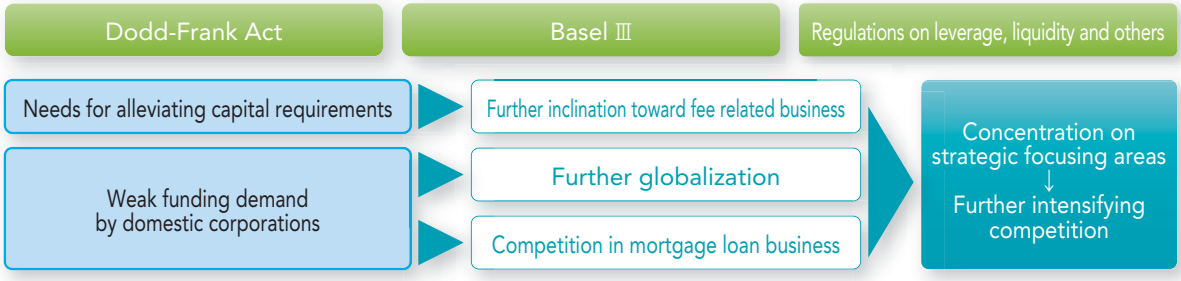
* Actual financial results may differ materially from the figures indicated in the plan, depending on various factors.

Environment Surrounding Financial Industry

Uncertainty in macro economy due to the instability in developing countries, while developed countries have strong economy

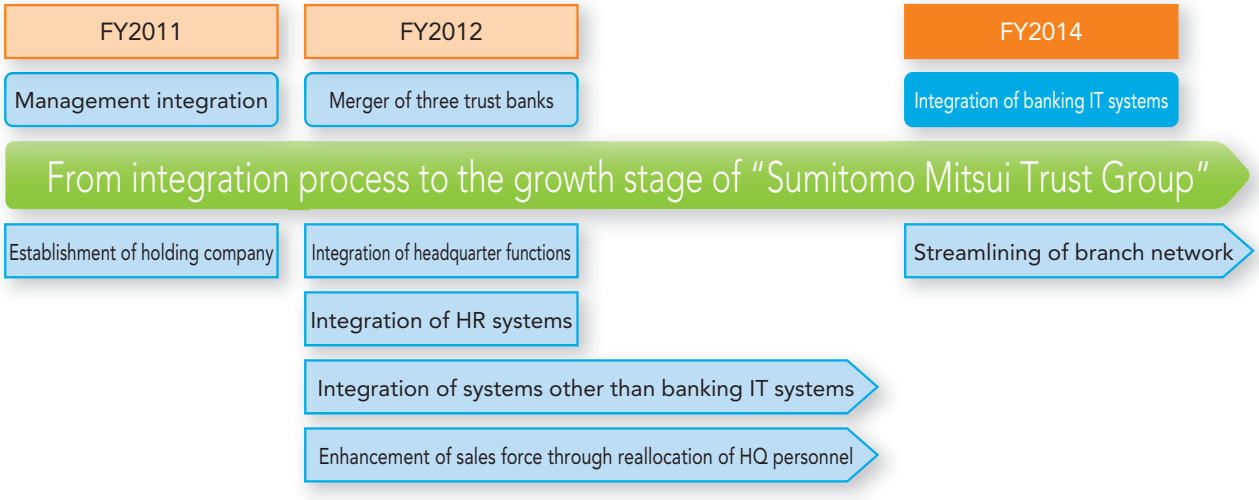


Severe competition among banks due to the concentration on strategic focusing areas



Developmental Process of Sumitomo Mitsui Trust Group

Transform from integration process to the growth stage after the banking IT system integration



Strategic Measures of the Midterm Management Plan

The theme of this midterm management plan is "challenge and creation," reflecting our commitment and resolve to ceaselessly pursue these goals in order to establish a lasting "trust relationship" with our shareholders and clients. To that end, we will address the following three priority issues.

1. Midterm Business Strategy

1st Pillar Strengthen Existing Businesses

2nd Pillar Expand Coordination Across Business Sections

3rd Pillar Growth through Global Business Developments

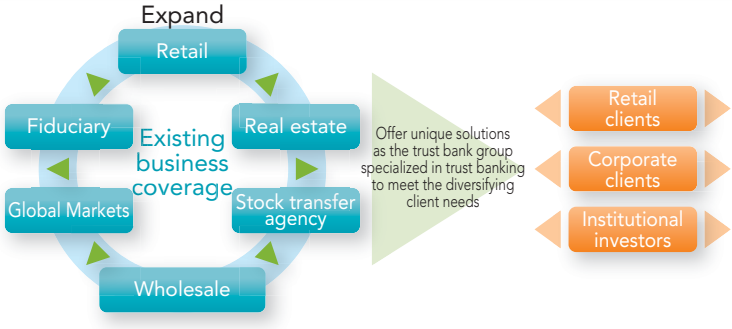
1st Pillar Strengthen Existing Businesses

Enhance Client Base:
- Deepen/Revitalize Businesses with Existing Clients, Cultivate New Clients
- Establish a Unique and Distinctive Marketing Model as the Trust Bank Group through the Coordination across Business Sections

Enhance Sales/ Consulting Capabilities:
- Upgrade Frontline Sales Efforts both in Quality and Quantity
  →Further Allocation of Personnel to Frontline Sales
  →Enhancement of Top Sales Opportunities
- Upgrade the Quality of Consulting Services according to Growth Stage/Lifecycle of Each Company and Each Individual Client

Enhance Product Line-up:
- Further Brush-up of Existing Product Line-up
- Offer Package Services with the Combination of related Products
- Expand Product Line-up through the Introduction of New Products

2nd Pillar Further Expansion through "Organic Collaboration" of Multiple Business Sections/Know-how Sharing across Groups



Response to Corporate Clients, Institutional Investors such as Pensions:
Offer Asset Management Solutions

Response to Private Banking Clients:
Offer Optimal Solutions to Meet Their Increasing Needs Surrounding Asset Succession

Response to Companies and Its Employees:
Offer Consulting for Systems such as Pension Systems, and for Financial Management according to the Life-styles and Others Depending on Their Growth Stage

3rd Pillar Growth through Global Business Developments

The Group accelerates its global business distinctive of a trust bank group through the enhancement of capabilities to offer total solutions with asset management and asset administration services, etc. in addition to the expansion of the banking business by utilizing the new business network in Asia, etc.

Major KPI

Business Areas		Strategic Keywords	Growth Indication	FY2013		FY2016
Retail	"Wrap Selection"*1	Increase administration and management fee revenue through the accumulation of wrap product balance	Balance	¥480 bn	▶	¥1 tr
Retail	Mortgage loan	Build up quality assets with quality clients	Balance	¥6.8 tr	▶	¥8.4 tr
Wholesale	Credit to Overseas Japanese borrowers	Expand credit to overseas Japanese borrowers to cover the weak domestic funding demand	Balance	¥2.7 tr	▶	¥3.2 tr
Wholesale	Credit to non-Japanese borrowers	Proactively accumulating assets with good risk and return profile by promoting sourcing capabilities in coordination with overseas financial institutions	Balance	¥2.5 tr	▶	¥4.1 tr
Real estate	Brokerage fee	Increase revenue by enhancing capability to acquire buy/sell information and improving contract closing ratio through strategic allocation of personnel	Revenue (Consolidated)	¥38 bn	▶	¥55 bn
Fiduciary	Asset management for overseas investors	Enhance asset management business for overseas investors including sovereign wealth funds*2	Asset under Management	¥0.6 tr	▶	¥1.6 tr
Fiduciary	Global custody	Build up AUC through expansion of client base and others	Asset under Custody	USD270 bn	▶	USD300 bn

*1 "Wrap Selection" is a collective term for "discretionary investment management products (wrap accounts)" as well as for "investment trusts" and "annuity insurance" offering the distinctive features of wrap accounts.
*2 A sovereign wealth fund is an investment fund funded by the government, also referred to as a government-owned investment fund.

2. Optimal Use of Management Resource

The Group will achieve both strategic reallocation of management resource and management efficiency through promotion of streamlining. We will pursue optimal reallocation of management resource by shifting personnel effectively to the strategic business areas which enable it to provide new value-added services as well as to the existing business areas which contribute to enhance the fee-related business and basic earning power through the "expansion for retail clients," "expansion of global business" and "enhancement of capabilities to offer total solutions."

Integration and streamlining of existing branches

Promote the integration and streamlining of branches after the completion of banking IT system integration in 2HFY2014

Establishing branch network through the sophisticated marketing

Develop optimal branch network including new branch launches through the marketing capturing the change in life style by aging domestic population

Enhancement of non-OTC channels

Enhance access to the mass retail market that are the future potential senior clients by strengthening the non-OTC channels such as internet banking functions and call center functions

Creation of human resource

Creation of human resource through the optimization of banking business operations by the completion of banking IT system integration
<Approx. 400 to 500 persons>

Reallocation of human resource

Reallocation of personnel to the business areas for growth strategy such as global business, private banking business and others

3. Enhancing the Financial Base and Refining the Stance on Risk Management and Compliance

In light of stricter financial regulations such as Basel Ⅲ, the Group will seek increased profitability and efficiency by both swiftly enhancing and expanding its financial base and effectively utilizing capital.

Financial and Capital Policies

We aim to maximize shareholder interests through the basic approach of ensuring adequate capital (in terms of both quality and quantity), enhancing our sound financial base, and pursuing enhanced capital efficiency.

Financial Targets	<Initial target> Common Equity Tier 1 capital ratio: approximately 10%
Policy on Reduction of Cross Shareholdings	<Reduction target> Approximately 50 to 100 billion yen in 3 years period.
Basic Policy on Returns for Shareholders	Our basic policy is to share profits with shareholders in accordance with profit level of each fiscal year. Dividend policy for common shares is to target approximately 30% as consolidated dividend payout ratio.

The Stance on Risk Management and Compliance

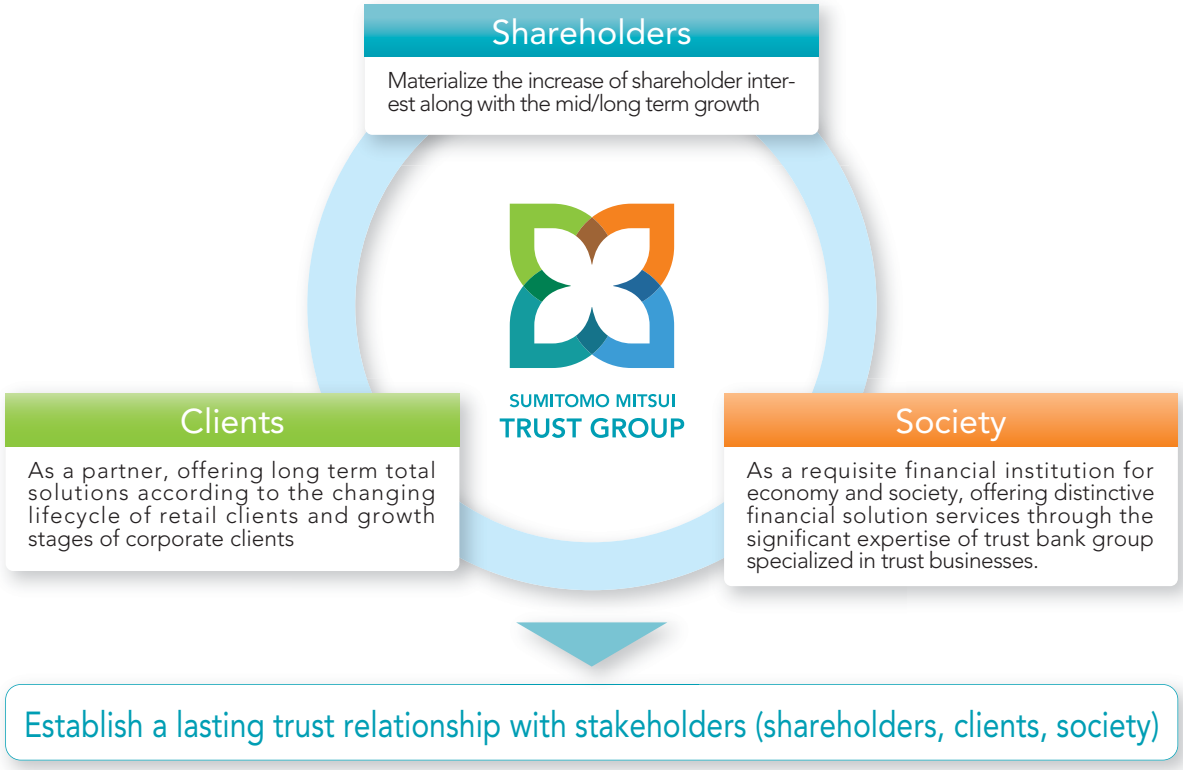
In terms of risk management, the Group has put in place an exhaustive system to safely and steadily carry out the integration work on its core IT systems scheduled for fiscal year 2014. On the compliance front, as a financial institution that emphasizes trust, the Group will strive to strengthen management, including thorough information management, exclusion of transactions with antisocial forces and enhancement of client information management.

Midterm Revenue and Financial Targets

The following revenue and financial targets are set to establish a dominant position as a requisite financial institution for clients and society.

		FY2013 Actual	FY2016 Target
Consolidated	Net business profit before credit costs	¥285.8 billion	¥355.0 billion
	Net income	¥137.6 billion	¥180.0 billion
	Return on shareholders' equity (ROE)	7.84%	8.50–9.00%
Non-consolidated	Net business profit before credit costs	¥211.8 billion	¥270.0 billion
	Overhead Ratio (OHR)	54.10%	45.00–50.00%
Long-term Target		Return on shareholders' equity (ROE) Approx. 10%	

Vision of Sumitomo Mitsui Trust Group



Special Feature

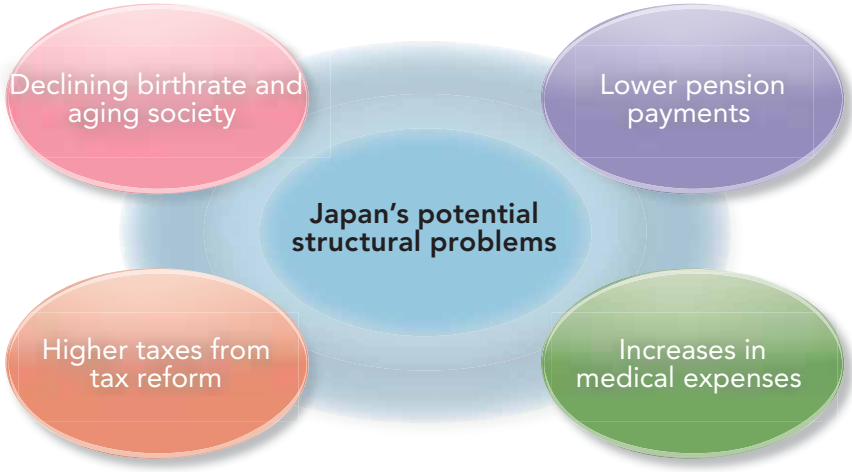
The Challenge of Being "The Trust Bank"

Asset Inheritance Business Strategies Unique to the Sumitomo Mitsui Trust Bank

The Group makes full use of its functions as an organization specialized in trust banking. It provides total solutions to respond to every aspect of increasingly diverse client needs related to succession and asset inheritance.

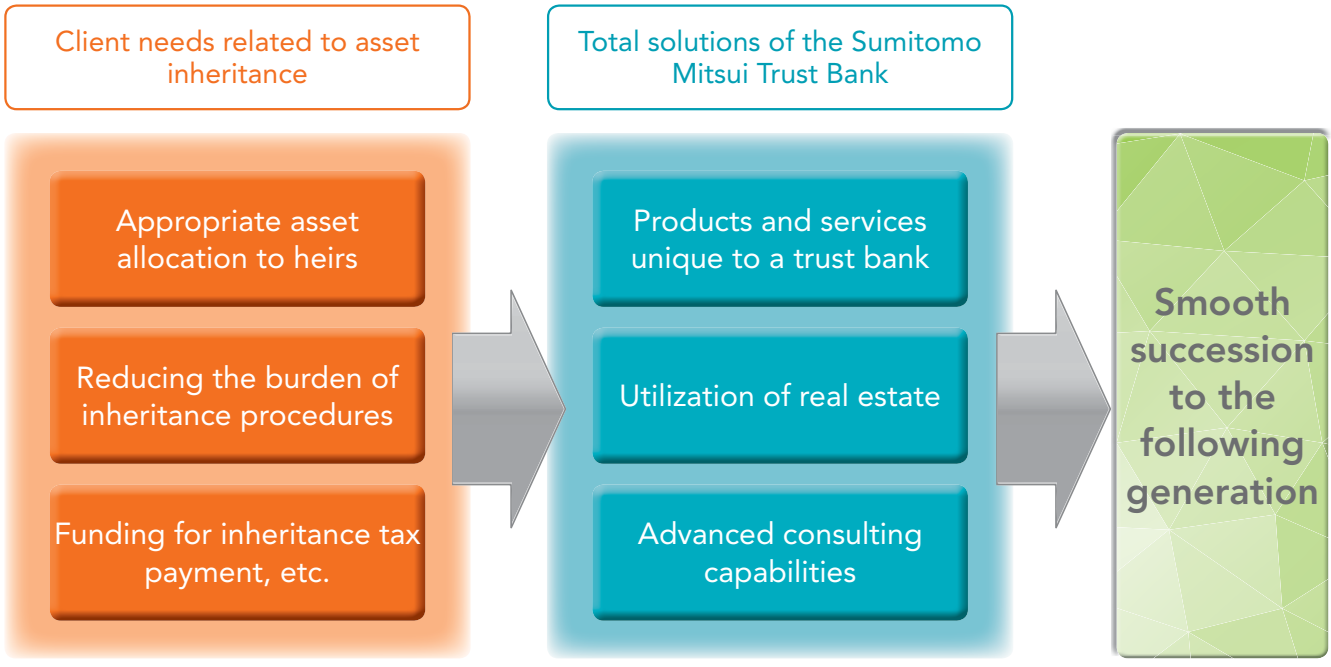
Environment Surrounding Our Clients

As Japan's birthrate continues to decline and its society ages, worries about the post-retirement years are growing, including higher copayment for medical expenses and lower pension payments. In addition, the fiscal 2013 tax reforms, which included a decrease in basic deduction for inheritance tax and a revision of the inheritance tax rate structure, will come into effect from January 2015. The needs of individual clients related to succession and asset inheritance are expected to become increasingly diverse in conjunction with these changes.



Client Needs and Total Solutions Unique to the Sumitomo Mitsui Trust Bank

In this environment, it is important to preserve assets through measures to smooth the succession process, as well as through fund gifts and other management options that take advantage of the tax exemption system. SMTB provides total solutions by fully leveraging its Group capabilities and demonstrating the expertise and consulting capabilities it has accumulated over the years toward solving the various asset-related issues and needs of our clients.



Total Solutions of the Sumitomo Mitsui Trust Bank

Products and services unique to a trust bank

We strive to enhance our product lineup in order to respond to the needs of clients who want to smoothly transfer their assets to family members.



- Will Trust
- Tuition Fund Endowment Trust
- Anshin Support Trust (Money Trust)
- Family Consideration Trust

Utilization of real estate

The Group, on the strength of its comprehensive capabilities, offers various real estate-related services, including the brokerage service of residences for inheritance or asset management purposes and the effective utilization of land.
We deal with consultations regarding residential properties upon client request, in collaboration with Sumitomo Mitsui Trust Realty Co., Ltd., the real estate brokerage company of Sumitomo Mitsui Trust Group.



- Brokerage
- Effective Utilization
- Changing Residence

Advanced consulting capabilities

Financial consultants of the Sumitomo Mitsui Trust Bank

SMTB has financial consultants, who are specialized staff unique to a trust bank. They propose a variety of solutions on the management, meticulous administration and inheritance of the assets of our clients, based on their significant expertise and abundant experience. In light of the dizzying transformations in the environment surrounding the assets of our clients, including changes in economic conditions and tax reforms, financial consultants carefully untangle complex problems and propose effective solutions.



Special Feature

The Challenge of Being "The Trust Bank"

Toward Establishing the No. 1 Trust Group in Asia

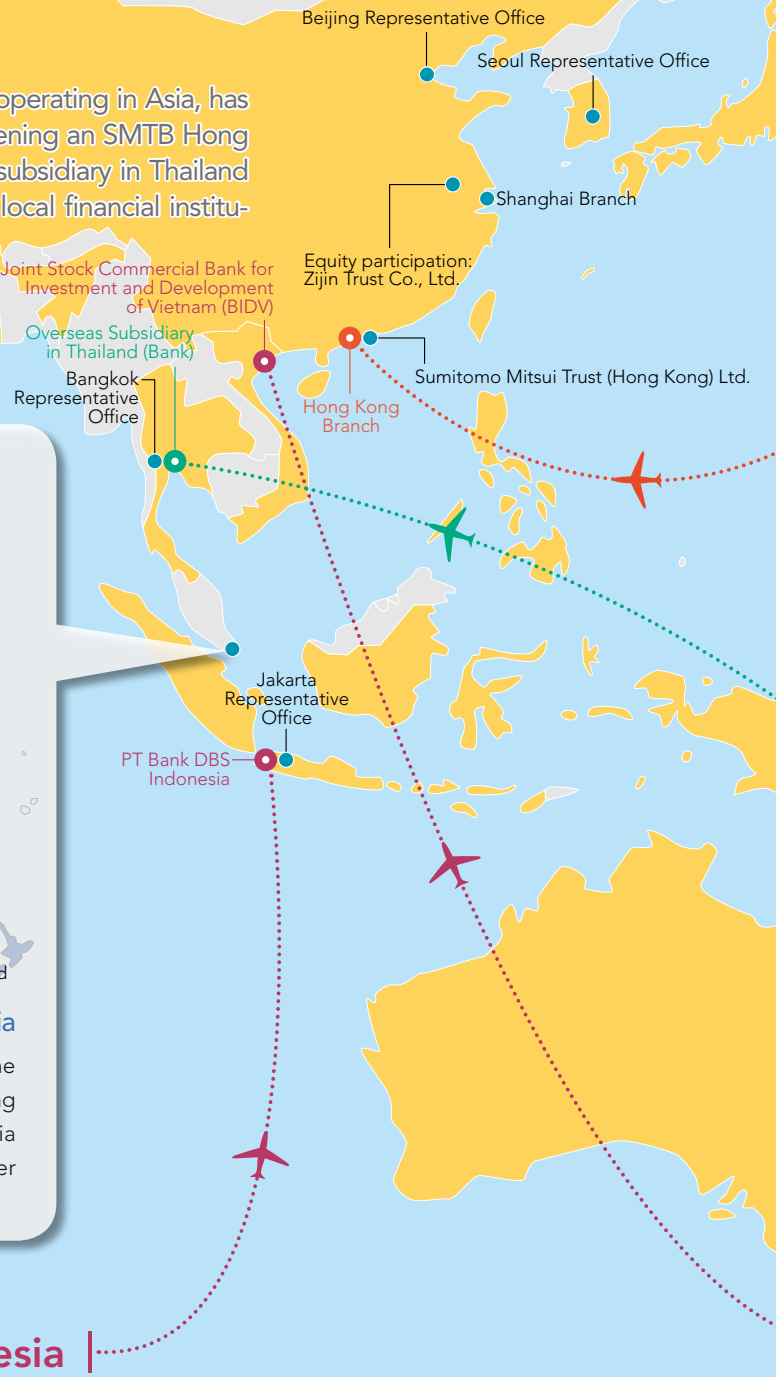
The Group, as part of its support for Japanese companies operating in Asia, has been expanding its financial network. Its efforts include opening an SMTB Hong Kong Branch, obtaining approval to establish an overseas subsidiary in Thailand and developing partnerships and cooperation with select local financial institutions, while it strives to enhance services for clients.

Expanding the Financial Network in Asia to Support Japanese Companies



Singapore Branch: Flagship Branch of Operations for Japanese Companies in Asia and Oceania

The Singapore Branch is the Group's largest banking base in the Asia/Oceania region. The Branch's service area is wide, extending from Singapore to Thailand, Indonesia, Vietnam, India, Australia and New Zealand. The Branch offers loans, deposits and other financial services to Japanese and non-Japanese companies.



Business Partnership in Indonesia

PT Bank DBS Indonesia

In December 2012, SMTB and PT Bank DBS Indonesia signed an MoU (Memorandum of Understanding) for collaboration in offering financial and banking services to Japanese companies operating in Indonesia. They commenced the operations in May 2013.

Through this cooperation with PT Bank DBS Indonesia a wide range of financial and banking services, including CMS, trade finance and derivatives are provided to Japanese companies.

Outline of PT Bank DBS Indonesia
(As of the end of December 2013)

Name	PT Bank DBS Indonesia
Establishment	1989
Head Office Location	Jakarta, Indonesia
Number of Business Bases	35
Total Assets	55 trillion 246.7 billion rupiah (approx. ¥490.0 billion)

Business Partnerships with Major Overseas Real Estate Companies and Asian Financial Institutions

Impressive track record of contracts for foreign investment in Japanese real estate



Japanese real estate is attracting more and more institutional investors and high-net-worth individuals in Asian countries as an investment target. With its large market size as well as its improving condition, SMTB is building up an impressive track record of contracts for foreign investment in Japanese real estate mainly through business partnerships with major overseas real estate companies and Asian financial institutions.

Opening of Hong Kong Branch

Opening a branch at one of the leading financial centers in Asia



In August 2013, SMTB opened a new branch in Asia's key financial market of Hong Kong and commenced operations, as part of an effort to reinforce the network in Asia. The Hong Kong Branch is the first new branch opened overseas since the management integration. It is also the fifth Overseas Branch Office.

The service area of the Hong Kong Branch extends from Hong Kong to South Korea, China and Philippines. The Branch focuses on business with Japanese and non-Japanese companies.

* Transactions with Japanese companies in mainland China are mainly handled by the Shanghai Branch.

Approval to Establish an Overseas Subsidiary (Bank) in Thailand

Meeting the baht-denominated funding needs of Japanese and non-Japanese companies operating in Thailand



In December 2013, SMTB applied with the Thai authorities for approval to establish an overseas subsidiary (a bank) in Thailand. Approval was obtained in May 2014, and in June we adopted a resolution to establish it.

SMTB will move forward with concrete preparations to start its banking business in fiscal year 2015 subject to approval of the relevant authorities.

SMTB will provide high-quality financial services backed by its experience as a trust bank mainly to the Japanese companies operating in Thailand, the core nation of the Mekong region (comprising Thailand, Cambodia, Laos, Myanmar and Vietnam).

Business Partnership in Vietnam

Joint Stock Commercial Bank for Investment and Development of Vietnam (BIDV)

In December 2013, SMTB and BIDV signed an MoU for a business partnership aimed at cooperation in providing loans in local currency and other banking services to Japanese companies operating in Vietnam.

Through this business partnership, SMTB will offer Japanese companies comprehensive financial services including financing in local currency and deposit and settlement services (payroll management, collection of funds, cash management, trade finance, foreign exchange, etc.).

Outline of BIDV (As of the end of June 2013)

Name	Joint Stock Commercial Bank for Investment and Development of Vietnam (BIDV)
Establishment	1957
Headquarters Location	Hanoi, Socialist Republic of Vietnam
Number of Business Bases	Approx. 700 (including branches and transaction offices)
Total Assets	520 trillion 714.7 billion Vietnamese dong (approx. ¥2 trillion 500.0 billion)

Comprehensive Capabilities of Sumitomo Mitsui Trust Group

The Group includes a number of companies in banking, trust, and real estate (76 consolidated subsidiaries and 28 equity method affiliates, as of March 31, 2014). Through collaboration with Sumitomo Mitsui Trust Bank, these Group companies generate synergies to provide total solutions that satisfy the needs of our clients.
Of these Group companies, we introduce Sumitomo Mitsui Trust Panasonic Finance Co., Ltd. in this installment.

Clients

Providing total solutions using the significant expertise and comprehensive capabilities that are unique to a trust bank group and are distinctive strengths of the Sumitomo Mitsui Trust Group

Retail Financial Services Business

- Sumitomo Mitsui Trust Wealth Partners Co., Ltd.
- Sumitomo Mitsui Trust Card Co., Ltd.
- Sumitomo Mitsui Trust Guarantee Co., Ltd.
- SBI Sumishin Net Bank, Ltd.

Wholesale Financial Services Business

- **Sumitomo Mitsui Trust Panasonic Finance Co., Ltd.**
- Sumitomo Mitsui Trust Loan & Finance Co., Ltd.
- Sumitomo Mitsui Trust Capital Co., Ltd.
- Sumitomo Mitsui Trust Investment Co., Ltd.
- Sumitomo Mitsui Trust (Hong Kong) Limited
- Zijin Trust Co., Ltd.

Stock Transfer Agency Services Business

- Tokyo Securities Transfer Agent Co., Ltd.
- Sumitomo Mitsui Trust TA Solution Co., Ltd.
- Japan Stockholders Data Service Company, Limited
- Japan Securities Agents, Ltd.

Sumitomo Mitsui Trust Group

Sumitomo Mitsui Trust Bank, Limited

Real Estate Business

- Sumitomo Mitsui Trust Realty Co., Ltd.
- Sumitomo Mitsui Trust Real Estate Investment Management Co., Ltd.
- Top REIT Asset Management Co., Ltd.
- Mitsui & Co., Logistics Partners Ltd.
- Sumitomo Mitsui Trust Research Institute Co., Ltd.

Fiduciary Services Business

- Sumitomo Mitsui Trust Asset Management Co., Ltd.
- Nikko Asset Management Co., Ltd.
- Japan Trustee Services Bank, Ltd.
- Japan Pension Operation Service, Ltd.
- Sumitomo Mitsui Trust Bank (U.S.A.) Limited
- Sumitomo Mitsui Trust Bank (Luxembourg) S.A.
- Sumitomo Mitsui Trust (Ireland) Limited
- Sumitomo Mitsui Trust (UK) Limited
- Sumitomo Mitsui Trust International Limited

Others

- HR One Corporation
- Sumitomo Mitsui Trust General Service Co., Ltd.
- Sumitomo Mitsui Trust Business Service Co., Ltd.
- Sumitomo Mitsui Trust Systems & Services Co., Ltd.

A Member of the Sumitomo Mitsui Trust Group

Sumitomo Mitsui Trust Panasonic Finance Co., Ltd.

"Banking x Manufacturing"—The Only One

Sumitomo Mitsui Trust Panasonic Finance Co., Ltd. ("SMTPFC") is a comprehensive finance company that provides diverse and advanced financial instruments, such as leasing, credits and finance services to a wide range of clients, supported by the customer base of Sumitomo Mitsui Trust Group and the Panasonic Group, which cover clients ranging from large companies and small and medium-sized enterprises to individuals.

Examples of Products and Services

Services for **Individual** Clients

Renovation loans

You may be required to make renovations of your own familiar home to make it barrier-free or to facilitate nursing care so that you can continue living there. SMTB and SMTPFC offer renovation loans to support clients in creating comfortable home environments and living spaces suitable for their retirement years.

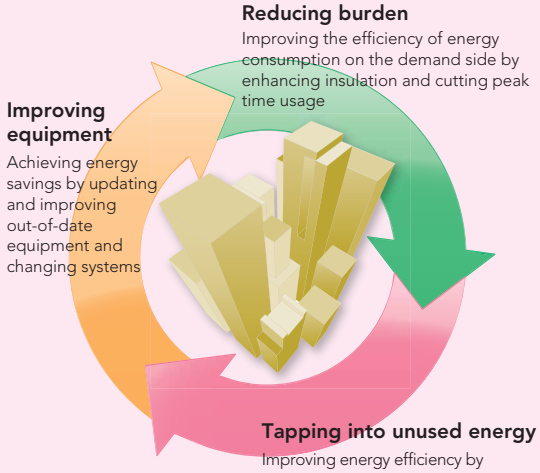


Services for **Corporate** Clients

Three energy-saving services on an open platform

SMTPFC is focused on providing the three following energy-saving services: 1) improving equipment, 2) reducing the demand-side burden, and 3) tapping into unused energy. On a global basis, the scale of Japan's investment in energy saving rivals that of investment in renewable energy and fossil fuel power generation.* There is significant potential for energy saving domestically too, mainly through these three options, and the field offers plenty of room for further introduction.

* Source: IEA (International Energy Agency) Energy Efficiency Market Report 2013



A brief message from a loan officer



I am responsible for renovation loan sales. There are various loan products available on the sales front, and sometimes they compete with each other, so I make a conscious effort to take advantage of the comprehensive capabilities of Sumitomo Mitsui Trust Group in my sales activities. Collaboration with each group company allows us to propose the product best suited to the client's needs, and I feel that this is a major strength.

Akane Kamada, Tokyo Branch

Company profile

Representative Director, President	Koichi Hozumi
Business Description	Comprehensive financial services (leasing business, credit business, finance business)
Date of Establishment	February 27, 1967
Headquarters Location	Seavans S Building, 2-3, Shibaura 1-chome, Minato-ku, Tokyo
Number of Employees	862 (as of March 31, 2014)

Topics

Topic 1

M&A Support in the Asia Region

In March 2014, SMTB decided to invest in CVC Capital Partners Asia Pacific IV (hereinafter "the Fund"), an Asia-dedicated fund managed by CVC Capital Partners (CVC)*. The deal was in cooperation with Japan Bank for International Cooperation (JBIC) and the U.K.'s CVC, a major buyout fund management company. The Fund, CVC's fourth Asia-dedicated buyout fund, carries out investments in companies that conduct business activities mainly in the Asia region, including Indonesia, Malaysia, Philippines, China, Hong Kong and Japan. JBIC and SMTB will each invest up to $50 million in the Fund.

In light of the increasing number of M&As (mergers and acquisitions) by Japanese companies in their overseas expansion, SMTB is pursuing cooperation with JBIC, which supports overseas expansion by Japanese companies, and with CVC, which has access to outstanding Asian companies. By doing so, SMTB will support M&As by Japanese companies and establish a framework that allows SMTB to capture M&A financing opportunities. At the same time, SMTB will introduce business partner companies and actively provide support in terms of financing.

* CVC Capital Partners is a long-established management company that carries out private equity investments mainly in Europe. Its assets under management is over $50 billion, making it one of Europe's largest alternative management companies.

Topic 2

Providing Information through Seminars, Individual Consultation Meetings and Publications

The fiscal year 2013 tax reforms, to go into effect in January 2015, included a decrease in the basic deduction for inheritance tax and a revision of the tax rate structure. It is estimated that many individuals who would not be obliged to pay inheritance tax under the current system will be subject to the tax from January of next year. For example, it is anticipated that one in three individuals who own a home in the Tokyo metropolitan area will be required to pay inheritance tax.

In this environment, we at SMTB held "Seminar on Measures to Smooth Succession Process" and "Individual Consultation Meetings on Inheritance, Wills, and Real Estate" at branches nationwide from February to March 2014. We leveraged the unique know-how of a trust bank to provide information that addresses the concerns and questions of clients.

In addition, in light of the tax reforms, SMTB has authored the *Inheritance Textbook* (published by TOYO KEIZAI, INC.), a book for laymen that clearly explains inheritance procedures, estate division and points about the tax system related to inheritance. The book offers "practically useful knowledge" that draws upon our many years of experience in assisting clients with inheritance-related consultations.





Topic 3

Awarded a Top Prize at the Nikkei Superior Products and Services Awards

The "Tuition Fund Endowment Trust – Devotion for Grandchildren," an SMTB product, was awarded the Nikkei Veritas Award for Excellence at the 2013 Nikkei Superior Products and Services Awards. The Nikkei Superior Products and Services Awards, now in its 32nd year, is a system of awards independently selected, reviewed and presented by Nikkei Inc. to recognize particularly outstanding new products and services from among those announced each year in Nikkei Inc.'s publications.

The Tuition Fund Endowment Trust is a product in which education funds held on deposit for grandchildren or others who are under the age of 30 are paid based on a request for payment from the grandchild or others. Under the fiscal year 2013 tax reforms, the gift tax is exempted on amounts up to ¥15 million per grandchild as a tax incentive in the case that lump-sum gifts to pay for education are made to grandchildren or others who are under the age of 30. The product is designed to address this system. The number of contracts has been growing steadily since its launch in April 2013. SMTB will make efforts to link the award to raising awareness of this product.



Topic 4

"Wrap Selection" Balance Tops ¥500 Billion

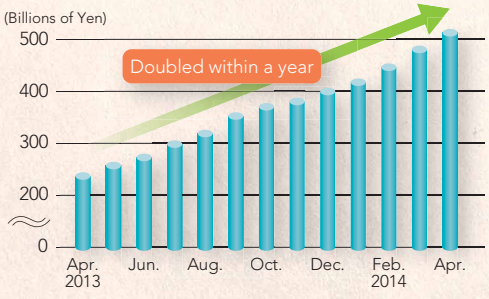
SMTB has developed its "Wrap Selection" series of wrap accounts, investment trusts and insurance products as trust-type products that allow clients to make long-term investments with peace of mind.

The "Wrap Selection" aims to put a check on price decline during market fluctuations and to realize stable returns by utilizing management know-how accumulated through years of handling corporate pension funds. The products attracted a wide range of clients throughout 2013, a year that saw considerable market volatility. In April 2014, the balance for the product series topped ¥500 billion.

The products attract clients who have been considering investing large funds such as retirement benefits, those who have little time to spare for asset management and those who find it difficult to manage assets on their own.

Discretionary Investment Management Products (Wrap Accounts)	• Sumitomo Mitsui Trust Fund Wrap • Sumitomo Mitsui Trust SMA
Investment Trusts	• Core Investment Strategy Fund (Balanced Type)/(Growth Type) (Conversion Type)
Annuity Insurance	• Wrap Life (Variable Annuity Insurance with Defined Portion Pension Funds (Designated Currency Type))

Trend of Wrap Selection Balance



Topic 5

Participated in 2014 ICGN Conference in Tokyo

The ICGN (International Corporate Governance Network) conference in Tokyo took place on March 3 and 4, 2014, under the auspices of Japan Exchange Group, Inc. It marked the second time for the ICGN conference to be held in Japan, following the Tokyo conference in 2001.

The ICGN is a non-profit organization formed by institutional investors as its main members. Since its establishment in 1995, it has developed as a global organization made up of leaders in corporate governance. It now has approximately 600 members, including many global investors, representing a total of over U.S. $18 trillion in assets under management.

Under the theme "Building a common language: a new era for company and shareholder dialogue," the conference brought together approximately 230 participants from Japan and abroad, including institutional investors and corporate and government officials, to discuss the topic of corporate governance.

In addition to supporting the conference as a main sponsor, SMTB also participated in a panel discussion held on the first day of the conference. Mr. Kawazoe, Associate General Manager of the Fiduciary Business Planning Department, served as a panelist and spoke about the concept of ESG investment from SMTB's perspective as Japan's largest asset management institution.





Topic 6

Approval to Establish an Overseas Subsidiary in Thailand

SMTB obtained approval from Thailand's Ministry of Finance in May 2014 to establish an overseas subsidiary in Thailand. SMTB will move forward with concrete preparations to start its banking business in fiscal year 2015 subject to approvals of the relevant authorities.

Among the Association of Southeast Asian Nations (ASEAN), Thailand is where the largest number of Japanese companies are operating and has long fostered industrial clusters of Japanese industries, mainly in the manufacturing sector. Even more economic growth is expected for Thailand, as it sits at the center of Greater Mekong Subregion and will be a member of the ASEAN Economic Community, which is scheduled to be established in 2015.

Through the establishment of an overseas subsidiary in Thailand, the Group aims to provide high-quality financial services to Japanese companies and other clients to enhance its business, which contributes to the growth of Thailand as well.

* A related article can be found on page 21 of the Special Feature.

Review of Operations

The Review of Operations provides an overview of Sumitomo Mitsui Trust Group's main businesses, encompassing six business categories and centered primarily on the Sumitomo Mitsui Trust Bank, Limited.

Business Outline

Retail Financial Services Business
P28

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

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

Wholesale Financial Services Business
P32

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

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

Stock Transfer Agency Services Business
P37

Management of Shareholder Lists,
Legal Affairs Consulting related to Shares Practices,
IR/SR Consulting,
IPO Support Services, etc.

We make effective use of the wealth of information we derive from our broad client base and provide high value-added, fine-tuned services, including legal affairs consulting related to shares practices, support for IR/SR (Investor Relations/Shareholder Relations) consulting, and IPO (initial public offering) support services.

Real Estate Business
P42

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

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

Fiduciary Services Business
P48

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

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

Global Markets Business
P56

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

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

Other Subsidiaries
P58

Review of Operations:

Retail Financial Services Business



1. Business Outline

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

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

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

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

Our loans to individuals include housing loans provided through various channels such as major developers and house makers and the Internet. They also include a selection of products that reflect unique qualities as a trust bank to respond to user requirements, taking into account the different life stages of each generation.

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

In all these operations, we try to be trustworthy consultants for our clients, so that we may become their trusted advisor, and provide comprehensive and professional services that meet their needs.

2. Product and Service Outline

Deposits

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



Foreign Currency Revolution



Asset Management Support Plan

Investment Trusts

Taking advantage of having two asset management companies in the Group—Sumitomo Mitsui Trust Asset Management Co., Ltd. and Nikko Asset Management Co., Ltd.—we provide useful products for clients' asset building. In addition to our core asset management products, which focus on long-term portfolio diversification, we offer products that feature a versatile lineup of investment targets and styles in order to provide timely products that match the ever-changing investment environment.

Additionally, we have been pursuing various initiatives in conjunction with the launch of NISA (a Japanese version of the individual savings accounts) in January 2014, including the expansion of the "Sumitomo Mitsui Trust NISA Selection," which is a group of products suited to the characteristics of NISA, and the development of "Promenade Serenity" Package, which offers insurance coverage for any injuries suffered when not at home to customers who have met certain conditions when purchasing investment trusts under the NISA system.



Core Investment Strategy Fund

Discretionary Investment Management Products

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

To accompany these products, we offer the "Lifelong Serenity" package, which provides coverage for such health risks as cancer and nursing care to provide peace of mind even in worst-case scenarios.



Sumitomo Mitsui Trust Fund Wrap

Life Insurance Products

Clients can utilize the insurance mechanism to invest their precious assets. We offer a versatile product lineup to provide peace of mind to clients at various stages throughout their lives, including the "Annuity Insurance," which may be used as one of the asset management instruments for covering the shortfall in public pension benefits, etc., and preparing for a comfortable second life, as well as the "Single Premium Whole Life Insurance" and the "Level Premium Whole Life Insurance," which allow clients to securely transfer their assets to their families.



Variable Annuity Insurance "Wrap Life"

Loans

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

We also provide other loans, such as the "Reverse Mortgage," which is a loan that uses the house as collateral when borrowing funds for a more comfortable lifestyle, the "Housing Card Loan" home equity loan, and the "Apartment Loans" for the construction or renovation of apartments.

Asset Administration

We offer the "Tuition Fund Endowment Trust" (also referred to as "Devotion for Grandchildren"), in which Sumitomo Mitsui Trust Bank, Limited ("SMTB") manages educational funds granted as gifts to grandchildren and the "Family Consideration Trust" (lump-sum type/annuity type), which supports family living expenses in the event of an inheritance.

We also provide the "Anshin Support Trust" (money trust type), which enables custom-tailored payout of funds and other functions for clients who want their assets to be preserved and administered over the medium to long term.

We also realize social contributions through means of trusts, including the guardianship system support trusts, special donation trusts, social contribution donation trusts and charitable trusts.



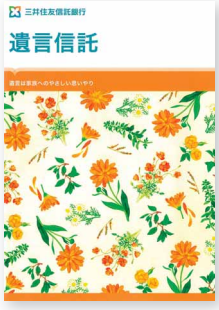
Tuition Fund Endowment Trust ("Devotion for Grandchildren")



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

Asset Inheritance

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



Will Trusts

Private Banking

For our business proprietor clients, we offer a wide range of products and services including custom-tailored asset-management products, business succession consulting and stock sale trusts. Leveraging our banking, trust and real estate functions, we offer services including comprehensive corporate banking transactions, real estate brokerage services and consulting for effective land utilization to provide proactive support both from the standpoint of business administration and personal assets.

3. Group Companies

Sumitomo Mitsui Trust Wealth Partners Co., Ltd.	Sumitomo Mitsui Trust Wealth Partners provides high-level professional consulting services to clients with asset and business succession needs. In addition to the professional consultants at Sumitomo Mitsui Trust Bank, Limited ("SMTB"), the company offers custom-tailored consulting services that meet the requests of each client through collaboration with tax accountants and lawyers.
Sumitomo Mitsui Trust Card Co., Ltd.	Sumitomo Mitsui Trust Card issues the "Sumitomo Mitsui Trust VISA Point Club Gold Card," an affiliated credit card for earning points through transactions with SMTB, and the "Sumitomo Mitsui Trust VISA Platinum Card," the highest-grade VISA card, providing higher-value-added credit services.
Sumitomo Mitsui Trust Guarantee Co., Ltd.	Sumitomo Mitsui Trust Guarantee was founded in 1978 to guarantee loans to individuals. It provides guarantees for clients using housing and card loans offered by SMTB. The balance of its loan guarantees has been increasing in tandem with an expansion in housing loan operations.
SBI Sumishin Net Bank, Ltd.	SBI Sumishin Net Bank, a bank that specializes in Internet banking business, was founded in 2007. Instead of limiting operations to settlement and asset management services, the bank has been trying to realize a "fullbanking service, Internet-only bank by providing more easy-to-use and attractive products and services than those offered by other banks, 24 hours a day, 365 days a year." Armed with all the conventional banking functions (deposits, asset management, loans and settlement), the bank offers a wide range of services that include cash accounts available 24 hours a day, foreign currency deposits allowing for real-time transactions, joint services with the accounts of SBI Securities Co., Ltd., and non-face-to-face transactions for housing and card loan services. SBI Sumishin Net Bank achieved profitability in its third year of operation. In the fiscal year ended March 2014, the bank had attained steady growth, with the total number of accounts reaching about 2.0 million, outstanding deposits totaling approximately ¥3.0 trillion, and housing loans (cumulative record of lending) exceeding ¥1.7 trillion, while its capital adequacy ratio is 9.0% or higher, indicating a sound financial position. The FY 2013 Japanese Customer Satisfaction Index (JCSI) survey said SBI Sumishin Net Bank scored the highest JCSI rating in the banking industry for the fifth straight year. It has also received high ratings in many other client satisfaction surveys.

Review of Operations:

Wholesale Financial Services Business



1. Business Outline

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

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

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

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

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

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

2. Product and Service Outline

Syndicated Loans

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

Real Estate Non-Recourse Loans

In real estate finance, we are proactively taking advantage of a wide range of investment and loan opportunities through various types of financings including real estate non-recourse loans, financings to REIT (Real Estate Investment Trust) and real estate equity investments.

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

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

Project Finance

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

Asset Finance

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

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

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

M&A Finance

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

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

Consulting for Corporate Clients

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

Asset Securitization

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

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

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

Electronic Monetary Claim Services

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

Sales of Asset Management Products

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

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

M&A Advisory

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

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

As solutions to the various welfare-related issues of corporate clients, the Group is actively offering new programs and schemes, such as Japanese version ESOPs, which contribute to revitalizing ESOP associations and promoting a sense of employee participation in management, installment saving programs, employees' saving programs, and housing loans, which enable the reduction of the asset management burden on companies, while at the same time helping employees' asset building efforts.

3. Group Companies

Sumitomo Mitsui Trust Panasonic Finance Co., Ltd.	Sumitomo Mitsui Trust Panasonic Finance was jointly established with Panasonic Corporation. It is a comprehensive finance company that provides advanced financial instruments, such as leasing and credit services, and credit card financing services to a wide range of clients, supported by the customer base of Sumitomo Mitsui Trust Bank, Limited ("SMTB") and the Panasonic Group, which cover clients ranging from large companies to small and medium-sized enterprises and individuals. The company is playing a role in helping the Group to upgrade its proposal development capabilities, so as to better respond to the diversifying financial needs of its clients.
Sumitomo Mitsui Trust Loan & Finance Co., Ltd.	Sumitomo Mitsui Trust Loan & Finance is a mortgage loan company which is wholly owned by SMTB. Focusing on the value of real estate and liquidity in the provision of loans, it responds flexibly and promptly to the various financing needs of its small and medium-sized corporate clients as well as its individual clients. The company meets a variety of financing needs with a full line-up of loans for real estate acquisition, housing loans, loans for small and medium-sized commercial-use properties, and loans which use real estate as collateral.
Sumitomo Mitsui Trust Capital Co., Ltd.	As a private equity investment specialist of the Group, Sumitomo Mitsui Trust Capital develops proactive investment activities by fully utilizing its sophisticated investment know-how and extensive networks. The company accepts investments from a wide range of investors, from financial institutions to business enterprises and pension investors. It also conducts investment operations mainly in mezzanine capital into private equity investment areas to provide investors with high-quality investment opportunities for portfolio diversification.
Sumitomo Mitsui Trust Investment Co., Ltd.	As a member of the Group, Sumitomo Mitsui Trust Investment provides various services for the management of private equity funds and related advisory services. In addition to the establishment and management of investment partnerships, the company undertakes management, administration and monitoring of fund investments, and also provides solutions for securitization as well as advisory services for private equity-related investments including M&As.
Sumitomo Mitsui Trust (Hong Kong) Limited	Sumitomo Mitsui Trust (Hong Kong) is a wholly owned overseas subsidiary of SMTB. It conducts securities investment and investment advisory services, including advice on private equity fund investment.
Zijin Trust Co., Ltd.	Zijin Trust is a trust company in China that is owned 19.9% by SMTB. Its head office is located in Nanjing, the capital city of Jiangsu Province. The province is home to many high-net-worth individuals. As China's second-largest host for Japanese companies after Shanghai, it is expected to achieve high economic growth. Zijin Trust will contribute to the growth of China's trust market through the extension of support to Japanese corporations operating in China and the provision of trust products and services to local Chinese companies and high-net-worth individuals.

Stock Transfer Agency Services Business



1. Business Outline

Our Stock Transfer Agency Services Business undertakes stock-related services on behalf of stock-issuing companies, allowing clients to outsource stock-related services, increase their administrative efficiency and rationalize their administration. As an "agent of record for listed companies" provided for in the Companies Act, we ensure swift and accurate execution of a multifaceted array of corporate actions, assumed on behalf of stock-issuing clients and all done in accordance with legal and taxation rules. These services encompass annual tasks, namely, maintaining shareholder lists, sending out voting notices and invitations to shareholders' general meetings, and calculating and distributing dividends, in addition to corporate events including mergers, share exchanges, and the transfer of shares.

Professional services by Sumitomo Mitsui Trust Group (the "Group"), with many specialized staff possessing a wealth of experience, have helped enhance its reputation. The Group accounts for more than 40% of the shareholders and listed companies under management in Japan's stock transfer agency services market. We provide legal support concerning stock-related matters for companies issuing stock, offer the timely provision of information on stock-related matters, hold regular seminars, and publish practical guides on stock-related matters, etc. We also take advantage of vast amounts of information from our extensive fiduciary services base, as well as our domestic and overseas networks, to provide fine-tuned support for corporate clients' IR (investor relations) and SR (shareholder relations) operations. In addition, our specialized staff provides legal consulting services to companies pursuing initial public offerings (IPOs) from the IPO preparation stage, conducting practical IPO support services from the Group's own unique vantage point, which differs from those of securities companies and auditing firms.

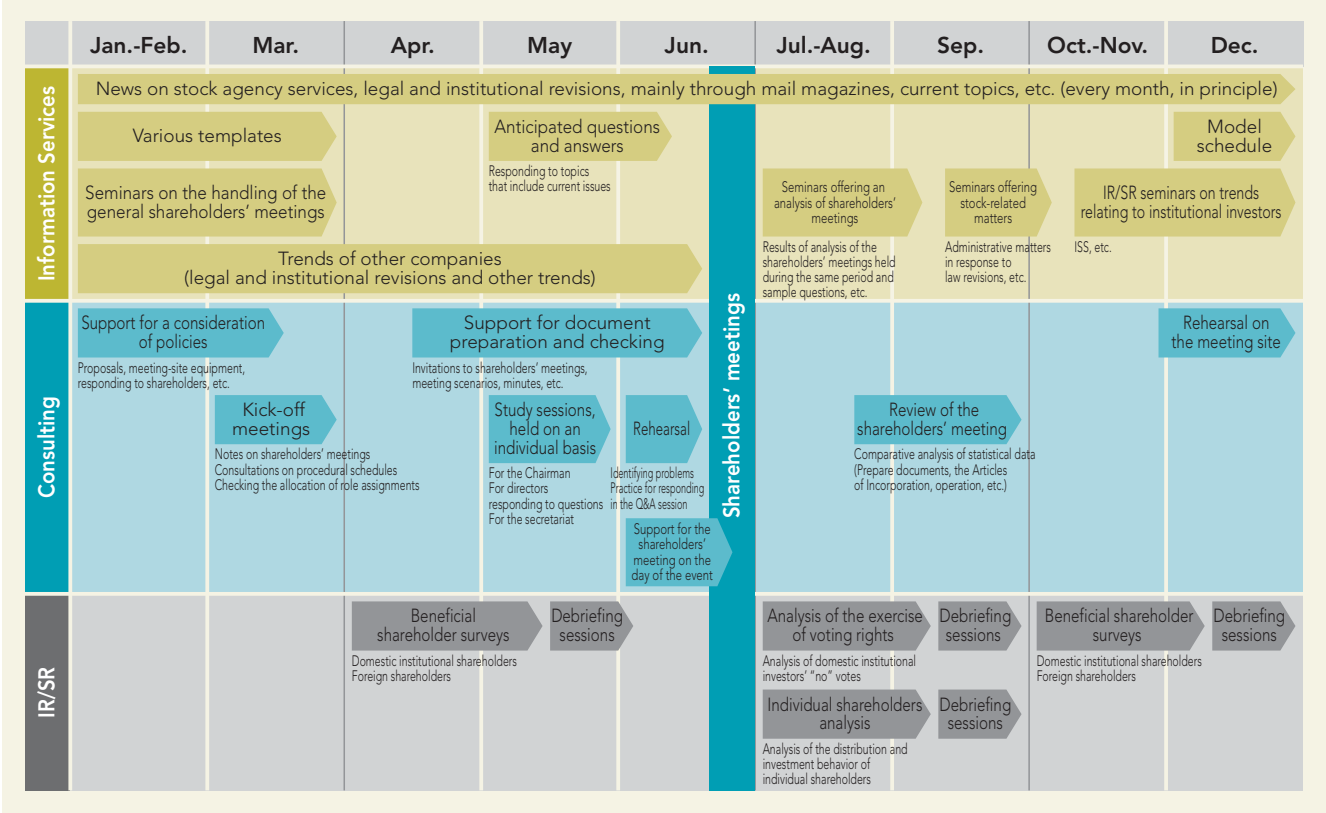
The issues concerning stock-related matters are becoming increasingly complicated, and the ability to provide consulting and information is more important than ever, as are significant expertise and accurate operational capabilities. Such issues include responses to revisions in relevant laws, such as the Companies Act and the Financial Instruments and Exchange Act, stock-related matters pertaining to M&As, and means for ascertaining the shareholdings of foreign institutional investors and individual shareholders, etc. The Group seeks to become a partner in stock-related administrative matters and shareholder strategies, rather than just a clerical agent, to support the improvement of its clients' enterprise value.

2. Product and Service Outline

Legal Consulting Services for Stock-Related Matters

We provide fine-tuned consulting services that meet clients' circumstances in regard to various stock-related matters, including the handling of shareholders' meetings, reorganization strategies, and capital policies. The Group has a "dedicated legal affairs consulting team for stock-related matters" in the Stock Transfer Agency Business Advisory Department, and it employs well-experienced legal affairs consultants at its three major operating bases—Tokyo, Osaka and Nagoya. These consultants hold seminars for business owners on chairing shareholders' meetings as well as various seminars and study sessions on an individual basis for stock issuing companies on such themes as the Companies Act and the handling of the general shareholders' meeting. In January 2014, the Group published "Sugu Wakaru! Kabushiki Jitsumu no Point" ("Easy to understand key points on stock-related matters") to be used as standard reference of stock-related matters for persons in charge and management. The publication was followed by "Kabushiki Jitsumu/Kabunushi Soukai no Point 2014" ("Key points on stock-related matters and general shareholders' meetings 2014") in March 2014. This publication explains in plain language key points, judicial precedents and reference formats concerning general shareholders' meetings. It is highly regarded by stock-issuing companies, which recognize its value for providing timely and practical information that supports a company's stock-related matters and general shareholders' meetings.

• One-Year Timeline Showing Types of Support Provided for Stock-related Matters (for companies settling in March)



IR/SR* Consulting Services

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

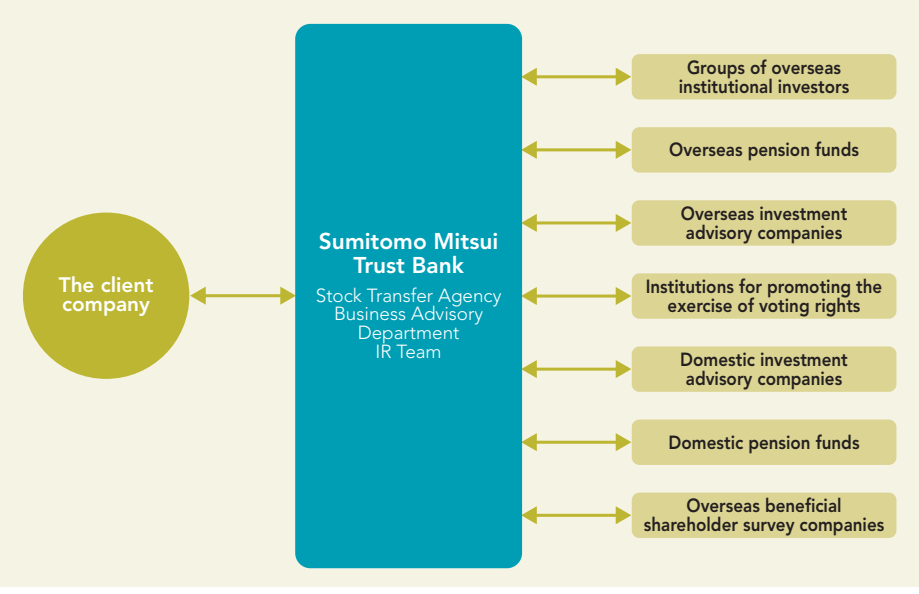
* Investor Relations (IR) and Shareholder Relations (SR)
Investor relations (IR) refers to public relations activities that target investors, specifically the full range of activities by which corporations provide to shareholders and investors the information they need to make investment decisions in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

IR Support Services

The Group provides support for the entire range of its clients' IR activities aimed at domestic and overseas institutional investors and individual shareholders.

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

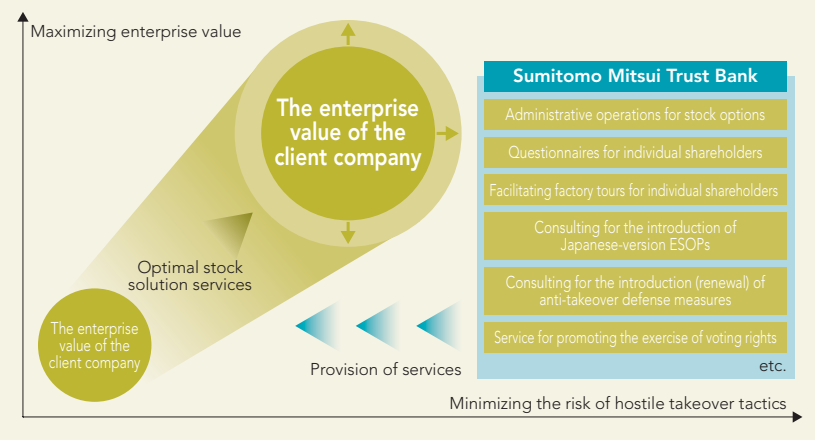
• Wide and Close-knit Network with Domestic and Overseas Institutional Investors



SR Support Services

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

• Support for Enhancing Enterprise Value



IPO Support Services

Our specialized staff, possessing a wealth of experience, cooperate with Initial Public Offerings (IPO) service partners, which include auditing firms as well as securities companies that serve as IPO lead managers to provide procedural support for client corporations planning an IPO in a fine-tuned manner. These support services include preparing shareholders' registries, articles of incorporation and other company rules, and capital policies required for stock-related administrative matters such as capital increases, stock splits, and stock options.

• Details of Support Toward IPOs

Schedule	Client	Stock transfer agency (SMTB)
Stage before pre-IPO	**Deciding on an IPO** • Selection of the stock transfer agency • Preparation of the stock registry • Preparation of company rules, such as the Articles of Incorporation	• Advising on the preparation of the shareholders' registry and other relevant documents • Drafting revisions to the Articles of Incorporation • Proposing stock handling rules
Pre-IPO stage	**Implementing capital policy** • Private share offering • Introduction of stock options • Issuance and exercise of subscription rights to new shares	• Preparing procedures and schedules for capital increases • Presenting stock applications, etc. • Extending support for the introduction of stock options and preparation of the relevant schedules • Proposing the invitations for shareholders' meetings, minutes of the Board of Directors meetings and other statutory documents
IPO stage	**Launching an IPO** • Revision of Articles of Incorporation • Stock splits • Public offering and selling of shares	• Drafting the necessary revisions to the Articles of Incorporation ahead of the IPO (including the repeal of restrictions on share transfers) • Preparing procedures and schedules for stock splits • Stock-related services for public offerings and the selling of shares • Implementing rehearsals for general shareholders' meetings

3. Group Companies

Tokyo Securities Transfer Agent Co., Ltd.	Tokyo Securities Transfer Agent specializes in stock transfer agency services. For about 50 years since its founding in 1962, it has provided clients with useful services from the clients' perspective as a specialized stock transfer agency. As an agent of record for listed companies, the company offers comprehensive stock-related consulting services, which include providing support to clients preparing for IPOs, and working closely with clients to offer fine-tuned consulting services unique to a stock transfer agency.
Sumitomo Mitsui Trust TA Solution Co., Ltd.	Sumitomo Mitsui Trust TA Solution commenced operations in 2002 as a company specializing in administration and systems operations for the entire range of stock transfer agency services with the aim of enhancing the efficiency and competitiveness of these services. It is working to raise the level of administration for shareholders' registries through the development of more efficient business flows, while moving forward assertively in the Business Process Outsourcing (BPO) market and working to create new value.
Japan Securities Agents, Ltd.	Japan Securities Agents specializes in stock transfer agency services. For about 60 years since its founding in 1950, it has been providing stock transfer agency related services and securities/financial industry platforms, giving top priority to fine-tuned services based on abundant practical experience and expertise, while processing clerical work promptly and accurately. The company also performs securities business operations to put clients' investment trusts and general claims in its account at Japan Securities Depository Center, Inc., and undertakes the administration, clearance and settlement thereof on behalf of clients.
Japan Stockholders Data Service Company, Limited	Japan Stockholders Data Service was established in collaboration with Mizuho Trust & Banking Co., Ltd. in 2008 to undertake back-office operations for stock transfer agency services after the shift to the electronic share certificate system in January 2009. It undertakes the administration of the shareholders' registry and the special account on stock transfer agency operations, as well as system development and management for related services.

Review of Operations:

Real Estate Business



1. Business Outline

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

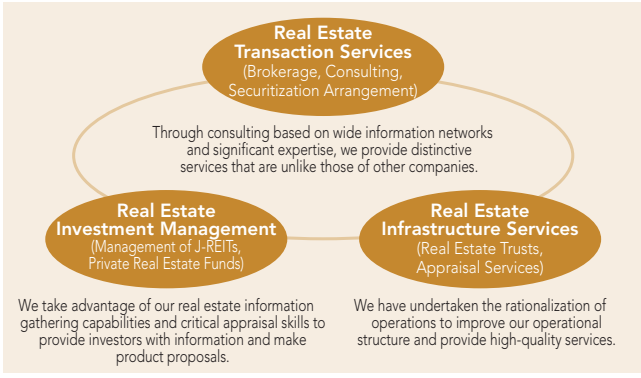
In our real estate transaction services covering real estate brokerage, consulting and real estate securitization arrangement, we provide distinctive services that are unlike those of other companies through consulting based on wide information networks and significant expertise. In our real estate investment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

We are actively working to develop the environmentally friendly property business, which is expected to grow in tandem with the tightening of environmental regulations pertaining to real estate. Additionally, we are making every effort to globalize our Real Estate Business in order to meet the needs of overseas investors seeking to invest in Japanese real estate and the needs of domestic clients seeking to expand overseas.

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

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

• Real Estate Business Model



2. Product and Service Outline

Real Estate Transaction Services

Real Estate Brokerage

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

Consulting on Effective Use of Real Estate and in Construction

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

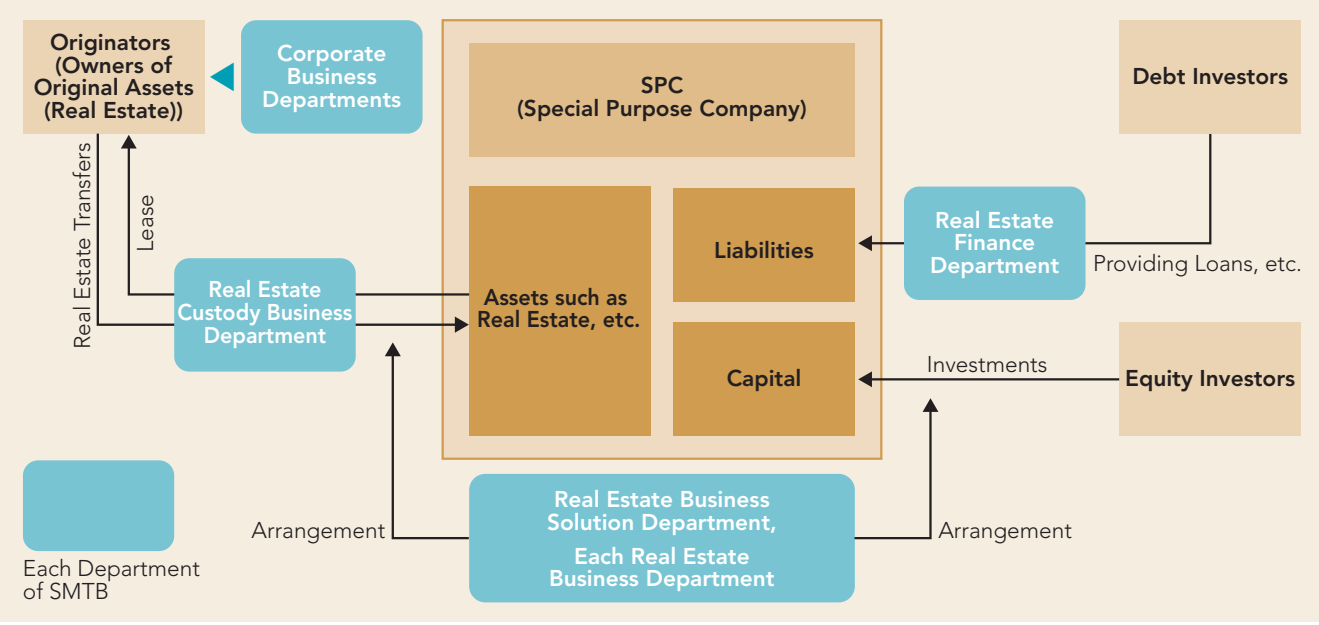
In our CRE (Corporate Real Estate) consulting service, we review real estate property holdings and utilization strategies that are consistent with clients' corporate strategies, and analyze client-owned properties to propose strategies for making the most efficient real estate investments in order to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

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

Real Estate Securitization Arrangement

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

• **Real Estate Securitization Schemes and the Role of SMTB**



Real Estate Investment Management

Real Estate Investment Advisory Services

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

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

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

• Flow of Real Estate Investment Consulting Services

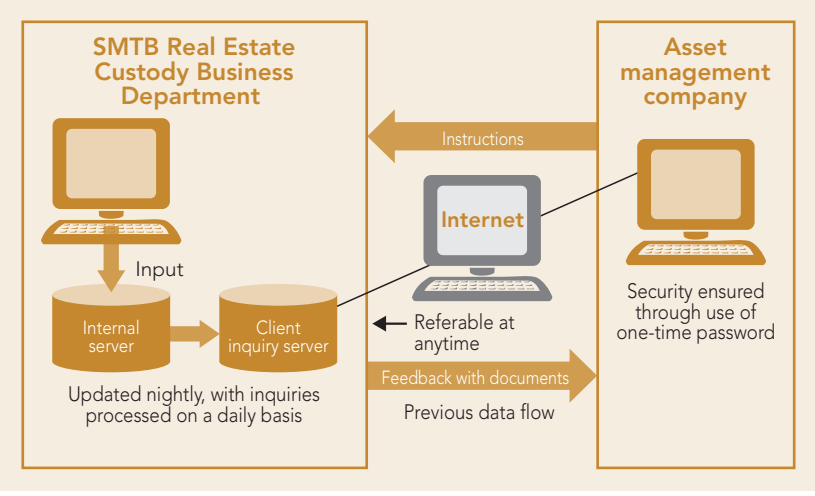


Real Estate Infrastructure Services

Real Estate Trusts

In order to meet the growing need for trust services in the real estate securitization market, we are promoting the rationalization of operations using a real estate total management system ("SMART") and enhancing our business structure. We have also been improving computer system functions to meet client needs, launching a service in January 2008 that allows investors and other clients to make inquiries about accounting information via the Internet.

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



Real Estate Appraisal and Assessment

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

3. Group Companies

Sumitomo Mitsui Trust Realty Co., Ltd.	Sumitomo Mitsui Trust Realty provides not only brokerage services for the sale and purchase of residential properties, including land, single-family houses and condominiums, but also various services regarding real estate transactions for investment and business purposes utilizing the Group's nationwide network. The company promptly responds to inquiries about the effective utilization, inheritance and donation of real estate, and also about housing loans.
Sumitomo Mitsui Trust Real Estate Investment Management Co., Ltd.	Sumitomo Mitsui Trust Real Estate Investment Management plays a role in the Group's asset management business as a real estate investment management company, managing private real estate funds for investors, mainly institutional investors. Taking advantage of the Group's comprehensive real estate capabilities, namely its powerful information network, real estate brokerage function, real estate trust function, and professional construction consulting and due diligence functions, the company provides fund management and asset management services.
Top REIT Asset Management Co., Ltd.	Top REIT Asset Management is a J-REIT (Japanese Real Estate Investment Trust) asset management company sponsored jointly by Sumitomo Mitsui Trust Bank, Limited and Oji Real Estate Co., Ltd. It is an asset manager for TOP REIT, Inc., investing mainly in office buildings, commercial facilities and residential real estate properties, utilizing the "real estate and financial know-how" of its sponsors, which have their own unique features.
Mitsui & Co., Logistics Partners Ltd.	Mitsui & Co., Logistics Partners was jointly established by MITSUI & CO., LTD. and Kenedix, Inc. as an asset management company for J-REIT. It manages Japan Logistics Fund Inc. (JLF), which is the first Japanese REIT dedicated to logistics properties in Japan and invests in various domestic logistics facilities.
Sumitomo Mitsui Trust Research Institute Co., Ltd.	Sumitomo Mitsui Trust Research Institute is a think tank specializing in real estate. It conducts studies and proposals on urban problems, and theoretical and practical studies on real estate. Based on the accumulation of such studies, it provides clients with research and consulting services specializing in the real estate market and the real estate finance area.

Review of Operations:

Fiduciary Services Business



1. Business Outline

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

Our balance of assets under management stood at approximately ¥70 trillion (as of March 31, 2014), the highest among Japanese bank and securities company groups. The Fiduciary Services Business is working together with the Group as a whole to seamlessly deploy the high-level expertise and know-how that are highly regarded by clients in order to enhance our foundation as an asset management group.

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

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

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

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

2. Product and Service Outline

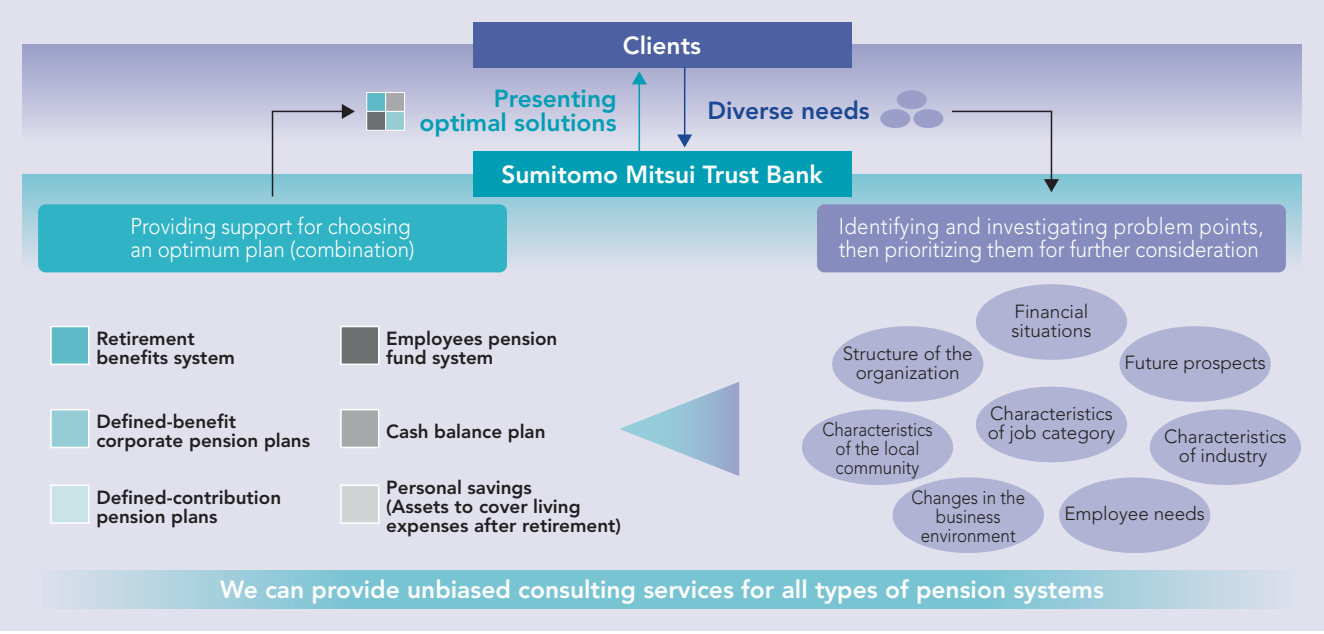
Pension-related Business

Consulting for Pension System Planning

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

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

• Flow of Consulting Services



Pension Investment Consulting

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

Administration of Subscribers and Beneficiaries

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

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

Asset Management Business

Asset Management Products and Services

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

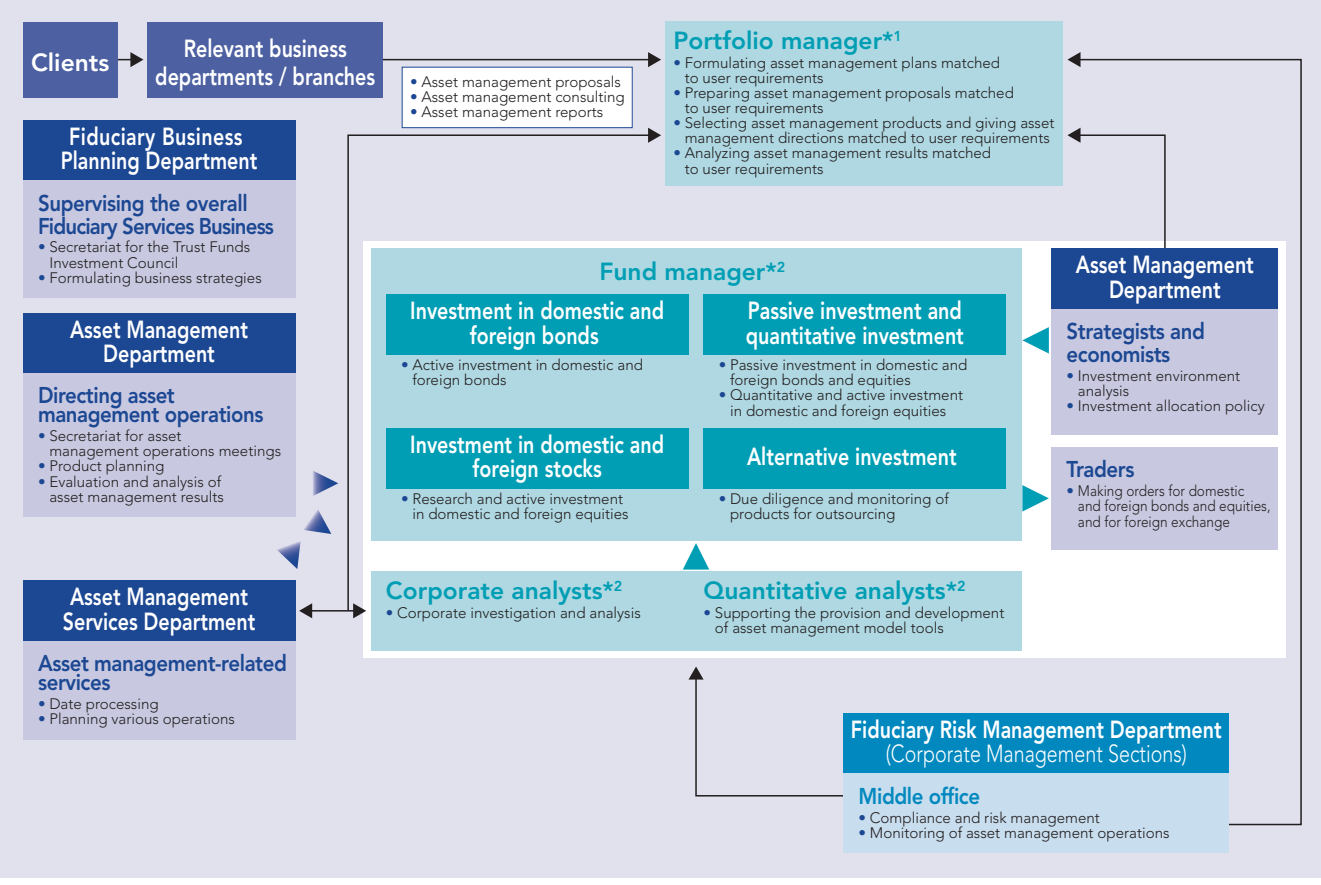
In addition to people with such significant expertise and other resources, the Group has enhanced its capability to create added value by drawing on a wide variety of know-how.

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

Asset Management Structure

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

• Asset Management Structure of Sumitomo Mitsui Trust Bank



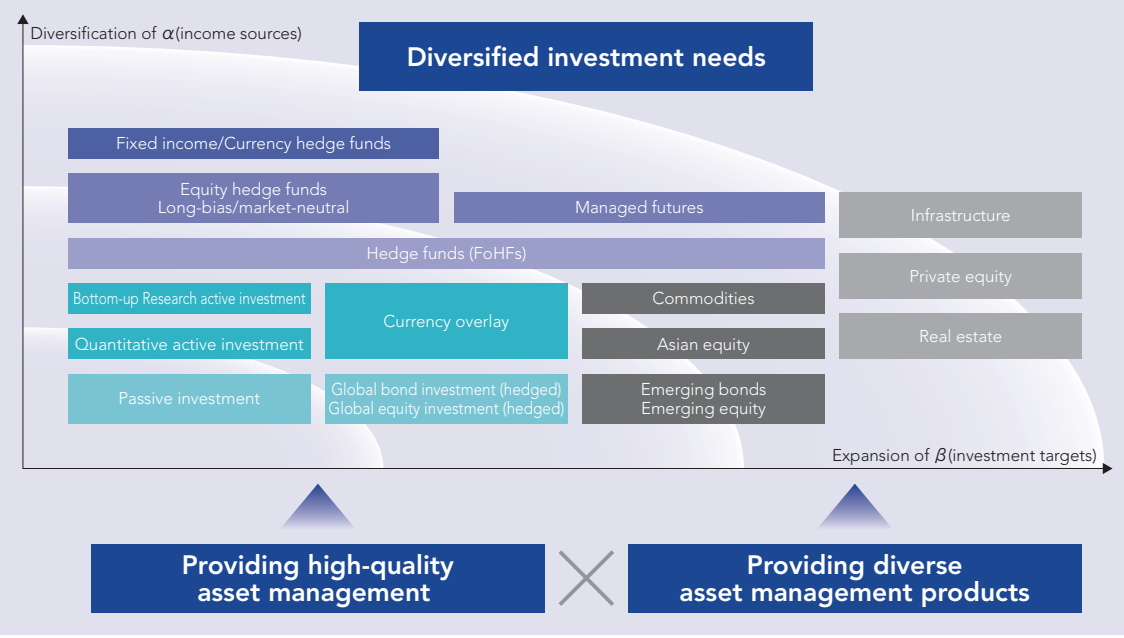
*1 Portfolio managers etc. : Pension Investment Department, Pension Funds Administration Department, Trust Funds Investment Department, Global Fiduciary Business Department

*2 Fund managers and analysts: Fixed Income Investment Department, Equity Investment Department, Investment Research Department, Passive and Quantitative Investment Department, Alternative Assets Investment Department

Providing High-quality Products

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

• Multi-product Lineup



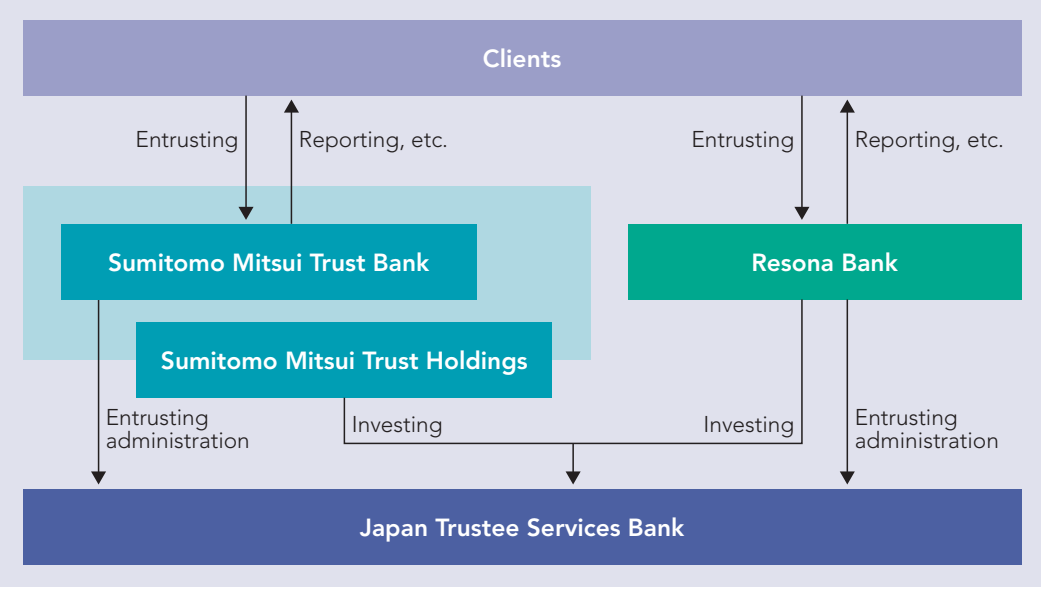
Asset Administration Business

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

Pursuing Economies of Scale

Seeking to capitalize on economies of scale in asset administration operations, we have entrusted the administration of trust assets to Japan Trustee Services Bank, Ltd. The Group and Resona Bank, Limited have jointly invested in Japan Trustee Services Bank, which is Japan's largest asset administrator, with entrusted assets of ¥203 trillion (as of March 31, 2014). We have concentrated the know-how and management resources accumulated by relevant companies over a long time to deliver high-level asset administration services to clients, and to utilize the returns granted by economies of scale to make the execution of these services all the more efficient.

• Flow of Operations



Overseas Asset Administration Business

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

3. Group Companies

Sumitomo Mitsui Trust Asset Management Co., Ltd.	As an asset management company directly under Sumitomo Mitsui Trust Group, Sumitomo Mitsui Trust Asset Management's assets under management total ¥4,867.8 billion (as of March 31, 2014). Utilizing the Group's comprehensive capabilities, the company conducts investment management and high-quality marketing support operations, meeting the asset management needs of a wide range of clients, from individuals to corporations.
Nikko Asset Management Co., Ltd.	As an independent asset management company in Sumitomo Mitsui Trust Group, Nikko Asset Management engages in asset management operations featuring strengths in product development capabilities, asset management expertise and marketing support capabilities. With ¥16,304.7 billion in assets under management (as of March 31, 2014), the company has earned high marks in the industry, and attesting to its global expertise accumulated over a long time, it won the "Asian Investor Investment Performance Awards 2014" in April 2014. It offers high-value-added products and services to a wide range of clients, including individuals as well as corporations, through its diverse domestic and overseas sales networks.
Japan Trustee Services Bank, Ltd.	Japan Trustee Services Bank is a trust bank specializing in asset administration business on one of the largest scales in Japan. Utilizing the trust assets that have been entrusted by Sumitomo Mitsui Trust Bank, Limited ("SMTB") and Resona Bank, Limited, it provides securities administration services for corporate pension trusts and securities investment trusts and other trusts, and performs trust operations and banking operations related to asset administration. As a leading and highly specialized trust bank that focuses on the custody business, the bank takes advantage of one of the largest scale of assets in Japan to efficiently administer clients' assets and data and provide high-quality services.
Japan Pension Operation Service, Ltd.	Japan Pension Operation Service is a joint venture between SMTB and Mizuho Trust & Banking Co., Ltd. In the administration of corporate pension funds, it performs processing, undertakes computer system development, and operates systems.

Sumitomo Mitsui Trust Bank (U.S.A.) Limited	Sumitomo Mitsui Trust Bank (U.S.A.) is a wholly owned subsidiary of SMTB. It acts as the central base of the Group's global custody services, coordinating a network of more than 90 markets around the world. Making full use of its strengths as a Japanese custodian bank, Sumitomo Mitsui Trust Bank (U.S.A.) offers Japanese-language support and other fine-tuned and high-quality custody services, giving full consideration to the needs of Japanese institutional investors.
Sumitomo Mitsui Trust Bank (Luxembourg) S.A.	Sumitomo Mitsui Trust Bank (Luxembourg) is a wholly owned subsidiary of SMTB. It conducts foreign securities administration operations, mainly in the European market as a sub-custodian bank and as a European contact for Sumitomo Mitsui Trust Bank (U.S.A.).
Sumitomo Mitsui Trust International Limited	Sumitomo Mitsui Trust International is a wholly owned subsidiary of SMTB. It offers fiduciary and sales services of investment products for overseas investors, as well as securities lending services, mainly for Japanese and European stocks.
Sumitomo Mitsui Trust (UK) Limited	Sumitomo Mitsui Trust (UK) is a wholly owned subsidiary of SMTB. It conducts administration operations for securities and other investments held by domestic and overseas investors.
Sumitomo Mitsui Trust (Ireland) Limited	Sumitomo Mitsui Trust (Ireland) is a wholly owned subsidiary of SMTB. It conducts foreign-domiciled fund administration operations.

Review of Operations:

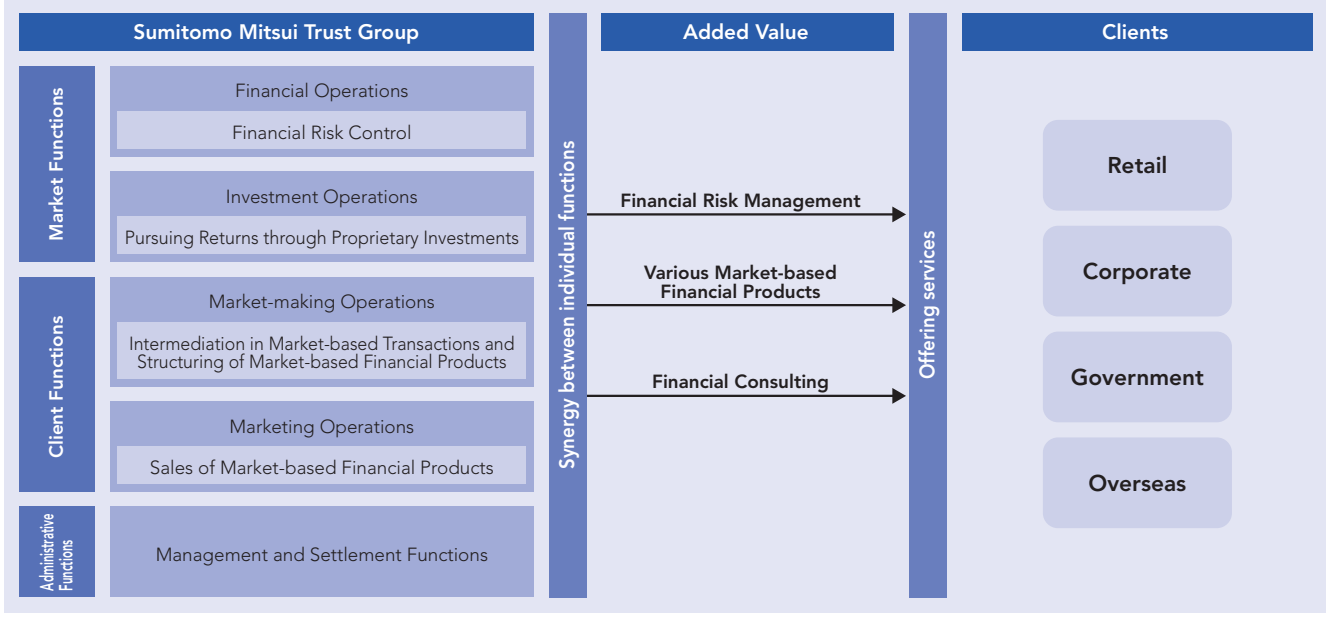
Global Markets Business



1. Business Outline

To meet our clients' needs for asset management and risk management regarding such matters as interest rate derivatives and foreign exchange-related transactions, we provide solutions through the structuring and marketing of market-based financial products. Our global markets business functions are broadly divided into market functions, client functions and administrative functions. Market functions are comprised of financial operations and investment operations. Client functions, providing services to both individual and corporate clients, include market-making operations and marketing operations.

• Global Markets Business Model



2. Product and Service Outline

Market Functions

Financial Management Operations

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

Investment Operations

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

Client Functions

Market-making Operations

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

Marketing Operations

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

Administrative Functions

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



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

Review of Operations:

Other Subsidiaries

Sumitomo Mitsui Trust Business Service Co., Ltd.	Sumitomo Mitsui Trust Business Service Co., Ltd. is a wholly owned subsidiary of SMTB. It receives consignments for administrative processing and performs temporary staffing and employment placement assignments, providing reliable and efficient high-quality clerical services as well as precise and swift staffing and job placement mainly for SMTB and Group companies.
Sumitomo Mitsui Trust Systems & Services Co., Ltd.	As a company supplying IT systems support for the Group, Sumitomo Mitsui Trust Systems & Services Co., Ltd. provides a wide range of high-quality comprehensive services from systems-related planning and proposals to development of large projects as well as systems management.
HR One Corporation	HR One Corporation is one of Japan's largest outsourcing service companies for human resources-related business processes. It has received contracts from over 200 companies including its major shareholders, Panasonic Corporation, Mitsubishi Corporation, Kao Corporation, and SMTB. The company drives growth in the BPO market by providing high-quality services and leveraging economies of scale.

Management Structure:

Corporate Governance, Internal Control 60

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Client Protection Management 65

Risk Management 66

Capital Management 68

Information Disclosure System and Internal Auditing 69

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Initiatives to Facilitate Financing 71

CSR (Corporate Social Responsibility) 73

Management Structure:

Corporate Governance, Internal Control

1. Basic Policy

Under the following management principles, Sumitomo Mitsui Trust Group (the "Group") are establishing a management structure that it deems appropriate for a leading trust bank group which boasts the largest scale and highest status in Japan, combining the banking, asset management and administration, and real estate businesses.

—Management Principles—

- Swiftly provide comprehensive solutions to its clients by fully utilizing its significant expertise and comprehensive capabilities.
- Adhere to the principles of sound management based on a high degree of self-discipline with the background of "Trustee Spirit" and establish strong credibility from society.
- Strive to fulfill all shareholder expectations by creating distinct values through fusing the various functions featuring the trust bank group.
- 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.

2. Outline of Corporate Governance System

(1) Role of Sumitomo Mitsui Trust Holdings in the Group

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

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

(2) Business Execution and Supervision System

In the Group, some of the directors of Sumitomo Mitsui Trust Holdings are concurrently directors or external directors at Sumitomo Mitsui Trust Bank and are responsible for ensuring effective implementation of business strategies and management within the Group. With greater management transparency in mind, especially given the rapid transformation of the business environment, the term for all directors has been set at one year.

The majority of our corporate auditors are external auditors to ensure the independence of the audit function, and this contributes to a system that can perform sufficient audits. In addition, the Group takes measures, such as that some of the corporate auditors hold concurrent positions as auditors at Sumitomo Mitsui Trust Bank, and a system is in place to supervise the management of subsidiaries.

Under the Board of Directors is established the Executive Committee, chaired by the President with participation of relevant officers. The Executive Committee addresses material issues relating to the execution of business activities, in line with basic policy established by the Board of Directors, and undertakes preliminary discussions pertaining to the Board of Directors' resolutions.

The CSR Council, and other committees such as the Business Management Committee have been established.

This system works for the transparency and soundness of management, and for faster decision making.

(3) Internal Control

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

At Sumitomo Mitsui Trust Holdings, in order to accomplish the four above-mentioned objectives, the Board of Directors decides the Basic Policy on Internal Control for development of the following systems: (1) Compliance system, (2) Risk management system, (3) Business execution system, (4) System to obtain transparency of management, (5) Management system to ensure the appropriateness of operations at the Group, (6) Information storage

and management system, (7) Internal auditing system, and (8) System regarding audits by corporate auditors. For the systems that have been developed and operated based on these policies, please refer to pages 60–69.

(4) Audit

Sumitomo Mitsui Trust Holdings has adopted a corporate auditor system, with a Board of Corporate Auditors comprised of two full-time auditors and four part-time auditors (external auditors), a total of six corporate auditors.

In accordance with the policy on audit and the allocation of duties determined by the Board of Corporate Auditors, the corporate auditors attend the Board of Directors and other important meetings, and receive reports from directors regarding the status of execution of duties. They also browse important documents, investigate the headquarters, receive business reports from subsidiaries as necessary, etc. They thereby audit the directors' execution of duties.

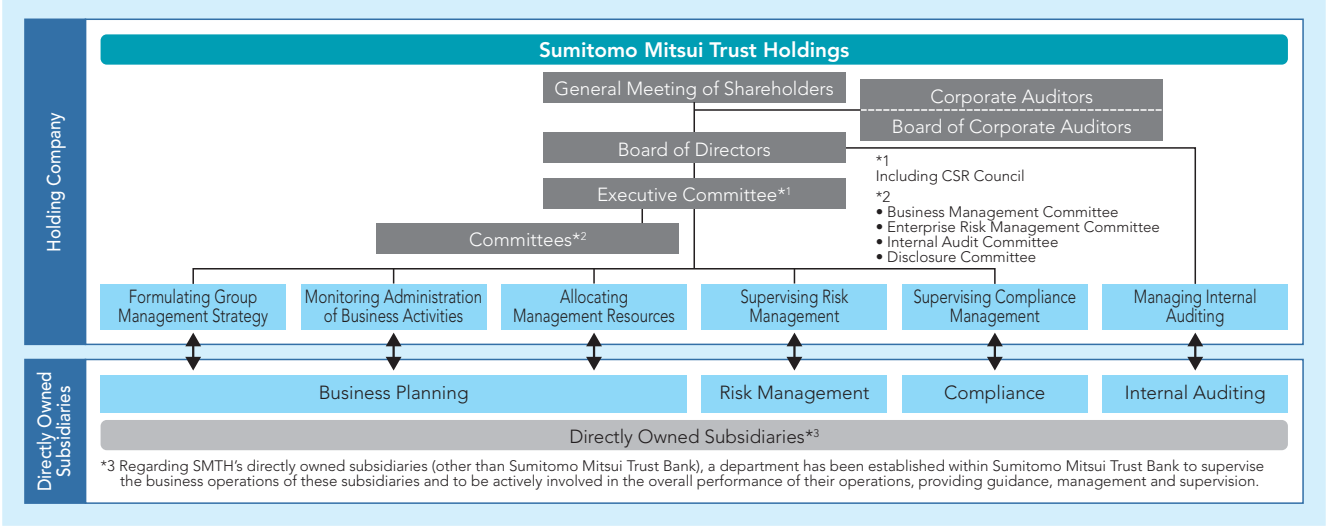
The full-time corporate auditors work to share information with part-time corporate auditors at the Board of Corporate Auditors and liaison meetings by giving them reports on audit information collected in daily audit activities. These include information on proposals at important meetings such as the Executive Committee, and the content of investigations of Sumitomo Mitsui Trust Holdings and subsidiaries. Part-time corporate auditors perform auditing from multi-faceted perspectives, such as legal and corporate management ones, in addition to stating their opinions at the meetings of the Board of Directors and Board of Corporate Auditors, etc.

Corporate auditors hold periodic meetings with the Independent Auditors, receiving auditing information, as well as reports on auditing plans, status of auditing performed, auditing results, etc., in addition to exchanging opinions and sharing information as needed. They also monitor and verify whether the Independent Auditors maintain an independent standpoint and perform auditing appropriately. At periodic meetings with the internal audit unit, corporate auditors receive reports and exchange opinions on internal auditing results, give recommendations and indications to the internal audit unit, and exchange information as needed. This system works to maintain the effectiveness of auditing by corporate auditors and to build strong cooperation among the three types of auditing: internal auditing, auditing by Independent Auditors, and auditing by corporate auditors.

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

* For details concerning internal auditing, please refer to page 69.

• Corporate Governance System



3. Independence of Officers

(1) Directors

SMTH has placed concurrently serving directors in Sumitomo Mitsui Trust Bank, with the purpose of establishing a framework to effectively carry out group management strategies. Sumitomo Mitsui Trust Holdings also appoints two external directors in order to strengthen its monitoring function over the management. The two external directors have been designated as independent directors as they are deemed to have no risk of conflict of interest with the general shareholders in light of their career and other background.

Reasons for the Appointment of External Directors

Toshio Hoshino (Former representative director and senior executive vice president of Kao Corporation): Mr. Hoshino was appointed external director, as he was expected to offer his wealth of experience and extensive insight developed in his capacity as senior executive of a listed company to further enhance the quality of SMTH's management.

Soichi Shinohara (Professor at the Faculty of Economics at Doshisha University): Professor Shinohara was appointed external director, as he was expected to offer his wealth of knowledge about, and sophisticated insight into, economic issues both at home and abroad to further enhance the quality of SMTH's management. He developed his knowledge and insight in his capacity as an economist specializing in international economics and macroeconomics.

(2) Corporate Auditors

The Board of Corporate Auditors at SMTH comprises a total of six corporate auditors, two full-time and four part-time (external auditors). Of these auditors, the four external auditors are in place to ensure the independence of audit functions. Furthermore, these four external auditors were appointed as independent officers, on the basis of their career background and other relevant factors and as they were believed to be free from potential conflict of interest with public shareholders of SMTH.

Reasons for the Appointment of External Auditors

Hiroyuki Nakanishi (Advisor to Mitsui Chemicals, Inc.): Mr. Nakanishi was appointed external auditor, as he was expected to offer his wealth of experience and extensive insight developed in his capacity as a senior executive of a listed company to further enhance the quality of audits at SMTH.

Yasuhiko Takano (Attorney at law): Mr. Takano was appointed external auditor, as he was expected to offer his legal expertise and wealth of experience in corporate legal affairs to further enhance the quality of audits at SMTH.

Tetsuya Yoshimoto (Former President of the Takamatsu High Court): The Honorable Judge Tetsuya Yoshimoto was appointed external auditor, as he was expected to offer his wealth of experience in the legal community and high sense of morality to further enhance the quality of audits at SMTH.

Shinichi Saito (Representative Director, President and CEO of Japan Industrial Solutions, Ltd.): Mr. Saito was appointed external auditor to further enhance the quality of audits at SMTH. He was expected to offer his wealth of experience in, and insight into, areas including treasury, accounting, overseas business, finance, and corporate rehabilitation, drawing on his career in the finance functions at a major trading conglomerate as well as in the consulting business at a leading auditing firm.

• Involvement with SMTH (1)

Name	Career background	Involvement with SMTH*						
		a	b	c	d	e	f	g
Toshio Hoshino	Current or former executive of another company			○			○	
Soichi Shinohara	Academic			○			○	

* Main area of involvement with SMTH
a. Current or former executive of an affiliated company
b. Large shareholder of SMTH
c. Concurrently serving as external director or external auditor of another company
d. Concurrently serving as executive director or executive officer of another company
e. Spouse, relative within the third degree of kinship or other related party of similar nature of an executive director or an executive officer at SMTH, or at a specified related business operator of SMTH
f. Having reached an agreement for limitation of liability with SMTH
g. Others

Note: Other companies include Sumitomo Mitsui Trust Bank.

• Involvement with SMTH (2)

Name	Career background	Involvement with SMTH*						
		a	b	c	d	e	f	g
Hiroyuki Nakanishi	Current or former executive of another company			○			○	
Yasuhiko Takano	Attorney at law			○			○	
Tetsuya Yoshimoto	Other			○			○	
Shinichi Saito	Current or former executive of another company			○	○		○	

* Main area of involvement with SMTH
a. Current or former executive of an affiliated company
b. Large shareholder of SMTH
c. Concurrently serving as external director or external auditor of another company
d. Concurrently serving as executive director or executive officer of another company
e. Spouse, relative within the third degree of kinship or other related party of similar nature of an executive director or an executive officer at SMTH, or at a specified related business operator of SMTH
f. Having reached an agreement for limitation of liability with SMTH
g. Others

Note: Other companies include Sumitomo Mitsui Trust Bank.

Compliance System

1. Basic Initiative Policy

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

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

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

Compliance Standards for Executives and Employees

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

2. Outline of Initiatives

(1) Group Compliance System

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

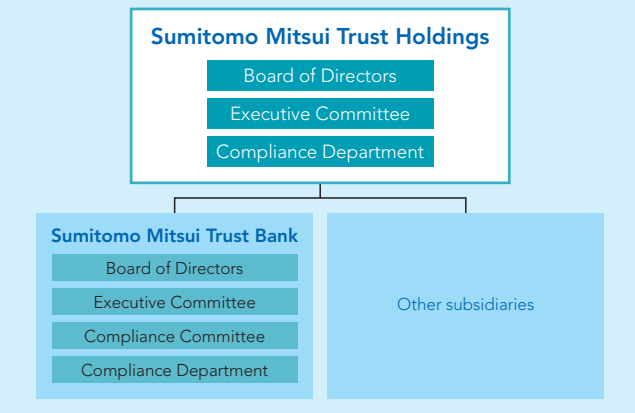
The Compliance Department is established in the holding company as the department to manage compliance for the whole group. This department creates a compliance policy, and monitors the situation of compliance management and execution. The Compliance Department reports to the Executive Committee on its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

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

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

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

• Group Compliance Structure



based on the compliance policy established by the holding company.

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

(2) Initiatives to Foster Compliance Awareness

In order to foster compliance awareness throughout the Group, a Compliance Manual is created for the holding company and each group company, and employees are thoroughly informed about the laws, regulations, various rules and items which must be followed.

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

Sumitomo Mitsui Trust Group Privacy Policy

We at Sumitomo Mitsui Trust Group, in the utmost effort to protect the personal information of our clients and shareholders, have established the following policies, and we declare to abide by this policy.

1. Compliance with all Applicable Laws and Regulations, etc.
The companies in the Group shall comply with the laws pertaining to the protection of personal information and guidelines set forth by government agencies including other standards.

2. Appropriate Acquisition
The companies in the Group shall obtain personal information from clients only to the extent necessary for our operations and only through proper and legal means.

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

4. Consignment
If the companies in the Group consign the handling of the personal information, then the consignee shall be properly supervised to promote the safe management of the personal information.

5. Offering to Third Parties
The companies in the Group shall not provide to any third party personal information held for clients without obtaining prior consent from the client except in cases specified by laws and regulations. However, if the companies in the Group provide a client's personal information consequent to the succession of business in a merger or otherwise or if it is shared with a specified party set forth separately, then the personal information held for the client may be provided to the third party without obtaining the client's consent.

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

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

8. Continuous Improvement
The companies in the Group continually review and strive to improve the compliance program for protecting personal information. All executives and employees are trained to understand the importance of protecting personal information and to appropriately handle personal information.

Client Protection Management

1. Basic Initiative Policy

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

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

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

Sumitomo Mitsui Trust Bank, Limited and other subsidiaries develop appropriate client protection management systems in accordance with the characteristics of their own operations, based on the basic policy established by SMTH.

2. Outline of Initiatives

(1) Management of Accountability to Clients

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

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

(2) Client Support Management

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

(3) Client Information Management

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

(4) Outsourcing Management

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

(5) Conflict of Interest Management

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

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

Management Structure:

Risk Management

1. Basic Initiative Policy

Certain issues affecting the financial markets have arisen; the macro-economy has been enveloped in uncertainty as a result of increasing instability among the emerging economies, despite the strength of the economies of the developed countries. Furthermore, the trend for stronger international financial regulations has been gaining momentum around the world since the Lehman crisis. In this environment, we think that there is an increasing need for more advanced risk management and preventive action.

As a trust bank group that seeks to be "The Trust Bank," Sumitomo Mitsui Trust Group (the "Group") regards the establishment of a flexible and preventive risk management strategy as one of its most important management issues, in light of the changes in the operating environment in Japan and overseas and considering the strategies and risk profiles of each group company. Accordingly, the Group is making constant efforts to enhance and advance its risk management, which forms the basis of business operations for the expansion of the business scope and sustainable growth of the Group. As part of these efforts, from the end of March, 2014, the Group adopted the advanced measurement approach to operational risks in the calculation of the capital adequacy ratio.

In fiscal year 2014, the Group as a whole will respond swiftly and accurately to capital and liquidity regulations including Basel Ⅲ, and will also enhance its risk management system to handle the integration of IT systems and administration as well as to respond mainly to the expansion of global businesses as outlined in the Midterm Management Plan.

2. Outline of Initiatives

(1) Types of Risk

The Group classifies risk categories by the cause of risks faced by the whole Group in business operations into "Credit risk," "Market risk," "Funding risk," and "Operational risk." It manages these risks according to the characteristics of respective risks.

(2) Risk Management Methods

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

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

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

• Risk Categories

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

(3) Risk Management Structure

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

1) Board of Directors

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

2) Directors, Officers in Charge

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

3) Risk Management-related Departments

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

4) Internal Audit Department

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

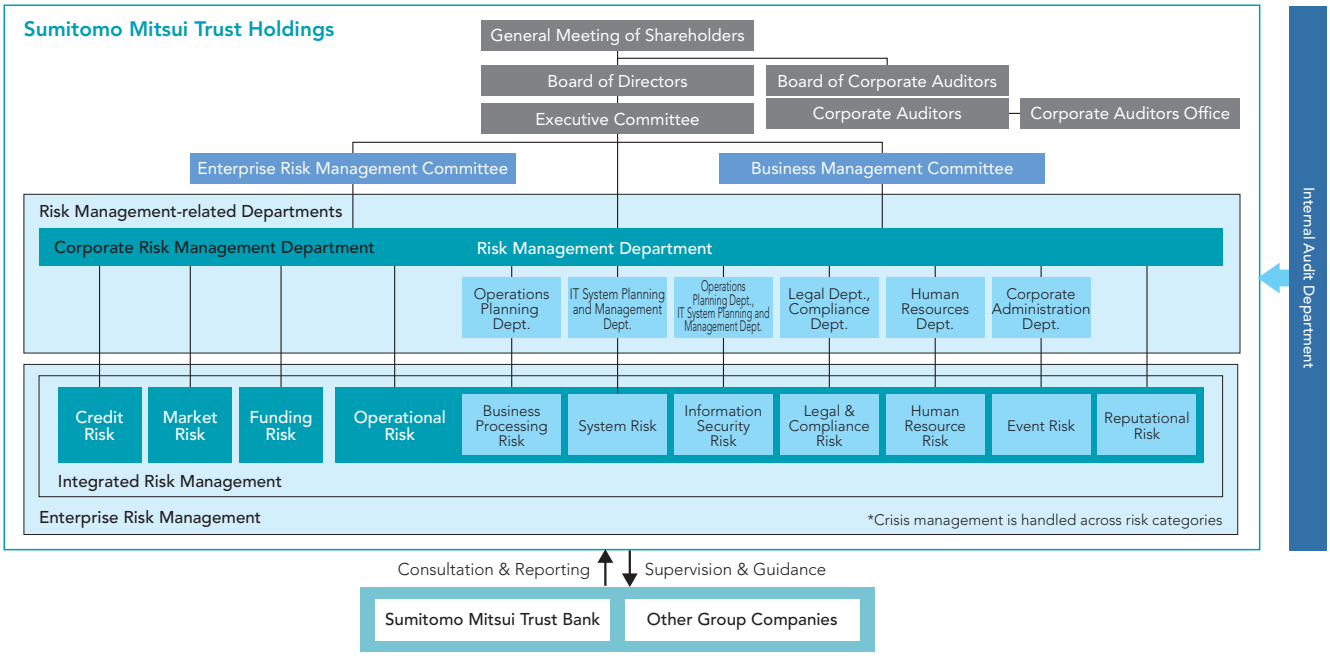
(4) Enterprise Risk Management and Integrated Risk Management (Economic Capital Management)

The Group has established a department to supervise the overall group risk management. It comprehensively measures risks unique to the Group organization which each group company cannot recognize alone, such as spread of risks within the Group. It manages risks by comparing them with the Group's overall financial strength (Enterprise Risk Management).

In addition, among the risks subject to the Enterprise Risk Management, the Group combines risks which are quantifiable with a unified criteria such as the integrated VaR*, and manages these risks by comparing them with the Group's overall financial strength, which is indicated by its capital efficiency (Integrated Risk Management). Aiming to simultaneously secure both capital adequacy and efficiency of capital use, the Integrated Risk Management seeks to comply with risk limits set based on risk capital allocated within the financial strength and pursues maximum risk-return.

* Value at Risk (VaR): Risk amount measurement indicator. The maximum amount of loss anticipated within a certain period (the holding period) within the range of certain probability (the confidence interval). SMTH is applying a measurement with a confidence interval of 99%.

• Risk Management Structure



Management Structure:

Capital Management

1. Basic Initiative Policy

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

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

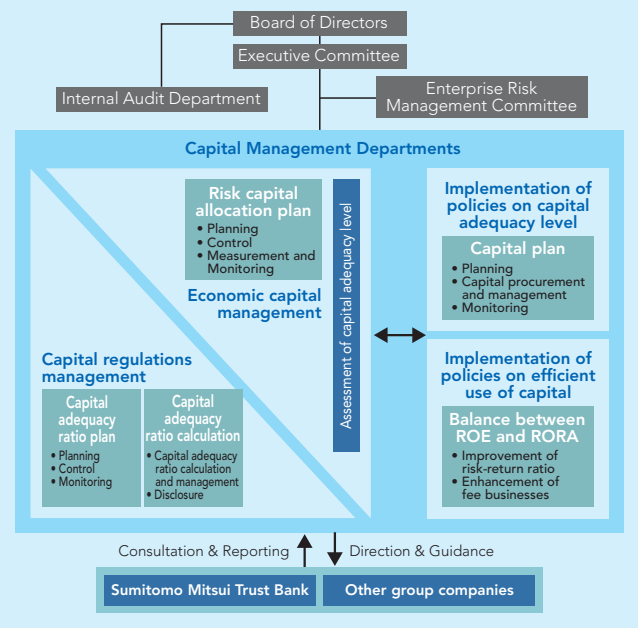
2. Outline of Initiatives

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

The Group aims to maintain sufficient capital by operating in accordance with a PDCA cycle as follows: (1) draw up a capital plan based on the external environment (economic environment, market environment, etc.) and the internal environment (risk profile, strategic goals, etc.); (2) carry out the capital adequacy measures decided in the capital plan; (3) monitor the capital situation and evaluate the capital adequacy level at appropriate intervals; and (4) improve capital and risk control based on the above evaluations.

Moreover, Sumitomo Mitsui Trust Holdings ("SMTH") has constructed a necessary system for the appropriate management of capital by installing a department in charge of capital management and one in charge of enterprise risk management as capital management departments.

• Capital Management System



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

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

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

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

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

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

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

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

Information Disclosure System and Internal Auditing

Information Disclosure System

1. Basic Initiative Policy

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

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

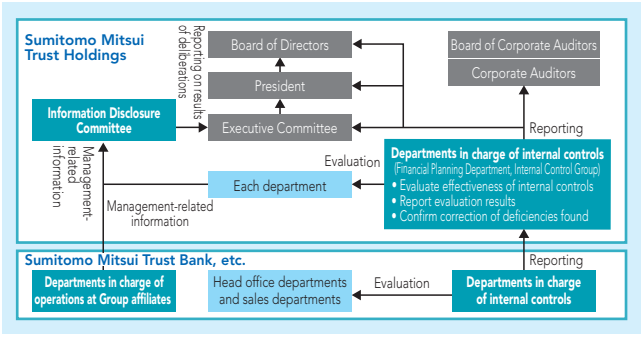
* Please refer to page 424.

2. Outline of Initiatives

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

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

• Information Disclosure System



Internal Auditing

1. Basic Initiative Policy

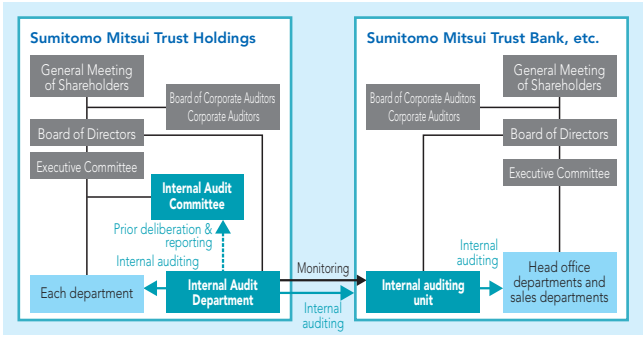
The Group considers that establishing an efficient and effective internal auditing system commensurate with the size and nature of its business, the content of laws and regulations that apply to operations, and the type of risks is indispensable to appropriate legal compliance, client protection, and risk management, etc. Therefore, SMTH has established an Internal Audit Department in charge of internal audits, independent of departments involved in the execution of operations. It has also established an Internal Audit Committee as a consultative body to deliberate on policies and measures to strengthen its internal auditing system. The Internal Audit Department has the role of sufficiently fulfilling its internal audit supervisory functions, and providing guidance, management and supervision for subsidiaries in which SMTH directly invests capital.

2. Outline of Initiatives

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

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

• Internal Auditing Implementation System



Management Structure:

Efforts to Enhance Customer Satisfaction

1. Basic Initiative Policy

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

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

2. Outline of Initiatives

(1) Initiative to Use Client Feedback to Improve Services

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

The Group received approximately 50,000 "Voice of Customers" questionnaires and replies to its surveys in fiscal year 2012. If the "customer comments" contained in daily inquiries etc., are included, the Group received several hundred thousand valuable client feedback.

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

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

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

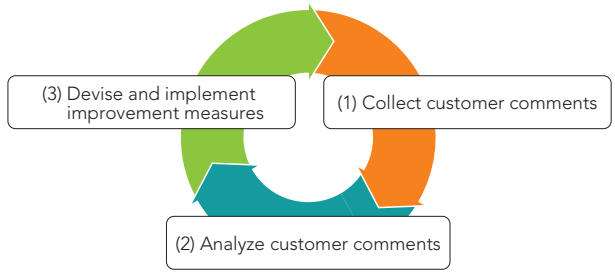
The Group informs clients about improvements that have been made reflecting their feedback and requests on its website as well as posters notifying them of local initiatives at branches nationwide. This information is updated regularly.

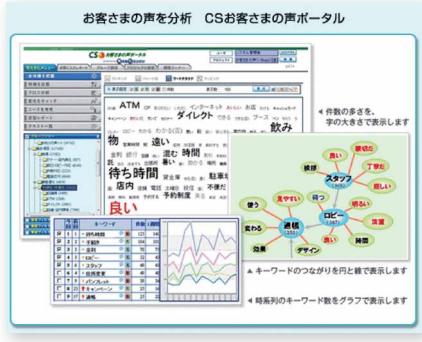
(2) Branches' Efforts to Enhance Customer Satisfaction

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

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

• Customer Satisfaction Promotion Cycle of Sumitomo Mitsui Trust Bank





"Voice of Customers Portal" screen



A poster showing improvements in response to customer voices

Initiatives to Facilitate Financing

1. Dealing with Facilitation of Financing

Sumitomo Mitsui Trust Group (the "Group") considers the facilitation of financing to small and medium-sized enterprises (SMEs) and individuals seeking housing loans as one of its most important social missions.

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

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

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

2. Status of Initiatives to Improve SME Business Operations and to Revitalize Regions

(1) Policy on Management Support Measures for SMEs

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

(2) Framework of Management Support for SMEs

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

In terms of specific measures related to management support for SMEs, branch offices and the head office are engaged in efforts such as support for formulating business reconstruction plans tailored to individual circumstances, and assistance aimed at making progress with business reconstruction plans, taking into account the industry conditions and the business dealings of individual SMEs. Furthermore, SMTB 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

SMTB opened its Hong Kong Branch in August 2013 as part of the five-branch system that also includes New York, London, Singapore, and Shanghai. These branches offer financial services such as loans, deposits, foreign exchange, and derivatives to Japanese client companies who are expanding overseas. Furthermore, SMTB has established a bank subsidiary in Thailand and plans to commence offering financial services during fiscal year 2015 mainly to Japanese client companies operating in Thailand.

In addition to developing our own offices, we are making efforts to address the growing need for financial services denominated in local currencies through partnerships with leading banks in Asian countries. To this end we established DBSI - SuMi TRUST Japanese Business Services. It operates within PT Bank DBS Indonesia, which is a local subsidiary of DBS Bank Ltd., a major bank based in Singapore. This effort is to enhance services for Japanese client companies expanding into Indonesia. Moreover, in December 2013, SMTB also joined in a partnership with Bank for Investment and Development of Vietnam to enhance its financial services geared toward Japanese companies expanding into Vietnam.

2) Initiatives related to support for business succession

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

In addition, we have assigned a total of 185 financial consultants (as of March 31, 2014) to branches nationwide as an easily accessible channel for our business-owner clients to consult about inheritance and business succession concerns and challenges. Our financial consultants draw on the expertise they have accumulated through a rich, wide-ranging set of experiences to consult with customers from the dual perspectives of "inheritance/asset inheritance and business succession" and "asset management and asset administration."

Furthermore, we cooperate with our tax accountant corporate partner to hold seminars for business owners on the inheritance and business succession tax system and business succession measures that make use of trusts. These events serve as opportunities to make SMTB'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, SMTB has offered "Densai Services" since February 2012. The service is based on the Zengin Electronic Monetary Claims Recording Network, in which financial institutions nationwide are members. We also provide "Densai lump-sum factoring services."

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

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

Examples of Specific Initiatives

- Referred a client who was replacing its mainframe system to a lease company, and as a result of bidding, the lease company was awarded the contract, which contributed to the client's reduction of costs.
- Carried out brokerage services for sale of clients' idle real estate (company dormitory), and contributed to the streamlining of their finances.
- Actively carried out sales mediation services targeting the other clients for products that clients were hoping to sell in a business positioned for future growth, and contributed to their expanding sales.

CSR (Corporate Social Responsibility)

1. The Cornerstone of "Creating Shared Value (CSV)"

"Creating Shared Value" is the concept of companies creating social value by addressing society's needs and challenges while simultaneously creating their own economic value.

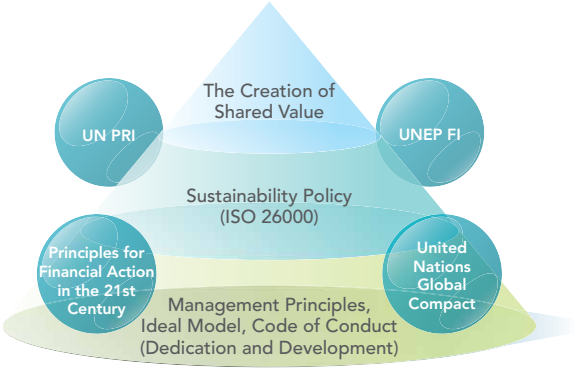
Sumitomo Mitsui Trust Group's (the "Group") pursuit of CSV is based on its Management Principles ("Mission"), Ideal Model ("Vision"), and Codes of Conduct ("Values"), as well as its Sustainability Policy—its basic policy on social responsibility. These policies identify our approach to creating economic value and social value.

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

2. Creating Shared Value through Three Kinds of Process

We classify processes for realizing CSV into three categories. These are: (1) creating new financial businesses to contribute to resolving social problems; (2) reinforcing our corporate foundation by improving our social compliance in everyday business activities; and (3) enhancing stakeholders' trust placed in the Group through active participation in social activities and strengthening our business base. The Group is working to promote strategic initiatives in these areas.

Process of Creating Shared Value



Process 1	Process 2	Process 3
Creating new financial businesses to contribute to resolving social problems	Reinforcing our corporate foundation by improving our social compliance in everyday business activities	Enhancing stakeholders' trust placed in the Group through active participation in social activities and strengthening our business base
(Key social issues) Energy, Climate change, Biodiversity, Aging society	(Specific areas) Governance, Compliance, Human rights, Reducing environmental impact	(Three activities) Support for the environment and animals, Support for "successful aging," Community/social contributions

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

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

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

3. Structure for Promoting CSR Activities

The Group has established a structure for promoting CSR activities based on the PDCA cycle, under the CSR Council organized as part of the Executive Committee and chaired by the President as the supreme decision-making body with respect to all CSR activities. Specifically, a CSR focused midterm management plan is formulated including ESG (Environmental, Social, and Governance) risk management policies and information disclosure policies, based on the Group-wide Midterm Management Plan that covers CSR, and then on this basis, yearly CSR policies are developed. Progress in the implementation of the yearly policies is reviewed semi-annually at the CSR Council meeting and additional measures are taken when appropriate.

Meanwhile, CSR businesses such as Eco-Trustution, in which we provide solutions to ecological issues through the use of our trust function, are promoted at each division. Therefore, yearly CSR policies are decided in close consultation with each division and incorporated into the annual plan at each division.

Establishment of the aforementioned structure ensures that daily activities within the Group reflect, without fail, the decisions at the CSR Council, the supreme decision-making body with respect to CSR activities.

4. Outline of Initiatives

(1) CSR Activities that Create New Financial Businesses

1) Contribution to Solving Environmental Problems

(a) Addressing Climate Change

According to a study by the World Meteorological Organization, the average world temperature continues to post a record high every year.

The Group will continue to develop high-value-added financial solutions businesses that leverage its capabilities and know-how as a trust bank.

Renewable Energy Financing:

Since the introduction in July 2012 of a feed-in tariff (FIT) scheme, where electricity companies purchase power generated by renewable sources at a fixed price, there has been a rush to build mega-solar power plants throughout Japan. The Group provides support for financing to assist these efforts as well as projects overseas.

Solar Leases:

Sumitomo Mitsui Trust Panasonic Finance Co., Ltd. has put in place a total support structure for the series of processes involved in introduction of solar power generation systems. This structure encompasses estimating the volume of power generated, design, funding plans, consulting on system interconnections, construction, operation, maintenance and management.

As of March 2014, we have provided financing for 37 large-scale solar power generating plants (including those in the planning stage).

Loans for Environmentally Friendly Housing:

Sumitomo Mitsui Trust Bank ("SMTB") has introduced CSR standards into the housing loan interest structure to provide "Environmentally Friendly Housing Loans" at preferential interest rates for housing like condominiums that employ local government environmental performance evaluation systems.



Example: Tokyo Green Labeling Program for Condominiums (2013 Criteria) for fiscal year 2013

(b) Addressing Natural Capital

The Group formulated its Action Guidelines for Preserving Biodiversity, and it has strived to preserve the diversity of living creatures, an important element of natural capital. In 2012, the Group became a signatory to the Natural Capital Declaration advocated by the United Nations Environment Programme Finance Initiative (UNEP FI). The scope of our efforts was expanded to target the soil, water, and air that form the foundation of biodiversity.

Environmental Rating Loans with the Evaluation of Natural Capital Preservation:

In April 2013, SMTB launched its "Environmental Rating Loans with the Evaluation of Natural Capital Preservation," which incorporate impact on natural capital and the concept of evaluating a company's initiatives into the environmental-rating evaluation process that assesses environmental measures taken by companies. This is the world's first attempt to incorporate natural capital evaluation into loan criteria.

(c) Initiatives in Asset Management (Responsible Investment)

Green Balanced Fund:

In 2010, our subsidiary Nikko Asset Management in collaboration with SMTB developed the "Green Balanced Fund." The equity fund portion invests in companies with features on each natural capital element, namely fauna and flora, water, and air. The fixed-income fund portion invests in environment-linked bonds such as those issued by the World Bank and other organizations for the purpose of raising funds for environmental conservation in emerging countries.

Biodiversity Companies Support Fund:

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

(d) Initiatives in Our Real Estate Businesses

Environmentally friendly property addresses issues such as climate change and loss of biodiversity by taking the environment into account through energy-saving design and renewable energy use.

We believe this approach leads to highly profitable and stable businesses that make effective use of real estate.

Environmentally Friendly Construction Consulting:

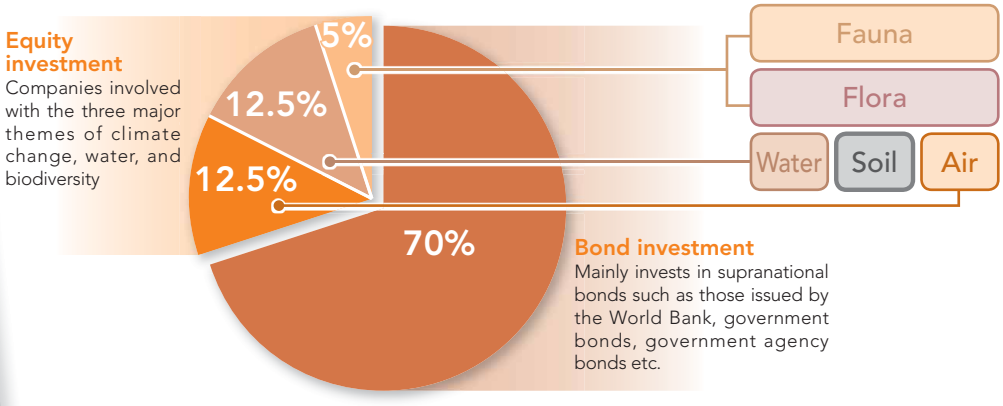
To promote the introduction of environmentally friendly property, SMTB provides environmentally friendly construction consulting services.

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

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

• Green Balanced Fund





(Asset management company: Nikko Asset Management Co., Ltd.)

2) ESG-themed Initiatives in Our Asset Management Businesses

The Sumitomo Mitsui Trust Group started operation of Japan's first responsible investment (RI) fund (Nikko Eco Fund) in 1999. In 2003, we began offering an RI fund for corporate pensions for the first time in Japan. Since 2006, the Group has been a signatory of the United Nations Principles for Responsible Investment and taken a leading role in encouraging the investment industry in Japan to address ESG (environmental, social, and corporate governance) issues actively.

(a) Our ESG Engagement Policy

SMTB has established the ESG Monitoring Committee, which is chaired by an executive officer and is responsible for informing all departments across the company on specific issues set out under the ESG Engagement Policy, as well as monitoring related progress.

SMTB's Actions with Respect to Environmental and Social Issues:

- We require portfolio companies to address environmental and social issues from a global perspective, in line with the social good.
- In the event of a non-humanitarian act or other violations of the standards of conduct set out in the United Nations Global Compact, we dialogue with the portfolio company that committed the violation to request improvement.

Our Actions with Respect to Governance Issues:

- If it is determined that management discipline at a portfolio company is not working in the interests of shareholders as a whole, we urge the portfolio company to adopt internal governance measures to improve management discipline.
- In the event of management misconduct, such as violations of the law causing impairment to shareholder value, we exercise our voting rights in a way that clarifies management's responsibility and ensures the maintenance of legal compliance. Furthermore, we positively assess compensation systems in which management shares with shareholders the benefit of increasing shareholder value over the medium- to long-term, while demanding from portfolio companies active disclosure and accountability that serves the interests of investors.

3) Addressing the Issues of a Super-Aging Society

The birthrate in Japan is continuing to fall and the population is declining rapidly. SMTB has many elderly clients and actively supports "Successful Aging," seeking to ensure that our clients can continue to enjoy healthy, spiritually enriching lives as they grow older.

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

Wrap Accounts/"Life Serenity" Package:

SMTB offers discretionary investment management products ("Wrap Accounts"). We suggest a management plan suited to the client, who then concludes a discretionary investment contract, entrusting all decisions relating to the management of their investment—including buying and selling—to SMTB to undertake on their behalf. Clients aged between 40 and 65 who have applied for a "Wrap Account" can also apply free of charge for a "Life Serenity" package, a service that features cancer and nursing care insurance without the burden of insurance premiums. (SMTB bears the cost of the premiums.)

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

Anshin Support Trust (money trust type):

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

4) Finance for Social and Charitable Activities

The Group uses its unique services and functions as a trust to meet clients' various asset administration needs, including stock sales and acquisition, and support for asset preservation for people finding it difficult to administer their assets.

(a) Products and Services that Reflect Clients' Intentions

Charitable Trusts:

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

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

Social Contribution Donation Trust:

SMTB offers "Social Contribution Donation Trusts" (also referred to as "Bridge to Tomorrow") intended to make donations to charitable corporations and other organizations engaged in social contribution activities. If donors designate the Ecosystem Conservation Society-Japan as a recipient, donations will be used to purchase the habitats of Amami rabbits (pentalagus furnessi), Tsushima leopard cats (prionailurus bengalensis euptilurus), and the northern limit beech forest.

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

1) Addressing Environmental Issues

(a) Environmental Performance and Environmental Burden Reduction Measures

The Group works to reduce the burden on the environment both in its input of resources such as paper and energy used in business activities and in its output such as CO_2 and waste discharged from these activities. Performance is affected by factors such as changes in installed capacity and business volume of each site following the management integration and measures to cut peak electricity consumption during the summer.

In fiscal year 2012, the volume of CO_2 emissions was 47,037 tons, an increase of 19.7% from the year before of 39,309 tons. Electricity consumption increased by 0.5% from the previous year. We were able to reduce paper consumption by 10.6% from the previous year.

(b) Opening of First Eco-Branch

We have made the Shin-Yurigaoka Branch, which opened in November 2013, our first environmentally friendly "Eco-Branch." We will work to reduce CO_2 emissions by installing solar-power generation equipment on the roof and introducing BEMS (Building Energy Management System) that make visible the amount of electricity used in the building.

(c) Strengthening Supply Chain Initiatives

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

Furthermore, we believe that to advance initiatives to further reduce our environmental burden, it is vital to have cooperative relationships with suppliers of products we procure, in addition to the initiatives SMTB is advancing on its own.

2) Addressing Human Rights Issues

(a) Establishment of Human Rights Policy

In December 2013, the Group established its Human Rights Policy to provide guidelines for conduct and judgments with respect to human rights and to supplement the "Basic Policy on the Social Responsibility of Sumitomo Mitsui Trust Group (Sustainability Policy)."

Human Rights Policy

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

1. Respect International Standards
   We respect international standards on human rights, such as The Universal Declaration of Human Rights and corporate codes of conduct based on the United Nations Global Compact.
2. Prohibit Discrimination
   We reject, in all our corporate activities, discrimination and infringement of human rights based on race, nationality, gender, origin, social status, beliefs, religion, physical characteristics, and the like.
3. Foster a Corporate Culture that Respects Human Rights
   We regard every kind of human rights issue as one facing us and encourage our employees to think from the other person's point of view so as to foster a corporate culture that respects human rights.
4. Establish a Pleasant Workplace Environment
   We establish a pleasant workplace environment by encouraging all executives and employees to treat each other as business partners and build equal relationships that allow a free exchange of opinions.
   We acknowledge that such behavior as sexual harassment and power harassment impair human dignity; therefore, we do not allow such behavior.
5. Ensure Fair Recruitment
   We implement strict and fair screening in the recruitment of employees and others, solely based on individual capability and suitability.
6. Implement Human Rights Education Training
   With the aim of resolving all kinds of actual or potential issues related to human rights and encouraging all executives and employees to develop a deep appreciation of human rights that appropriately reflects relevant and accurate facts and information, we work on a wide range of human rights education activities, including one addressing discrimination against the Dowa, a specifically Japanese social minority, through every kind of opportunity, mainly annual workplace-based human rights education training.

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

(b) Protecting Human Rights

Initiatives to Address Dowa and Foreign Residents Issues:

The Group regards tackling discrimination against the Dowa minority as a particularly important theme in the promotion of human rights education. During fiscal year 2013, we have worked toward thorough elimination of prejudiced or discriminatory views through various training programs and education activities, including new employee training.

Prevention of Sexual Harassment and Power Harassment:

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

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

(a) Support for the Living Creatures

SMTB promotes social contribution activities rooted in local communities primarily through its local business offices located across Japan. For instance, the Kagoshima Branch participated in the Amaminokurousagi (Amami Rabbit) Trust Campaign to protect the natural environment of Amami Oshima, which is the habitat of the Amami rabbit, a designated Special Natural Monument, and donated funds to purchase 8,066 m^2 of forest.

(b) Support for "Successful Aging"

In order to help customers enjoy fulfilling, safe, and secure retirement years, the Shiba Business Department, Kichijoji Branch and Kichijoji-Chuo Branch organized seminars taught by leading experts in various fields for our Silver College members. These seminars were very well received.

(c) Contributions to Local Communities and Society

Niigata Branch and Niigata-Chuo Branch Participate in NIIGATA Office Art Street. During this established event held annually, artworks decorate the city streets to bring the experience of Niigata's history and culture to a wide audience. Works by artists are displayed in the show window of the Niigata Branch and Niigata-Chuo Branch each year.

5. Enhancement of CSR Communication

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

(a) Education for Sustainable Development



Using ICT in the classroom
(Koyo Elementary School, Miura City)

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

(b) Green TV



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

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

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

(c) Branch Blog With You



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

In April 2012, SMTB launched the "Branch Blog With You" site with the goal of interacting more closely with local people by publishing information unique to each community in real time and by allowing our branch employees to express in their own words their thoughts about contributing to the local community. In addition to regularly introducing "With You" activities at branches around the country, the blog provides information about seminars and panel exhibitions being held, and is used proactively as a means of communication with customers.

Corporate Data:

Sumitomo Mitsui Trust Holdings, Inc. 80

Sumitomo Mitsui Trust Bank, Limited 82

Board of Directors and Executive Officers (As of July 1, 2014)

Representative Director, Chairman
Hitoshi Tsunekage

Representative Director, President
Kunitaro Kitamura

Representative Director, Deputy President
Akio Otsuka

Representative Director, Deputy President
Nobuo Iwasaki

Director, Senior Managing Executive Officer
Tetsuo Ohkubo

Director, Managing Executive Officer
Masaru Hashimoto

Representative Director, Director
Jun Okuno

Representative Director, Director
Kiyoshi Mukohara

External Director, Director
Toshio Hoshino*1

External Director, Director
Soichi Shinohara*1

Senior Corporate Auditor
Teruhiko Sugita

Senior Corporate Auditor
Takashi Kamikanda

External Auditor, Corporate Auditor
Hiroyuki Nakanishi*2

External Auditor, Corporate Auditor
Yasuhiko Takano*2

External Auditor, Corporate Auditor
Tetsuya Yoshimoto*2

External Auditor, Corporate Auditor
Shinichi Saito*2

Deputy President, Executive Officer
Rikiya Hattori

Senior Managing Executive Officer
Katsuhiko Kudo

Senior Managing Executive Officer
Yoichi Nakae

Managing Executive Officer
Yukihiro Kitano

Managing Executive Officer
Yoshikazu Tanaka

Managing Executive Officer
Tsuyoshi Saito

Managing Executive Officer
Tadashi Nishimura

Managing Executive Officer
Jiro Araumi

Managing Executive Officer
Masahiro Tsuchiya

Managing Executive Officer
Toru Takakura

Executive Officer
Toshihiro Kitanobou

Executive Officer
Yutaka Nishida

Executive Officer
Akira Yokota

Executive Officer
Toshio Masui

Executive Officer
Shigeki Tanaka

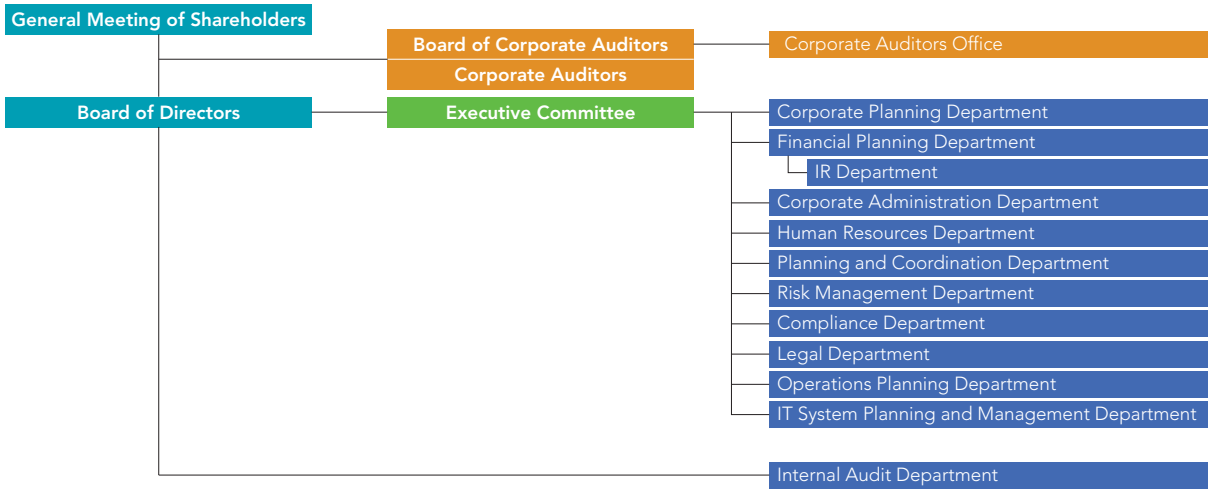
*1 External directors defined in Article 2, Paragraph 3, Item 7 of the Ordinance for Enforcement of the Companies Act.
*2 External auditors defined in Article 2, Paragraph 3, Item 8 of the Ordinance for Enforcement of the Companies Act.

Employees (As of March 31, 2014)

Category	March 31, 2014	March 31, 2013
Number of Employees	46	60
Average Age	44 years, 0 months	44 years, 0 months
Average Length of Employment	20 years, 4 months	19 years, 10 months
Average Annual Salary	¥ 11,741 thousand	¥ 11,611 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 Sumitomo Mitsui Trust Bank, limited and the average length of employment includes years of employment at their own companies.
3. Average annual salary includes bonus and extra payment.

Organizational Chart (As of April 1, 2014)



Subsidiaries and Affiliated Companies (As of June 30, 2014)

Japan

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

Overseas

Name	Location	Date of Establishment	Paid-in Capital (Millions)	Scope of Business	Ownership (%)	SMTH Group Ownership (%)
MTH Preferred Capital 4 (Cayman) Limited	PO Box 309, Ugland House, Grand Cayman KY1-1104, Cayman Islands	March 10, 2004	¥ 10,800	Finance Business	100.0	—
MTH Preferred Capital 5 (Cayman) Limited	PO Box 309, Ugland House, Grand Cayman KY1-1104, Cayman Islands	February 8, 2007	¥ 33,700	Finance Business	100.0	—
CMTH Preferred Capital 6 (Cayman) Limited	PO Box 309, Ugland House, Grand Cayman KY1-1104, Cayman Islands	January 29, 2008	¥ 42,700	Finance Business	100.0	—
CMTH Preferred Capital 7 (Cayman) Limited	PO Box 309, Ugland House, Grand Cayman KY1-1104, Cayman Islands	November 28, 2008	¥ 41,600	Finance Business	100.0	—

Board of Directors and Executive Officers (As of July 1, 2014)

Representative Director, Chairman
Kunitaro Kitamura

Representative Director, President
Hitoshi Tsunekage

Representative Director, Deputy Chairman
Jun Okuno

Representative Director, Deputy Chairman
Kiyoshi Mukohara

Representative Director, Deputy President
Akio Otsuka

Representative Director, Deputy President
Nobuo Iwasaki

Representative Director, Deputy President
Rikiya Hattori

Director, Senior Managing Executive Officer
Sumikazu Tsutsui

Director, Senior Managing Executive Officer
Katsuhiko Kudo

Director, Senior Managing Executive Officer
Yoichi Nakae

Director, Senior Managing Executive Officer
Tetsuo Ohkubo

Director, Senior Managing Executive Officer
Naoya Shoji

Director, Managing Executive Officer
Masaru Hashimoto

Director, Managing Executive Officer
Toru Takakura

External Director
Toshio Hoshino*1

External Director
Soichi Shinohara*1

Senior Corporate Auditor
Teruhiko Sugita

Senior Corporate Auditor
Takashi Kamikanda

Corporate Auditor
Masashi Hirose

Corporate Auditor
Satoru Abe

External Auditor, Corporate Auditor
Hiroyuki Nakanishi*2

External Auditor, Corporate Auditor
Yasuhiko Takano*2

External Auditor, Corporate Auditor
Tetsuya Yoshimoto*2

External Auditor, Corporate Auditor
Shinichi Saito*2

Senior Managing Executive Officer
Koji Nohara

Managing Executive Officer
Takuya Miyazaki

Managing Executive Officer
Yasuyuki Yagi

Managing Executive Officer
Jun Sasaki

Managing Executive Officer
Hideki Hiraki

Managing Executive Officer
Yukihiro Kitano

Managing Executive Officer
Yoshikazu Tanaka

Managing Executive Officer
Akihiko Shirayama

Managing Executive Officer
Hideaki Kosone

Managing Executive Officer
Yoshiaki Koshimura

Managing Executive Officer
Tsuyoshi Saito

Managing Executive Officer
Tadashi Nishimura

Managing Executive Officer
Jiro Araumi

Managing Executive Officer
Masahiro Tsuchiya

Managing Executive Officer
Toshiyuki Ueki

Managing Executive Officer
Akira Kamiyo

Managing Executive Officer
Mutsumi Watanabe

Managing Executive Officer
Toshiya Nishino

Managing Executive Officer
Koichi Onaka

Executive Officer
Keiji Tanaka

Executive Officer
Toshio Yamasaki

Executive Officer
Toshihiro Kitanobou

Executive Officer
Tadao Umezawa

Executive Officer
Kazuhiro Sekine

Executive Officer
Yasumi Nose

Executive Officer
Yutaka Nishida

Executive Officer
Hitoshi Sato

Executive Officer
Hiroshi Takahashi

Executive Officer
Atsushi Kaibara

Executive Officer
Akira Yokota

Executive Officer
Seiji Iwakuma

Executive Officer
Satoshi Kamiya

Executive Officer
Kengo Noguchi

Executive Officer
Kenji Kaiya

Executive Officer
Naohiro Tanaka

Executive Officer
Shunichi Shimamura

Executive Officer
Toshio Masui

Executive Officer
Shigeki Tanaka

Executive Officer
Kouji Koyanagi

Executive Officer
Yoshio Hishida

Executive Officer
Toshiyuki Kanbe

Executive Officer
Ken Yamauchi

Executive Officer
Koichi Yamakado

Executive Officer
Kuniyuki Syudou

Executive Officer
Yoshikazu Tanno

Executive Officer
Tetsuya Yamawaki

Executive Officer
Kenji Yamada

Executive Officer
Koji Tanaka

Executive Officer
Yoshihisa Akutagawa

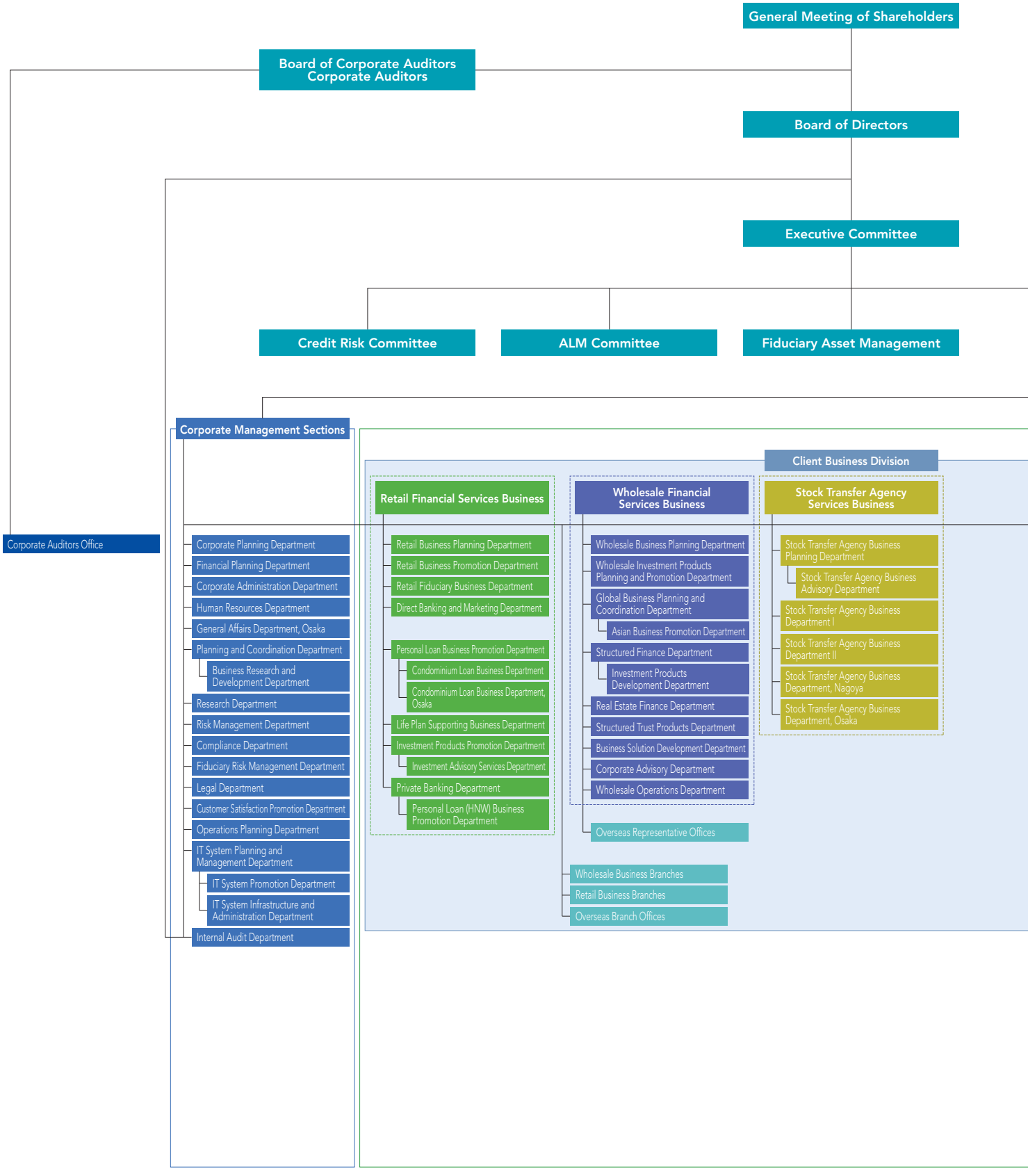
*1 External directors defined in Article 2, Paragraph 3, Item 7 of the Ordinance for Enforcement of the Companies Act.
*2 External auditors defined in Article 2, Paragraph 3, Item 8 of the Ordinance for Enforcement of the Companies Act.

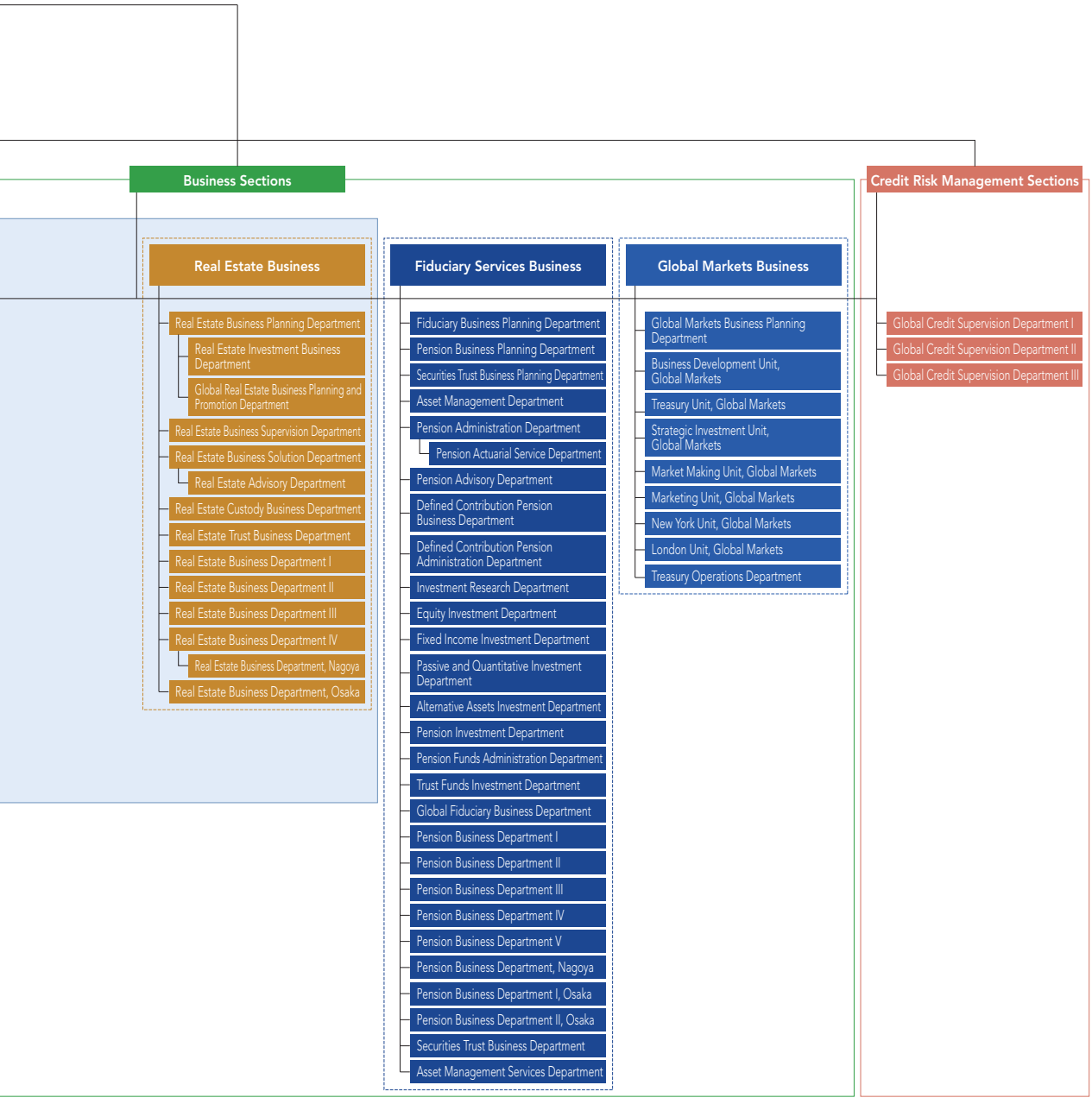
Employees (As of March 31, 2014)

Category	March 31, 2014	March 31, 2013
Number of Employees	13,587	12,790
Average Age	41 years, 10 months	41 years, 1 month
Average Length of Employment	12 years, 6 months	12 years, 11 months
Average Annual Salary	¥ 7,246 thousand	¥ 7,409 thousand

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

Organizational Chart (As of April 1, 2014)




Business Sections
Real Estate Business
Real Estate Business Planning Department
Real Estate Investment Business Department
Global Real Estate Business Planning and Promotion Department
Real Estate Business Supervision Department
Real Estate Business Solution Department
Real Estate Advisory Department
Real Estate Custody Business Department
Real Estate Trust Business Department
Real Estate Business Department I
Real Estate Business Department II
Real Estate Business Department III
Real Estate Business Department IV
Real Estate Business Department, Nagoya
Real Estate Business Department, Osaka
Fiduciary Services Business
Fiduciary Business Planning Department
Pension Business Planning Department
Securities Trust Business Planning Department
Asset Management Department
Pension Administration Department
Pension Actuarial Service Department
Pension Advisory Department
Defined Contribution Pension Business Department
Defined Contribution Pension Administration Department
Investment Research Department
Equity Investment Department
Fixed Income Investment Department
Passive and Quantitative Investment Department
Alternative Assets Investment Department
Pension Investment Department
Pension Funds Administration Department
Trust Funds Investment Department
Global Fiduciary Business Department
Pension Business Department I
Pension Business Department II
Pension Business Department III
Pension Business Department IV
Pension Business Department V
Pension Business Department, Nagoya
Pension Business Department I, Osaka
Pension Business Department II, Osaka
Securities Trust Business Department
Asset Management Services Department
Global Markets Business
Global Markets Business Planning Department
Business Development Unit, Global Markets
Treasury Unit, Global Markets
Strategic Investment Unit, Global Markets
Market Making Unit, Global Markets
Marketing Unit, Global Markets
New York Unit, Global Markets
London Unit, Global Markets
Treasury Operations Department
Credit Risk Management Sections
Global Credit Supervision Department I
Global Credit Supervision Department II
Global Credit Supervision Department III

Branches (As of June 30, 2014)

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

Hokkaido, Tohoku

Sapporo Branch*1
3, Kita 1-jo Nishi 3-chome, Chuo-ku, Sapporo, Hokkaido 060-0001, Japan

Consulting Plaza Sapporo*1, Sapporo Branch
3, Kita 1-jo Nishi 3-chome, Chuo-ku, Sapporo, Hokkaido 060-0001, Japan

Sapporo-Chuo Branch
3, Kita 1-jo Nishi 3-chome, Chuo-ku, Sapporo, Hokkaido 060-0001, Japan

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

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

Tokyo

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

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

Tokyo-Chuo Branch
3-1, Yaesu 2-chome, Chuo-ku, Tokyo 104-8476, Japan

Shinbashi Branch
20-1, Shinbashi 2-chome, Minato-ku, Tokyo 105-0004, Japan

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

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

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

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

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

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

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

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

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

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

Futako-Tamagawa Consulting Office (Futako-Tamagawa Sub-Branch, Shibuya-Chuo Branch)
22-12, Tamagawa 2-chome, Setagaya-ku, Tokyo 158-0094, Japan

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

Consulting Plaza Chitose-Karasuyama (Chitose Karasuyama Sub-Branch, Shinjuku-Nishiguchi Branch)
12-5, Minami Karasuyama 4-chome, Setagaya-ku, Tokyo 157-0062, Japan

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

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

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

Consulting Plaza Jiyugaoka (Jiyugaoka Sub-Branch, Shibuya Branch)
12-21, Jiyugaoka 2-chome, Meguro-ku, Tokyo 152-0035, Japan

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

Ogikubo Branch
16-16, Kamiogi 1-chome, Suginami-ku, Tokyo 167-0043, Japan

Ikebukuro Branch
15-9, Nishi Ikebukuro 1-chome, Toshima-ku, Tokyo 171-0021, Japan

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

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

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

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

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

Tachikawa-Kitaguchi Consulting Office (Tachikawa-Kitaguchi Sub-Branch, Kichijoji-Chuo Branch)
4-5, Akebono-cho 2-chome, Tachikawa, Tokyo 190-0012, Japan

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

Hachioji-Ekimae Branch
1-4, Asahi-cho, Hachioji, Tokyo 192-0083, Japan

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

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

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

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

*1 The Consulting Plaza Sapporo, Sapporo Branch will open at a new site in the Sapporo Mitsui JP Building from September 1, 2014. (The new address is 1, Kita 2-jo Nishi 4-chome, Chuo-ku, Sapporo, Hokkaido 060-0002, Japan.)

Kanto

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

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

Omiya Branch
6-1, Daimon-cho 1-chome, Omiya-ku,
Saitama 330-0846, Japan

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

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

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

Consulting Plaza Fujimino (Fujimino Sub-Branch, Ikebukuro Branch)
1-1, Fujimino Higashi 1-chome, Fujimi,
Saitama 354-0036, Japan

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

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

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

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

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

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

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

Consulting Plaza Tsudanuma-Ekimae (Tsudanuma-Ekimae Sub-Branch, Funabashi Branch)
14-5, Maebara Nishi 2-chome, Funabashi,
Chiba 274-0825, Japan

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

Kashiwa Consulting Office (Kashiwa Sub-Branch, Ueno-Chuo Branch)
1-2, Asahi-cho 1-chome, Kashiwa, Chiba 277-0852, Japan

Consulting Plaza Kashiwa-Ekimae (Kashiwa-Ekimae Sub-Branch, Matsudo Branch)
1-2, Asahi-cho 1-chome, Kashiwa, Chiba 277-0852, Japan

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

Consulting Plaza Shin-Urayasu (Shin-Urayasu Sub-Branch, Nihonbashi Business Department)
5-1, Irifune 1-chome, Urayasu, Chiba 279-0012, Japan

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

Yokohama Branch
14-10, Minami Saiwai 1-chome, Nishi-ku, Yokohama, Kanagawa
220-0005, Japan

Consulting Plaza Yokohamaeki-Nishiguchi (Yokohama 1st Building Sub-Branch, Yokohamaeki-Nishiguchi Branch)
6-1, Kita Saiwai 1-chome, Nishi-ku, Yokohama,
Kanagawa 220-0004, Japan

Futamatagawa Sub-Branch (Futamatagawa Sub-Branch, Yokohamaeki-Nishiguchi Branch)
3-2, Futamatagawa 1-chome, Asahi-ku, Yokohama, Kanagawa
241-0821, Japan

Consulting Plaza Hiyoshi (Hiyoshi Sub-Branch, Yokohamaeki-Nishiguchi Branch)
1-1, Hiyoshi 2-chome, Kohoku-ku, Yokohama,
Kanagawa 223-0061, Japan

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

Aobadai Consulting Office (Aobadai Sub-Branch, Shibuya-Chuo Branch)
9-2, Aobadai 2-chome, Aoba-ku, Yokohama,
Kanagawa 227-0062, Japan

Consulting Plaza Aobadai-Ekimae (Aobadai-Ekimae Sub-Branch, Tama-Plaza Branch)
9-2, Aobadai 2-chome, Aoba-ku, Yokohama,
Kanagawa 227-0062, Japan

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

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

Consulting Plaza Kamiooka (Kamiooka Sub-Branch, Yokohamaeki-Nishiguchi Branch)
6-1, Kamiooka Nishi 1-chome, Konan-ku, Yokohama, Kanagawa
233-8556, Japan

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

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

Consulting Plaza Mizonokuchi (Mizonokuchi Sub-Branch, Sangenjaya Branch)
1-1, Mizonokuchi 2-chome, Takatsu-ku, Kawasaki,
Kanagawa 213-0001, Japan

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

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

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

Fujisawa-Chuo Branch
1-2, Kugenuma Higashi, Fujisawa,
Kanagawa 251-0026, Japan

Consulting Plaza Ofuna (Ofuna Sub-Branch, Fujisawa Branch)
4-1, Ofuna 1-chome, Kamakura,
Kanagawa 247-0056, Japan

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

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

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

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

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

Koshinetsu, Hokuriku

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

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

Niigata-Chuo Branch
905, Nishibori-maedori Rokuban-cho, Chuo-ku, Niigata 951-8062, Japan

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

Kanazawa Branch
10, Shimo Tsutsumi-cho, Kanazawa, Ishikawa 920-0917, Japan

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

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

Tokai

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

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

Nagoya-Sakae Branch
1-1, Sakae 4-chome, Naka-ku, Nagoya, Aichi 460-0008, Japan

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

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

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

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
9-5, Miyuki-cho, Aoi-ku, Shizuoka 420-0857, Japan

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

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

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

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

Kinki

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

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

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

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

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

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

Namba-Chuo Branch
7-17, Namba 3-chome, Chuo-ku, Osaka 542-0076, Japan

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

Abeno Branch
3-15, Abenosuji 1-chome, Abeno-ku, Osaka 545-0052, Japan

Sakai Branch
59-2, Mikunigaoka Miyuki-dori, Sakai-ku, Sakai, Osaka 590-0028, Japan

i-Station Izumigaoka (Senboku Sub-Branch, Sakai Branch)
2-1, Chayamadai 1-chome, Minami-ku, Sakai, Osaka 590-0115, Japan

Yao Branch
6-8, Higashi Hon-machi 3-chome, Yao, Osaka 581-0004, Japan

Hirakata Branch
13-20, Oka Higashi-cho, Hirakata, Osaka 573-0032, Japan

Keihan-Hirakata Branch
13-20, Oka Higashi-cho, Hirakata, Osaka 573-0032, Japan

Takatsuki Branch
5-20, Konya-machi, Takatsuki, Osaka 569-0804, Japan

Ibaraki Branch
2-30, Futaba-cho, Ibaraki, Osaka 567-0829, Japan

Consulting Plaza Ibaraki-Chuo (Ibaraki-Chuo Sub-Branch, Hankyu-Umeda 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

Consulting Plaza Senri-Chuo-Ekimae*2 (Senri-Chuo-Ekimae Sub-Branch, Hankyu-Umeda Branch)
1-3, Shinsenri Higashi-machi 1-chome, Toyonaka, Osaka 560-0082, Japan

*2 Consulting Plaza Senri-Chuo-Ekimae closed on July 18, 2014.

Ikeda Branch
1-1-134, Kureha-cho, Ikeda, Osaka 563-0048, Japan

Kobe Branch
1-6, Goko-dori 8-chome, Chuo-ku,
Kobe, Hyogo 651-0087, Japan

Kobe-Sannomiya Branch
1-6, Goko-dori 8-chome, Chuo-ku,
Kobe, Hyogo 651-0087, Japan

Consulting Plaza Seishin-Chuo (Seishin-Chuo Sub-Branch, Kobe-Sannomiya 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 Consulting Office (Nishinomiya Sub-Branch, Umeda Branch)
5-39, Takamatsu-cho, Nishinomiya,
Hyogo 663-8204, Japan

Consulting Plaza Nishinomiya-Kitaguchi (Nishinomiya-Kitaguchi Sub-Branch, Hankyu-Umeda Branch)
5-39, Takamatsu-cho, Nishinomiya,
Hyogo 663-8204, Japan

Ashiya Consulting Office (Ashiya Sub-Branch, Umeda Branch)
5-2, Funado-cho, Ashiya, Hyogo 659-0093, Japan

Kawanishi Branch
7-18, Chuo-cho, Kawanishi, Hyogo 666-0016, Japan

Akashi Branch
5-28, Higashinakano-machi, Akashi, Hyogo 673-0886, Japan

Himeji Branch
252, Ekimae-cho, Himeji, Hyogo 670-0927, Japan

Kyoto Branch
612, Karasuma-dori Shijo-sagaru Suiginya-cho, Shimogyo-ku,
Kyoto 600-8411, Japan

Kyoto-Shijo Branch
66, Tachiurinishi-machi, Higashiiru, Higashitoin, Shijyodori,
Shimogyo-ku, Kyoto 600-8007, Japan

Consulting Plaza Kyoto-Shijo, Kyoto-Shijo Branch
66, Tachiurinishi-machi, Higashiiru, Higashitoin, Shijyodori,
Shimogyo-ku, Kyoto 600-8007, 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, Namba-Chuo Branch)
8-11, Gakuen Kita 1-chome, Nara 631-0036, Japan

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

Chugoku, Shikoku

Tottori Branch
103, Ima-machi 1-chome, Tottori 680-0822, Japan

Okayama Branch
1-5, Ekimoto-machi, Kita-ku, Okayama 700-0024, Japan

Okayama-Chuo Branch
1-5, Ekimoto-machi, Kita-ku, Okayama 700-0024, Japan

Hiroshima Branch
2-22, Kamiya-cho 1-chome, Naka-ku,
Hiroshima 730-0031, Japan

Hiroshima-Chuo Branch
2-22, Kamiya-cho 1-chome, Naka-ku,
Hiroshima 730-0031, Japan

Fukuyama Branch
15-1, Moto-machi, Fukuyama, Hiroshima 720-0063, Japan

Yamaguchi-Hofu Branch
4-24, Ebisu-machi 1-chome, Hofu,
Yamaguchi 747-0036, Japan

Takamatsu Branch
9-4, Konya-machi, Takamatsu, Kagawa 760-0027, Japan

Matsuyama Branch
11-1, Sanban-cho 4-chome, Matsuyama,
Ehime 790-0003, Japan

Kyushu

Fukuoka Branch
12-1, Tenjin 2-chome, Chuo-ku, Fukuoka 810-0001, Japan

Fukuoka-Tenjin Branch
9-17, Tenjin 1-chome, Chuo-ku, Fukuoka 810-0001, Japan

Kita-Kyushu Branch
1-5, Kaji-machi 1-chome, Kokurakita-ku, Kita-Kyushu, Fukuoka
802-0004, Japan

Saga Branch
3-2, Matsubara 1-chome, Saga 840-0831, Japan

Kumamoto Branch
2-5, Tetori Hon-cho, Chuo-ku, Kumamoto 860-0808, Japan

Kumamoto-Chuo Branch
10-34, Hanabata-cho, Chuo-ku,
Kumamoto 860-0806, 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
527 Madison Avenue, New York, NY 10022, U.S.A

London Branch
155 Bishopsgate, London EC2M 3XU, U.K.

Singapore Branch
8 Shenton Way, #45-01 AXA Tower, Singapore 068811

Shanghai Branch
50F Jin Mao Tower, 88 Shiji Dadao Pudong New Area,
Shanghai 200121, People's Republic of China

Hong Kong Branch
25/F, AIA Central, 1 Connaught Road, Central, Hong Kong

Representative Office

Beijing Representative Office (Banking business)
Room 7009, 7th Floor, Chang Fu Gong Office Building,
No. 26, Jianguomenwai Dajie, Chaoyang District,
Beijing 100022, People's Republic of China

Beijing Representative Office (Securities business)
Room 5011, 5th Floor, Chang Fu Gong Office Building,
No. 26, Jianguomenwai Dajie, Chaoyang District,
Beijing 100022, People's Republic of China

Jakarta Representative Office
11th Floor, Summitmas I,
Jl. Jenderal Sudirman, Kaveling 61-62,
Jakarta 12190, Indonesia

Seoul Representative Office
20th Floor, Samsung Life Insurance Building, 55,
Seijong Street (Taepyeongno 2-ga), Jung-gu,
Seoul 100-716, Korea

Bangkok Representative Office
15th Floor, GPF Witthayu Tower A, Suite 1502,
93/1 Wireless Road, Pathumwan, Bangkok 10330, Thailand

Number of Contracted Trust Agencies* (As of June 30, 2014)

* Trust Agency is a collective term that refers to trust contract agencies under the Trust Business Act as well as agencies concurrently engaged in trust business under Article 1 of the Act on Provision, etc. of Trust Business by Financial Institutions.

Type		Number of Agencies			
		Trust Contract Agencies	Agencies Engaged in Concurrent Business		
			Stock Transfer Agency Service	Service Related to Wills	Solicitation for National Pension Fund
Banks, Shinkin Banks, etc.	95	69	42	60	42
Regional Banks	41	39	29	26	15
Second Regional Banks	18	13	8	11	12
Shinkin Central Bank, Shinkin Banks	32	14	3	21	15
Shoko Chukin Bank	1	1	—	1	—
(Total of Regional Financial Institutions)	92	67	40	59	42
City Banks, etc.	3	2	2	1	—
Securities Firms	6	1	4	6	—
Life Insurers and Business Enterprises	16	2	1	15	—
Total	117	72	47	81	42

Bank Service Agency (As of June 30, 2014)

Trade Name of Bank Service Agency	SBI Sumishin Net Bank, Ltd.
Business Offices, etc. Operating Bank Agency Service	Head Office, Ichigo Branch, Budou Branch, Mikan Branch, Lemon Branch, Ringo Branch (6 Branches)

Subsidiaries and Affiliated Companies (As of June 30, 2014)

Japan

Name	Location	Date of Establishment	Paid-in Capital (Millions)	Scope of Business	Ownership (%)	SMTH Group Ownership (%)
Tokyo Securities Transfer Agent Co., Ltd.	6-2, Otemachi 2-chome, Chiyoda-ku, Tokyo	November 1, 1962	¥ 50	Stock Transfer Agency Services	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.	8-11, Harumi 1-chome, Chuo-ku, Tokyo	April 2, 1988	¥ 100	Property Leasing and Management Business	100.0	—
Sumitomo Mitsui Trust Wealth Partners Co., Ltd.	6-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo	November 6, 1989	¥ 155	Consulting Business	100.0	—
Sumitomo Mitsui Trust Business Service Co., Ltd.	33-1, Shiba 3-chome, Minato-ku, Tokyo	May 24, 1990	¥ 100	Clerical Agency, Temporary Staffing Business, Outplacement Agency	100.0	—
Sumitomo Mitsui Trust Loan & Finance Co., Ltd.	2-1, Yaesu 2-chome, Chuo-ku, Tokyo	January 22, 1992	¥ 6,000	Money Lending Business	100.0	—
Sumitomo Mitsui Trust TA Solution Co., Ltd.	8-4 Izumi 2-chome, Suginami-ku, Tokyo	July 1, 1998	¥ 2,005	IT, Calculation Outsourcing Business	100.0	—
Sumitomo Mitsui Trust Real Estate Investment Management Co., Ltd.	6-2, Marunouchi 1-chome, Chiyoda-ku, Tokyo	November 7, 2005	¥ 300	Investment Management, Investment Advisory	100.0	—
Sumitomo Mitsui Trust Career Partners Co., Ltd.	4-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo	April 3, 2006	¥ 100	Training Programs, Personnel-related Services	100.0	—
Nikko Asset Management Co., Ltd.	7-1, Akasaka 9-chome, Minato-ku, Tokyo	December 1, 1959	¥ 17,363	Investment Management, Investment Advisory	91.3	—
Japan Securities Agents, Ltd.	2-4, Nihonbashi-kayabacho 1-chome, Chuo-ku, Tokyo	September 13, 1950	¥ 500	Stock Transfer, Account Management Agency Services	85.1	—
Sumitomo Mitsui Trust Panasonic Finance Co., Ltd.	2-3, Shibaura 1-chome, Minato-ku, Tokyo	February 27, 1967	¥ 25,584	General Leasing, Installment Purchase Services, Credit Card Business	84.8	—
Top REIT Asset Management Co., Ltd.	3-7, Yaesu 1-chome, Chuo-ku, Tokyo	October 22, 2004	¥ 300	Investment Corporation, Asset Management Business	69.0	—
Sumishin Guaranty Company Limited	33-1, Shiba 3-chome, Minato-ku, Tokyo	August 25, 1977	¥ 300	Loan Guarantee Business	—	100.0
Sumitomo Mitsui Trust Card Co., Ltd.	33-1, Shiba 3-chome, Minato-ku, Tokyo	June 24, 1983	¥ 100	Credit Card Business	50.0	50.0
Sumitomo Mitsui Trust Systems & Services Co., Ltd.	1-10, Nikko-cho, Fuchu, Tokyo	February 12, 1973	¥ 100	IT-related Services Businesses	44.4	55.6
Sumitomo Mitsui Trust Capital Co., Ltd.	5-1, Nihonbashi-muromachi 4-chome, Chuo-ku, Tokyo	March 1, 2000	¥ 1,247	Securities Investment Business	40.0	60.0
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.	3-1, Yaesu 2-chome, Chuo-ku, Tokyo	January 24, 1986	¥ 300	Real Estate Brokerage Business	4.6	95.4
SBI Sumishin Net Bank, Ltd.	6-1, Roppongi 1-chome, Minato-ku, Tokyo	June 3, 1986	¥ 31,000	Banking Business	50.0	—
Japan Pension Operation Service, Ltd.	24-1, Nihonbashi-hakozakicho, Chuo-ku, Tokyo	December 21, 2004	¥ 1,500	Calculation of Pension Payments, etc., Clerical Outsourcing Business	50.0	—
Japan Stockholders Data Service Company, Limited	8-4 Izumi 2-chome, Suginami-ku, Tokyo	April 1, 2008	¥ 2,000	Stock Transfer Outsourcing Business	50.0	—
HR One Corporation	4-1, Shibakouen 2-chome, Minato-ku, Tokyo	May 20, 2002	¥ 519	HR-related Services Business	35.8	—
Mitsui & Co., Logistics Partners Ltd.	4-3 Hitotsubashi 2-chome, Chiyoda-ku, Tokyo	July 13, 2004	¥ 150	Investment Corporation, Asset Management Business	29.0	—

Overseas

Name	Location	Date of Establishment	Paid-in Capital (Millions)	Scope of Business	Ownership (%)	SMTH Group Ownership (%)
Sumitomo Mitsui Trust (Hong Kong) Limited	25/F, AIA Central, 1 Connaught Road, Central, Hong Kong	July 4, 1978	$ 45	Securities Businesses	100.0	—
Sumitomo Mitsui Trust Bank (Luxembourg) S.A.	2, rue Peternelchen, L-2370, Howald, Grand Duchy of Luxembourg	April 22, 1985	$ 30	Trust, Banking, Securities Businesses	100.0	—
Sumitomo Mitsui Trust (UK) Limited	3rd Floor, 17 Dominion Street, London EC2M 2EF, U.K.	March 6, 1986	£ 1.78	Trust Business	100.0	—
Sumitomo Mitsui Trust International Limited	155 Bishopsgate, London EC2M 3XU, U.K.	July 2, 1986	£ 20	Securities Business	100.0	—
Sumitomo Mitsui Trust Bank (U.S.A.) Limited	111 River Street, Hoboken, NJ 07030, U.S.A.	May 20, 2002	$ 56	Banking, Trust Businesses	100.0	—
Sumitomo Mitsui Trust (Ireland) Limited	Block 5, Harcourt Centre, Harcourt Road, Dublin 2, Ireland	June 1, 2004	€ 41.87	Trust Business	100.0	—
STB Finance Cayman Limited	PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands	January 19, 1993	$ 0.01	Finance Business	100.0	—
STB Preferred Capital 3 (Cayman) Limited	PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands	February 14, 2007	¥ 51,500	Finance Business	100.0	—
STB Preferred Capital 4 (Cayman) Limited	PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands	May 26, 2008	¥ 111,600	Finance Business	100.0	—
Zijin Trust Co., Ltd.	30th Floor, Zifeng Tower, 2 Zhongshan Road(N), Gulou District, Nanjing 210008, People's Republic of China	September 25, 1992	RMB 1,200	Trust, Finance Businesses	19.9	—
NewSmith LLP	4th Floor West, Lansdowne House, 57 Berkeley Square, London W1 J6ER, U.K.	November 22, 2011	£ 39.68	Investment Management Business	—	40.9

Financial Data:

Sumitomo Mitsui Trust Holdings, Inc. (“SMTH”)

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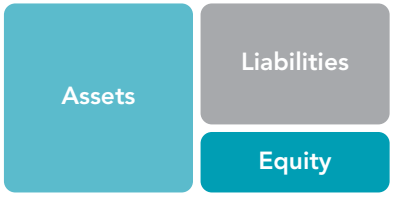
Financial Data:

How to Read the Financial Statements of Trust Banks

Balance Sheets of Trust Banks

(1) The financial statements of trust banks comprise two balance sheets: one for a banking account and the other for a trust account. The balance sheet for the banking account presents capital, fund management, and finance of trust banks. The balance sheet for the trust account shows assets that trust banks manage, administer, and dispose on behalf of the beneficiaries, according to the trusts' investment objectives, when the trusts have been set up for the trustors.

Balance sheet of banking account



Statement of trust account



(2) The outcomes (gains or losses) of asset management, administration, and disposition of the trust account pertain to the beneficiaries (after deducting trust fees). In principle, they do not affect the banking account. However, loan trusts and jointly operated money trusts ("JOMTs"), which are covered by deposit insurance, are treated as exceptions due to their principal guaranteed feature. As a result, the balance sheets for loan trusts and the JOMT accounts are disclosed, and, together with the banking account, become the "three major accounts" of trust banks. It is common for trust banks to manage various financial risks at the level of these accounts.

(Note) Japanese trust banks have stopped offering new loan trusts. The loan trusts, therefore, have a limited impact on the balance sheet and financial reporting.

(3) The liabilities section in statements of trust accounts shows the balance for each trust type. The assets section shows assets, such as loans, securities, real estate, and monetary claims, held in various trusts.

Money trusts include a wide variety of trust products. They include, for example, products with discretionary management rights, such as JOMTs and individually operated designated money trusts (referred to as *Shiteitan*), and products without discretionary management rights, such as specified money trusts (referred to as *Tokkin*). Fees for these products vary. Aside from money trusts, the trust banks have discretionary management rights for loan trusts and pension trusts, but not for investment trusts or securities trusts.

Statements of Income of Trust Banks

The trust banks disclose statements of income for banking accounts. The main components of "Net Business Profit before Credit Costs," which is equivalent to operating profit for other companies are as follows:

(1) Trust Fees
(2) Net Credit Cost of loan trusts and JOMT accounts
(3) Net Interest Income
(4) Net Fees and Commissions
(5) Net Trading Income
(6) Net Other Ordinary Income (gains or losses on sales of bonds, net gain or loss on foreign exchange transactions, net income or expense on derivatives other than trading or hedging)
(7) Gross Business Profit: (1)+(3)+(4)+(5)+(6)
(8) General and Administrative Expenses
(9) Transfer to general allowance for loan losses
(10) Net Business Profit: (7)−(8)−(9)
(11) Net Business Profit before Credit Costs: (10)+(2)+(9)

Fee Revenues of Trust Banks: Trust Fees and Net Fees and Commissions

In trust banks, broadly speaking, there are two types of fee revenues: "Trust Fees" and "Net Fees and Commissions." Fees that trust banks receive on trust contracts are posted to "Trust Fees." Fees and commissions on general service contracts are posted to "Net Fees and Commissions." Note that fees related to the loan trusts and JOMT accounts have characteristics similar to the banking business (deposits and loans) and are generally excluded from "Trust Fees." Sumitomo Mitsui Trust Holdings, Inc. and its consolidated subsidiaries (together, the "SMTH Group") include these fees in "Net Interest Income and Related Profit."

Fee Revenues

Trust Fees (excluding loan trusts & JOMTs)

- Pension trust fees *1
- Individually operated designated money trust fees *1
- Investment trust & specified money trust fees *2
- Asset securitization-related trust fees
- Real estate brokerage fees

Net Fees and Commissions

- Investment trust and insurance sales fees
- Discretionary investment fees
- Real estate brokerage fees
- Stock transfer agency fees
- Syndicated loan fees

*1 Fees related to management and administration of money trusts with discretionary management rights

*2 Fees related to administration of money trusts without discretionary management rights

Financial Data:

Management's Discussion and Analysis

Overview of Business Activities of the Company

Economic and Financial Environment

Looking back on the economic environment during the fiscal year under review, in the domestic economy, improvement in corporate performance was seen mainly in the manufacturing industry due to a correction of the yen's appreciation following "Quantitative and Qualitative Monetary Easing" policies implemented by the Bank of Japan in April.

An economic recovery trend gradually intensified due to the effects of "Abenomics." The trend was reflected in an upturn in personal consumption backed by rising prices of stocks and other assets and improved consumer sentiment, an increase in government spending, jobs-to-applicants ratio that rose above 1.0 in the latter half of the year for the first time in approximately six years, and increased momentum in capital investment.

Overseas, signs of a slowdown in the strong growth of emerging markets began to appear, such as the decline in currencies of some emerging markets in connection with quantitative monetary easing measures by the U.S. Federal Reserve Board (FRB) and issues over shadow banking in China. Meanwhile, the situation in financial markets was generally calm, as the U.S. economy maintained a moderate recovery trend, and the Euro-zone economy showed a trend toward bottoming out.

As a result, the trend for a weak yen and high stock prices continued throughout the year in the domestic financial market. The Nikkei Stock Average returned to the 16,000 yen range in late December for the first time in approximately six years. The 10-year bond yield trended downward to the lower 0.6% range at the end of the fiscal year.

Developments of Business Activities

As the sole independent financial group in Japan that specializes in trust banking, we worked on various business activities amid these economic and financial conditions. We tried to refine a business model by which we provide distinct added value and to enhance profitability through collaboration among the Group companies.

Developments of Each Business Segment

<Retail Financial Services Business>

In the Retail financial services business, with regard to sales operations of investment trusts, life insurance and other products, SMTB sought to strengthen its consulting sales structure with an emphasis on "long-term, distributed and stable" management focused on discretionary investment management products (wrap accounts) and to enhance its product lineup by introducing new insurance products such as installment premium insurance and "Wrap Life." For loans to individuals, SMTB continued to flexibly set interest rates for housing loan products based on market trends and worked to enhance convenience for clients and expand the balance of loans by introducing new products such as "At-Home Refinancing." In inheritance-related services, SMTB expanded its business with new clients by starting to provide "Devotion for Grandchildren," a tuition fund endowment trust. In addition, SMTB worked to enhance services for clients by continuously holding seminars and consultation meetings and enhancing consulting capabilities of its highly specialized financial consultants who possess extensive experience.

SBI Sumishin Net Bank, Ltd. leveraged its strengths as a dedicated internet bank to introduce original home mortgage products, in addition to providing management products such as foreign currency deposits and working to expand settlement and other services.

<Wholesale Financial Services Business>

In the Wholesale financial services business for domestic and overseas corporate clients, SMTB made efforts to propose total solutions that utilize structures such as banking, trusts and real estate in an integrative manner to support the diverse needs of clients and enable them to increase their corporate value. In overseas markets, where demand for financing is strong, SMTB pursued expansion of loans to local subsidiaries of Japanese corporations as well as development of business with non-Japanese corporations to expand loans with them through cooperation with overseas financial institutions. Furthermore, as new areas to be focused on in the domestic market, SMTB worked to make business succession proposals for clients such as business owners and asset administration companies, and worked on consulting and development of new management products to serve the asset management needs of clients such as financial institutions. SMTB also continued to provide an appropriate response to facilitate the financing needs of corporate clients.

<Stock Transfer Agency Services Business>

In the Stock transfer agency services business, SMTB actively worked to strengthen its information provision service to facilitate corporate public relations activities for investors and shareholders, through high quality consulting on issues which are drawing attention primarily of overseas investors such as ESG (environment, society and governance) and trends in the exercise of voting rights by using its abundant information upon the industry's largest trust service base. In addition, SMTB made efforts to enhance the quality of its administration following the integration of administrative systems and also realized cost reductions by streamlining administration.

<Real Estate Business>

In the Real estate business, SMTB expanded its real estate brokerage business in light of the improving conditions in the domestic real estate market, by strengthening its sales structure including collaboration with client departments in the Retail financial services business and Wholesale financial services business, and expanding the volume of information acquired through various consulting functions concerning construction, investment and other matters. SMTB also actively addressed the globalization of the Real estate business, by responding to the needs of overseas investors for real estate investments within Japan and the needs of Japanese clients who are expanding overseas. With regard to real estate securitization trust business, SMTB made efforts to increase its balance and to reduce costs by streamlining operations.

<Fiduciary Services Business>

In the pension-related business of the Fiduciary services business, SMTB focused on developing new clients as well as further cultivation of business with existing clients for both defined benefit pension services and defined contribution pension services. SMTB leveraged its unique capabilities in provision of information and consulting proposals across both pension systems and asset management along with its high-quality management and administration services. In the asset management and administration services, SMTB made efforts to refine its asset administration to meet client needs, by enhancing its product lineup and improving asset management performance, in addition to proposing customized management schemes. Furthermore, through its overseas subsidiaries and affiliates, SMTB worked to enhance its base to develop management products and asset administration services globally.

In the asset administration business, Japan Trustee Services Bank, Ltd. made efforts to enhance its services in order to improve client satisfaction and worked to bolster competitiveness by reducing costs through streamlining of operations.

<Global Markets Business>

In the treasury and financial products business of the Global markets business, SMTB steadily achieved earnings by controlling risks in a flexible manner in response to the financial environment. In addition, SMTB worked to enhance its consulting proposals to address risks faced by clients related to interest rates, foreign exchange and other factors and to develop new products, as well as expanding and diversifying its foreign currency funding in response to increased business overseas.

Results of Business Activities

(Consolidated Financial Results for the Fiscal Year 2013)

In the current fiscal year, net business profit before credit costs increased 1.2 billion yen from the previous fiscal year to 285.8 billion yen. This was due primarily to increases in fees and commissions of SMTB and contribution from Group companies, despite the disappearance of the one-time effect in the previous fiscal year from the consolidated accounting method of the management integration.

Ordinary profit increased 2.9 billion yen from the previous fiscal year to 258.0 billion yen mainly due to the improvement in total credit costs by 3.0 billion yen from the previous fiscal year, in addition to the above.

As a result, net income increased 3.9 billion yen from the previous fiscal year to 137.6 billion yen, and exceeded the full-year forecast of 130.0 billion yen by 7.6 billion yen.

Consolidated BIS Capital Adequacy Ratio

Consolidated Equity Tier 1 capital ratio was 9.32%, Consolidated Tier 1 capital ratio was 10.83%, and Consolidated Total capital ratio was 14.78% as of March 31, 2014, exceeding the minimum regulatory requirements of 4.00%, 5.50%, and 8.00%, respectively.

The translation of Japanese yen amounts into U.S. dollar amounts is included solely for the convenience of readers outside Japan. The translation has been made at the rate of ¥102.90 to U.S. $1, the approximate rate of exchange as of March 31, 2014.

Operating Results (Consolidated)

Years Ended March 31	Millions of Yen			Millions of U.S. Dollars
	2014	2013	Changes	2014
Gross Profit (excluding Trust Account Credit Costs)	¥ 658,987	¥ 637,840	¥ 21,147	$ 6,404
Trust Account Credit Costs (A)	(5)	(7)	2	(0)
General and Administrative Expenses (excluding non-recurring expenses)	(396,392)	(373,774)	(22,618)	(3,852)
Banking Account Credit Costs (B)	(1,414)	(3,216)	1,802	(14)
Reversal of Allowance for Loan Losses (C)	8,429	5,706	2,722	82
Recoveries of Written-Off Claims (D)	2,173	3,650	(1,476)	21
Net Gains (Losses) on Stocks and Other Securities	(3,781)	(4,215)	433	(37)
Net Income from Affiliated Companies Accounted for by the Equity Method	3,381	2,808	572	33
Gain on Negative Goodwill Arising from Other Transactions	—	2,388	(2,388)	—
Impairment Loss	(10,301)	(16,281)	5,980	(100)
Management Integration Expenses	(7,579)	(12,109)	4,529	(74)
Others	(6,851)	(14,461)	7,610	(67)
Income before Income Taxes and Minority Interests	246,650	228,334	18,315	2,397
Net Income	137,675	133,768	3,906	1,338
Total Credit Costs (A+B+C+D)	9,183	6,132	3,050	89
Net Business Profit before Credit Costs	285,889	284,629	1,259	2,778

1) Gross profit = trust fees + (interest income – interest expenses) + (fees and commissions – fees and commissions payments) + (trading income – trading expenses) + (other ordinary income – other ordinary expenses)
2) Consolidated net business profit before credit costs = Non-consolidated net business profit before credit costs of SMTB + ordinary profits (adjusted for non-recurring effects) of other consolidated subsidiaries + ordinary profits (adjusted for non-recurring effects) from affiliated companies accounted for by the equity method x ratio of equity holdings – internal transactions (e.g. dividends)
3) Amounts in parentheses represent losses or expenses, and profit decreases from the previous fiscal year.

Major Profit and Losses (Consolidated)

Total Net Interest Income increased by ¥7.9 billion (U.S. $77 million) from the previous fiscal year to ¥227.6 billion (U.S. $2,212 million) due to an increase in loan-deposit margin, especially in the international business.

Net Fees and Commissions increased by ¥39.5 billion (U.S. $384 million) from the previous fiscal year to ¥252.3 billion (U.S. $2,452 million) due to mainly an increase in sales of investment insurance products and real estate brokerage fees.

Net Other Ordinary Income and Expenses (excludes non-recurring effects) decreased by ¥35.2 billion (U.S. $342 million) from the previous fiscal year to ¥49.8 billion (U.S. $485 million) mainly due to a decrease in net gains on government bonds, which recorded significant level of profit in the previous fiscal year.

Accordingly, Gross Profit increased by ¥21.1 billion (U.S. $206 million) from the previous fiscal year to ¥658.9 billion (U.S. $6,404 million).

On the other hand, General and Administrative Expenses (excluding non-recurring effects) increased by ¥22.6 billion (U.S. $220 million) from the previous fiscal year due to mainly an increase in retirement benefit expenses, and negatively affected the profit.

As a result, Net Business Profit Before Credit Costs, which represents the actual profit level calculated by making some necessary adjustments to the above results, increased by ¥1.2 billion (U.S. $12 million) from the previous fiscal year to ¥285.8 billion (U.S. $2,778 million).

Major Profit and Losses (Consolidated)

	Millions of Yen			Millions of U.S. Dollars
Years Ended March 31	2014	2013	Changes	2014
Gross Profit (excluding Trust Account Credit Costs)	¥ 658,987	¥ 637,840	¥ 21,147	$ 6,404
Net Trust Fees:	104,747	96,190	8,557	1,018
Trust Account Credit Costs (deduction)	(5)	(7)	2	(0)
Trust Fees from Loan Trusts and Jointly-Operated Money Trusts (before deducting Trust Accounts Credit Costs)	7,821	7,703	118	76
Other Trust Fees	96,931	88,494	8,436	942
Net Interest Income:	227,641	219,730	7,910	2,212
Interest Income	356,811	339,266	17,544	3,468
Interest Expenses	(129,169)	(119,535)	(9,633)	(1,255)
Net Fees and Commissions:	252,343	212,780	39,563	2,452
Fees and Commissions	322,808	282,555	40,253	3,137
Fees and Commissions Payments	(70,464)	(69,774)	(690)	(685)
Net Trading Income:	24,376	24,011	365	237
Trading Income	24,604	24,350	254	239
Trading Expenses	(228)	(339)	111	(2)
Net Other Ordinary Income and Expenses: (excluding non-recurring expenses)	49,878	85,127	(35,249)	485
Other Ordinary Income	290,036	315,158	(25,121)	2,819
Other Ordinary Expenses	(240,157)	(230,030)	(10,127)	(2,334)
General and Administrative Expenses	(396,392)	(373,774)	(22,618)	(3,852)
Net Business Profit before Credit Costs	285,889	284,629	1,259	2,778

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

Credit Costs (Consolidated)

Total Credit Costs decreased by ¥3.0 billion (U.S. $30 million) from the previous fiscal year to ¥9.1 billion (U.S. $89 million). This was due to the limited occurrence of new non-performing loans and recording of Reversal of Allowance for Loan Losses due to lower customers' credit risk.

Credit Costs (Consolidated)

	Millions of Yen			Millions of U.S. Dollars
Years Ended March 31	2014	2013	Changes	2014
Total Credit Costs	¥ 9,183	¥ 6,132	¥ 3,050	$ 89
Trust Account Credit Costs	(5)	(7)	2	(0)
Banking Account Credit Costs	(1,414)	(3,216)	1,802	(14)
Write-Off of Loans	(1,680)	(3,205)	1,525	(16)
Losses on Sales of Loans	265	(11)	276	3
Reversal of Allowance for Loan Losses	8,429	5,706	2,722	82
Recoveries of Written-Off Claims	2,173	3,650	(1,476)	21

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

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

Net Losses on Stock and Other Securities remained at the same level as the previous fiscal year at ¥3.7 billion (U.S. $37 million) for the fiscal year ended March 31, 2014.

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

	Millions of Yen			Millions of U.S. Dollars
Years Ended March 31	2014	2013	Changes	2014
Net Gains (Losses) on Stocks and Other Securities	¥ (3,781)	¥ (4,215)	¥ 433	$ (37)
Gains (Losses) on Sales of Stocks and Other Securities	(1,426)	3,498	(4,925)	(14)
Losses on Devaluation of Stocks and Other Securities	(2,355)	(7,714)	5,359	(23)

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

Financial Conditions

Assets and Liabilities

As of March 31, 2014, consolidated Total Assets were ¥41,889.4 billion (U.S. $407 billion), an increase by ¥4,185.3 billion (U.S. $41 billion), and consolidated Total Liabilities were ¥39,448.3 billion (U.S. $383 billion), an increase by ¥4,074.8 billion (U.S. $40 billion), compared with those as of the end of the previous fiscal year, respectively.

In particular, Loans and Bills Discounted increased by ¥1,432.3 billion (U.S. $14 billion) to ¥23,824.0 billion (U.S. $232 billion), Securities decreased by ¥581.5 billion (U.S. $6 billion) to ¥5,764.4 billion (U.S. $56 billion), and Deposits increased by ¥1,099.4 billion (U.S. $11 billion) to ¥24,123.3 billion (U.S. $234 billion), compared with those as of the end of the previous fiscal year.

As a result, consolidated Total Net Assets increased by ¥110.5 billion (U.S. $1 billion) to ¥2,441.0 billion (U.S. $24 billion), compared with those as of the end of the previous fiscal year. Total Assets of Trust Accounts increased by ¥17,574.4 billion (U.S. $171 billion) to ¥197,783.2 billion (U.S. $1,922 billion) as of March 31, 2014.

Problem Assets under the Financial Reconstruction Act

As of March 31, 2014, the total balance of Bankrupt and Practically Bankrupt Loans, Doubtful Loans, and Substandard Loans of the Banking Account and the Principal Guaranteed Trust Accounts with a disclosure requirement under the Financial Reconstruction Act, decreased by ¥71.0 billion (U.S. $1 billion) from the end of previous fiscal year to ¥234.8 billion (U.S. $2 billion). The ratio of "Problem Assets under the Financial Reconstruction Act" to Total Balance fell 0.3% from the previous fiscal year to 1.0%.

Problem Assets under the Financial Reconstruction Act (SMTB (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	2014	2013	Changes	2014
Problem Assets under the Financial Reconstruction Act	¥ 234.8	¥ 305.9	¥ (71.0)	$ 2
Total Balance	24,648.1	23,024.9	1,623.2	240
Ratio to Total Balance	1.0%	1.3%	(0.3)%	1.0%

Banking Account

Classification	Billions of Yen, Except for Percentages							
	Balance		Coverage Ratio		Collateral/Allowance		Allowance Ratio	
As of March 31	2014	2013	2014	2013	2014		2014	2013
Bankrupt and Practically Bankrupt Loans (A)	¥ 10.6	¥ 31.7	100%	100%	Specific Allowance Provided	¥ 4.7	100%	100%
					Covered by Collateral/Guarantee	5.9		
Doubtful Loans (B)	76.1	147.8	94%	92%	Uncovered	4.0	70%	71%
					Specific Allowance Provided	9.5		
					Covered by Collateral/Guarantee	62.6		
Substandard Loans (C)	123.2	101.0	71%	71%	Uncovered	35.2	29%	24%
					General Allowance Provided	14.6		
					Covered by Collateral/Guarantee	73.3		
Total of (A), (B) and (C)	209.9	280.5						
Total Balance	24,556.9	22,914.3						
Ratio to Total Balance	0.9%	1.2%						

Principal Guaranteed Trust Account

Classification	Billions of Yen, Except for Percentages					
	Balance		Coverage Ratio		Collateral/Allowance	
As of March 31	2014	2013	2014	2013	2014	
Bankrupt and Practically Bankrupt Loans (A)	¥ 0.0	¥ 0.0	100%	100%	Covered by Collateral/Guarantee	¥ 0.0
Doubtful Loans (B)	24.6	25.1	99%	99%	Covered by Collateral/Guarantee	24.6
Substandard Loans (C)	0.3	0.4	100%	100%	Covered by Collateral/Guarantee	0.3
Total of (A), (B) and (C)	24.9	25.5			Allowance for Loan Trusts	0.2
					Allowance for JOMTs	0.0
Total Balance	91.3	110.6				
Ratio to Total Balance	27.3%	23.0%				

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

	Percentage Points		
Years Ended March 31	2014	2013	Changes
Average Yield on Interest-Earning Assets (a)	0.91%	1.00%	(0.09)%
Loans and Bills Discounted (A)	0.98	1.09	(0.11)
Securities	1.44	1.02	0.42
Average Yield on Interest-Bearing Liabilities (b)	0.30	0.31	(0.01)
Deposits (B)	0.28	0.31	(0.03)
Gross Margin (a)–(b)	0.61	0.69	(0.08)
Loan-Deposit Margin (A)–(B)	0.70	0.78	(0.08)

Financial Summary:

Five-Year Summary (Unaudited)

Sumitomo Mitsui Trust Holdings, Inc. and its Consolidated Subsidiaries
As of and for the fiscal years ended March 31

	Millions of Yen				
Consolidated Statements of Banking Account	2014	2013	2012	2011	2010
As of the Year-End					
Assets:					
Cash and Due from Banks	¥ 6,916,949	¥ 3,902,377	¥ 2,597,784	¥ 502,160	¥ 262,240
Call Loans and Bills Bought	651,552	514,228	283,000	6,936	9,884
Securities	5,764,450	6,346,001	6,795,726	3,710,513	4,525,683
Loans and Bills Discounted	23,824,035	22,391,660	20,636,457	8,864,266	8,941,948
Foreign Exchanges	12,114	59,570	9,440	12,259	767
Customers' Liabilities for Acceptances and Guarantees	485,384	583,945	619,967	317,098	384,117
Others	4,234,927	3,906,248	3,433,933	817,835	853,326
Total Assets	¥ 41,889,413	¥ 37,704,031	¥ 34,376,309	¥ 14,231,070	¥ 14,977,966
Liabilities:					
Deposits and Negotiable Certificates of Deposit	¥ 29,223,508	¥ 27,127,414	¥ 25,330,682	¥ 9,619,022	¥ 9,087,107
Call Money and Bills Sold	200,005	168,355	125,173	351,956	306,161
Borrowed Money	1,906,117	1,169,032	1,122,265	678,983	1,217,246
Foreign Exchanges	124	106	71	—	21
Acceptances and Guarantees	485,384	583,945	619,967	317,098	384,117
Others	7,633,229	6,324,702	4,841,118	2,419,879	3,136,755
Total Liabilities	¥ 39,448,370	¥ 35,373,557	¥ 32,039,277	¥ 13,386,939	¥ 14,131,410
Net Assets:					
Shareholders' Equity	¥ 1,901,775	¥ 1,711,556	¥ 1,817,812	¥ 667,328	¥ 638,957
Accumulated Other Comprehensive Income	203,599	134,482	9,032	(10,851)	20,436
Subscription Rights to Shares	47	19	6	—	—
Minority Interests	335,620	484,415	510,181	187,653	187,161
Total Net Assets	¥ 2,441,043	¥ 2,330,474	¥ 2,337,031	¥ 844,130	¥ 846,556
Total Liabilities and Net Assets	¥ 41,889,413	¥ 37,704,031	¥ 34,376,309	¥ 14,231,070	¥ 14,977,966
For the Year					
Income:					
Trust Fees	¥ 104,747	¥ 96,190	¥ 98,207	¥ 46,720	¥ 50,874
Interest Income	356,811	339,266	374,744	160,477	181,592
Fees and Commissions	322,808	282,555	262,914	82,579	80,790
Trading Income	24,604	24,350	12,488	3,943	2,592
Other Ordinary Income	290,036	315,158	533,445	36,224	27,505
Other Income	89,156	64,135	87,877	28,865	24,740
Total Income	¥ 1,188,165	¥ 1,121,655	¥ 1,369,678	¥ 358,809	¥ 368,095
Expenses:					
Interest Expenses	¥ 129,169	¥ 119,535	¥ 121,067	¥ 59,694	¥ 68,901
Fees and Commissions Payments	70,464	69,774	59,580	20,890	21,112
Trading Expenses	228	339	83	441	—
Other Ordinary Expenses	240,157	230,030	389,422	9,228	8,318
General and Administrative Expenses	402,877	385,728	386,558	140,931	149,232
Other Expenses	98,616	87,912	117,998	40,840	35,733
Total Expenses	¥ 941,514	¥ 893,321	¥ 1,074,711	¥ 272,026	¥ 283,296
Income before Income Taxes and Minority Interests	246,650	228,334	294,967	86,783	84,798
Net Income	¥ 137,675	¥ 133,768	¥ 164,660	¥ 47,277	¥ 46,826

	Yen				
Per Share of Common Stock:					
Net Income per Share of Common Stock	¥ 34.48	¥ 31.27	¥ 38.54	¥ 28.51	¥ 31.41
Net Income per Share of Common Stock (Fully Diluted)	34.48	—	—	—	—
Net Assets per Share of Common Stock	511.02	470.71	413.11	395.94	397.69

	Millions of Yen				
Statements of Trust Account	2014	2013	2012	2011	2010
Total Assets	¥197,783,263	¥180,208,811	¥168,335,650	¥ 38,432,054	¥ 37,835,141

Financial Summary:

Five-Year Summary (Unaudited)

Sumitomo Mitsui Trust Holdings, Inc.
As of and for the fiscal years ended March 31

Non-Consolidated Statements	Millions of Yen				
	2014	2013	2012	2011	2010
As of the Year-End					
Assets:					
Current Assets:	¥ 111,835	¥ 55,581	¥ 8,927	¥ 28,769	¥ 39,263
Cash and Due from Banks	2,465	1,719	2,077	1,462	1,922
Securities	103,000	27,000	—	23,000	35,000
Non-Current Assets:	1,641,201	1,652,532	1,923,180	765,428	765,855
Investments and Other Assets	1,641,199	1,652,530	1,923,175	764,391	764,406
Total Assets	¥ 1,755,995	¥ 1,708,113	¥ 1,932,107	¥ 794,198	¥ 805,149
Liabilities:					
Current Liabilities	¥ 2,604	¥ 1,464	¥ 1,799	¥ 1,755	¥ 1,668
Non-Current Liabilities:	130,659	160,616	189,861	191,072	191,105
Bonds Payable	128,800	160,500	189,700	189,700	189,700
Provision for Retirement Benefits	—	—	—	1,177	1,041
Total Liabilities	¥ 133,263	¥ 162,081	¥ 191,661	¥ 192,827	¥ 192,774
Net Assets:					
Shareholders' Equity	¥ 1,622,684	¥ 1,546,012	¥ 1,740,440	¥ 601,370	¥ 612,375
Subscription Rights to Shares	47	19	6	—	—
Total Net Assets	¥ 1,622,731	¥ 1,546,032	¥ 1,740,446	¥ 601,370	¥ 612,375
Total Liabilities and Net Assets	¥ 1,755,995	¥ 1,708,113	¥ 1,932,107	¥ 794,198	¥ 805,149
For the Year					
Operating Income:	¥ 34,530	¥ 57,325	¥ 41,253	¥ 22,764	¥ 13,651
Dividends Received from Subsidiaries	29,550	51,963	33,738	17,112	10,043
Operating Expenses:	8,529	10,834	12,351	10,398	10,545
Interest on Bonds Payable	5,467	6,665	7,430	7,487	7,674
General and Administrative Expenses	3,062	4,169	4,920	2,911	2,871
Operating Profit	¥ 26,000	¥ 46,490	¥ 28,902	¥ 12,366	¥ 3,106
Non-Operating Income	¥ 369	¥ 84	¥ 28	¥ 64	¥ 66
Non-Operating Expenses	1,936	481	1,513	2,792	889
Income before Income Taxes	¥ 24,433	¥ 46,093	¥ 27,416	¥ 9,638	¥ 2,283
Net Income	¥ 24,431	¥ 46,089	¥ 27,409	¥ 8,906	¥ 2,865

	Yen				
Per Share of Common Stock:					
Net Income per Share of Common Stock	¥ 5.13	¥ 10.04	¥ 5.49	¥ 5.37	¥ 1.92
Net Income per Share of Common Stock (Fully Diluted)	5.13	—	—	—	—
Net Assets per Share of Common Stock	387.32	389.30	392.30	362.70	369.33

(Note) Net Income per Share of Common Stock (Fully Diluted) for the fiscal years ended March 31, 2013, and 2012 is not stated as there were no potential shares that would have a dilutive effect.
Net Income per Share of Common Stock (Fully Diluted) for the fiscal years ended March 31, 2011 and 2010 is not stated as there were no potential shares.

Financial Data:

Consolidated Balance Sheet

Sumitomo Mitsui Trust Holdings, Inc. and its Consolidated Subsidiaries
As of March 31, 2014 and 2013

	Millions of Yen		Millions of U.S. Dollars
	2014	2013	2014
Assets:			
Cash and Due from Banks	¥ 6,916,949	¥ 3,902,377	$ 67,220
Call Loans and Bills Bought	651,552	514,228	6,332
Receivables under Resale Agreements	88,069	91,911	856
Receivables under Securities Borrowing Transactions	289,377	207,494	2,812
Monetary Claims Bought	936,435	491,805	9,100
Trading Assets (Notes 1 and 4)	537,029	716,594	5,219
Money Held in Trust	13,344	19,014	130
Securities (Notes 2, 4 and 14)	5,764,450	6,346,001	56,020
Loans and Bills Discounted (Notes 3, 4 and 5)	23,824,035	22,391,660	231,526
Foreign Exchanges	12,114	59,570	118
Lease Receivables and Investment Assets (Note 4)	540,204	553,532	5,250
Other Assets (Notes 4 and 8)	1,333,355	1,446,809	12,958
Tangible Fixed Assets (Note 6)	229,583	230,595	2,231
Intangible Fixed Assets (Note 7)	210,536	205,775	2,046
Assets for Retirement Benefits	150,153	—	1,459
Deferred Tax Assets	17,128	75,685	166
Customers' Liabilities for Acceptances and Guarantees	485,384	583,945	4,717
Allowance for Loan Losses	(110,289)	(132,970)	(1,072)
Total Assets	¥ 41,889,413	¥ 37,704,031	$ 407,089
Liabilities:			
Deposits (Notes 4 and 9)	¥ 24,123,328	¥ 23,023,897	$ 234,435
Negotiable Certificates of Deposit	5,100,179	4,103,517	49,564
Call Money and Bills Sold	200,005	168,355	1,944
Payables under Repurchase Agreements (Note 4)	1,291,641	605,742	12,552
Trading Liabilities (Note 1)	214,104	233,133	2,081
Borrowed Money (Notes 4 and 10)	1,906,117	1,169,032	18,524
Foreign Exchanges	124	106	1
Short-Term Bonds Payable	904,882	940,067	8,794
Bonds Payable (Note 11)	1,057,772	986,363	10,280
Borrowed Money from Trust Account (Note 12)	2,941,748	2,483,248	28,588
Other Liabilities (Note 13)	1,139,718	1,023,319	11,076
Provision for Bonuses	15,415	14,631	150
Provision for Directors' Bonuses	255	187	2
Provision for Retirement Benefits	—	16,132	—
Liabilities for Retirement Benefits	11,311	—	110
Provision for Reimbursement of Deposits	3,917	6,207	38
Provision for Contingent Losses	8,800	9,720	86
Deferred Tax Liabilities	39,705	1,825	386
Deferred Tax Liabilities for Land Revaluation (Note 6)	3,954	4,122	38
Acceptances and Guarantees (Note 4)	485,384	583,945	4,717
Total Liabilities	¥ 39,448,370	¥ 35,373,557	$ 383,366
Net Assets:			
Total Shareholders' Equity:	¥ 1,901,775	¥ 1,711,556	$ 18,482
Capital Stock	261,608	261,608	2,542
Capital Surplus	754,267	752,973	7,330
Retained Earnings	886,491	790,139	8,615
Treasury Stock	(591)	(93,164)	(6)
Total Accumulated Other Comprehensive Income:	203,599	134,482	1,979
Valuation Differences on Available-for-Sale Securities	229,637	161,522	2,232
Deferred Gains and Losses on Hedges	(12,585)	(17,154)	(122)
Revaluation Reserve for Land (Note 6)	(5,761)	(5,457)	(56)
Foreign Currency Translation Adjustments	7,343	(4,427)	71
Adjustments for Retirement Benefits	(15,033)	—	(146)
Subscription Rights to Shares	47	19	0
Minority Interests	335,620	484,415	3,262
Total Net Assets	¥ 2,441,043	¥ 2,330,474	$ 23,722
Total Liabilities and Net Assets	¥ 41,889,413	¥ 37,704,031	$ 407,089

	Yen		U.S. Dollars
Net Assets per Share of Common Stock	¥ 511.02	¥ 470.71	$ 4.97

See accompanying notes.
The figures in U.S. Dollars are converted from a yen basis for convenience at the rate of ¥102.90 to U.S. $1.00, the exchange rate prevailing as of March 31, 2014.

Financial Data:

Consolidated Statement of Income

Sumitomo Mitsui Trust Holdings, Inc. and its Consolidated Subsidiaries
For the fiscal years ended March 31, 2014 and 2013

	Millions of Yen		Millions of U.S. Dollars
	2014	2013	2014
Income:			
Trust Fees	¥ 104,747	¥ 96,190	$ 1,018
Interest Income:	356,811	339,266	3,468
Interest on Loans and Discounts	241,589	240,249	2,348
Interest and Dividends on Securities	97,189	88,008	945
Interest on Call Loans and Bills Bought	1,089	763	11
Interest on Receivables under Resale Agreements	726	830	7
Interest on Receivables under Securities Borrowing Transactions	141	267	1
Interest on Deposits with Banks	10,958	4,754	106
Other Interest Income (Note 1)	5,116	4,393	50
Fees and Commissions	322,808	282,555	3,137
Trading Income (Note 2)	24,604	24,350	239
Other Ordinary Income (Note 3)	290,036	315,158	2,819
Other Income (Note 4)	89,156	64,135	866
Total Income	¥ 1,188,165	¥ 1,121,655	$ 11,547
Expenses:			
Interest Expenses:	¥ 129,169	¥ 119,535	$ 1,255
Interest on Deposits	66,724	68,391	648
Interest on Negotiable Certificates of Deposit	8,552	9,592	83
Interest on Call Money and Bills Sold	1,567	646	15
Interest on Payables under Repurchase Agreements	1,102	1,090	11
Interest on Payables under Securities Lending Transactions	82	81	1
Interest on Borrowings	7,581	9,146	74
Interest on Short-Term Bonds	1,691	875	16
Interest on Bonds	19,336	17,622	188
Other Interest Expenses (Note 1)	22,530	12,088	219
Fees and Commissions Payments	70,464	69,774	685
Trading Expenses (Note 2)	228	339	2
Other Ordinary Expenses (Note 3)	240,157	230,030	2,334
General and Administrative Expenses (Note 5)	402,877	385,728	3,915
Other Expenses (Note 4)	98,616	87,912	958
Total Expenses	¥ 941,514	¥ 893,321	$ 9,150
Income before Income Taxes and Minority Interests	¥ 246,650	¥ 228,334	$ 2,397
Income Taxes:	91,692	75,158	891
Current	25,661	21,855	249
Deferred	66,031	53,303	642
Income before Minority Interests	154,957	153,176	1,506
Minority Interests in Income	17,282	19,407	168
Net Income	¥ 137,675	¥ 133,768	$ 1,338

	Yen		U.S. Dollars
Net Income per Share of Common Stock	¥ 34.48	¥ 31.27	$ 0.34
Net Income per Share of Common Stock (Fully Diluted)	34.48	—	0.34

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, 2014 and 2013

	Millions of Yen		Millions of U.S. Dollars
	2014	2013	2014
Income before Minority Interests	**¥ 154,957**	¥ 153,176	**$ 1,506**
Other Comprehensive Income (Loss):			
Valuation Differences on Available-for-Sale Securities	**69,629**	128,131	**677**
Deferred Gains (Losses) on Hedges	**3,077**	(7,509)	**30**
Revaluation Reserve for Land	**—**	(9)	**—**
Foreign Currency Translation Adjustments	**10,302**	7,683	**100**
Attributable to Equity-Method Affiliated Companies	**1,745**	(1,860)	**17**
Total Other Comprehensive Income (Loss) (Note 1)	**¥ 84,755**	¥ 126,435	**$ 824**
Comprehensive Income:	**¥ 239,712**	¥ 279,612	**$ 2,330**
Comprehensive Income Attributable to Owners of the Parent	**¥ 222,124**	¥ 259,711	**$ 2,159**
Comprehensive Income Attributable to Minority Interests	**17,587**	19,900	**171**

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, 2014 and 2013

From April 1, 2013 to March 31, 2014

	Millions of Yen				
	Shareholders' Equity				
	Capital Stock	Capital Surplus	Retained Earnings	Treasury Stock	Total Shareholders' Equity
Balance at the Beginning of the Current Period	¥ 261,608	¥ 752,973	¥ 790,139	¥ (93,164)	¥ 1,711,556
Changes during the Period					
Cash Dividends			(41,626)		(41,626)
Net Income			137,675		137,675
Purchase of Treasury Stock				(110)	(110)
Disposal of Treasury Stock		1,293		92,683	93,976
Retirement of Treasury Stock					
Reversal of Revaluation Reserve for Land			303		303
Net Changes of Items Other Than Shareholders' Equity					
Total Changes during the Period	—	1,293	96,352	92,573	190,218
Balance at the End of the Current Period	¥ 261,608	¥ 754,267	¥ 886,491	¥ (591)	¥ 1,901,775

	Millions of Yen								
	Accumulated Other Comprehensive Income								
	Valuation Differences on Available-for-Sale Securities	Deferred Gains or Losses on Hedges	Revaluation Reserve for Land	Foreign Currency Translation Adjustments	Adjustments for Retirement Benefits	Total Accumulated Other Comprehensive Income	Subscription Rights to Shares	Minority Interests	Total Net Assets
Balance at the Beginning of the Current Period	¥ 161,522	¥ (17,154)	¥ (5,457)	¥ (4,427)	¥ —	¥ 134,482	¥19	¥ 484,415	¥ 2,330,474
Changes during the Period									
Cash Dividends									(41,626)
Net Income									137,675
Purchase of Treasury Stock									(110)
Disposal of Treasury Stock									93,976
Retirement of Treasury Stock									
Reversal of Revaluation Reserve for Land									303
Net Changes of Items Other Than Shareholders' Equity	68,114	4,569	(303)	11,770	(15,033)	69,116	27	(148,794)	(79,650)
Total Changes during the Period	68,114	4,569	(303)	11,770	(15,033)	69,116	27	(148,794)	110,568
Balance at the End of the Current Period	¥ 229,637	¥ (12,585)	¥ (5,761)	¥ 7,343	¥ (15,033)	¥ 203,599	¥47	¥ 335,620	¥ 2,441,043

From April 1, 2012 to March 31, 2013

	Millions of Yen				
	Shareholders' Equity				
	Capital Stock	Capital Surplus	Retained Earnings	Treasury Stock	Total Shareholders' Equity
Balance at the Beginning of the Current Period	¥ 261,608	¥ 859,499	¥ 696,824	¥ (120)	¥ 1,817,812
Changes during the Period					
Cash Dividends			(40,946)		(40,946)
Net Income			133,768		133,768
Purchase of Treasury Stock				(199,574)	(199,574)
Disposal of Treasury Stock		1		3	4
Retirement of Treasury Stock		(106,527)		106,527	—
Reversal of Revaluation Reserve for Land			492		492
Net Changes of Items Other Than Shareholders' Equity					
Total Changes during the Period	—	(106,525)	93,314	(93,044)	(106,255)
Balance at the End of the Current Period	¥ 261,608	¥ 752,973	¥ 790,139	¥ (93,164)	¥ 1,711,556

	Millions of Yen								
	Accumulated Other Comprehensive Income								
	Valuation Differences on Available-for-Sale Securities	Deferred Gains or Losses on Hedges	Revaluation Reserve for Land	Foreign Currency Translation Adjustments	Adjustments for Retirement Benefits	Total Accumulated Other Comprehensive Income	Subscription Rights to Shares	Minority Interests	Total Net Assets
Balance at the Beginning of the Current Period	¥ 32,442	¥ (5,546)	¥ (4,955)	¥ (12,907)	—	¥ 9,032	¥ 6	¥ 510,181	¥ 2,337,031
Changes during the Period									
Cash Dividends									(40,946)
Net Income									133,768
Purchase of Treasury Stock									(199,574)
Disposal of Treasury Stock									4
Retirement of Treasury Stock									—
Reversal of Revaluation Reserve for Land									492
Net Changes of Items Other Than Shareholders' Equity	129,080	(11,607)	(502)	8,479	—	125,450	13	(25,766)	99,698
Total Changes during the Period	129,080	(11,607)	(502)	8,479	—	125,450	13	(25,766)	(6,557)
Balance at the End of the Current Period	¥ 161,522	¥ (17,154)	¥ (5,457)	¥ (4,427)	—	¥ 134,482	¥19	¥ 484,415	¥ 2,330,474

From April 1, 2013 to March 31, 2014

	Millions of U.S. Dollars				
	Shareholders' Equity				
	Capital Stock	Capital Surplus	Retained Earnings	Treasury Stock	Total Shareholders' Equity
Balance at the Beginning of the Current Period	$ 2,542	$ 7,318	$ 7,679	$ (905)	$ 16,633
Changes during the Period					
Cash Dividends			(405)		(405)
Net Income			1,338		1,338
Purchase of Treasury Stock				(1)	(1)
Disposal of Treasury Stock		13		901	913
Retirement of Treasury Stock					
Reversal of Revaluation Reserve for Land			3		3
Net Changes of Items Other Than Shareholders' Equity					
Total Changes during the Period	—	13	936	900	1,849
Balance at the End of the Current Period	$ 2,542	$ 7,330	$ 8,615	$ (6)	$ 18,482

	Millions of U.S. Dollars								
	Accumulated Other Comprehensive Income								
	Valuation Differences on Available-for-Sale Securities	Deferred Gains or Losses on Hedges	Revaluation Reserve for Land	Foreign Currency Translation Adjustments	Adjustments for Retirement Benefits	Total Accumulated Other Comprehensive Income	Subscription Rights to Shares	Minority Interests	Total Net Assets
Balance at the Beginning of the Current Period	$ 1,570	$ (167)	$ (53)	$ (43)	$ —	$ 1,307	$ 0	$ 4,708	$ 22,648
Changes during the Period									
Cash Dividends									(405)
Net Income									1,338
Purchase of Treasury Stock									(1)
Disposal of Treasury Stock									913
Retirement of Treasury Stock									
Reversal of Revaluation Reserve for Land									3
Net Changes of Items Other Than Shareholders' Equity	662	44	(3)	114	(146)	672	0	(1,446)	(774)
Total Changes during the Period	662	44	(3)	114	(146)	672	0	(1,446)	1,075
Balance at the End of the Current Period	$ 2,232	$ (122)	$ (56)	$ 71	$ (146)	$ 1,979	$ 0	$ 3,262	$ 23,722

Financial Data:

Consolidated Statement of Cash Flows

Sumitomo Mitsui Trust Holdings, Inc. and its Consolidated Subsidiaries
For the fiscal years ended March 31, 2014 and 2013

	Millions of Yen		Millions of U.S. Dollars
	2014	2013	2014
Net Cash Provided by (Used in) Operating Activities:			
Income before Income Taxes and Minority Interests	¥ 246,650	¥ 228,334	$ 2,397
Depreciation and Amortization	36,312	41,542	353
Impairment Losses	10,301	16,281	100
Amortization of Goodwill	8,598	8,397	84
Gain on Negative Goodwill	—	(2,388)	—
Equity in Losses (Earnings) of Affiliated Companies	(3,381)	(2,808)	(33)
Increase (Decrease) in Allowance for Loan Losses	(22,700)	(19,858)	(221)
Increase (Decrease) in Provision for Bonuses	784	1,463	8
Increase (Decrease) in Provision for Directors' Bonuses	68	(3)	1
Increase (Decrease) in Provision for Retirement Benefits	—	196	—
Decrease (Increase) in Assets for Retirement Benefits	(6,306)	—	(61)
Increase (Decrease) in Liabilities for Retirement Benefits	(5,450)	—	(53)
Increase (Decrease) in Provision for Reimbursement of Deposits	(2,289)	(725)	(22)
Increase (Decrease) in Provision for Contingent Losses	(919)	(2,770)	(9)
Increase (Decrease) in Provision for Relocation Expenses	—	(8,895)	—
Gain on Fund Management	(356,811)	(339,266)	(3,468)
Financing Expenses	129,169	119,535	1,255
Loss (Gain) Related to Securities	(11,692)	(52,414)	(114)
Loss (Gain) on Money Held in Trust	(795)	(880)	(8)
Foreign Exchange Losses (Gains)	(129,807)	(105,468)	(1,261)
Loss (Gain) on Disposal of Fixed Assets	1,069	572	10
Net Decrease (Increase) in Trading Assets	179,564	(115,456)	1,745
Net Increase (Decrease) in Trading Liabilities	(19,029)	54,012	(185)
Net Decrease (Increase) in Loans and Bills Discounted	(1,438,157)	(1,761,803)	(13,976)
Net Increase (Decrease) in Deposit	1,050,905	943,623	10,213
Net Increase (Decrease) in Negotiable Certificates of Deposit	996,662	850,672	9,686
Net Increase (Decrease) in Borrowed Money (excluding Subordinated Borrowings)	758,172	52,940	7,368
Net Decrease (Increase) in Due from Banks (excluding Due from the Bank of Japan)	(223,497)	(421,758)	(2,172)
Net Decrease (Increase) in Call Loans	(327,813)	(257,934)	(3,186)
Net Decrease (Increase) in Receivables under Securities Borrowing Transactions	(81,883)	(188,877)	(796)
Net Increase (Decrease) in Call Money	717,549	437,392	6,973
Net Increase (Decrease) in Payables under Securities Lending Transactions	—	(227,956)	—
Net Decrease (Increase) in Foreign Exchange—Assets	47,456	(50,129)	461
Net Increase (Decrease) in Foreign Exchange—Liabilities	18	35	0
Net Decrease (Increase) in Lease Receivables and Investment Assets	13,328	(3,839)	130
Net Increase (Decrease) in Short-Term Bonds Payable	(182,085)	562,208	(1,770)
Increase (Decrease) in Straight Bonds-Issuance and Redemption	189,728	94,181	1,844
Net Increase (Decrease) in Borrowed Money from Trust Account	458,499	376,021	4,456
Proceeds from Fund Management	361,701	352,688	3,515
Payments for Finance	(160,954)	(131,610)	(1,564)
Other, Net	28,206	101,782	274
Subtotal	¥ 2,261,173	¥ 547,036	$ 21,974
Income Taxes Paid	(2,471)	(29,070)	(24)
Net Cash Provided by (Used in) Operating Activities	¥ 2,258,701	¥ 517,965	$ 21,950

	Millions of Yen		Millions of U.S. Dollars
	2014	2013	2014
Net Cash Provided by (Used in) Investing Activities:			
Purchase of Securities	¥ (6,158,163)	¥ (11,804,301)	$ (59,846)
Proceeds from Sales of Securities	4,014,950	5,854,320	39,018
Proceeds from Redemption of Securities	2,931,293	6,704,357	28,487
Decrease in Money Held in Trust	5,650	663	55
Purchase of Tangible Fixed Assets	(14,498)	(20,448)	(141)
Proceeds from Sales of Tangible Fixed Assets	2,655	9,833	26
Purchase of Intangible Fixed Assets	(47,731)	(42,399)	(464)
Proceeds from Sales of Intangible Fixed Assets	11	1,026	0
Purchase of Investments in Subsidiaries with Changes in the Scope of Consolidation	—	(2,736)	—
Purchase of Investments in Affiliated Companies Accounted for by the Equity Method	—	(39)	—
Net Cash Provided by (Used in) Investing Activities	¥ 734,169	¥ 700,274	$ 7,135
Net Cash Provided by (Used in) Financing Activities:			
Increase in Subordinated Borrowings	¥ —	¥ 45,000	$ —
Decrease in Subordinated Borrowings	(20,000)	(50,000)	(194)
Proceeds from Issuance of Subordinated Bonds and Bonds with Subscription Rights to Shares	—	41,311	—
Payments for Redemption of Subordinated Bonds and Bonds with Subscription Rights to Shares	(124,500)	(100,000)	(1,210)
Repayments to Minority Shareholders	(150,000)	(27,500)	(1,458)
Cash Dividends Paid	(41,613)	(40,891)	(404)
Cash Dividends Paid to Minority Shareholders	(16,451)	(18,078)	(160)
Purchase of Treasury Stock	(110)	(199,574)	(1)
Proceeds from Sales of Treasury Stock	89,874	4	873
Net Cash Provided by (Used in) Financing Activities:	¥ (262,800)	¥ (349,728)	$ (2,554)
Effect of Exchange Rate Change on Cash and Cash Equivalents	¥ 61,023	¥ 14,321	$ 593
Net Increase (Decrease) in Cash and Cash Equivalents	¥ 2,791,094	¥ 882,833	$ 27,124
Cash and Cash Equivalents at the Beginning of the Period	¥ 2,609,409	¥ 1,726,575	$ 25,359
Cash and Cash Equivalents at the End of the Period (Note 1)	¥ 5,400,503	¥ 2,609,409	$ 52,483

Financial Data:

Notes to the Consolidated Financial Statements

Basis of Presentation of Financial Statements

The accompanying consolidated financial statements (banking account) have been prepared from the accounts maintained by Sumitomo Mitsui Trust Holdings, Inc. ("SMTH") and its consolidated subsidiaries (together, the "SMTH 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 SMTH 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 SMTH is incorporated and operates. The translation of Japanese yen amounts into U.S. dollar amounts are included solely for the convenience of readers outside Japan. The translation has been made at the rate of ¥102.90 to U.S. $1, the approximate rate of exchange as of March 31, 2014. 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, 2014:

76 companies

Principal Company:

Sumitomo Mitsui Trust Bank, Limited ("SMTB")

Newly established Sumitomo Mitsui Trust Leasing (Singapore) Pte. Ltd. and five other companies were included in the scope of consolidation from the fiscal year ended March 31, 2014.

MTH Preferred Capital 3 (Cayman) Limited and three other companies liquidated and were excluded from the scope of consolidation from the fiscal year ended March 31, 2014.

(2) Unconsolidated Subsidiaries

Principal Companies:

Hummingbird Co., Ltd.

ASIA GATEWAY I, L.P.

Hummingbird Co., Ltd. and 34 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 the operators that are engaged in leasing activities through silent partnership arrangements and their assets and profits/losses do not belong to the subsidiaries.

Other unconsolidated subsidiaries, including ASIA GATEWAY I L.P. 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, net income (amount corresponding to SMTH's interest in subsidiaries), retained earnings (amount corresponding to SMTH's interest in subsidiaries), and accumulated other comprehensive income (amount corresponding to SMTH's interest in subsidiaries).

2. Application of the Equity Method

(1) Unconsolidated Subsidiaries Accounted for by the Equity Method:

None

(2) Affiliates Accounted for by the Equity Method:

28 companies

Principal Companies:

Japan Stockholders Data Service Company, Limited

SBI Sumishin Net Bank, Ltd.

Changes in the affiliates accounted for by the equity method from the fiscal year ended March 31, 2014, are as follows:

Newly established Shen Zhen Rongtong Capital Management Co., Ltd. and one other company were included in the scope of application of the equity method during the fiscal year ended March 31, 2014.

BUSINEXT CORPORATION and two other companies

were excluded from the scope of application of the equity method from the fiscal year, mainly due to sales of shares.

(3) Unconsolidated Subsidiaries and Affiliates that are not Accounted for by the Equity Method

Principal Company:

Hummingbird Co., Ltd.

ASIA GATEWAY I, L.P.

Hummingbird Co., Ltd. and 34 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 the operators that are engaged in leasing activities through silent partnership arrangements and their assets and profits/losses do not belong to the subsidiaries.

Other unconsolidated subsidiaries and affiliates, including ASIA GATEWAY I, L.P., that are not accounted for by the equity method are excluded from the scope of application of the equity method because such exclusion would not materially affect the consolidated financial statements. Such materiality is determined based on the size of their net income (amount corresponding to SMTH's interest in subsidiaries and affiliates), retained earnings (amount corresponding to SMTH's interest in subsidiaries and affiliates), and accumulated other comprehensive income (amount corresponding to SMTH's interest in subsidiaries and affiliates).

3. Balance Sheet Dates of the Consolidated Subsidiaries

(1) The balance sheet dates of the consolidated subsidiaries are as follows:

April 30:	2 companies
June 30:	2 companies
August 31:	1 company
September 30:	6 companies
November 30:	1 company
December 31:	12 companies
January 24:	4 companies
January 31:	2 companies
March 31:	46 companies

(2) Subsidiaries are consolidated using the financial statements as of the following dates:

- Subsidiaries with a balance sheet date of April 30: Provisionally prepared financial statements as of January 31
- Subsidiaries with a balance sheet date of June 30: Provisionally prepared financial statements as of December 31
- A subsidiary with a balance sheet date of August 31: Provisionally prepared financial statements as of February 28
- Subsidiaries with a balance sheet date of September 30: Provisionally prepared financial statements as of March 31
- A subsidiary with a balance sheet date of November 30: Provisionally prepared financial statements as of February 28
- One of subsidiaries with a balance sheet date of December 31: Provisionally prepared financial statements as of March 31
- Subsidiaries with a balance sheet date of January 24: Provisionally prepared financial statements as of March 31
- Other subsidiaries: Financial statements as of their respective balance sheet dates.

Material transactions arising between the consolidated balance sheet dates, March 31, 2014, and the above balance sheet dates of subsidiaries have been reflected in the consolidated financial statements.

4. Significant Accounting Policies

(1) Trading Assets/Liabilities and Income/Expenses

Trading account activities are conducted to seek profits by taking advantage of short-term fluctuations in interest rates, currency rates, financial markets or other indicators, or intermarket differences ("for trading purposes"). The fluctuations in such items are presented as "Trading Assets" or "Trading Liabilities" in the consolidated balance sheets on a trade-date basis, and gains and losses from such transactions are presented as "Trading Income" or "Trading Expenses" in the consolidated statements of income.

For the measurement of trading assets and trading liabilities, securities and monetary claims are stated at their fair values as of the consolidated balance sheet date, and trading-related financial derivatives, such as swaps, futures, and options, are stated at the amounts that would be settled if they were terminated on the consolidated balance sheet date.

Trading income and trading expenses include interest income or expenses, changes in fair values of securities and monetary claims during the fiscal year, and changes in values of derivatives between the beginning and end of the fiscal year.

(2) Securities

(a) Under the accounting standards for financial instruments in Japan, SMTH 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 affiliates, 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 affiliates not accounted for by the equity method are stated at moving-average cost. Japanese stocks classified as "Available-for-Sale Securities" are, in principle, valued at the average market price during the final month of the fiscal year. "Available-for-Sale Securities" other than Japanese stocks are, in principle, valued at the market price at the balance sheet date. "Available-for-Sale Securities" whose fair value is extremely difficult to estimate are carried at cost using the moving-average method. Valuation differences on "Available-for-Sale Securities" are recorded as a separate component of net assets and reported in the consolidated balance sheets.

(b) Securities in money held in trust are classified and accounted for in the same manner as securities described above.

(3) Financial Derivatives

Financial derivatives, excluding those for trading purposes, are stated at fair value.

(4) Depreciation and Amortization Methods

(a) Tangible fixed assets other than lease assets

Tangible fixed assets of SMTB are depreciated using the declining-balance method, except for the buildings acquired on or after April 1, 1998, which are depreciated using the straight-line method.

Useful lives of major asset categories:

Buildings:	3 to 60 years
Others:	2 to 20 years

At SMTH and the other consolidated subsidiaries, tangible fixed assets are depreciated mainly using the straight-line method over the estimated useful lives of the assets.

(b) Intangible fixed assets other than lease assets

Intangible fixed assets are amortized using the straight-line method. Software for internal use is amortized over the useful life specified by SMTH or the consolidated subsidiaries, generally five years.

(c) Lease Assets

The lease assets under "Tangible Fixed Assets" and "Intangible Fixed Assets" that are related to finance leases that do not transfer ownership of the lease assets to lessees are depreciated using the straight-line method over the lease term, assuming a residual value of zero.

(5) Allowance for Loan Losses

The major domestic consolidated subsidiaries record allowance for loan losses in accordance with internally established criteria for write-offs and allowance for loan losses.

For claims against borrowers that have initiated special liquidation proceedings or other bankruptcy proceedings ("legal bankruptcy") and against borrowers that are in substantially similar adverse condition ("virtual bankruptcy"), the allowance is provided based on the amount of claims, after the write-off stated below, net of the expected amount of recoveries from collateral and guarantees. For claims against borrowers that have not yet initiated bankruptcy proceedings, but are very likely to become bankrupt in the future ("possible bankruptcy"), an allowance is provided for the amount deemed necessary based on the overall assessment of the borrowers' solvency, after deducting the amount expected to be collected through the disposal of collateral or execution of guarantees from the claims.

For claims against large borrowers with certain credit risks and credit amounts that are classified as possible bankruptcy borrowers, restructured loan borrowers, or close-observation borrowers, if future cash flows from collection of the principal and interest can be reasonably estimated, the allowance is provided for the difference between the present value of expected future cash flows discounted at the contracted interest rate prior to the loan restructuring and the carrying amount of the claim (the "estimated cash flow method").

For claims that are classified as other than those above, the allowance is provided based on the historical loan-loss ratios during a certain period.

All claims are assessed at branches and credit supervision departments based on the criteria for self-assessment of asset quality. The Risk Management Department, which is independent from the operating sections, monitors the results of such assessments.

As for the other consolidated subsidiaries, the allowance for loan losses for general claims is provided based on the historical loan-loss ratios, and the allowance for loan losses for specific claims, such as possible uncollectible claims, is provided based on the estimate of unrecoverable amount for each claim.

For claims against borrowers who are legally bankrupt or virtually bankrupt with collateral or guarantees, claims against borrowers in legal or virtual bankruptcy, net of amounts expected to be collected through the disposal of collateral or through the execution of guarantees, are directly deducted from the original amount of claims. The deducted amount was ¥25,820 million (U.S. $251 million) and ¥43,662 million for the fiscal year ended March 31, 2014 and 2013, respectively.

(6) Provision for Bonuses

A provision for bonuses is provided for the estimated employee bonuses attributable to the current fiscal year.

(7) Provision for Directors' Bonuses

A provision for directors' bonuses is provided at some of the consolidated subsidiaries for the estimated directors' bonuses attributable to the current fiscal year.

(8) Provision for Reimbursement of Deposits in Dormant Accounts

At SMTB, 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.

(9) Provision for Contingent Losses

A provision for contingent losses is provided for contingent losses associated with trust transactions in the amount deemed necessary based on the estimated possible future losses.

(10) Accounting for Retirement Benefits

In determining the retirement benefit obligations, SMTB adopts the point basis and other consolidated subsidiaries adopt the straight-line basis to attribute projected benefit obligations to the year ended March 31, 2014.

Past service cost and actuarial gains or losses are expensed using the following methods:

Past service cost: Past service cost is recognized using the straight-line method, primarily over 10 years within the employees' average remaining service period at incurrence.

Actuarial gains or losses: Actuarial differences are expensed using the straight-line method, primarily over 10 years within the employees' average remaining service period, commencing from the next fiscal year of incurrence.

Some consolidated subsidiaries adopt computational short-cut method in calculating projected benefit obligations for lump-sum retirement benefit plans, recording liabilities at amounts to be required for voluntary termination at the year-end.

(11) Foreign Currency Translation

Assets and liabilities of SMTB that are denominated in foreign currencies and overseas branch accounts are generally translated into yen at the exchange rates prevailing at the consolidated balance sheet dates, except for shares of affiliates 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.

(12) Accounting for Leases

As for the consolidated subsidiaries in Japan, income and expenses arising from transactions of finance leases that do not transfer ownerships to lessees are recognized as sales and costs of goods sold when lease payments are collected.

(13) Hedge Accounting

(a) Interest-related transactions

SMTB manages interest rate risk arising from various assets and liabilities by using financial derivative transactions. Such transactions are generally treated as deferred hedges as specified in "Treatment for Accounting and Auditing of Application of Accounting Standard for Financial Instruments

in Banking Industry" (Japanese Institute of Certified Public Accountants ("JICPA") Industry Auditing Committee Report No. 24, "Report No. 24"). To evaluate the effectiveness of hedges designed to offset market fluctuations, hedged items, such as deposits, loans and bills discounted, and hedging instruments, such as interest rate swaps, are grouped by duration to maturity. The effectiveness of hedges designed to fix cash flow is evaluated by verifying the correlation between the interest volatility factors for the hedged items and those for the hedging instruments.

In accordance with "Temporary Treatment for Accounting and Auditing concerning Application of Accounting Standard for Financial Instruments in Banking Industry" (JICPA Industry Auditing Committee Report No. 15), SMTH has adopted "Macro Hedge Accounting" to account for certain interest-related derivatives, which are utilized to manage interest rate exposure of certain changes of transactions, such as loans and deposits. Deferred gains (losses) on hedges in the consolidated balance sheets as of the end of the current fiscal year that have resulted from existing "Macro Hedge Accounting" are amortized over the remaining period designated under "Macro Hedge Accounting" for each hedging transaction. Deferred losses on hedge associated with "Macro Hedge Accounting" were ¥471 million (U.S. $5 million) and ¥630 million (before tax effect) as of March 31, 2014 and 2013, respectively.

(b) Currency-related transactions

SMTB manages the foreign exchange risk arising from various assets and liabilities denominated in foreign currencies by using financial derivative transactions. Such transactions are generally treated as deferred hedges as specified in "Treatment for Accounting and Auditing of Application of Accounting Standard for Foreign Currency Transactions in Banking Industry" (JICPA Industry Auditing Committee Report No. 25, "Report No. 25").

The effectiveness of hedging instruments, such as cross-currency swaps and foreign exchange swaps as a means of hedging to mitigate 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, the hedged items.

Additionally, transactions intended to hedge the currency risk associated with foreign-denominated securities (other than bonds) are treated as portfolio hedges. Fair value hedge accounting has been adopted to account for such transactions on the conditions that specific foreign-denominated securities are designated in advance as hedged items and that forward obligations exist in excess of the acquisition cost of such foreign-denominated securities on a foreign-currency basis.

(c) Internal hedge transactions and others

Among derivatives transactions of SMTB that take place between consolidated subsidiaries or designated trading accounts and some other accounts, those interest rate swaps and cross-currency swaps designated as hedging instruments are carried out in accordance with standards for cover deals with external parties, which eliminate discretion and enable strict management on hedges pursuant to Report No. 24 and Report No. 25. Accordingly, income or expenses arising from such interest rate swaps and cross-currency swaps are recognized as profits or losses, or deferred, rather than eliminated.

Deferred hedge accounting has been adopted for certain assets and liabilities by individual transactions.

Other consolidated subsidiaries account for such transactions as deferred hedges, fair value hedges, or exceptional treatment for interest rate swaps by individual transactions.

(14) 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.

(15) Scope of Cash and Cash Equivalents in the Consolidated Statements of Cash Flows

The balance of Cash and Cash Equivalents in the consolidated statements of cash flows composes the balance of "Cash and Due from Banks" presented in the consolidated balance sheets (cash and due from the Bank of Japan for SMTB and Japan Trustee Services Bank, Ltd. ("JTSB")).

(16) National and Local Consumption Taxes

National and local consumption taxes ("consumption taxes") payable by SMTH and its consolidated subsidiaries in Japan are accounted for by the tax-excluded method.

However, any nondeductible consumption taxes associated with asset purchases are recorded as expenses in the current fiscal year.

Changes in Accounting Policies

SMTH applied the "Accounting Standard for Retirement Benefits" (ASBJ Statement No. 26 of May 17, 2012) (the "Accounting Standard") and the "Guidance on Accounting Standard for Retirement Benefits" (ASBJ Guidance No. 25 of May 17, 2012) (the "Guidance") at the end of the fiscal year ended March 31, 2014, except for items prescribed at paragraph 35 of the Accounting Standard and paragraph 67 of the Guidance. In accordance with the Accounting Standard and the Guidance, the difference between the plan assets and the projected benefit obligations is reported as an asset for retirement benefits or a liability for retirement benefits from the fiscal year ended March 31, 2014.

For the application of the Accounting Standard and the Guidance, SMTH adopted the transitional provision at paragraph 37 of the Accounting Standard, recording unrecognized actuarial differences and unrecognized past service costs (both after adjusting for tax effects) in accumulated other comprehensive income at the end of the fiscal year ended March 31, 2014.

As a result, SMTH recorded assets for retirement benefits of ¥150,153 million (U.S. $1,459 million) and liabilities for retirement benefits of ¥11,311 million (U.S. $110 million), while accumulated other comprehensive income decreased by ¥15,033 million (U.S. $146 million), accordingly.

The effect of such changes in accounting policies on per share information is stated in the relevant section.

New Accounting Standards Not Yet Applied

1. The Accounting Standard and the Guidance for Retirement Benefits (May 17, 2012)

(1) Overview

The Accounting Standard and the Guidance for Retirement Benefits are amended from the viewpoint of financial reporting improvement and international convergence, mainly focusing on accounting treatments of actuarial differences and past service costs, determination of retirement benefit obligations and current service costs, and enhancement of disclosures.

(2) Planned Effective Date

SMTH plans to apply the amendments relating to determination of retirement benefit obligations and current service costs at the beginning of the fiscal year starting April 1, 2014.

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

The application of these Accounting Standard and the Guidance is expected to decrease retained earnings by ¥30,729 million (U.S. $299 million) as of April 1, 2014.

2. The Accounting Standard and the Guidance for Business Combinations (September 13, 2013)

(1) Overview

The Accounting Standard and the Guidance for Business Combinations was amended mainly focusing on the followings:

1) treatment of changes in the parent company's ownership interests in its subsidiary when the parent company continues to have control upon further acquisition of shares of its subsidiary;
2) treatments for acquisition-related costs;
3) provisional accounting treatment; and
4) presentation of net income, and the change in wording from "minority interests" to "non-controlling interests."

(2) Planned Effective Dates

SMTH plans to apply the amendments to the Accounting Standard and the Guidance for Business Combinations at the beginning of the fiscal year starting April 1, 2015.

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

SMTH is in the process of assessing impacts of the Accounting Standard and the Guidance on its consolidated financial statements.

Notes to the Consolidated Balance Sheet

1. Trading Assets and Trading Liabilities

(1) Trading assets as of March 31, 2014 and 2013 consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2014	2013	2014
Securities in Trading Account	¥ 20,283	¥ 25,193	$ 197
Derivatives of Trading Securities	34	2	0
Derivatives of Securities Related to Trading Transactions	7	—	0
Trading-Related Financial Derivatives	329,825	362,646	3,205
Other Trading Assets	186,879	328,751	1,816
Total	¥ 537,029	¥ 716,594	$ 5,219

(2) Trading liabilities as of March 31, 2014 and 2013 consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2014	2013	2014
Derivatives of Trading Securities	¥ 22	¥ —	$ 0
Derivatives of Securities Related to Trading Transactions	9	83	0
Trading-Related Financial Derivatives	214,072	233,049	2,080
Total	¥ 214,104	¥ 233,133	$ 2,081

2. Securities

Securities held as of March 31, 2014 and 2013 consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2014	2013	2014
Government Bonds	¥ 1,669,950	¥ 2,562,393	$ 16,229
Local Government Bonds	15,665	20,925	152
Corporate Bonds	598,031	655,048	5,812
Stocks	1,247,642	1,190,063	12,125
Other Securities	2,233,160	1,917,571	21,702
Total	¥ 5,764,450	¥ 6,346,001	$ 56,020

"Securities" include stocks and equity investments in unconsolidated subsidiaries and affiliates.

	Millions of Yen		Millions of U.S. Dollars
	2014	2013	2014
Stocks	¥ 42,401	¥ 33,688	$ 412
Equity Investments	51,109	82,169	497

Securities purchased under resale agreements and borrowing transactions with cash collateral that SMTH is permitted to sell or repledge.

	Millions of Yen		Millions of U.S. Dollars
	2014	2013	2014
Securities that are Further Loaned	¥ 282,361	¥ 185,648	$ 2,744
Securities Held without Selling or Repledging as of the End of the Fiscal Year	99	1,648	1

3. Loans and Bills Discounted

Loans and bills discounted as of March 31, 2014 and 2013 consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2014	2013	2014
Bills Discounted	¥ 3,580	¥ 5,196	$ 35
Loans on Bills	282,224	300,459	2,743
Loans on Deeds	21,119,183	19,732,344	205,240
Overdrafts	2,419,046	2,353,659	23,509
Total	¥ 23,824,035	¥ 22,391,660	$ 231,526

Bills discounted are treated as financial transactions in accordance with Report No. 24. SMTH has a right to freely sell or (re-)pledge such commercial bills. The total face value of these bills amounted to ¥3,580 million (U.S. $35 million) and ¥5,196 million as of March 31, 2014 and 2013, respectively.

Under the SMTH's Self-Assessment Rules, SMTH classifies loans as "Delinquent Loans" if borrowers are virtually bankrupt or potentially bankrupt. For claims against borrowers who are legally bankrupt or virtually bankrupt with collateral or guarantees, claims against borrowers in legal or virtual bankruptcy, net of amounts expected to be collected through the disposal of collateral or through the execution of guarantees, are directly deducted from the original amount of claims.

Loans and bills discounted as of March 31, 2014 and 2013 included the following:

	Millions of Yen		Millions of U.S. Dollars
	2014	2013	2014
Loans in Bankruptcy Proceedings	¥ 2,693	¥ 19,536	$ 26
Other Delinquent Loans	104,768	177,498	1,018
Loans Past Due Three Months or More	—	13	—
Restructured Loans	133,830	115,019	1,301
Total	¥ 241,293	¥ 312,067	$ 2,345

Loans in bankruptcy proceedings are loans whose interest receivable, excluding loans that have been written off ("nonaccrual loans"), is not recorded for the reasons as prescribed in Paragraph 1, Items 3 and 4 of Article 96 of "Enforcement Ordinance for the Corporation Tax Act" (Cabinet Order No. 97 of 1965). Such loans' collection or repayment of principals or interests is not expected due to delinquency in payment of principals or interests for a substantial period or other causes.

Other delinquent loans are nonaccrual loans other than (i) loans in bankruptcy proceedings and (ii) loans for which the terms of interest payments have been extended in connection with the borrower's business restructuring or to otherwise provide support.

Loans past due three months or more are those loans for which principal or interest payments are more than three months past due (calculated from the day following the contractual payment date), excluding loans classified as loans in bankruptcy proceedings or other delinquent loans.

Restructured loans are those loans whose terms have been modified by reducing or waiving interest, granting interest payment extensions, granting principal repayment extensions, forgiving debt, or otherwise providing some arrangements favorable to the borrower in connection with the borrower's business restructuring or to otherwise provide support, excluding those loans classified as loans in bankruptcy proceedings, other delinquent loans, or loans past due three months or more.

4. Assets Pledged

Assets pledged as collateral as of March 31, 2014 and 2013 consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2014	2013	2014
Assets Pledged as Collateral:			
Trading Assets	¥ 112,985	¥ 132,976	$ 1,098
Securities	1,349,048	1,012,028	13,110
Loans and Bills Discounted	1,301,641	1,456,657	12,650
Lease Receivables and Investment Assets	12,254	20,546	119
Other Assets	133,553	336	1,298
Total	¥ 2,909,482	¥ 2,622,546	$ 28,275
Corresponding Liabilities to Assets Pledged as Collateral:			
Deposits	8,057	4,215	78
Payables under Repurchase Agreements	1,016,833	419,677	9,882
Borrowed Money	745,260	281,319	7,243
Acceptances and Guarantees	34,863	38,411	339
Total	¥ 1,805,014	¥ 743,624	$ 17,541

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
	2014	2013	2014
Securities	¥ 721,905	¥ 804,531	$ 7,016
Loans and Bills Discounted	116,625	172,608	1,133
Other Assets	—	182	—

"Other Assets" include initial margins of futures, security deposits, and cash collateral paid for financial instruments. Such amounts are as follows:

	Millions of Yen		Millions of U.S. Dollars
	2014	2013	2014
Initial Margins of Futures	¥ 7,676	¥ 3,403	$ 75
Security Deposits	21,314	20,784	207
Cash Collateral Paid for Financial Instruments	418,015	397,774	4,062

5. Overdraft Facility Agreements and Commitment Lines of Credit

Overdraft facility agreements and committed lines of credit are agreements to extend a certain amount of credit at the customer's request as long as the terms of the agreement have not been violated. The amounts of unused credit under such agreements were ¥10,645,113 million (U.S. $103,451 million) and ¥10,417,893 million, of which ¥7,907,348 million (U.S. $76,845 million) and ¥7,691,417 million were attributable to agreements expiring within one year or which may be unconditionally canceled at any time, as of March 31, 2014 and 2013, 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, SMTH 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, 2014 and 2013 consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2014	2013	2014
Land	**¥ 127,735**	¥ 128,878	**$ 1,241**
Buildings	**74,202**	74,233	**721**
Lease Assets	**1,601**	927	**16**
Construction in Progress	**1,219**	609	**12**
Others	**24,823**	25,946	**241**
Total	**¥ 229,583**	¥ 230,595	**$ 2,231**

Accumulated depreciation amounted to ¥139,883 million (U.S. $1,359 million) and ¥131,243 million, and advanced depreciation amounted to ¥27,294 million (U.S. $265 million) and ¥27,499 million as of March 31, 2014 and 2013, respectively.

In accordance with the Act on Revaluation of Land (Act No. 34, promulgated on March 31, 1998), land for commercial use of SMTB was revalued, and the amount equivalent to the taxes on the resulting valuation difference was recorded as a "Deferred Tax Liabilities for Land Revaluation" in liabilities, and the amount net of such difference was recorded as a "Revaluation Reserve for Land" in net assets.

Revaluation date: March 31, 1999

Revaluation method prescribed by Paragraph 3 of Article 3 of the Act:

The revaluation was calculated by reasonably adjusting the value of land based on the posted prices for benchmark properties as prescribed by Item 1 of Article 2 of the "Order for Enforcement of the Act on Revaluation of Land" (Cabinet Order No. 119, promulgated on March 31, 1998) and the land assessments under Item 4 of Article 2 of the same Order.

Differences between the fair value and the revalued carrying amount of the land for commercial use subject to Article 10 of the Act were ¥6,688 million (U.S. $65 million) and ¥7,234 million as of March 31, 2014 and 2013, respectively.

7. Intangible Fixed Assets

Intangible fixed assets as of March 31, 2014 and 2013 consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2014	2013	2014
Software	**¥ 110,362**	¥ 88,355	**$ 1,073**
Goodwill	**92,670**	106,791	**901**
Lease Assets	**94**	112	**1**
Others	**7,409**	10,515	**72**
Total	**¥ 210,536**	¥ 205,775	**$ 2,046**

8. Other Assets

Other assets as of March 31, 2014 and 2013 consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2014	2013	2014
Domestic Exchange Settlement Account, Debit	¥ 585	¥ 518	$ 6
Prepaid Expenses	7,052	3,618	69
Accrued Income	94,887	94,104	922
Initial Margins of Futures Markets	7,676	3,403	75
Variation Margins of Futures Markets	—	923	—
Prepaid Pension Expenses	—	166,606	—
Financial Derivatives	291,523	379,953	2,833
Receivables for Securities Transactions	203,056	60,734	1,973
Cash Collateral Paid for Financial Instruments-Assets	418,015	397,774	4,062
Others	310,557	339,172	3,018
Total	¥ 1,333,355	¥ 1,446,809	$ 12,958

9. Deposits

Deposits as of March 31, 2014 and 2013 consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2014	2013	2014
Current Deposits	¥ 395,106	¥ 416,604	$ 3,840
Ordinary Deposits	3,955,368	3,702,811	38,439
Deposits at Notice	92,086	99,117	895
Time Deposits	18,722,900	18,037,208	181,952
Others	957,867	768,156	9,309
Total	¥ 24,123,328	¥ 23,023,897	$ 234,435

10. Borrowed Money

Borrowed money as of March 31, 2014 and 2013 consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2014	2013	2014
Subordinated Borrowings	¥ 195,369	¥ 216,456	$ 1,899
Other Borrowed Money	1,710,748	952,576	16,625
Total	¥ 1,906,117	¥ 1,169,032	$ 18,524

Average interest rates on borrowed money were 0.61% and 0.91% for the fiscal years ended March 31, 2014 and 2013, respectively.

Annual maturities of borrowed money as of March 31, 2014, for the next five years are as follows:

Fiscal Year Ending March 31	Millions of Yen	Millions of U.S. Dollars
	2014	2014
2015	¥ 968,307	$ 9,410
2016	150,913	1,467
2017	65,992	641
2018	89,167	867
2019	61,380	597
Total	¥ 1,335,761	$ 12,981

11. Bonds Payable

Bonds payable as of March 31, 2014 and 2013 consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2014	2013	2014
Perpetual Subordinated Bonds	¥ 108,246	¥ 108,979	$ 1,052
Subordinated Bonds	604,415	722,001	5,874
Other Bonds Payable	345,111	155,382	3,354
Total	¥ 1,057,772	¥ 986,363	$ 10,280

Annual maturities of bonds payable as of March 31, 2014, for the next five years are as follows:

Fiscal Year Ending March 31	Millions of Yen	Millions of U.S. Dollars
	2014	2014
2015	¥ 94,000	$ 914
2016	53,000	515
2017	110,450	1,073
2018	166,405	1,617
2019	131,450	1,277
Total	¥ 555,305	$ 5,397

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, 2014 and 2013 consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2014	2013	2014
Domestic Exchange Settlement Account, Credit	¥ 622	¥ 765	$ 6
Income Taxes Payable	20,685	9,674	201
Accrued Expenses	131,815	152,135	1,281
Unearned Income	72,396	70,755	704
Variation Margins of Futures Markets	2,530	113	25
Financial Derivatives	518,341	582,148	5,037
Lease Obligations	7,981	6,886	78
Asset Retirement Obligations	3,600	4,271	35
Payables for Securities Transaction	123,927	9,902	1,204
Provision for Loss on Interest Repayment	574	606	6
Cash Collateral Received for Financial Instruments-Liabilities	157,861	100,498	1,534
Others	99,380	85,561	966
Total	¥ 1,139,718	¥ 1,023,319	$ 11,076

14. Acceptances and Guarantees

The bonds presented under "Securities" included guarantee obligations on corporate bonds that were placed through private securities offerings (Article 2, Paragraph 3 of the Financial Instruments and Exchange Act) amounting to ¥180,108 million (U.S. $1,750 million) and ¥184,146 million as of March 31, 2014 and 2013, respectively.

Notes to the Consolidated Statement of Income

1. Other Interest Income and Expenses

(1) Other interest income for the fiscal years ended March 31, 2014 and 2013 consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2014	2013	2014
Interest on Monetary Claims Bought	¥ 2,939	¥ 2,095	$ 29
Others	2,177	2,297	21
Total	¥ 5,116	¥ 4,393	$ 50

(2) Other interest expenses for the fiscal years ended March 31, 2014 and 2013 consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2014	2013	2014
Interest on Interest Rate Swaps	¥ 14,450	¥ 5,198	$ 140
Others	8,080	6,890	79
Total	¥ 22,530	¥ 12,088	$ 219

2. Trading Income and Expenses

(1) Trading income for the fiscal years ended March 31, 2014 and 2013 consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2014	2013	2014
Income from Trading Securities and Derivatives	¥ 193	¥ 458	$ 2
Income from Trading-Related Financial Derivatives Transactions	23,952	23,402	233
Other Trading Income	458	489	4
Total	¥ 24,604	¥ 24,350	$ 239

(2) Trading expenses for the fiscal years ended March 31, 2014 and 2013 consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2014	2013	2014
Expenses on Trading Transactions	¥ 228	¥ 339	$ 2
Total	¥ 228	¥ 339	$ 2

3. Other Ordinary Income and Expenses

(1) Other ordinary income for the fiscal years ended March 31, 2014 and 2013 consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2014	2013	2014
Net Gains on Foreign Exchange Transactions	¥ —	¥ 6,687	$ —
Gains on Sales and Redemption of Bonds	32,851	63,956	319
Income from Derivatives Other Than for Trading or Hedging	13,393	—	130
Others	243,791	244,514	2,369
Total	¥ 290,036	¥ 315,158	$ 2,819

(2) Other ordinary expenses for the fiscal years ended March 31, 2014 and 2013 consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2014	2013	2014
Net Losses on Foreign Exchange Transactions	¥ 3,831	¥ —	$ 37
Losses on Sales and Redemption of Bonds	17,377	7,326	169
Losses on Derivatives Other Than for Trading or Hedging	—	5,873	—
Others	218,948	216,830	2,128
Total	¥ 240,157	¥ 230,030	$ 2,334

4. Other Income and Expenses

(1) Other income for the fiscal years ended March 31, 2014 and 2013 consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2014	2013	2014
Gains on Sales of Stocks and Other Securities	¥ 52,126	¥ 22,840	$ 507
Gains on Money Held in Trust	796	882	8
Net Reversal of Allowance for Possible Loan Losses	8,429	5,706	82
Recoveries of Written-Off Claims	2,173	3,650	21
Equity in Earnings of Affiliates	3,381	2,808	33
Gains on Stock-Related Derivatives	3,148	8,379	31
Gains on Disposal of Fixed Assets	599	3,485	6
Gains on Negative Goodwill	—	2,388	—
Others	18,501	13,993	180
Total	¥ 89,156	¥ 64,135	$ 866

(2) Other expenses for the fiscal years ended March 31, 2014 and 2013 consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2014	2013	2014
Losses on Sales of Loans	¥ 13	¥ 4	$ 0
Write-Off of Loans	1,680	3,205	16
Losses on Sales of Stocks and Other Securities	53,553	19,341	520
Losses on Devaluation of Stocks and Other Securities	2,355	7,714	23
Losses on Money Held in Trust	0	2	0
Losses on Disposal of Fixed Assets	1,668	4,058	16
Losses on Impairment of Fixed Assets	10,301	16,281	100
Management Integration Expenses	7,579	12,109	74
Others	21,463	25,195	209
Total	¥ 98,616	¥ 87,912	$ 958

5. General and Administrative Expenses

General and administrative expenses for the fiscal years ended March 31, 2014 and 2013 consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2014	2013	2014
Taxes Other Than Income Taxes	¥ 12,262	¥ 13,154	$ 119
Personnel Expenses	191,934	183,256	1,865
Others	198,681	189,317	1,931
Total	¥ 402,877	¥ 385,728	$ 3,915

Notes 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, 2014 and 2013 consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	March 31, 2014	March 31, 2013	**March 31, 2014**
Valuation Difference on Available-for-Sale Securities:			
Changes during the Period	**¥ 120,349**	¥ 234,524	**$ 1,170**
Reclassification Adjustments	**(13,256)**	(40,852)	**(129)**
Before Tax Effects	**107,093**	193,672	**1,041**
Tax Effects	**(37,464)**	(65,540)	**(364)**
Valuation Difference on Available-for-Sale Securities	**69,629**	128,131	**677**
Deferred Gains (Losses) on Hedges:			
Changes during the Period	**(9,788)**	(16,660)	**(95)**
Reclassification Adjustments	**14,450**	5,198	**140**
Before Tax Effects	**4,661**	(11,461)	**45**
Tax Effects	**(1,584)**	3,952	**(15)**
Deferred Gains (Losses) on Hedges	**3,077**	(7,509)	**30**
Revaluation Reserve for Land:			
Changes during the Period	**—**	—	**—**
Reclassification Adjustments	**—**	—	**—**
Before Tax Effects	**—**	—	**—**
Tax Effects	**—**	(9)	**—**
Revaluation Reserve for Land	**—**	(9)	**—**
Foreign Currency Translation Adjustments:			
Changes during the Period	**10,302**	7,608	**100**
Reclassification Adjustments	**—**	74	**—**
Before Tax Effects	**10,302**	7,683	**100**
Tax Effects	**—**	—	**—**
Foreign Currency Translation Adjustments	**10,302**	7,683	**100**
Attributable to Equity-Method Affiliated Companies:			
Changes during the Period	**1,247**	(2,383)	**12**
Reclassification Adjustments	**498**	523	**5**
Attributable to Equity-Method Affiliated Companies	**1,745**	(1,860)	**17**
Total Other Comprehensive Income	**¥ 84,755**	¥ 126,435	**$ 824**

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, 2014 and 2013 consist 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, 2014					
Number of Issued Shares:					
Common Share	**8,500,000**	**3,903,486**	**—**	**—**	**3,903,486**
The First Series of Class 7 Preferred Shares	**109,000**	**109,000**	**—**	**—**	**109,000**
Total	**8,609,000**	**4,012,486**	**—**	**—**	**4,012,486**
Treasury Stock:					
Common Share		**218,176**	**216**	**217,033**	**1,359**

1) The number of shares of common stock held as treasury stock increased by 216 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 9 thousand shares due to purchase requests from odd-lot or less than one thousand shareholders, by 24 thousand shares due to transfer of shares upon exercise of stock option rights, and by 217,000 thousand shares due to sales of treasury stocks for foreign offering as of June 13, 2013.

	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, 2013					
Number of Issued Shares:					
Common Share	8,500,000	4,153,486	—	250,000	3,903,486
The First Series of Class 7 Preferred Shares	200,000	109,000	—	—	109,000
Total	8,700,000	4,262,486	—	250,000	4,012,486
Treasury Stock:					
Common Share		763	467,430	250,016	218,176

1) The number of shares of common stock issued decreased due to cancellation of treasury stocks on March 22, 2013.
2) The number of shares of common stock held as treasury stock increased by 138 thousand shares because of the purchases of odd-lot shares or less than one thousand shares and by 467,292 thousand shares because of purchases of treasury stocks on March 14, 2013.
3) The number of shares of common stock held as treasury stock decreased by 16 thousand shares because of purchase requests from odd-lot shareholders and by 250,000 thousand shares because of cancellation of treasury stocks on March 22, 2013.

2. Subscription Rights to Shares

Subscription rights to shares for the fiscal years ended March 31, 2014 and 2013 consist of the following:

		Millions of Yen		Millions of U.S. Dollars
		2014	2013	**2014**
SMTH	Subscription Rights to Shares as Stock Options	**¥ 47**	¥ 19	**$ 0**
Consolidated Subsidiary				
(Nikko Asset Management Co., Ltd.)	Subscription Rights to Shares as Stock Options	**¥ —**	¥ —	**$ —**
	Subscription Rights to Shares as Treasury Stock Options	**—**	—	**—**

3. Dividends

Dividends paid for the fiscal years ended March 31, 2014 and 2013 consist of the following:

As for the fiscal year ended March 31, 2014:

Resolution	Type of Shares	Cash Dividends Declared: Millions of Yen (Millions of U.S. Dollars)	Cash Dividends per Share: Yen (U.S. Dollars)	Record Date	Effective Date
June 27, 2013					
Ordinary General Meeting of Shareholders	Common Share	¥ 17,505 ($ 170)	¥ 4.75 ($0.05)	March 31, 2013	June 28, 2013
	The First Series of Class 7 Preferred Shares	¥ 2,305 ($ 22)	¥21.15 ($0.21)	March 31, 2013	June 28, 2013

Resolution	Type of Shares	Cash Dividends Declared: Millions of Yen (Millions of U.S. Dollars)	Cash Dividends per Share: Yen (U.S. Dollars)	Record Date	Effective Date
November 14, 2013					
Board of Directors' Meeting	Common Share	¥ 19,511 ($ 190)	¥ 5.00 ($0.05)	September 30, 2013	December 3, 2013
	The First Series of Class 7 Preferred Shares	¥ 2,305 ($ 22)	¥21.15 ($0.21)	September 30, 2013	December 3, 2013

Dividends with a record date during the current fiscal year ended March 31, 2014, but whose effective date is after March 31, 2014, 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 27, 2014						
Ordinary General Meeting of Shareholders	Common Share	¥ 19,510 ($ 190)	Retained Earnings	¥ 5.00 ($ 0.05)	March 31, 2014	June 30, 2014
	The First Series of Class 7 Preferred Shares	¥ 2,305 ($ 22)	Retained Earnings	¥ 21.15 ($ 0.21)	March 31, 2014	June 30, 2014

As for the fiscal year ended March 31, 2013:

Resolution	Type of Shares	Cash Dividends Declared (Millions of Yen)	Cash Dividends per Share (Yen)	Record Date	Effective Date
June 28, 2012					
Ordinary General Meeting of Shareholders	Common Share	¥ 18,687	¥ 4.50	March 31, 2012	June 29, 2012
	The First Series of Class 7 Preferred Shares	¥ 2,305	¥21.15	March 31, 2012	June 29, 2012

Resolution	Type of Shares	Cash Dividends Declared (Millions of Yen)	Cash Dividends per Share (Yen)	Record Date	Effective Date
November 14, 2012					
Board of Directors' Meeting	Common Share	¥ 17,648	¥ 4.25	September 30, 2012	December 4, 2012
	The First Series of Class 7 Preferred Shares	¥ 2,305	¥21.15	September 30, 2012	December 4, 2012

Dividends with a record date during the current fiscal year ended March 31, 2013, but whose effective date is after March 31, 2013, are as follows:

Resolution	Type of Shares	Cash Dividends Declared (Millions of Yen)	Dividend Resources	Cash Dividends per Share (Yen)	Record Date	Effective Date
June 27, 2013						
Ordinary General Meeting of Shareholders	Common Share	¥ 17,505	Retained Earnings	¥ 4.75	March 31, 2013	June 28, 2013
	The First Series of Class 7 Preferred Shares	¥ 2,305	Retained Earnings	¥ 21.15	March 31, 2013	June 28, 2013

Notes to the Consolidated Statement of Cash Flows

1. Reconciliation of Cash and Cash Equivalents

The following table shows reconciliation between cash and cash equivalents in the consolidated statements of cash flows and cash and due from banks in the consolidated balance sheets as of March 31, 2014 and 2013.

	Millions of Yen		Millions of U.S. Dollars
	2014	2013	**2014**
Cash and Due from Banks	**¥ 6,916,949**	¥ 3,902,377	**$ 67,220**
Due from Banks Held by Consolidated Subsidiaries in Japan Involving in Trust Banking Business (excluding Due from the Bank of Japan)	**(1,516,446)**	(1,292,968)	**(14,737)**
Cash and Cash Equivalents	**¥ 5,400,503**	¥ 2,609,409	**$ 52,483**

Leases

1. Finance Leases

As a lessee:

(1) Finance leases that do not transfer ownership of the lease assets to lessees

1) Description of lease assets

i) Tangible fixed assets

Mainly store buildings and office equipment

ii) Intangible fixed assets

Software

2) Method for amortizing lease assets

Refer to "(4) Depreciation and Amortization Methods" of "4. Significant Accounting Policies" in the Significant Accounting Policies and Practices.

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

There were no relevant items for the fiscal years ended March 31, 2014 and 2013.

2. Operating Leases

As a lessee:

Total future lease payments under non-cancelable operating leases as of March 31, 2014 and 2013, were as follows:

	Millions of Yen		Millions of U.S. Dollars
	2014	2013	2014
Due in One Year or Less	¥ 4,072	¥ 3,300	$ 40
Due More than One Year	7,706	7,314	75
Total	¥ 11,779	¥ 10,615	$ 114

As a lessor:

Total future lease payments receivable under non-cancelable operating leases as of March 31, 2014 and 2013, were as follows:

	Millions of Yen		Millions of U.S. Dollars
	2014	2013	2014
Due in One Year or Less	¥ 4,934	¥ 11,314	$ 48
Due More than One Year	3,957	12,431	38
Total	¥ 8,892	¥ 23,746	$ 86

Financial Instruments

1. Circumstances of Financial Instruments

(1) Policy on Financial Instruments

The SMTH Group is engaged in a variety of financial service businesses, primarily trust banking business operated by SMTB. To facilitate these businesses, the SMTH 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.

SMTH monitors risks associated with the group-wide financial assets and liabilities.

SMTB monitors its respective risks while implementing comprehensive Asset-Liability Management (ALM). Meanwhile, SMTB 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. SMTB also is engaged in activities of trading securities and derivatives through trading accounts ("Trading Accounts") that are segregated from other accounts ("Banking Accounts") in accordance with Article 13-6-3, the Ordinance for Enforcement of the Banking Act. Some consolidated subsidiaries are also engaged in trading securities.

(2) Description and Risks of Financial Instruments

1) Trading accounts

The SMTH Group deals with over-the-counter ("OTC") and listed derivatives transactions related to interest rates, exchange rates, bonds, credits, and commodities as well as trading securities. These derivatives transactions are exposed to risks associated with fluctuation in interest rates, exchange rates, and prices; credit risks; and other risks.

2) Banking accounts

Financial assets of the SMTH 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.

The SMTH 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, the SMTH Group comprehensively manages various financial assets and liabilities, such as loans and deposits, by categorizing them based on characteristics of their interest rate risks, and applies the hedge accounting to hedge such a 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 SMTB denominated in foreign currencies, the 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 fair value hedge accounting is also applied as a portfolio hedge to hedge the exchange rate risk in securities denominated in foreign currencies, other than bonds, using financial liabilities denominated in foreign currencies (including foreign exchange contracts) designated as hedging instruments.

The details of the hedge accounting are described in "Significant Accounting Policies and Practices."

(3) Risk Management for Financial Instruments

The SMTH Group sets out a basic framework for the group-wide risk management in the Rules for Risk Management, and establishes the Risk Management Department to supervise, manage, and direct SMTB and other group companies regarding development of an appropriate risk management system as well as to monitor the SMTH Group's risks.

1) Credit risk management

Credit risk is the risk of financial loss to the SMTH Group when a customer or counterparty fails to meet its contractual obligations, and such a 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. The SMTH Group continuously diversifies its credit portfolios and builds up a stronger customer base by sophisticating 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 the SMTH Group's on credit risk management calls for "a diversified credit portfolio" and "strict management for individual credits."

For the former, the SMTH Group manages credit exposures of each customer based on its limited credit amount, and periodically reviews impacts of identified risks to large and particular creditors and concentration in industry sectors, including the measurement of the credit risk. The SMTH 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, the SMTH Group manages individual credits through processes, such as credit screening, self-assessment, and internal credit ratings. Credit ratings indicate the credit status of creditor and the possibility of defaults on a scale, and provide the basis for credit screening of individual transactions and credit portfolio management. The SMTH Group evaluates solvency and collectability of credits based on the analysis, for instance the customer's financial condition, cash flows, and earning capacity through the self-assessment.

(b) Risk management framework of credit risk

In SMTB, the board of directors decides important matters related to credit risk management when developing management plans. The board of directors also decides 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 to make check-and-balance work. Furthermore, the Research Department evaluates credit ratings based on industry research and credit analysis of individual companies along with quantitative analysis. SMTB periodically holds a meeting of Executive Committee and Credit Risk Committee to deliberate material matters of managing credit risks. SMTB has built up an appropriate management framework for risk management through the check-and-balance function, the committees' discussions, and the validation of the credit risk management and operation by the Corporate Risk Management Department.

2) Market risk management

Market risk is the risk of financial loss to the SMTH 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, the SMTH Group maintains a basic policy to organize an appropriate risk management framework of market risk compatible with strategic goals, the scale and nature of its operations, and risk profiles from a perspective of soundness and appropriateness of its business.

(b) Risk management framework of market risk

With regard to market risk, the SMTH 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 an independent check purpose, 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 SMTB, the board of directors resolves ALM basic plans and risk management plans as important matters related to market risk under management plans. The ALM Committee resolves basic matters of ALM basic plans and risk management plans related to market risk regarding company-wide comprehensive risk management for assets/liabilities.

In SMTB, the Risk Management Department is responsible for planning and implementing market risk management. The role of the Risk Management Department includes measuring a risk level and profits/losses and monitoring the condition 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

The SMTH 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 the SMTH Group, the SMTH Group manages market risks by measuring VaR and calculating various risk management indicators, and carrying out various simulations.

The internally-developed VaR model is basically the variance-covariance method, and the historical simulation method is also used for calculating some risks (nonlinear risks and others), such as risks associated with option transactions. Market risk can be classified into categories, such as interest rate risk, stock price risk, exchange rate risk, and others according to its characteristics. The SMTH 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

The SMTH Group uses VaR for managing risks associated with trading securities and some of currency and interest-related derivatives transactions held in the "Trading Accounts." The VaR model used is primarily based on the variance-covariance method (with holding period of 10 business days, confidence interval of 99%, and observation period of 260 business days).

As of March 31, 2014, the total amount of market risk (estimated potential loss) of financial instruments held by the SMTH Group in the Trading Accounts was ¥2.9 billion (U.S. $28 million).

The SMTH Group performs back testing that compares VaR calculated based on its internal model with actual profit and loss. The back testing for the fiscal year ended March 31, 2014 resulted in no instance where actual losses were in excess of VaR; therefore, the SMTH 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

The SMTH Group uses VaR for managing risks associated with financial assets and liabilities held in the "Banking Accounts." The variance-covariance method is the primary measurement method for interest/exchange rate and credit spread exposures, and the historical simulation method for stock price exposure (with holding period of maximum one year according to a position, confidence interval of 99%, and observation period of 260 business days—one or five years for stock prices).

As of March 31, 2014, the total amount of market risk (estimated potential loss) of financial instruments held by the SMTH Group in the Banking Account was ¥783.1 billion (U.S. $7,610 million).

The SMTH Group performs back testing on certain positions held in the "Banking Accounts" that compares VaR calculated based on its internal model with actual profit and loss regarding financial assets and liabilities subject to measurement. The SMTH Group considers that the measurement model properly captures market risk with sufficient accuracy. However, as VaR measures the amount of market risk under certain probabilities statistically calculated based on past volatility in the market, it may not properly capture the risks under extreme market movements.

3) Management of liquidity risk (Liquidity risk management on fund raising)

Liquidity risk is the risk of financial loss to the SMTH Group when the Group fails to raise necessary funds or is forced to raise funds at significantly higher rates.

(a) Risk management policy of liquidity risk

With regard to liquidity risk, the SMTH Group designs and implements a policy to build up a risk management framework for liquidity risk, recognizing that financial difficulties due to exposure to such a risk could possibly lead the SMTH Group directly to bankruptcy under certain circumstances.

(b) Risk management framework and approaches for liquidity risk

Liquidity Risk Management Department determines the extent of its cash crunch appropriately in cooperation with the liquidity management department, while gathering and analyzing information of both 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 liquidity risk, the liquidity risk management departments manage cash flow within the predetermined appropriate limits, and the liquidity risk management departments monitor its compliance.

(4) Supplementary Explanation Concerning Fair Value of Financial Instruments

Fair Value of financial instruments is based on quoted prices in markets. If a quoted price is not available, a reasonably calculated amount is used as fair value. Calculation of such amounts involves certain assumptions and may vary when different assumptions are employed.

2. Fair Values of Financial Instruments

The carrying amounts on the consolidated balance sheets and fair values of financial instruments as of March 31, 2014 and 2013, as well as the differences between these values are presented below. The fair values of unlisted shares are excluded from the following table, because such fair values are extremely difficult to be determined (See Note 2).

	Millions of Yen			Millions of U.S. Dollars		
	2014			2014		
	Carrying Amount	Fair Value	Difference	Carrying Amount	Fair Value	Difference
(1) Cash and Due from Banks (*1)	¥ 6,916,842	¥ 6,916,842	¥ —	$ 67,219	$ 67,219	$ —
(2) Call Loans and Bills Bought	651,552	651,552	—	6,332	6,332	—
(3) Receivables under Resale Agreements	88,069	88,069	—	856	856	—
(4) Receivables under Securities Borrowing Transactions	289,377	289,377	—	2,812	2,812	—
(5) Monetary Claims Bought (*1)	899,552	900,432	880	8,742	8,751	9
(6) Trading Assets						
Trading Securities	207,162	207,162	—	2,013	2,013	—
(7) Money Held in Trust	1,344	1,344	—	13	13	—
(8) Securities						
Held-to-Maturity Debt Securities	410,076	451,992	41,916	3,985	4,393	407
Available-for-Sale Securities	5,109,131	5,109,131	—	49,651	49,651	—
(9) Loans and Bills Discounted	23,824,035			231,526		
Allowance for Loan Losses (*2)	(87,303)			(848)		
	23,736,731	23,933,434	196,702	230,678	232,589	1,912
(10) Foreign Exchanges	12,114	12,114	—	118	118	—
(11) Lease Receivables and Investment Assets (*1)	536,671	542,768	6,096	5,215	5,275	59
Total Assets	¥ 38,858,625	¥ 39,104,221	¥ 245,596	$ 377,635	$ 380,022	$ 2,387
(1) Deposits	¥ 24,123,328	¥ 24,154,388	¥ 31,059	$ 234,435	$ 234,737	$ 302
(2) Negotiable Certificates of Deposit	5,100,179	5,100,179	—	49,564	49,564	—
(3) Call Money and Bills Sold	200,005	200,005	—	1,944	1,944	—
(4) Payables under Repurchase Agreements	1,291,641	1,291,641	—	12,552	12,552	—
(5) Borrowed Money	1,906,117	1,916,886	10,769	18,524	18,629	105
(6) Foreign Exchanges	124	124	—	1	1	—
(7) Short-Term Bonds Payable	904,882	904,882	—	8,794	8,794	—
(8) Bonds Payable	1,057,772	1,091,075	33,302	10,280	10,603	324
(9) Borrowed Money from Trust Account	2,941,748	2,941,748	—	28,588	28,588	—
Total Liabilities	¥ 37,525,802	¥ 37,600,933	¥ 75,131	$ 364,682	$ 365,412	$ 730
Derivatives Transactions (*3)						
Derivatives Transactions Not Qualifying for Hedge Accounting	¥ 140,173	¥ 140,173	¥ —	$ 1,362	$ 1,362	$ —
Derivatives Transactions Qualifying for Hedge Accounting	(251,228)	(251,228)	—	(2,441)	(2,441)	—
Total Derivatives Transactions	¥ (111,054)	¥ (111,054)	¥ —	$ (1,079)	$ (1,079)	$ —

(*1) The allowance for credit losses corresponding to Cash and Due from Banks, Monetary Claims Bought, and Lease Receivables and Investment Assets is directly deducted from the carrying amounts on the consolidated balance sheets, because the balance of the allowance is immaterial.

(*2) A general allowance for loan losses and specific allowances for loan losses are deducted from Loans and Bills Discounted.

(*3) Derivatives transactions recorded in Trading Assets and Trading Liabilities or in Other Assets and Other Liabilities are presented collectively.

Receivables and payables arising from derivatives transactions are presented on a net basis. Negative figures represent a liability balance after netting.

	Millions of Yen		
	2013		
	Carrying Amount	Fair Value	Difference
(1) Cash and Due from Banks (*1)	¥ 3,902,287	¥ 3,902,287	¥ —
(2) Call Loans and Bills Bought	514,228	514,228	—
(3) Receivables under Resale Agreements	91,911	91,911	—
(4) Receivables under Securities Borrowing Transactions	207,494	207,494	—
(5) Monetary Claims Bought (*1)	454,576	454,510	(66)
(6) Trading Assets			
Trading Securities	353,945	353,945	—
(7) Money Held in Trust	7,014	7,014	—
(8) Securities			
Held-to-Maturity Debt Securities	595,080	641,390	46,310
Available-for-Sale Securities	5,467,875	5,467,875	—
(9) Loans and Bills Discounted	22,391,660		
Allowance for Loan Losses (*2)	(101,970)		
	22,289,690	22,476,947	187,257
(10) Foreign Exchanges	59,570	59,570	—
(11) Lease Receivables and Investment Assets (*1)	547,653	555,142	7,489
Total Assets	¥ 34,491,328	¥ 34,732,319	¥ 240,990
(1) Deposits	¥ 23,023,897	¥ 23,064,134	¥ 40,237
(2) Negotiable Certificates of Deposit	4,103,517	4,103,517	—
(3) Call Money and Bills Sold	168,355	168,355	—
(4) Payables under Repurchase Agreements	605,742	605,742	—
(5) Borrowed Money	1,169,032	1,181,448	12,416
(6) Foreign Exchanges	106	106	—
(7) Short-Term Bonds Payable	940,067	940,067	—
(8) Bonds Payable	986,363	1,023,271	36,907
(9) Borrowed Money from Trust Account	2,483,248	2,483,248	—
Total Liabilities	¥ 33,480,332	¥ 33,569,893	¥ 89,561
Derivatives Transactions (*3)			
Derivatives Transactions Not Qualifying for Hedge Accounting	¥ 152,911	¥ 152,911	¥ —
Derivatives Transactions Qualifying for Hedge Accounting	(225,591)	(225,591)	—
Total Derivatives Transactions	¥ (72,680)	¥ (72,680)	¥ —

(*1) The allowance for credit losses corresponding to Cash and Due from Banks, Monetary Claims Bought, and Lease Receivables and Investment Assets is directly deducted from the carrying amounts on the consolidated balance sheets, because the balance of the allowance is immaterial.

(*2) A general allowance for loan losses and specific allowances for loan losses are deducted from Loans and Bills Discounted.

(*3) Derivatives transactions recorded in Trading Assets and Trading Liabilities or in Other Assets and Other Liabilities are presented collectively.

Receivables and payables arising from derivatives transactions are presented on a net basis. Negative figures represent a liability balance after netting.

(Note 1) Method for Calculating Fair Values of Financial Instruments

Assets

(1) Cash and Due from Banks, (2) Call Loans and Bills Bought, (3) Receivables under Resale Agreements, (4) Receivables under Securities Borrowing Transactions, and (10) Foreign Exchanges

These instruments with those transactions without stated maturities are stated at their carrying amounts, because the carrying amounts approximate the fair values. For transactions with stated maturities, corresponding instruments are stated at their carrying amounts, because most of such transactions have short contractual terms (one year or less) and the carrying amounts approximate the fair values.

(5) Monetary Claims Bought

Monetary claims bought with counterparties' quoted prices or dealer/broker-quoted prices are stated at such prices. Fair values for all other such claims are calculated by classifying them according to their internal ratings and maturities and discounting future cash flows to their present values.

(6) Trading Assets

Bonds and other securities held for trading purposes are stated at dealer association prices or dealer/broker-quoted prices. For short-term corporate bonds, their fair values are calculated by discounting future cash flows to their present values.

(7) Money Held in Trust

Securities managed as trust assets for money held in trust, which are individually managed primarily for the management of securities, are stated at quoted market prices or dealer/broker-quoted prices. Notes regarding money held in trust by its holding purposes are presented under the "Money Held in Trust" section.

(8) Securities

Stocks are stated at quoted market prices. Bonds are stated at quoted market prices, dealer association prices, or dealer/broker-quoted prices. Investment trusts are stated at published reference prices.

Fair values of privately placed bonds guaranteed by SMTB are calculated by classifying them according to their internal ratings and maturities, and discounting future cash flows to their present value.

Notes regarding securities by their holding purpose are presented under the "Securities" section.

(9) Loans and Bills Discounted

Fair values of loans and bills discounted are calculated by grouping loans according to loan terms, internal ratings, and maturities; and discounting the aggregate principal and interest by the assumed interest rate for similar new loans. However, variable-rate loans for which their carrying amounts are deemed to approximate fair values, 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.

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, because the carrying amounts are deemed to approximate the fair values because of the expected repayment periods and the interest terms.

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 the fair values.

(11) Lease Receivables and Lease Investment Assets

Fair values for lease receivables and investment assets are calculated by grouping these assets according to their internal ratings and maturities, and discounting the aggregate principal and interest by the assumed interest rate for similar new agreements.

Liabilities

(1) Deposits and (2) Negotiable Certificates of Deposit

Demand deposits are stated at the amount that would have to be paid on demand at the consolidated balance sheet date (carrying amount).

Yen fixed-rate time deposits are grouped by product type and stated at the present value of their future cash flows discounted by the rates that would be paid on new deposits. Fixed-rate time deposits with short maturities (one year or less) and floating-rate time deposits are generally stated at their carrying amounts because the carrying amounts approximate the fair values.

(3) Call Money and Bills Sold, (4) Payables under Repurchase Agreements, (6) Foreign Exchanges, (7) Short-Term Bonds Payable, and (9) Borrowed Money from Trust Accounts

The obligations without stated maturities are stated at the amounts that would have to be paid on demand at the consolidated balance sheet date (carrying amount). Obligations with stated maturities are stated at their carrying amounts, because they have short contractual terms (one year or less) and the carrying amounts approximate the fair values.

(5) Borrowed Money

Fair values of borrowed money 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 the fair values.

Borrowed money of consolidated subsidiaries at variable rates is stated at their carrying amounts. The carrying amounts are deemed to approximate the fair values 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.

(8) Bonds Payable

Bonds issued by SMTH 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 corporate bonds.

Derivatives

Notes regarding fair values of derivatives are presented under the "Derivatives" section.

(Note 2) The amounts of financial instruments on the consolidated balance sheets for which fair values are not reliably determinable are as stated below, and such amounts are not included in the market value information for financial instruments presented under the "Assets, (8) Available-for-Sale Securities" section.

	Millions of Yen		Millions of U.S. Dollars
	2014	2013	2014
	Carrying Amount	Carrying Amount	Carrying Amount
Securities	**¥ 151,732**	¥ 167,188	**$ 1,475**
Unlisted Stocks (*3)(*4)	**101,081**	111,106	**982**
Investments in Associations	**47,678**	48,025	**463**
Others (*3)(*4)	**2,972**	8,056	**29**
Total	**¥ 151,732**	¥ 167,188	**$ 1,475**

(*1) The above financial instruments are excluded from fair value disclosure, because there are no quoted market prices and, therefore, there is no reliable measure of fair value.

(*2) Stocks in subsidiaries and affiliated companies are not included in the above table.

(*3) During the fiscal year ended March 31, 2014, impairment losses of ¥1,922 million (U.S. $19 million) and ¥0 million (U.S. $0 million) were recognized against Unlisted Stocks and Others, respectively.

(*4) During the fiscal year ended March 31, 2013, impairment losses of ¥1,090 million and ¥201 million were recognized against Unlisted Stocks and Others, respectively.

(Note 3) Redemption Schedule of Monetary Claims and Securities with Maturity after March 31, 2014 and 2013

	Millions of Yen					
March 31, 2014	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	¥ 6,771,863	¥ 33	¥ —	¥ —	¥ —	¥ —
Call Loans and Bills Bought	651,552	—	—	—	—	—
Receivables under Resale Agreements	88,069	—	—	—	—	—
Receivables under Securities Borrowing Transactions	289,377	—	—	—	—	—
Monetary Claims Bought (*1)	714,664	44,689	46,933	7,599	10,693	106,231
Money Held in Trust	12,000	—	—	—	1,344	—
Securities	1,670,003	618,934	501,871	242,986	1,042,191	309,464
Held-to-Maturity Debt Securities	31,209	90,500	29,231	40,685	99,396	146,771
Government Bonds	20,109	84,145	20,621	—	—	115,000
Corporate Bonds	—	—	—	—	—	3,626
Available-for-Sale Securities with Maturity	1,638,794	528,433	472,639	202,301	942,749	162,692
Government Bonds	1,324,150	62,040	—	—	10,000	27,000
Local Government Bonds	879	3,080	4,528	2,664	4,272	—
Corporate Bonds	115,915	147,950	188,801	75,921	30,992	31,227
Loans and Bills Discounted (*2)	4,116,416	4,814,457	3,692,460	2,628,246	1,664,957	4,859,300
Lease Receivables and Investment Assets (*3)	160,779	215,331	107,704	26,817	13,052	3,621
Total	¥ 14,474,726	¥ 5,693,447	¥ 4,348,969	¥ 2,905,649	¥ 2,732,238	¥ 5,278,617

	Millions of Yen					
March 31, 2013	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	¥ 3,818,509	¥ 56	¥ —	¥ —	¥ —	¥ —
Call Loans and Bills Bought	514,228	—	—	—	—	—
Receivables under Resale Agreements	91,911	—	—	—	—	—
Receivables under Securities Borrowing Transactions	207,494	—	—	—	—	—
Monetary Claims Bought (*1)	255,713	21,848	60,713	2,902	7,241	134,698
Money Held in Trust	19,014	—	—	—	—	—
Securities	2,370,547	1,063,025	542,575	271,592	358,142	422,256
Held-to-Maturity Debt Securities	158,725	68,838	91,600	39,076	111,718	157,585
Government Bonds	20,025	54,129	70,746	—	—	115,000
Corporate Bonds	—	—	—	—	—	6,767
Available-for-Sale Securities with Maturity	2,211,822	994,187	450,974	232,516	246,424	264,671
Government Bonds	1,903,104	250,000	—	30,000	10,000	95,000
Local Government Bonds	40	2,738	11,089	1,048	5,648	—
Corporate Bonds	101,364	232,084	185,206	56,491	40,310	29,517
Loans and Bills Discounted (*2)	4,395,965	4,640,076	3,449,122	1,854,229	1,531,744	4,553,532
Lease Receivables and Investment Assets (*3)	170,545	220,892	104,084	30,126	10,762	2,213
Total	¥ 11,843,929	¥ 5,945,899	¥ 4,156,495	¥ 2,158,850	¥ 1,907,891	¥ 5,112,701

	Millions of U.S. Dollars					
March 31, 2014	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	$ 65,810	$ 0	$ —	$ —	$ —	$ —
Call Loans and Bills Bought	6,332	—	—	—	—	—
Receivables under Resale Agreements	856	—	—	—	—	—
Receivables under Securities Borrowing Transactions	2,812	—	—	—	—	—
Monetary Claims Bought (*1)	6,945	434	456	74	104	1,032
Money Held in Trust	117	—	—	—	13	—
Securities	16,229	6,015	4,877	2,361	10,128	3,007
Held-to-Maturity Debt Securities	303	880	284	395	966	1,426
Government Bonds	195	818	200	—	—	1,118
Corporate Bonds	—	—	—	—	—	35
Available-for-Sale Securities with Maturity	15,926	5,135	4,593	1,966	9,162	1,581
Government Bonds	12,868	603	—	—	97	262
Local Government Bonds	9	30	44	26	42	—
Corporate Bonds	1,126	1,438	1,835	738	301	303
Loans and Bills Discounted (*2)	40,004	46,788	35,884	25,542	16,180	47,224
Lease Receivables and Investment Assets (*3)	1,562	2,093	1,047	261	127	35
Total	$ 140,668	$ 55,330	$ 42,264	$ 28,238	$ 26,552	$ 51,299

(*1) The balances exclude monetary claims bought for debtors who are legally bankrupt, virtually bankrupt or likely to become bankrupt that are not expected to be collected, amounting to ¥23 million ($0 million) and ¥65 million as of March 31, 2014 and 2013, respectively.

(*2) The balances exclude loans and bills discounted for debtors who are legally bankrupt, virtually bankrupt or likely to become bankrupt that are not expected to be collected, amounting to ¥107,462 million ($1,044 million) and ¥197,034 million, and those without maturity, amounting to ¥1,921,737 million ($18,676 million) and ¥1,737,522 million as of March 31, 2014 and 2013, respectively.

(*3) The balances exclude lease receivables and investment assets for the debtors who are legally bankrupt, virtually bankrupt or likely to become bankrupt that not expected to be collected, amounting to ¥1,321 million ($13 million) and ¥3,894 million, and the sum of guaranteed residual values by lessee and estimated salvage values, amounting to ¥11,576 million ($113 million) and ¥11,013 million as of March 31, 2014 and 2013, respectively.

(Note 4) Repayment Schedule of Bonds, Borrowed Money and Other Interest-Bearing Liabilities after March 31, 2014 and 2013

	Millions of Yen					
March 31, 2014	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)	¥ 15,880,743	¥ 5,765,514	¥ 2,461,866	¥ 2,093	¥ 6,671	¥ —
Negotiable Certificates of Deposit	5,018,132	82,047	—	—	—	—
Call Money and Bills Sold	200,005	—	—	—	—	—
Payables under Repurchase Agreements	1,291,641	—	—	—	—	—
Borrowed Money (*2)	968,307	216,905	150,548	175,931	180,042	169,013
Short-Term Bonds Payable	904,970	—	—	—	—	—
Bonds Payable (*3)	94,000	163,450	297,855	228,000	90,000	74,500
Borrowed Money from Trust Account	2,941,748	—	—	—	—	—
Total	¥ 27,299,549	¥ 6,227,917	¥ 2,910,269	¥ 406,024	¥ 276,713	¥ 243,513

	Millions of Yen					
March 31, 2013	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)	¥ 13,517,933	¥ 7,379,925	¥ 2,096,524	¥ 5,246	¥ 11,725	¥ 93
Negotiable Certificates of Deposit	4,021,447	82,069	—	—	—	—
Call Money and Bills Sold	168,355	—	—	—	—	—
Payables under Repurchase Agreements	605,742	—	—	—	—	—
Borrowed Money (*2)	436,341	275,360	121,042	69,034	140,670	70,126
Short-Term Bonds Payable	940,163	—	—	—	—	—
Bonds Payable (*3)	125,402	265,000	210,093	—	201,500	73,000
Borrowed Money from Trust Account	2,483,248	—	—	—	—	—
Total	¥ 22,298,634	¥ 8,002,355	¥ 2,427,660	¥ 74,280	¥ 353,896	¥ 143,220

	Millions of U.S. Dollar					
March 31, 2014	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)	**$ 154,332**	**$ 56,030**	**$ 23,925**	**$ 20**	**$ 65**	**$ —**
Negotiable Certificates of Deposit	**48,767**	**797**	**—**	**—**	**—**	**—**
Call Money and Bills Sold	**1,944**	**—**	**—**	**—**	**—**	**—**
Payables under Repurchase Agreements	**12,552**	**—**	**—**	**—**	**—**	**—**
Borrowed Money (*2)	**9,410**	**2,108**	**1,463**	**1,710**	**1,750**	**1,642**
Short-Term Bonds Payable	**8,795**	**—**	**—**	**—**	**—**	**—**
Bonds Payable (*3)	**914**	**1,588**	**2,895**	**2,216**	**875**	**724**
Borrowed Money from Trust Account	**28,588**	**—**	**—**	**—**	**—**	**—**
Total	**$ 265,302**	**$ 60,524**	**$ 28,283**	**$ 3,946**	**$ 2,689**	**$ 2,367**

(*1) The balance of demand deposits is included in "Within One Year." Deposits include balances of current accounts.

(*2) The balances exclude perpetual subordinated debts without maturity, amounting to ¥45,000 million ($437 million) and ¥55,000 million as of March 31, 2014 and 2013, respectively.

(*3) The balances exclude perpetual subordinated bonds without maturity, amounting to ¥108,246 million ($1,052 million) and ¥108,979 million as of March 31, 2014 and 2013, respectively.

Securities

*1. In addition to the "Securities" presented in the consolidated balance sheets, the following information includes trading securities and short-term corporate bonds under "Trading Assets," negotiable certificates of deposit reported under "Cash and Due from Banks," loan-backed trust deeds reported under "Monetary Claims Bought."

*2. "Stocks in Subsidiaries and Affiliates" is presented as a note to the consolidated balance sheets.

1. Trading Securities

	Valuation Difference Reflected in the Statements of Income		
	Millions of Yen		Millions of U.S. Dollars
	2014	2013	**2014**
Trading Securities	**¥ 74**	¥ 121	**$ 1**

2. Held-to-Maturity Securities

March 31, 2014	Millions of Yen		
	Carrying Amount	Fair Value	Difference
Securities for which Fair Value Exceeds Carrying Amount			
Government Bonds	¥ 245,415	¥ 256,514	¥ 11,098
Corporate Bonds	3,626	3,667	41
Other Bonds	184,705	216,145	31,440
Foreign Bonds	154,634	185,420	30,785
Others	30,070	30,725	654
Subtotal	433,747	476,328	42,580
Securities for which Fair Value Does Not Exceed Carrying Amount			
Government Bonds	¥ 70	¥ 69	¥ (0)
Corporate Bonds	—	—	—
Other Bonds	7,428	7,419	(8)
Foreign Bonds	6,328	6,319	(8)
Others	1,100	1,100	—
Subtotal	7,498	7,489	(9)
Total	¥ 441,246	¥ 483,818	¥ 42,571

March 31, 2013	Millions of Yen		
	Carrying Amount	Fair Value	Difference
Securities for which Fair Value Exceeds Carrying Amount			
Government Bonds	¥ 265,822	¥ 278,616	¥ 12,794
Corporate Bonds	6,622	6,674	51
Other Bonds	319,519	353,860	34,341
Foreign Bonds	279,453	313,164	33,711
Others	40,066	40,696	629
Subtotal	591,964	639,152	47,187
Securities for which Fair Value Does Not Exceed Carrying Amount			
Government Bonds	¥ 70	¥ 69	¥ (0)
Corporate Bonds	175	173	(1)
Other Bonds	44,036	43,790	(246)
Foreign Bonds	42,936	42,690	(246)
Others	1,100	1,100	—
Subtotal	44,282	44,034	(247)
Total	¥ 636,246	¥ 683,186	¥ 46,940

March 31, 2014	Millions of U.S. Dollars		
	Carrying Amount	Fair Value	Difference
Securities of which Fair Value Exceeds Carrying Amount			
Government Bonds	$ 2,385	$ 2,493	$ 108
Corporate Bonds	35	36	0
Other Bonds	1,795	2,101	306
Foreign Bonds	1,503	1,802	299
Others	292	299	6
Subtotal	4,215	4,629	414
Securities of which Fair Value Does Not Exceed Carrying Amount			
Government Bonds	$ 1	$ 1	$ (0)
Corporate Bonds	—	—	—
Other Bonds	72	72	(0)
Foreign Bonds	62	61	(0)
Others	11	11	—
Subtotal	73	73	(0)
Total	$ 4,288	$ 4,702	$ 414

3. Available-for-Sale Securities

March 31, 2014	Millions of Yen		
	Carrying Amount	Acquisition Cost	Difference
Securities of which Carrying Amount Exceeds Acquisition Cost			
Stocks	¥ 971,373	¥ 572,817	¥ 398,555
Bonds	1,618,431	1,614,022	4,408
Government Bonds	1,168,353	1,168,135	217
Local Government Bonds	11,212	10,951	260
Corporate Bonds	438,866	434,935	3,930
Other Securities	1,115,218	1,095,812	19,405
Foreign Stocks	1,230	180	1,050
Foreign Bonds	972,598	963,347	9,250
Others	141,388	132,283	9,104
Subtotal	3,705,023	3,282,653	422,369
Securities of which Carrying Amount Does Not Exceed Acquisition Cost			
Stocks	¥ 136,250	¥ 158,356	¥ (22,105)
Bonds	416,003	416,453	(449)
Government Bonds	256,111	256,123	(11)
Local Government Bonds	4,453	4,469	(15)
Corporate Bonds	155,438	155,859	(421)
Other Securities	1,024,783	1,041,909	(17,125)
Foreign Stocks	1,209	1,262	(53)
Foreign Bonds	791,966	799,034	(7,067)
Others	231,607	241,612	(10,004)
Subtotal	1,577,038	1,616,718	(39,680)
Total	¥ 5,282,061	¥ 4,899,372	¥ 382,689

March 31, 2013	Millions of Yen		
	Carrying Amount	Acquisition Cost	Difference
Securities of which Carrying Amount Exceeds Acquisition Cost			
Stocks	¥ 839,159	¥ 536,686	¥ 302,473
Bonds	1,990,422	1,979,202	11,219
Government Bonds	1,535,491	1,529,167	6,324
Local Government Bonds	18,131	17,761	370
Corporate Bonds	436,798	432,274	4,524
Other Securities	1,047,664	999,860	47,804
Foreign Stocks	898	164	733
Foreign Bonds	891,132	868,110	23,022
Others	155,633	131,584	24,048
Subtotal	3,877,246	3,515,749	361,497
Securities of which Carrying Amount Does Not Exceed Acquisition Cost			
Stocks	¥ 201,956	¥ 251,885	¥ (49,928)
Bonds	975,153	976,756	(1,603)
Government Bonds	761,008	761,041	(32)
Local Government Bonds	2,793	2,798	(5)
Corporate Bonds	211,351	212,916	(1,565)
Other Securities	496,568	524,581	(28,013)
Foreign Stocks	1,134	1,139	(4)
Foreign Bonds	240,956	244,062	(3,106)
Others	254,477	279,379	(24,902)
Subtotal	1,673,678	1,753,223	(79,545)
Total	¥ 5,550,924	¥ 5,268,972	¥ 281,951

March 31, 2014	Millions of U.S. Dollars		
	Carrying Amount	Acquisition Cost	Difference
Securities of which Carrying Amount Exceeds Acquisition Cost			
Stocks	$ 9,440	$ 5,567	$ 3,873
Bonds	15,728	15,685	43
Government Bonds	11,354	11,352	2
Local Government Bonds	109	106	3
Corporate Bonds	4,265	4,227	38
Other Securities	10,838	10,649	189
Foreign Stocks	12	2	10
Foreign Bonds	9,452	9,362	90
Others	1,374	1,286	88
Subtotal	36,006	31,901	4,105
Securities of which Carrying Amount Does Not Exceed Acquisition Cost			
Stocks	$ 1,324	$ 1,539	$ (215)
Bonds	4,043	4,047	(4)
Government Bonds	2,489	2,489	(0)
Local Government Bonds	43	43	(0)
Corporate Bonds	1,511	1,515	(4)
Other Securities	9,959	10,125	(166)
Foreign Stocks	12	12	(1)
Foreign Bonds	7,696	7,765	(69)
Others	2,251	2,348	(97)
Subtotal	15,326	15,712	(386)
Total	$ 51,332	$ 47,613	$ 3,719

4. Available-for-Sale Securities Sold during the Current Fiscal Year

	Millions of Yen		
Year Ended March 31, 2014	Amount Sold	Gain	Loss
Stocks	¥ 140,237	¥ 45,969	¥ 2,779
Bonds	571,254	5,957	4,078
Government Bonds	451,341	5,484	3,888
Local Government Bonds	16,342	41	46
Corporate Bonds	103,569	431	143
Other Securities	3,445,781	33,051	64,073
Foreign Bonds	3,322,108	26,684	13,282
Others	123,673	6,366	50,790
Total	¥ 4,157,272	¥ 84,978	¥ 70,931

	Millions of Yen		
Year Ended March 31, 2013	Amount Sold	Gain	Loss
Stocks	¥ 77,493	¥ 21,589	¥ 6,406
Bonds	2,857,861	26,492	1,477
Government Bonds	2,810,179	26,034	1,461
Local Government Bonds	6,448	163	1
Corporate Bonds	41,233	294	14
Other Securities	2,972,905	38,712	18,782
Foreign Bonds	2,823,429	37,105	5,661
Others	149,476	1,606	13,121
Total	¥ 5,908,261	¥ 86,794	¥ 26,666

	Millions of U.S. Dollars		
Year Ended March 31, 2014	Amount Sold	Gain	Loss
Stocks	$ 1,363	$ 447	$ 27
Bonds	5,552	58	40
Government Bonds	4,386	53	38
Local Government Bonds	159	0	0
Corporate Bonds	1,007	4	1
Other Securities	33,487	321	623
Foreign Bonds	32,285	259	129
Others	1,202	62	494
Total	$ 40,401	$ 826	$ 689

(Note) The above figures include "Available-for-Sale Securities" whose fair value is extremely difficult to estimate.

5. Impairment of Securities

Available-for-sale securities other than securities whose fair values are not reliably determinable, not trading securities, are treated as impaired when their fair values have declined significantly from the acquisition cost and it is deemed unlikely to recover to the acquisition cost. Such securities are recorded at their fair values in the consolidated balance sheets. The difference between the acquisition cost and the fair values is recognized as an impairment loss. Impairment losses recognized were ¥431 million (U.S. $4 million) and ¥6,419 million on stocks during the fiscal years ended March 31, 2014 and 2013, respectively.

The criteria to determine 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, some securities are deemed that their fair values are unrecoverable and impairment losses are recognized when their fair values have declined more than 30% but less than 50% compared with their acquisition cost and the fair values have continued to decline over a certain period.

Money Held in Trust

1. Money Held in Trust for Trading Purposes

	Millions of Yen	
March 31, 2014	Carrying Amount	Valuation Difference Reflected to the Statements of Income
Money Held in Trust for Trading Purpose	¥ —	¥—

	Millions of Yen	
March 31, 2013	Carrying Amount	Valuation Difference Reflected to the Statements of Income
Money Held in Trust for Trading Purpose	¥ 5,016	¥ (1)

	Millions of U.S. Dollars	
March 31, 2014	Carrying Amount	Valuation Difference Reflected to the Statements of Income
Money Held in Trust for Trading Purpose	$ —	$—

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, 2014 and 2013.

3. Other Money Held in Trust (other than those held for trading purposes or held-to-maturity)

	Millions of Yen				
March 31, 2014	Carrying Amount	Acquisition Cost	Difference	Positive Difference	Negative Difference
Other Money Held in Trust	¥ 13,344	¥ 13,027	¥ 316	¥ 316	¥ —

	Millions of Yen				
March 31, 2013	Carrying Amount	Acquisition Cost	Difference	Positive Difference	Negative Difference
Other Money Held in Trust	¥ 13,998	¥ 13,539	¥ 459	¥ 459	¥ —

	Millions of U.S. Dollars				
March 31, 2014	Carrying Amount	Acquisition Cost	Difference	Positive Difference	Negative Difference
Other Money Held in Trust	$ 130	$ 127	$ 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 Difference on Available-for-Sale Securities" in the consolidated balance sheets.

	Millions of Yen		Millions of U.S. Dollars
March 31	2014	2013	2014
Valuation Differences			
Available-for-Sale Securities	¥ 350,837	¥ 244,220	$ 3,410
Other Money Held in Trust	316	459	3
Total Valuation Differences	351,154	244,679	3,413
Amount Equivalent to Deferred Tax Assets (Liabilities)	(120,404)	(83,039)	(1,170)
Total (before Adjustment for Minority Interests)	230,750	161,640	2,242
Minority Interests	(601)	(1,071)	(6)
Parent Company's Portions in Available-for-Sale Securities Owned by its Affiliated Companies	(511)	953	(5)
Valuation Differences on Available-for-Sale Securities	¥ 229,637	¥ 161,522	$ 2,232

1) Foreign currency translation adjustments on available-for-sale securities, for which fair values are not reliably determinable, are included in the "Available-for-Sale Securities" under "Valuation Difference."
2) The valuation difference of ¥(49) million (U.S. $(0.5) million) and ¥28 million on available-for-sale securities composing assets held by associates as of March 31, 2014 and 2013, respectively, is included in "Available-for-Sale Securities" under "Valuation Difference."
3) The unamortized portion of valuation difference as of the consolidated balance sheet date arising from the reclassification of the holding purpose of securities is included in "Available-for-Sale Securities" under "Valuation Difference."

Derivatives

1. Derivative Transactions Not Qualifying for Hedge Accounting

Derivative transactions not qualifying for hedge accounting are grouped by the type of underlying transactions. The notional amounts (or the amount equivalent to the principal specified in the contracts), the fair values, and the valuation differences as of the consolidated balance sheet date, as well as the methods for determining such fair values are presented below. The contract values 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, 2014 and 2013 consist of the following:

	Millions of Yen				Millions of U.S. Dollars			
	2014				2014			
	Notional Amount		Fair Value	Valuation Difference	Notional Amount		Fair Value	Valuation Difference
	Total	Over One Year			Total	Over One Year		
Listed								
Interest Futures								
Sold	¥ 33,039,172	¥25,296,720	¥ 300	¥ 300	$ 321,080	$ 245,838	$ 3	$ 3
Purchased	31,967,212	23,348,077	1,252	1,252	310,663	226,901	12	12
Interest Options								
Sold	2,355,433	722,076	(786)	114	22,891	7,017	(8)	1
Purchased	1,458,669	497,261	597	(130)	14,176	4,832	6	(1)
OTC								
Forward Rate Agreements								
Sold	¥ —	¥ —	¥ —	¥ —	$ —	$ —	$ —	$ —
Purchased	—	—	—	—	—	—	—	—
Interest Rate Swaps								
Fix Rcv-Flt Pay	66,123,613	52,516,979	1,676,682	1,676,682	642,601	510,369	16,294	16,294
Flt Rcv-Fix Pay	65,181,210	51,755,650	(1,549,700)	(1,549,700)	633,442	502,970	(15,060)	(15,060)
Flt Rcv-Flt Pay	4,541,809	3,162,879	4,988	4,988	44,138	30,737	48	48
Interest Options								
Sold	4,510,352	4,420,147	(59,282)	372	43,832	42,956	(576)	4
Purchased	3,490,159	3,438,234	33,820	1,068	33,918	33,413	329	10
Others								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Total			¥ 107,871	¥ 134,948			$ 1,048	$ 1,311

	Millions of Yen			
	2013			
	Notional Amount		Fair Value	Valuation Difference
	Total	Over One Year		
Listed				
Interest Futures				
Sold	¥ 11,941,701	¥ 4,516,149	¥ (3,950)	¥ (3,950)
Purchased	11,779,754	4,253,781	4,050	4,050
Interest Options				
Sold	1,414,280	232,667	(313)	189
Purchased	973,501	149,967	300	(159)
OTC				
Forward Rate Agreements				
Sold	¥ —	¥ —	¥ —	¥ —
Purchased	—	—	—	—
Interest Rate Swaps				
Fix Rcv-Flt Pay	70,682,288	53,901,824	2,382,725	2,382,725
Flt Rcv-Fix Pay	67,254,265	50,654,199	(2,240,009)	(2,240,009)
Flt Rcv-Flt Pay	4,301,406	3,390,556	4,095	4,095
Interest Options				
Sold	4,442,037	4,362,532	(104,458)	(35,141)
Purchased	3,648,913	3,566,130	62,609	19,891
Others				
Sold	—	—	—	—
Purchased	—	—	—	—
Total			¥ 105,049	¥ 131,690

1) The above transactions are stated at their fair values and valuation differences are recorded in the consolidated statements of income.

2) The fair values of listed derivative transactions are based on the closing prices on the Tokyo Financial Exchange and other exchanges. The fair values of over-the-counter (OTC) derivative transactions are calculated using the net present value method or option-pricing models.

(2) Currency-Related Transactions

Currency-related transactions not qualifying for hedge accounting as of March 31, 2014 and 2013 consist of the following:

	Millions of Yen				Millions of U.S. Dollars			
	2014				2014			
	Notional Amount		Fair Value	Valuation Difference	Notional Amount		Fair Value	Valuation Difference
	Total	Over One Year			Total	Over One Year		
OTC								
Currency Swaps	¥ 1,044,582	¥ 878,297	¥ 1,287	¥ 1,287	$ 10,151	$ 8,535	$ 13	$ 13
Forward Exchange Contracts								
Sold	6,030,992	275,546	(86,732)	(86,732)	58,610	2,678	(843)	(843)
Purchased	5,377,563	409,388	134,103	134,103	52,260	3,979	1,303	1,303
Currency Options								
Sold	1,558,263	722,613	(72,984)	(10,113)	15,143	7,022	(709)	(98)
Purchased	1,413,270	657,963	56,106	(2,899)	13,734	6,394	545	(28)
Others								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Total			¥ 31,780	¥ 35,646			$ 309	$ 346

	Millions of Yen			
	2013			
	Notional Amount		Fair Value	Valuation Difference
	Total	Over One Year		
OTC				
Currency Swaps	¥ 456,072	¥ 249,003	¥ 2,257	¥ 2,257
Forward Exchange Contracts				
Sold	5,272,068	282,889	(95,448)	(95,448)
Purchased	5,644,246	460,677	149,219	149,219
Currency Options				
Sold	2,372,497	865,192	(86,247)	26,419
Purchased	2,284,442	781,008	75,312	(32,593)
Others				
Sold	—	—	—	—
Purchased	—	—	—	—
Total			¥ 45,093	¥ 49,855

1) The above transactions are stated at their fair values and valuation differences are recorded in the consolidated statements of income.

2) The fair values are calculated using the net present value method or option-pricing models.

(3) Stock-Related Transactions

Stock-related transactions not qualifying for hedge accounting as of March 31, 2014 and 2013 consist of the following:

	Millions of Yen				Millions of U.S. Dollars			
	2014				2014			
	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	¥ 88,412	¥ —	¥ (856)	¥ (856)	$ 859	$ —	$ (8)	$ (8)
Purchased	54,117	—	649	649	526	—	6	6
Stock Index Options								
Sold	5,678	—	(21)	47	55	—	(0)	0
Purchased	12,108	—	36	(113)	118	—	0	(1)
OTC								
OTC Stock Options								
Sold	¥ —	¥ —	¥ —	¥ —	$ —	$ —	$ —	$ —
Purchased	—	—	—	—	—	—	—	—
Stock Index and Other Swaps								
Stock Price Index Volatility Receivable/ Short-Term Floating Interest Rate Payable	43,000	43,000	(774)	(774)	418	418	(8)	(8)
Short-Term Floating Interest Rate Receivable/ Stock Price Index Volatility Payable	43,000	43,000	774	774	418	418	8	8
Others								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Total			¥ (191)	¥ (272)			$ (2)	$ (3)

	Millions of Yen			
	2013			
	Notional Amount		Fair Value	Valuation Difference
	Total	Over One Year		
Listed				
Stock Index Futures				
Sold	¥ 104,512	¥ —	¥ (90)	¥ (90)
Purchased	44,094	—	240	240
Stock Index Options				
Sold	69,765	—	(672)	18
Purchased	540,800	—	4,486	2,371
OTC				
OTC Stock Options				
Sold	¥ —	¥ —	¥ —	¥ —
Purchased	—	—	—	—
Stock Index and Other Swaps				
Stock Price Index Volatility Receivable/ Short-Term Floating Interest Rate Payable	51,104	51,104	(2,000)	(2,000)
Short-Term Floating Interest Rate Receivable/ Stock Price Index Volatility Payable	51,104	51,104	2,000	2,000
Others				
Sold	—	—	—	—
Purchased	—	—	—	—
Total			¥ 3,963	¥ 2,539

1) The above transactions are stated at their fair values and valuation differences are recorded in the consolidated statements of income.

2) The fair values of listed derivative transactions are based on the closing prices on the Osaka Exchange and other exchanges for the year ended March 31, 2014, and the Tokyo Stock Exchange and other exchanges for the year ended March 31, 2013. The fair values of OTC transactions are calculated using the net present value method or option-pricing models.

(4) Bond-Related Transactions

Bond-related transactions not qualifying for hedge accounting as of March 31, 2014 and 2013 consist of the following:

	Millions of Yen				Millions of U.S. Dollars			
	2014				2014			
	Notional Amount		Fair Value	Valuation Difference	Notional Amount		Fair Value	Valuation Difference
	Total	Over One Year			Total	Over One Year		
Listed								
Bond Futures								
Sold	¥ 2,043,076	¥ —	¥ 1,884	¥ 1,884	$ 19,855	$ —	$ 18	$ 18
Purchased	2,153,971	—	(1,295)	(1,295)	20,933	—	(13)	(13)
Bond Future Options								
Sold	310,985	—	(599)	122	3,022	—	(6)	1
Purchased	247,110	—	610	(16)	2,401	—	6	(0)
OTC								
Bond Forward Contracts								
Sold	¥ 47,391	¥ —	¥ 48	¥ 48	$ 461	$ —	$ 0	$ 0
Purchased	32,728	—	(46)	(46)	318	—	(0)	(0)
Bond Options								
Sold	11,541	—	(3)	26	112	—	(0)	0
Purchased	11,541	—	56	9	112	—	1	0
Total			¥ 654	¥ 733			$ 6	$ 7

	Millions of Yen			
	2013			
	Notional Amount		Fair Value	Valuation Difference
	Total	Over One Year		
Listed				
Bond Futures				
Sold	¥ 1,178,281	¥ —	¥ (11,885)	¥ (11,885)
Purchased	1,013,022	—	10,880	10,880
Bond Future Options				
Sold	127,490	—	(330)	(20)
Purchased	95,396	—	193	(22)
OTC				
Bond Forward Contracts				
Sold	¥ 67,842	¥ —	¥ (459)	¥ (459)
Purchased	71,756	—	406	406
Total			¥ (1,195)	¥ (1,100)

1) The above transactions are stated at their fair values and valuation differences are recorded in the consolidated statements of income.

2) The fair values of listed derivative transactions are based on the closing prices on the Osaka Exchange and other exchanges for the year ended March 31, 2014, and the Tokyo Stock Exchange and other exchanges for the year ended March 31, 2013. The fair values of OTC transactions are calculated according to the prices offered by quote information vendors.

(5) Commodity-Related Transactions

There were no commodity-related transactions not qualifying for hedge accounting as of March 31, 2014 and 2013.

(6) Credit Derivative Transactions

Credit derivative transactions not qualifying for hedge accounting as of March 31, 2014 and 2013 consist of the following:

	Millions of Yen				Millions of U.S. Dollars			
	2014				2014			
	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	¥ 27,800	¥ 27,800	¥ 470	¥ 470	$ 270	$ 270	$ 5	$ 5
Purchased	42,206	42,206	(411)	(411)	410	410	(4)	(4)
Total			¥ 59	¥ 59			$ 1	$ 1

	Millions of Yen			
	2013			
	Notional Amount		Fair Value	Valuation Difference
	Total	Over One Year		
OTC				
Credit Default Swaps				
Sold	¥ 2,000	¥ 2,000	¥ 31	¥ 31
Purchased	2,000	2,000	(31)	(31)
Total			¥ —	¥ —

1) The above transactions are stated at their fair values and valuation differences are recorded in the consolidated statements of income.

2) The fair values are calculated using the net present value method.

3) "Sold" represents transactions under which the credit risk has been assumed, and "Purchased" represents transactions under which the credit risk has been transferred to another party.

2. Derivative Transactions Qualifying for Hedge Accounting

Derivative transactions qualifying for hedge accounting are grouped by the type of underlying transactions. The value of such contracts (or the amount equivalent to the principal specified in the contracts) and the fair values as of the consolidated balance sheet date, as well as the methods for determining such fair values are presented below. The notional amounts do not reflect the market risk associated with the derivatives.

(1) Interest-Related Transactions

Interest-related transactions qualifying for hedge accounting as of March 31, 2014 and 2013 consist of the following:

	Major Hedged Item	Millions of Yen 2014 Notional Amount Total	Millions of Yen 2014 Notional Amount Over One Year	Millions of Yen 2014 Fair Value	Millions of U.S. Dollars 2014 Notional Amount Total	Millions of U.S. Dollars 2014 Notional Amount Over One Year	Millions of U.S. Dollars 2014 Fair Value
Deferral Method							
Interest Rate Swaps							
Fix Rcv-Flt Pay	Interest-Earning/Bearing Financial Assets/Liabilities such as Loans and Bills Discounted, Available-for-Sale Securities (Bonds), Deposits, Bonds Payable	¥ 4,631,601	¥ 2,281,001	¥ 9,420	$ 45,011	$ 22,167	$ 92
Flt Rcv-Fix Pay		826,969	725,015	(31,462)	8,037	7,046	(306)
Interest Futures							
Sold		—	—	—	—	—	—
Purchased		—	—	—	—	—	—
Interest Options							
Sold		—	—	—	—	—	—
Purchased		—	—	—	—	—	—
Others							
Sold		—	—	—	—	—	—
Purchased		—	—	—	—	—	—
Exceptional Treatment for Interest Rate Swap							
Interest Rate Swaps							
Fix Rcv-Flt Pay	Borrowed Money	¥ —	¥ —	¥ (*3)	$ —	$ —	$ (*3)
Flt Rcv-Fix Pay		29,084	27,409	(*3)	281	265	(*3)
Total				¥ (22,042)			$ (214)

	Major Hedged Item	Millions of Yen 2013 Notional Amount Total	Millions of Yen 2013 Notional Amount Over One Year	Millions of Yen 2013 Fair Value
Deferral Method				
Interest Rate Swaps				
Fix Rcv-Flt Pay	Interest-Earning/Bearing Financial Assets/Liabilities such as Loans and Bills Discounted, Available-for-Sale Securities (Bonds), Deposits, Bonds Payable	¥ 6,533,073	¥ 3,903,073	¥ 12,036
Flt Rcv-Fix Pay		923,484	867,171	(52,368)
Exceptional Treatment for Interest Rate Swap				
Interest Rate Swaps				
Fix Rcv-Flt Pay	Borrowed Money	¥ 278	¥ 278	¥ (*3)
Flt Rcv-Fix Pay		2,729	2,729	(*3)
Total				¥ (40,331)

1) Deferred hedge accounting stipulated in Report No. 24 is applied, in principle.
2) Fair values are calculated mainly using the net present value method or option-pricing models.
3) Interest rate swaps to which exceptional treatment is applied are accounted for as part of the borrowings being hedged; therefore, their fair values are included in the fair value of Borrowed Money presented under "Financial Instruments."

(2) Currency-Related Transactions

Currency-related transactions qualifying for hedge accounting as of March 31, 2014 and 2013 consist of the following:

	Major Hedged Item	Millions of Yen			Millions of U.S. Dollars		
		2014			2014		
		Notional Amount		Fair Value	Notional Amount		Fair Value
		Total	Over One Year		Total	Over One Year	
Deferral Method							
Currency Swaps	Loans and Bills Discounted and Securities Denominated in Foreign Currency	¥ 1,783,565	¥ 1,016,955	¥ (229,442)	$ 17,333	$ 9,883	$ (2,230)
Forward Exchange Contracts							
Sold		—	—	—	—	—	—
Purchased		13,170	445	257	128	4	2
Others							
Sold		—	—	—	—	—	—
Purchased		—	—	—	—	—	—
Total				¥ (229,185)			$ (2,227)

	Major Hedged Item	Millions of Yen		
		2013		
		Notional Amount		Fair Value
		Total	Over One Year	
Deferral Method				
Currency Swaps	Loans and Bills Discounted and Securities Denominated in Foreign Currency	¥ 1,529,082	¥ 1,071,317	¥ (185,537)
Forward Exchange Contracts				
Sold		—	—	—
Purchased		23,656	1,219	277
Total				¥ (185,260)

1) Deferred hedge accounting stipulated in Report No. 25 is applied, in principle.
2) Fair values are calculated mainly using the net present value method.

(3) Stock-Related Transactions

There were no stock-related transactions qualifying for hedge accounting as of March 31, 2014 and 2013.

(4) Bond-Related Transactions

There were no bond-related transactions qualifying for hedge accounting as of March 31, 2014 and 2013.

Retirement and Pension Plans

Retirement and Pension Plans for the Fiscal Year Ended March 31, 2014

1. Outline of the Retirement Benefit Plans Adopted by SMTH

SMTB, a subsidiary of SMTH, has defined-benefit plans (a corporate pension fund plan and a lump-sum retirement benefit plan). A lump-sum retirement benefit plan is offered to contract employees according to internal rules. SMTB also has a defined-contribution pension plan and may provide extra retirement payments to retiring employees in some cases. SMTB sets up employee retirement benefit trusts as part of its pension plan assets.

Other consolidated subsidiaries have lump-sum retirement benefit plans, defined-benefit corporate pension plans, defined-contribution pension plans, and plans administered under an employees' pension fund system. Some consolidated subsidiaries also have a multiple employer pension plan.

Some consolidated subsidiaries adopt the computational short-cut method in calculating liabilities for retirement benefits and retirement benefit expenses for their defined-benefit corporate pension plans and lump-sum retirement benefit.

2. Defined Benefit Plans

(1) Reconciliation of Retirement Benefit Obligations

	Millions of Yen	Millions of U.S. Dollars
	2014	2014
Retirement Benefit Obligations (opening balance)	¥ 370,946	$ 3,605
Service Cost-Benefits Earned during the Fiscal Year	9,649	94
Interest Cost on Projected Benefit Obligations	7,211	70
Actuarial Differences	2,265	22
Retirement Benefits Paid	(17,310)	(168)
Past Service Cost	298	3
Other	(3,231)	(31)
Retirement Benefit Obligations (closing balance)	¥ 369,829	$ 3,594

(2) Reconciliation of Plan Assets

	Millions of Yen	Millions of U.S. Dollars
	2014	2014
Plan Assets (opening balance)	¥ 479,899	$ 4,664
Expected Return on Plan Assets	21,681	211
Actuarial Differences	14,425	140
Contributions by the Employer	8,270	80
Retirement Benefits Paid	(15,606)	(152)
Plan Assets (closing balance)	¥ 508,671	$ 4,943

(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
	2014	2014
Retirement Benefit Obligations of Retirement Benefit Plans with Plan Assets	¥ 342,973	$ 3,333
Plan Assets	(508,671)	(4,943)
	(165,698)	(1,610)
Retirement Benefit Obligations of Retirement Benefit Plans without Plan Assets	26,856	261
Net of Liabilities and Assets Recorded in the Consolidated Balance Sheet	¥ (138,841)	$(1,349)

	Millions of Yen	Millions of U.S. Dollars
	2014	2014
Liabilities for Retirement Benefits	¥ 11,311	$ 110
Assets for Retirement Benefits	(150,153)	(1,459)
Net of Liabilities and Assets Recorded in the Consolidated Balance Sheet	¥ (138,841)	$(1,349)

(4) Breakdown of Retirement Benefit Expenses

	Millions of Yen	Millions of U.S. Dollars
	2014	2014
Service Cost-Benefits Earned during the Fiscal Year	¥ 9,649	$ 94
Interest Cost on Projected Benefit Obligations	7,211	70
Expected Return on Plan Assets	(21,681)	(211)
Amortization of Actuarial Differences	5,727	56
Amortization of Past Service Cost	(136)	(1)
Other	1,248	12
Retirement Benefit Expenses for Defined Benefit Obligations	¥ 2,019	$ 20

(5) Adjustments for Retirement Benefits

The breakdown of adjustments for retirement benefits (before tax effect) is as follows:

	Millions of Yen	Millions of U.S. Dollars
	2014	2014
Unrecognized Past Service Cost	¥ 897	$ 9
Unrecognized Actuarial Differences	22,491	219
Total	¥ 23,389	$ 227

(6) Plan Assets

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

	Proportion (%)
Debt Securities	19
Equity Securities	58
Cash and Due from Banks	3
Other	20
Total	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 57% of the total plan asset.

2) Expected long-term rate of return on plan assets

In order to determine the expected long-term rate of return on plan assets, SMTH 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.

(7) Assumptions Used

Major assumptions used for calculating the actuarial gains and losses for the fiscal year ended March 31, 2014, are as follows:

	2014
Discount Rate	Mainly 2.0%
Expected Long-Term Rate of Return on Plan Assets	4.5%

3. Defined-Contribution Pension Plans

Contributions by SMTH and its consolidated subsidiaries to the defined-contribution pension plans were ¥1,447 million (U.S. $14 million) for the year ended March 31, 2014.

Retirement and Pension Plans for the Fiscal Year Ended March 31, 2013

1. Outline of the Retirement Benefit Plans Adopted by SMTH

SMTB, a subsidiary of SMTH, has defined-benefit plans (a corporate pension fund plan and a lump-sum retirement benefit plan). A lump-sum retirement benefit plan is offered to contract employees according to internal rules. SMTB also has a defined-contribution pension plan and may provide extra retirement payments to retiring employees in some cases. SMTB sets up employee retirement benefit trusts as part of its pension plan assets.

Other consolidated subsidiaries have lump-sum retirement benefit plans, defined-benefit corporate pension plans, defined-contribution pension plans, and plans administered under an employees' pension fund system. Some consolidated subsidiaries also have a multiple employer pension plan.

(Additional information)

In conjunction with the merger of CMTB, CMAB and STB on April 1, 2012, the current retirement benefit plans of SMTH and the three subsidiaries were transferred to a new retirement benefit program consisting of a defined-benefit corporate pension plan, a defined-contribution pension plan, and a lump-sum retirement benefit plan on the same day.

2. Liabilities Related to Retirement Benefits Included in the Consolidated Balance Sheet as of March 31, 2013

	Millions of Yen
	2013
Retirement Benefit Obligations	¥ (370,946)
Plan Assets (fair value)	479,899
Unfunded Projected Benefit Obligations	108,953
Unrecognized Actuarial Differences	41,057
Unrecognized Past Service Cost	462
Net Amount Recognized in the Consolidated Balance Sheet	150,473
Prepaid Pension Costs (deduction)	166,606
Total	¥ (16,132)

(Notes)

1. The figures above do not include additional retirement allowances as extraordinary expenditure.
2. The plan assets include assets in the retirement benefit trusts.
3. The computational shortcut method is applied to calculate lump-sum retirement benefits for contract employees of SMTB and retirement benefit obligations of some consolidated subsidiaries.

3. Retirement Benefit Expenses Included in the Consolidated Statements of Income for the Fiscal Year Ended March 31, 2013

	Millions of Yen
	2013
Service Cost-Benefits Earned during the Fiscal Year	¥ 9,428
Interest Cost on Projected Benefit Obligations	7,221
Expected Return on Plan Assets	(31,494)
Amortization of Past Service Cost	(27)
Amortization of Actuarial Differences	11,242
Others (such as Additional Retirement Allowances)	2,617
Total	¥ (1,011)

(Note)

Pension expenses within the lump-sum retirement benefit plan for contract employees at SMTB and at some consolidated subsidiaries, which adopt the computational shortcut method, are included in "Service Costs-Benefits Earned during the Fiscal Period."

4. Assumptions Used

	2013
Discount Rate	Mainly 2.0%
Expected Rate of Return on Plan Assets	7.0%
Methods for Allocating the Projected Benefits to Periods of Services	SMTB: Point Basis Other Consolidated Subsidiaries: Straight-Line Basis
Amortization Period for Past Service Cost	Primarily 10 Years Past service cost is recognized using the straight-line method over a prescribed number of years within the employees' average remaining service period at incurrence.
Amortization Period for Actuarial Differences	Primarily 10 Years Actuarial differences are expensed using the straight-line method over a prescribed number of years within the employees' average remaining service period at incurrence, commencing from the next fiscal year of incurrence.

Stock Option Plans

SMTH

1. Expenses Recorded in Connection with Stock Options during the Fiscal Years Ended March 31, 2014 and 2013

2014: General and Administrative Expenses: ¥29 million (U.S. $0.3 million)

2013: General and Administrative Expenses: ¥13 million

2. Description of Stock Options

(1) Description of Stock Options

Year Ended March 31, 2014	SMTH Series 1 Subscription Rights to Shares	SMTH Series 2 Subscription Rights to Shares	SMTH Series 3 Subscription Rights to Shares
Number of Eligible Persons and their Position	Directors and officers of SMTH: 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 SMTH: 22 Directors and officers of SMTB: 44 Total: 66	Directors and officers of SMTH: 22 Directors and officers of SMTB: 38 Total: 60
Number of Stock Options Granted by Class of Share (Note)	Common stock: 286,000 shares	Common stock: 260,000 shares	Common stock: 398,000 shares
Grant Date	July 26, 2011	July 18, 2012	July 19, 2013
Vesting Conditions	1) A holder of the subscription rights to shares must be a director or officer of SMTH 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	Same as on the left
Eligible Service Period	From July 26, 2011, to July 25, 2013	From July 18, 2012, to July 17, 2014	From July 19, 2013, to July 18, 2015
Exercise Period	From July 26, 2013, to July 25, 2021	From July 18, 2014, to July 17, 2022	From July 19, 2015, to July 18, 2023

Note: Converted into the number of equivalent shares.

(2) Volume and Changes in Stock Options

1) Number of Stock Options

	Shares		
Year Ended March 31, 2014	SMTH Series 1 Subscription Rights to Shares	SMTH Series 2 Subscription Rights to Shares	SMTH Series 3 Subscription Rights to Shares
Unvested Stock Options			
At the Beginning of the Fiscal Year	286,000	260,000	—
Granted	—	—	398,000
Forfeited	—	—	—
Vested	286,000	—	—
Unvested	—	260,000	398,000
Vested Stock Options			
At the Beginning of Fiscal Year	—	—	—
Vested	286,000	—	—
Exercised	24,000	—	—
Forfeited	—	—	—
Unexercised	262,000	—	—

2) Unit price information

Year Ended March 31, 2014	SMTH		
	SMTH Series 1 Subscription Rights to Shares	SMTH Series 2 Subscription Rights to Shares	SMTH Series 3 Subscription Rights to Shares
Exercise Price (yen)	400	400	519
Average Stock Price when Exercised (yen)	484	—	—
Fair Unit Value on the Grant Date (yen)	62	34	146

3. Method for Estimating a Fair Unit Price of Stock Options

The method used to estimate a fair unit price of the SMTH Series 3 Subscription Rights to Shares as of the end of the current fiscal year is described as below.

(1) Valuation Technique Used: Black-Scholes Model

(2) Principal Parameters and Estimation Method Used

Year Ended March 31, 2014	SMTH Series 3 Subscription Rights to Shares
Stock Price Volatility (Note 1)	35.6%
Expected Time to Exercise (Note 2)	6.0years
Dividend Yield (Note 3)	1.73%
Risk-Free Interest Rate (Note 4)	0.39%

(Notes)

1. Stock price volatility was calculated based on the closing prices for common stock of SMTH on the final trading day of each week during a past consecutive period corresponding to the expected time to exercise.
2. The period between the time of the calculation and the midpoint of the exercise period is used because it is practically difficult to reasonably estimate the expected time to exercise the stock options, pursuant to the "Guidance on Accounting Standard for Share-Based Payment and its Implementation Guidance" (ASBJ Guidance No.11 of May 31, 2006).
3. Dividend yield is based on the actual dividends on common stock paid for the year ended March 31, 2013.
4. The rate represents the Japanese Government Bond yield corresponding to the expected time to exercise.

4. Method for Estimating the Number of Vested Stock Options

SMTH has adopted the method to reflect only the number of stock options that have been actually forfeited, because it is practically difficult to reasonably estimate the number that will be forfeited in the future.

Consolidated Subsidiary (Nikko Asset Management Co., Ltd)

1. Expenses Recorded in Connection with Stock Options during the Fiscal Years ended March 31, 2014 and 2013

There were no relevant items.

2. Description of Stock Options

(1) Description of Stock Options

Year Ended March 31, 2014	Resolution during Fiscal Year 2009	
Number of Eligible Persons and their Position	271	48
Number of Stock Options Granted by Class of Share (*)	19,724,100 Shares of Common Stock	1,702,800 Shares of Common Stock
Grant Date	February 8, 2010	August 20, 2010
Vesting Conditions	The recipient must, in principle, be an employee of Nikko Asset Management Co., Ltd as of January 22, 2012 ("First Exercisable Date"); on the date immediately after which one full year has passed since the First Exercisable Date; and on the date immediately after which two full years have passed since the First Exercisable Date. In those periods, one half, one fourth and one fourth of the options held by the recipient will be vested, respectively. Nikko Asset Management Co., Ltd must have implemented the IPO at the time of the exercise of any of these options.	Same as on the left
Eligible Service Period	From the grant date until two full years have passed since the First Exercisable Date	Same as on the left
Exercise Period	From January 22, 2012 to January 21, 2020	Same as on the left

	Resolution during the Fiscal Year 2010	Resolution during the Fiscal Year 2011
Number of Eligible Persons and their Position	1	186
Number of Stock Options Granted by Class of Share (*)	2,310,000 Shares of Common Stock	6,101,700 Shares of Common Stock
Grant Date	August 20, 2010	October 7, 2011
Vesting Conditions	The recipient must, in principle, be an employee of Nikko Asset Management Co., Ltd as of January 22, 2012 ("First Exercisable Date"); on the date immediately after which one full year has passed since the First Exercisable Date; and on the date immediately after which two full years have passed since the First Exercisable Date. In those periods, one half, one fourth and one fourth of the options held by the recipient will be vested, respectively. Nikko Asset Management Co., Ltd must have implemented the IPO at the time of the exercise of any of these options.	The recipient must, in principle, be an employee of Nikko Asset Management Co., Ltd as of October 7, 2013 ("First Exercisable Date"); on the date immediately after which one full year has passed since the First Exercisable Date; and on the date immediately after which two full years have passed since the First Exercisable Date. In those periods, one half, one fourth and one fourth of the options held by the recipient will be vested, respectively. Nikko Asset Management Co., Ltd must have implemented the IPO at the time of the exercise of any of these options.
Eligible Service Period	From the grant date until two full years have passed since the First Exercisable Date	From the grant date until two full years have passed since the First Exercisable Date
Exercise Period	From January 22, 2012 to January 21, 2020	From October 7, 2013 to October 6, 2021

(*) Converted into the number of equivalent shares.

(2) Volume and Changes in Stock Options

1) Number of stock options

Year Ended March 31, 2014	Shares	
	Resolution during Fiscal Year 2009	
Grant Date	February 8, 2010	August 20, 2010
Unvested Stock Options		
At the Beginning of the Fiscal Year	16,978,500	1,626,900
Granted	—	—
Forfeited	1,075,800	59,400
Vested	—	—
At the End of Fiscal Year	15,902,700	1,567,500
Vested Stock Options		
At the Beginning of Fiscal Year	—	—
Vested	—	—
Exercised	—	—
Forfeited	—	—
At the End of Fiscal Year	—	—

	Shares	
	Resolution during Fiscal Year 2010	Resolution during Fiscal Year 2011
Grant Date	August 20, 2010	October 7, 2011
Unvested Stock Options		
At the Beginning of the Fiscal Year	2,310,000	5,930,100
Granted	—	—
Forfeited	—	541,200
Vested	—	—
At the End of Fiscal Year	2,310,000	5,388,900
Vested Stock Options		
At the Beginning of Fiscal Year	—	—
Vested	—	—
Exercised	—	—
Forfeited	—	—
At the End of Fiscal Year	—	—

2) Unit Price Information

Year Ended March 31, 2014	Resolution during Fiscal Year 2009	
Grant Date	February 8, 2010	August 20, 2010
Exercise Price	¥625	¥625
Fair Price on the Grant Date (*1)	0	0

	Resolution during Fiscal Year 2010	Resolution during Fiscal Year 2011
Grant Date	August 20, 2010	October 7, 2011
Exercise Price	¥625	¥737 (*3)
Fair Price on the Grant Date (*1)	0	0

(*1) In lieu of fair value per share, the fair price refers to a share price of an estimate of each option's intrinsic value (the difference between the fair value of the share calculated by the comparable transactional price method and the exercise price).
(*2) The total amount of intrinsic value of the options was 0 yen as of March 31, 2014.
(*3) If the IPO price is set as any amount exceeding 737 yen, the Exercise Price shall be adjusted to an amount equal to the IPO Price on the IPO Date (the Exercise Price shall be adjusted to reflect appropriately the nature of any split or consolidation of shares after the Allotment Date, if any).

Income Taxes

1. Deferred Tax Assets and Liabilities

Year Ended March 31	Millions of Yen 2014	Millions of Yen 2013	Millions of U.S. Dollars 2014
Deferred Tax Assets:			
Allowance for Loan Losses (including Direct Write-Offs of Loans with Guarantees or Collateral)	¥ 37,961	¥ 46,689	$ 369
Devaluation of Securities	35,680	44,475	347
Deferred Gains (Losses) on Hedges	3,770	4,584	37
Adjustments for Retirement Benefits	27,759	—	270
Tax Losses Carried Forward	22,311	55,317	217
Valuation Difference Due to Share Exchange	15,728	44,046	153
Others	67,579	77,378	657
Subtotal	210,791	272,493	2,049
Valuation Allowance	(61,116)	(53,587)	(594)
Deferred Tax Assets	¥ 149,674	¥ 218,905	$ 1,455
Deferred Tax Liabilities:			
Retirement Benefits	¥ (27,455)	¥ (25,316)	$ (267)
Valuation Difference on Available-for-Sale Securities	(129,587)	(94,739)	(1,259)
Valuation Difference Due to Share Exchange	(14,641)	(17,437)	(142)
Others	(568)	(7,550)	(6)
Deferred Tax Liabilities	¥ (172,252)	¥ (145,045)	$ (1,674)
Net Deferred Tax Assets (Liabilities)	¥ (22,577)	¥ 73,860	$ (219)

2. Effective Income Tax Rate

Year Ended March 31	2014	2013
Effective Statutory Tax Rate	—	38.01 %
Adjustments:		
Tax Rate Difference between SMTH and its Subsidiaries	—	(2.95)
Changes in Valuation Allowance	—	(0.90)
Cash Dividends Received	—	(1.59)
Valuation Difference Due to Share Exchange	—	0.94
Gain on Negative Goodwill	—	(0.39)
Others	—	(0.19)
Effective Income Tax Rate	—	32.91 %

Disclosure on adjustments between the effective statutory tax rate and the effective income tax rate is omitted since the difference was less than 5% for the fiscal year ended March 31, 2014.

3. Adjustments to Deferred Tax Assets and Liabilities due to Change in Corporate Tax Rates

The Ministry of Finance in Japan released the "Act on Partial Amendment to the Income Tax Act, etc." (Act No. 10 of 2014) on March 31, 2014, to replace the special corporation tax for reconstruction, effective from fiscal years beginning on and after April 1, 2014. As a result of the promulgation, the effective statutory tax rate will be reduced from 38.01% to 35.64% for calculating deferred tax assets and liabilities on temporary differences that are expected to be realized during the fiscal year beginning on April 1, 2014. The effects of this change were to decrease Deferred Tax Assets by ¥683 million (U.S. $7 million), to increase Deferred Tax Liabilities by ¥3,474 million (U.S. $34 million), to increase Valuation Differences on Available-for-Sale Securities by ¥9 million (U.S. $0 million), and to increase Income Taxes—Deferred by ¥4,167 million (U.S. $41 million).

Segment Information

1. Reportable Segment Information

The SMTH Group's reportable segments are defined as operation segments for which discrete financial information is available and which are regularly reviewed by the Board of Directors in determining resources to be allocated to the segments and in assessing their business performance.

The SMTH Group comprises SMTB Group (SMTB and its consolidated subsidiaries) and other consolidated subsidiaries, and SMTB Group is treated as a reportable segment. The main activity of the reportable segment is presented below.

SMTB: Trust banking business

2. Method for Calculating Income, Profit or Losses, Assets, Liabilities, and Other Items by Reportable Segment

The accounting policies used for the reportable segments are the same as those presented under "Significant Accounting Policies and Practices," and the amount of segment profit presented for the reportable segments is Income before Income Taxes and Minority Interests.

Prices for internal transactions among segments are the same as the prices for transactions with unaffiliated customers.

3. Income, Profit or Losses, Assets, Liabilities, and Other Items by Reportable Segment

	Millions of Yen					
	Reportable Segment		Others	Total	Adjustment	Carrying Amount
Fiscal Year Ended March 31, 2014	SMTB	Total				
Income:						
Unaffiliated Customers	¥ 1,167,759	¥ 1,167,759	¥ 31,472	¥ 1,199,232	¥ (11,067)	¥ 1,188,165
Intersegment	8,958	8,958	60,070	69,028	(69,028)	—
Total	¥ 1,176,718	¥ 1,176,718	¥ 91,543	¥ 1,268,261	¥ (80,096)	¥ 1,188,165
Segment Profit	¥ 233,135	¥ 233,135	¥ 33,793	¥ 266,928	¥ (20,278)	¥ 246,650
Segment Assets	¥ 40,178,429	¥ 40,178,429	¥ 3,629,345	¥ 43,807,775	¥ (1,918,361)	¥ 41,889,413
Segment Liabilities	¥ 37,899,940	¥ 37,899,940	¥ 1,807,344	¥ 39,707,284	¥ (258,913)	¥ 39,448,370
Others						
Depreciation and Amortization	¥ 29,373	¥ 29,373	¥ 6,935	¥ 36,309	¥ 3	¥ 36,312
Amortization of Goodwill	9,098	9,098	—	9,098	(499)	8,598
Interest Income	360,698	360,698	36,209	396,907	(40,096)	356,811
Interest Expenses	134,050	134,050	6,062	140,113	(10,943)	129,169
Equity in Earnings of Affiliated Companies	3,381	3,381	—	3,381	—	3,381
Gain on Disposal of Fixed Assets	599	599	—	599	—	599
Loss on Disposal of Fixed Assets	1,656	1,656	12	1,668	—	1,668
Impairment Loss	10,566	10,566	—	10,566	(265)	10,301
Unamortized Balance of Goodwill	98,168	98,168	—	98,168	(5,497)	92,670
Investment to Affiliated Companies Accounted for by the Equity Method	44,168	44,168	—	44,168	—	44,168

Fiscal Year Ended March 31, 2013	Millions of Yen					
	Reportable Segment		Others	Total	Adjustment	Carrying Amount
	SMTB	Total				
Income:						
Unaffiliated Customers	¥ 1,095,828	¥ 1,095,828	¥ 31,970	¥ 1,127,799	¥ (6,143)	¥ 1,121,655
Intersegment	10,908	10,908	84,029	94,937	(94,937)	—
Total	¥ 1,106,736	¥ 1,106,736	¥ 116,000	¥ 1,222,736	¥ (101,081)	¥ 1,121,655
Segment Profit	¥ 201,397	¥ 201,397	¥ 55,058	¥ 256,456	¥ (28,121)	¥ 228,334
Segment Assets	¥ 36,432,931	¥ 36,432,931	¥ 3,203,138	¥ 39,636,070	¥ (1,932,038)	¥ 37,704,031
Segment Liabilities	¥ 34,162,206	¥ 34,162,206	¥ 1,426,342	¥ 35,588,549	¥ (214,992)	¥ 35,373,557
Others						
Depreciation and Amortization	¥ 34,298	¥ 34,298	¥ 8,940	¥ 43,239	¥ (1,696)	¥ 41,542
Amortization of Goodwill	8,897	8,897	—	8,897	(499)	8,397
Interest Income	345,665	345,665	59,689	405,354	(66,088)	339,266
Interest Expenses	127,175	127,175	7,223	134,398	(14,862)	119,535
Equity in Earnings of Affiliated Companies	2,808	2,808	—	2,808	—	2,808
Gain on Disposal of Fixed Assets	3,601	3,601	—	3,601	(115)	3,485
Gain on Negative Goodwill	2,388	2,388	—	2,388	—	2,388
Impairment Loss	22,548	22,548	508	23,056	(6,774)	16,281
Management Integration Expenses	11,600	11,600	467	12,068	40	12,109
Unamortized Balance of Goodwill	112,789	112,789	—	112,789	(5,997)	106,791
Investment to Affiliated Companies Accounted for by the Equity Method	37,841	37,841	—	37,841	—	37,841

Fiscal Year Ended March 31, 2014	Millions of U.S. Dollars					
	Reportable Segment		Others	Total	Adjustment	Carrying Amount
	SMTB	Total				
Income:						
Unaffiliated Customers	$ 11,348	$ 11,348	$ 306	$ 11,654	$ (108)	$ 11,547
Intersegment	87	87	584	671	(671)	—
Total	$ 11,436	$ 11,436	$ 890	$ 12,325	$ (778)	$ 11,547
Segment Profit	$ 2,266	$ 2,266	$ 328	$ 2,594	$ (197)	$ 2,397
Segment Assets	$ 390,461	$ 390,461	$ 35,271	$ 425,732	$ (18,643)	$ 407,089
Segment Liabilities	$ 368,318	$ 368,318	$ 17,564	$ 385,882	$ (2,516)	$ 383,366
Others						
Depreciation and Amortization	$ 285	$ 285	$ 67	$ 353	$ 0	$ 353
Amortization of Goodwill	88	88	—	88	(5)	84
Interest Income	3,505	3,505	352	3,857	(390)	3,468
Interest Expenses	1,303	1,303	59	1,362	(106)	1,255
Equity in Earnings of Affiliated Companies	33	33	—	33	—	33
Gain on Disposal of Fixed Assets	6	6	—	6	—	6
Loss on Disposal of Fixed Assets	16	16	0	16	—	16
Impairment Loss	103	103	—	103	(3)	100
Unamortized Balance of Goodwill	954	954	—	954	(53)	901
Investment to Affiliated Companies Accounted for by the Equity Method	429	429	—	429	—	429

1) The figures represent "Income" in substitution for net sales to be presented by companies in other industries.
2) The figures under SMTB represent consolidated amounts.
3) "Others" includes the SMTH and its consolidated subsidiaries other than the SMTB group companies.
4) The figures shown under "Adjustment" represent the consolidation adjustments for internal transactions and include realized valuation differences arising from business combinations.
5) Segment profits have been adjusted to "Income before Income Taxes and Minority Interests" as presented in the consolidated statements of income.

Related Information

1. Information by Services

	Millions of Yen			
Fiscal Year Ended March 31, 2014	Trust Banking Business	Leasing Business	Others	Total
Income:				
Unaffiliated Customers	**¥ 755,963**	**¥ 253,034**	**¥ 179,167**	**¥ 1,188,165**

	Millions of Yen			
Fiscal Year Ended March 31, 2013	Trust Banking Business	Leasing Business	Others	Total
Income:				
Unaffiliated Customers	¥ 715,025	¥ 254,062	¥ 152,567	¥ 1,121,655

	Millions of U.S. Dollars			
Fiscal Year Ended March 31, 2014	Trust Banking Business	Leasing Business	Others	Total
Income:				
Unaffiliated Customers	**$ 7,347**	**$ 2,459**	**$ 1,741**	**$ 11,547**

1) The figures represent "Income" in substitution for net sales to be presented by companies in other industries.
2) "Trust Banking Business" comprises income of SMTB and JTSB.

2. Geographic Information

(1) Income

More than 90% of the SMTH Group's income on the consolidated statements of income for the fiscal years ended March 31, 2014 and 2013 is attributable to income from unaffiliated customers in Japan; accordingly, income by geographical area is not presented.

(2) Tangible Fixed Assets

More than 90% of the SMTH Group's tangible fixed assets on the consolidated balance sheets as of March 31, 2014 and 2013 are located in Japan; accordingly, tangible fixed assets by geographical area are not presented.

3. Information by Major Customer

Due to voluminous income-generating transactions between the SMTH Group and an enormous number of the SMTH Group's customers, transactions are not classified by major counterparty; accordingly, information by major customers is not presented.

4. Information related to Losses on Impairment of Fixed Assets by Reportable Segment

Information is not provided in this section because the same information is disclosed in the "Segment Information" section.

5. Information related to Amortization of Goodwill and Unamortized Balance of Goodwill by Reportable Segment

Information is not provided in this section because the same information is disclosed in the "Segment Information" section.

6. Information related to Gain on Negative Goodwill by Reportable Segment

There was no gain on negative goodwill by reportable segment during the fiscal year ended March 31, 2014. Information for the fiscal year ended March 31, 2013 is not provided in this section because the same information is disclosed in the "Segment Information" section.

Related Party Transactions

There were no material transactions to be disclosed for the fiscal years ended March 31, 2014 and 2013.

Per Share of Common Stock Information

	Yen		U.S. Dollars
	Fiscal Year Ended March 31, 2014	Fiscal Year Ended March 31, 2013	**Fiscal Year Ended March 31, 2014**
Net Assets per Share of Common Stock	**¥ 511.02**	¥ 470.71	**$ 4.97**
Net Income per Share of Common Stock	**34.48**	31.27	**0.34**
Fully-Diluted Net Income per Share of Common Stock	**34.48**	—	**0.34**

(Notes)

1. Fully-diluted net income per common share for the fiscal year ended March 31, 2013 is not presented because no potentially dilutive securities were issued and outstanding.
2. 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, 2014	As of March 31, 2013	**As of March 31, 2014**
Net Assets as Reported	**¥ 2,441,043**	¥ 2,330,474	**$ 23,722**
Less:	**446,973**	595,740	**4,344**
Issue Amount of Shares of Preferred Stock	**109,000**	109,000	**1,059**
Dividends on Shares of Preferred Stock	**2,305**	2,305	**22**
Subscription Rights to Shares	**47**	19	**0**
Minority Interests	**335,620**	484,415	**3,262**
Net Assets Attributable to Common Shareholders	**1,994,069**	1,734,734	**19,379**
The Number of Shares of Common Stock Outstanding (Thousands of Shares)	**3,902,126**	3,685,309	**3,902,126**

3. Net Income per share of common stock and fully-diluted net income per common share and basis for calculation are as follows:

	Millions of Yen		Millions of U.S. Dollars
	Fiscal Year Ended March 31, 2014	Fiscal Year Ended March 31, 2013	Fiscal Year Ended March 31, 2014
Net Income per Share of Common Stock			
Net Income	¥ 137,675	¥ 133,768	$ 1,338
Net Income Not Attributable to Common Shareholders	4,610	4,610	45
Dividends on Shares of Preferred Stock	4,610	4,610	45
Net Income Attributable to Common Shareholders	133,064	129,158	1,293
Average Number of Shares of Common Stock Outstanding (Thousands of Shares)	3,858,217	4,129,646	3,858,217
Fully-Diluted Net Income per Share of Common Stock			
Adjustments to Net Income Attributable to Common Shareholders	—	—	—
Effect of Dilutive Securities: (Thousands of Shares)	90	—	90
Subscription Rights to Shares (Thousands of Shares)	90	—	90
Summary of the potential shares that were excluded from calculation of fully-diluted net income per share of common stock because they have no dilutive effect	SMTH: Series 3 Subscription Rights to Shares (Stock Options) SMTH Common Stock 398,000 shares Consolidated Subsidiaries (Nikko Asset Management Co., Ltd. (NAM)): (1) Subscription Rights to Shares (Stock Options) NAM Common Stock: 25,169,100 shares (2) Subscription Rights to Shares (Treasury Stock Options) NAM Common Stock: 2,955,200 shares	SMTH: Series 1 and 2 Subscription Rights to Shares (Stock Options) SMTH Common Stock 546,000 shares Consolidated Subsidiaries (Nikko Asset Management Co., Ltd. (NAM)): (1) Subscription Rights to Shares (Stock Options) NAM Common Stock: 26,845,500 shares (2) Subscription Rights to Shares (Treasury Stock Options) NAM Common Stock: 2,955,200 shares	SMTH: Series 3 Subscription Rights to Shares (Stock Options) SMTH Common Stock 398,000 shares Consolidated Subsidiaries (Nikko Asset Management Co., Ltd. (NAM)): (1) Subscription Rights to Shares (Stock Options) NAM Common Stock: 25,169,100 shares (2) Subscription Rights to Shares (Treasury Stock Options) NAM Common Stock: 2,955,200 shares

Changes in Accounting Policies

SMTH applied the Accounting Standard and the Guidance at the end of the fiscal year ended March 31, 2014, except for items prescribed at paragraph 35 of the Accounting Standard and paragraph 67 of the Guidance. SMTH adopted the transitional provision at paragraph 37 of the Accounting Standard.

As a result, the net asset per share for the year decreased by ¥3.85 (U.S. $0.04).

Significant Subsequent Event

Establishment of a Significant Subsidiary

SMTH held a meeting of the Board of Directors on June 12, 2014, and resolved to establish a subsidiary of SMTB in Thailand.

1. Purpose of Establishing a Subsidiary

SMTB opened a representative office in Bangkok in 1993 to primarily gather information locally. In Asia, our strategically important business area, especially in Thailand, financial service needs are increasing against a backdrop of the economic development. We, the SMTH Group, has an objective to become Asia's number one trust bank. Taking advantage of the opportunity when the Thai authority grants banking license to foreign banks, we are eager to meet a wide range of requirements of our clients, including Japanese corporations which are expanding their business in Thailand. Once the subsidiary is opened, we intend to contribute towards further economic prosperity of our clients and Thailand through provision of high-quality services that the SMTH Group has cultivated in the financial business as a trust bank.

2. Subsidiary's Profile

(1) Name

Sumitomo Mitsui Trust Bank (Thai) Public Company Limited

(2) Main Business Activities

Preparation for establishing banking business operations (The subsidiary will engage in banking operations when opened.)

(3) Date of Establishment

July 2014 (planned; banking operations will begin in fiscal year 2015)

(4) Capital

20 billion Thai Baht (99.9% capital investment by SMTB and its consolidated subsidiaries; with the initial investment of 0.3 million Thai Baht, the total value of investment is expected to be 20 billion Thai Baht by the start of operations.)

Financial Data:

Independent Auditors' Report

KPMG

Independent Auditor's Report

To the Board of Directors of
Sumitomo Mitsui Trust Holdings, Inc.:

We have audited the accompanying consolidated financial statements of Sumitomo Mitsui Trust Holdings, Inc. and its consolidated subsidiaries, which comprise the consolidated balance sheet as at March 31, 2014, and the consolidated statement of income, statement of comprehensive income, statement of changes in net assets and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information expressed in Japanese yen.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, while the objective of the financial statement audit is not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Sumitomo Mitsui Trust Holdings, Inc. and its consolidated subsidiaries as at March 31, 2014, and their financial performance and cash flows for the year then ended in accordance with accounting principles generally accepted in Japan.

Convenience Translation

The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended March 31, 2014 are presented solely for convenience. Our audit also included the translation of yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made on the basis described in "Basis of Presentation of Financial Statements" to the consolidated financial statements.

KPMG AZSA LLC

June 27, 2014
Tokyo, Japan

KPMG AZSA LLC, a limited liability audit corporation incorporated under the Japanese Certified Public Accountants Law and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

Financial Data:

Non-Consolidated Balance Sheet (Unaudited)

Sumitomo Mitsui Trust Holdings, Inc.
As of March 31, 2014 and 2013

	Millions of Yen		Millions of U.S. Dollars
	2014	2013	2014
Assets:			
Current Assets:			
Cash and Due from Banks	¥ 2,465	¥ 1,719	$ 24
Securities	103,000	27,000	1,001
Prepaid Expenses	6	6	0
Income Tax Refunds Receivable	6,314	26,810	61
Other Current Assets	48	44	0
Total Current Assets	111,835	55,581	1,087
Non-Current Assets:			
Tangible Fixed Assets:	0	0	0
Tools, Furniture and Fixtures (Net)	0	0	0
Intangible Fixed Assets:	1	1	0
Software	1	1	0
Investments and Other Assets:	1,641,199	1,652,530	15,949
Investment Securities	652	652	6
Investments in Subsidiaries and Affiliates (Stocks)	1,640,442	1,651,738	15,942
Other Investments	105	140	1
Total Non-Current Assets	1,641,201	1,652,532	15,949
Deferred Assets:			
Stock Issuance Cost	2,959	—	29
Total Deferred Assets	2,959	—	29
Total Assets	¥ 1,755,995	¥ 1,708,113	$ 17,065
Liabilities:			
Current Liabilities:			
Accrued Expenses	¥ 896	¥ 1,148	$ 9
Income Taxes Payable	3	13	0
Unearned Revenue	1,507	—	15
Provision for Bonuses	76	190	1
Other Current Liabilities	120	111	1
Total Current Liabilities	2,604	1,464	25
Non-Current Liabilities:			
Bonds Payable	128,800	160,500	1,252
Other Non-Current Liabilities	1,859	116	18
Total Non-Current Liabilities	130,659	160,616	1,270
Total Liabilities	¥ 133,263	¥ 162,081	$ 1,295
Net Assets:			
Total Shareholders' Equity:	¥ 1,622,684	¥ 1,546,012	$ 15,770
Capital Stock	261,608	261,608	2,542
Capital Surplus:	1,150,479	1,149,185	11,181
Legal Capital Surplus	702,933	702,933	6,831
Other Capital Surplus	447,545	446,251	4,349
Retained Earnings:	211,187	228,382	2,052
Other Retained Earnings:	211,187	228,382	2,052
Retained Earnings Brought Forward	211,187	228,382	2,052
Treasury Stock-At Cost	(591)	(93,164)	(6)
Subscription Rights to Shares	47	19	0
Total Net Assets	¥ 1,622,731	¥ 1,546,032	$ 15,770
Total Liabilities and Net Assets	¥ 1,755,995	¥ 1,708,113	$ 17,065

	Yen		U.S. Dollars
Net Assets per Share of Common Stock	¥ 387.32	¥ 389.30	$ 3.76

Financial Data:

Non-Consolidated Statement of Income (Unaudited)

Sumitomo Mitsui Trust Holdings, Inc.
For the fiscal years ended March 31, 2014 and 2013

	Millions of Yen		Millions of U.S. Dollars
	2014	2013	2014
Operating Income:			
Dividends Received from Subsidiaries	¥ 29,550	¥ 51,963	$ 287
Fees and Commissions Received from Subsidiaries	4,979	5,362	48
Total Operating Income	34,530	57,325	336
Operating Expenses:			
Interest on Bonds Payable	5,467	6,665	53
General and Administrative Expenses	3,062	4,169	30
Total Operating Expenses	8,529	10,834	83
Operating Profit	26,000	46,490	253
Non-Operating Income:	369	84	4
Interest Income	1	2	0
Interest on Securities	58	2	1
Commission Fee	141	1	1
Other Non-Operating Income	168	78	2
Non-Operating Expenses:	1,936	481	19
Amortization of Stock Issuance Cost	1,138	—	11
Commission Fee	270	246	3
Management Integration Expenses	71	56	1
Other Non-Operating Expenses	455	178	4
Income before Income Taxes	24,433	46,093	237
Income Taxes:	1	4	0
Current	1	4	0
Net Income	¥ 24,431	¥ 46,089	$ 237

	Yen		U.S. Dollars
Net Income per Share of Common Stock	¥ 5.13	¥ 10.04	$ 0.05

Financial Data:

Non-Consolidated Statement of Changes in Net Assets (Unaudited)

Sumitomo Mitsui Trust Holdings, Inc.
For the fiscal years ended March 31, 2014 and 2013

From April 1, 2013 to March 31, 2014

	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 Current Period	¥ 261,608	¥ 702,933	¥ 446,251	¥1,149,185	¥ 228,382	¥ 228,382
Changes during the Period						
Cash Dividends					(41,626)	(41,626)
Net Income					24,431	24,431
Purchase of Treasury Stock						
Disposal of Treasury Stock			1,293	1,293		
Retirement of Treasury Stock						
Net Changes of Items Other Than Shareholders' Equity						
Total Changes during the Period	—	—	1,293	1,293	(17,195)	(17,195)
Balance at the End of the Current Period	¥ 261,608	¥ 702,933	¥ 447,545	¥1,150,479	¥ 211,187	¥ 211,187

	Millions of Yen			
	Shareholders' Equity		Subscription Rights to Shares	Total Net Assets
	Treasury Stock	Total Shareholders' Equity		
Balance at the Beginning of the Current Period	¥ (93,164)	¥1,546,012	¥ 19	¥1,546,032
Changes during the Period				
Cash Dividends		(41,626)		(41,626)
Net Income		24,431		24,431
Purchase of Treasury Stock	(110)	(110)		(110)
Disposal of Treasury Stock	92,683	93,976		93,976
Retirement of Treasury Stock		—		—
Net Changes of Items Other Than Shareholders' Equity			27	27
Total Changes during the Period	92,573	76,671	27	76,699
Balance at the End of the Current Period	¥ (591)	¥1,622,684	¥ 47	¥1,622,731

From April 1, 2012 to March 31, 2013

	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 Current Period	¥ 261,608	¥ 702,933	¥ 553,008	¥1,255,942	¥ 223,240	¥ 223,240
Changes during the Period						
Cash Dividends					(40,946)	(40,946)
Net Income					46,089	46,089
Purchase of Treasury Stock						
Disposal of Treasury Stock			(3)	(3)		
Retirement of Treasury Stock			(106,753)	(106,753)		
Net Changes of Items Other Than Shareholders' Equity						
Total Changes during the Period	—	—	(106,756)	(106,756)	5,142	5,142
Balance at the End of the Current Period	¥ 261,608	¥ 702,933	¥ 446,251	¥1,149,185	¥ 228,382	¥ 228,382

	Millions of Yen			
	Shareholders' Equity		Subscription Rights to Shares	Total Net Assets
	Treasury Stock	Total Shareholders' Equity		
Balance at the Beginning of the Current Period	¥ (351)	¥1,740,440	¥ 6	¥1,740,446
Changes during the Period				
Cash Dividends		(40,946)		(40,946)
Net Income		46,089		46,089
Purchase of Treasury Stock	(199,574)	(199,574)		(199,574)
Disposal of Treasury Stock	7	4		4
Retirement of Treasury Stock	106,753	—		—
Net Changes of Items Other Than Shareholders' Equity			13	13
Total Changes during the Period	(92,813)	(194,427)	13	(194,414)
Balance at the End of the Current Period	¥ (93,164)	¥1,546,012	¥ 19	¥1,546,032

From April 1, 2013 to March 31, 2014

	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 Current Period	$ 2,542	$ 6,831	$ 4,337	$ 11,168	$ 2,219	$ 2,219
Changes during the Period						
Cash Dividends					(405)	(405)
Net Income					237	237
Purchase of Treasury Stock						
Disposal of Treasury Stock			13	13		
Retirement of Treasury Stock						
Net Changes of Items Other Than Shareholders' Equity						
Total Changes during the Period	—	—	13	13	(167)	(167)
Balance at the End of the Current Period	$ 2,542	$ 6,831	$ 4,349	$ 11,181	$ 2,052	$ 2,052

	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 Current Period	$ (905)	$ 14,966	$ 0	$ 15,025
Changes during the Period				
Cash Dividends		(405)		(405)
Net Income		237		237
Purchase of Treasury Stock	(1)	(1)		(1)
Disposal of Treasury Stock	901	913		913
Retirement of Treasury Stock		—		—
Net Changes of Items Other Than Shareholders' Equity			0	0
Total Changes during the Period	900	745	0	745
Balance at the End of the Current Period	$ (6)	$ 15,770	$ 0	$ 15,770

Financial Data:

Statement of Trust Account (Unaudited)

Sumitomo Mitsui Trust Holdings, Inc. and its Consolidated Subsidiaries
As of March 31, 2014 and 2013

As of March 31	Millions of Yen		Millions of U.S. Dollars
	2014	2013	2014
Assets:			
Loans and Bills Discounted (Note 2)	¥ 541,613	¥ 468,216	$ 5,263
Securities (Note 3)	78,962,207	74,682,552	767,368
Securities Held for Investment Trust	30,271,970	25,225,184	294,188
Foreign Investment for Investment Trust	17,968,460	17,423,776	174,621
Beneficiary Rights	250,467	185,304	2,434
Securities Held in Custody Accounts	21,532,341	21,364,642	209,255
Monetary Claims	15,911,620	13,778,881	154,632
Tangible Fixed Assets	10,025,287	9,753,576	97,427
Intangible Fixed Assets	113,341	68,509	1,101
Other Claims	10,733,267	7,757,145	104,308
Call Loan	5,431,172	4,365,980	52,781
Due from Banking Account	2,941,748	2,483,248	28,588
Cash and Due from Banks	3,099,765	2,651,791	30,124
Total Assets	¥ 197,783,263	¥ 180,208,811	$ 1,922,092
Liabilities:			
Money Trusts (Note 4)	24,274,159	22,861,947	235,900
Pension Trusts	16,341,006	14,166,680	158,805
Property Formation Benefit Trusts	20,102	20,630	195
Loan Trusts (Note 5)	32,322	81,727	314
Securities Investment Trusts	43,472,286	40,591,888	422,471
Money in Trust Other Than Money Trusts	7,553,796	5,262,406	73,409
Securities in Trust	21,506,508	21,203,660	209,004
Money Claims in Trust	10,934,451	10,123,780	106,263
Movables in Trust	0	—	0
Real Estate in Trust	114,418	112,383	1,112
Composite Trusts	73,534,211	65,783,705	714,618
Total Liabilities	¥ 197,783,263	¥ 180,208,811	$ 1,922,092

See Notes to Statements of Trust Account (Unaudited).

Financial Data:

Notes to Statement of Trust Account (Unaudited)

1. Trust Accounts

Under the Trust Act of Japan, trust activities must be administered separately from a commercial banking business. As a result, assets accepted in trust must be segregated from the assets held by SMTH. Within the general category of trust accounts, each trust account is segregated from other trust assets. Accordingly, the financial statements of SMTH do not reflect SMTH'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 SMTB, and such guaranteed principal as of March 31, 2014 and 2013 was ¥1,365,323 million (U.S. $13,268 million) and ¥1,309,916 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 ¥102.90 to U.S. $1, the approximate rate of exchange as of March 31, 2014. Such translations should not be construed as representations that the Japanese yen amounts could be converted into U.S. dollars at that or any other rate.

Amounts less than one million Japanese yen and one million U.S. dollars have been rounded down. As a result, the total may not be equal to sum of individual amounts.

Each amount presented in the statements of trust account as of March 31, 2014, and 2013 is the sum of trust accounts in SMTB and JTSB. Re-trust amounts between these consolidated subsidiaries for asset management are excluded from the amounts presented in in the statements of trust account.

2. Loans and Bills Discounted

Loans as of March 31, 2014 and 2013 consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2014	2013	2014
Loans on Deeds	¥ 324,008	¥ 309,111	$ 3,149
Loans on Bills	217,605	159,105	2,115
Total	¥ 541,613	¥ 468,216	$ 5,263

The balances of guaranteed trust account loans as of March 31, 2014 and 2013 stood at ¥91,276 million (U.S. $887 million) and ¥108,302 million respectively, which included the following:

Under certain trust agreements, repayments of the principal of the customers' trust assets are guaranteed by SMTB, and loans on such guaranteed trust assets as of March 31, 2014 and 2013, included the following:

	Millions of Yen		Millions of U.S. Dollars
	2014	2013	2014
Loans in Bankruptcy Proceedings	¥ —	¥ 3	$ —
Other Delinquent Loans	24,604	25,080	239
Restructured Loans	300	378	3
Total	¥ 24,904	¥ 25,462	$ 242

3. Securities

Securities held as of March 31, 2014 and 2013 consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2014	2013	2014
Government Bonds	¥ 16,347,357	¥ 15,484,991	$ 158,866
Local Government Bonds	670,462	707,016	6,516
Short-Term Corporate Bonds	885,010	578,071	8,601
Corporate Bonds	2,443,684	2,417,595	23,748
Stocks	38,199,254	36,347,220	371,227
Other Securities	20,416,437	19,147,657	198,410
Total	¥ 78,962,207	¥ 74,682,552	$ 767,368

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
	2014	2013	2014
Assets:			
Loans and Bills Discounted	¥ 91,276	¥ 108,302	$ 887
Securities	30	30	0
Other	1,243,731	1,121,636	12,087
Total	¥ 1,335,037	¥ 1,229,969	$ 12,974
Liabilities:			
Principal	1,333,794	1,229,217	12,962
Allowance for Impairment of Guaranteed Trust Principal	76	94	1
Other	1,166	656	11
Total	¥ 1,335,037	¥ 1,229,969	$ 12,974

In the case of certain money trusts, the principal amount is guaranteed, and as the above table indicates, allowance for the impairment of guaranteed trust principal is set aside by SMTB. The figures in the table include funds re-trusted from other trusts managed by SMTB.

5. Balance of Loan Trusts

The balance of loan trusts is as follows (the figures in the table include funds re-trusted from other trusts managed by SMTB):

	Millions of Yen		Millions of U.S. Dollars
	2014	2013	2014
Assets:			
Loans and Bills Discounted	¥ —	¥ —	$ —
Securities	—	—	—
Other	32,322	82,027	314
Total	¥ 32,322	¥ 82,027	$ 314
Liabilities:			
Principal	31,528	80,698	306
Special Reserve Fund	249	526	2
Other	544	802	5
Total	¥ 32,322	¥ 82,027	$ 314

As in certain money trusts, the principal amount of loan trusts is guaranteed, and as the above table indicates, a special reserve fund is set aside by SMTB.

Financial Data:

Sumitomo Mitsui Trust Bank, Limited ("SMTB")

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Financial Summary:

Five-Year Summary (Unaudited)

Sumitomo Mitsui Trust Bank, Limited and its Consolidated Subsidiaries
As of and for the fiscal years ended March 31

	Millions of Yen				
Consolidated Statements of Banking Account	2014	2013	2012	2011	2010
As of the Year-End					
Assets:					
Cash and Due from Banks	¥ 5,751,322	¥ 3,146,709	¥ 1,444,264	¥ 704,625	¥ 970,869
Securities	5,629,697	6,180,225	3,958,195	4,616,542	4,084,091
Loans and Bills Discounted	23,689,058	22,194,917	12,465,163	11,794,987	11,686,629
Lease Receivables and Investment Assets	540,273	553,657	549,921	614,376	650,540
Tangible Fixed Assets	237,265	239,855	143,236	127,563	125,802
Intangible Fixed Assets	195,131	191,778	158,526	164,929	170,043
Customers' Liabilities for Acceptances and Guarantees	485,384	583,945	348,772	362,432	339,837
Other	3,760,556	3,474,779	2,482,213	2,653,412	2,648,835
Allowance for Loan Losses	(110,260)	(132,938)	(111,787)	(112,773)	(125,598)
Total Assets	¥ 40,178,429	¥ 36,432,931	¥ 21,438,505	¥ 20,926,094	¥ 20,551,049
Liabilities:					
Deposits and Negotiable Certificates of Deposit	29,297,725	27,128,224	15,972,171	14,520,619	14,602,002
Acceptances and Guarantees	485,384	583,945	348,772	362,432	339,837
Other	8,116,830	6,450,037	3,573,218	4,535,947	4,159,265
Total Liabilities	¥ 37,899,940	¥ 34,162,206	¥ 19,894,162	¥ 19,418,999	¥ 19,101,104
Net Assets:					
Shareholders' Equity	¥ 1,894,132	¥ 1,795,349	¥ 1,234,744	¥ 1,204,514	¥ 1,144,068
Accumulated Other Comprehensive Income	195,052	167,452	3,532	(1,872)	4,050
Minority Interests	189,304	307,922	306,065	304,454	301,826
Total Net Assets	¥ 2,278,489	¥ 2,270,724	¥ 1,544,342	¥ 1,507,095	¥ 1,449,945
Total Liabilities and Net Assets	¥ 40,178,429	¥ 36,432,931	¥ 21,438,505	¥ 20,926,094	¥ 20,551,049
For the Year					
Income:					
Trust Fees	¥ 99,222	¥ 89,878	¥ 47,976	¥ 50,906	¥ 53,062
Interest Income	360,698	345,665	220,681	236,239	282,915
Fees and Commissions	307,223	269,290	178,847	168,411	130,711
Trading Income	24,604	24,350	9,267	11,559	15,672
Other Ordinary Income	290,148	309,615	479,020	345,057	352,699
Other Income	94,821	67,936	32,433	36,925	44,491
Total Income	¥ 1,176,718	¥ 1,106,736	¥ 968,227	¥ 849,099	¥ 879,553
Expenses:					
Interest Expenses	134,050	127,175	90,046	84,193	100,023
Fees and Commissions Payments	85,742	86,975	57,004	55,280	39,255
Trading Expenses	228	339	—	72	—
Other Ordinary Expenses	240,091	230,833	384,214	287,606	299,033
General and Administrative Expenses	385,487	366,515	236,610	231,174	222,344
Other Expenses	97,983	93,500	68,219	84,797	85,738
Total Expenses	¥ 943,582	¥ 905,339	¥ 836,095	¥ 743,124	¥ 746,396
Income before Income Taxes	¥ 233,135	¥ 201,397	¥ 132,131	¥ 105,974	¥ 133,157
Net Income	¥ 134,427	¥ 125,188	¥ 59,068	¥ 83,509	¥ 53,180

	Yen				
Per Share of Common Stock:					
Net Income per Share of Common Stock	¥ 77.52	¥ 72.00	¥ 32.52	¥ 47.11	¥ 30.17
Net Income per Share of Common Stock (Fully Diluted)					
Net Assets per Share of Common Stock	1,181.15	1,106.90	673.00	651.72	619.15

Financial Summary:

Five-Year Summary (Unaudited)

Sumitomo Mitsui Trust Bank, Limited and its Consolidated Subsidiaries
As of and for the fiscal years ended March 31

Non-Consolidated Statements of Banking Account	Millions of Yen				
	2014	2013	2012	2011	2010
As of the Year-End					
Assets:					
Cash and Due from Banks	¥ 5,614,828	¥ 2,953,549	¥ 1,363,494	¥ 580,834	¥ 828,856
Securities	5,971,283	6,531,276	4,238,313	4,950,002	4,474,366
Loans and Bills Discounted	24,034,244	22,349,067	12,647,603	12,153,693	11,921,476
Tangible Fixed Assets	203,326	205,891	130,950	115,390	113,235
Intangible Fixed Assets	90,515	69,257	35,170	28,286	26,350
Customers' Liabilities for Acceptances and Guarantees	317,332	352,932	294,752	336,175	387,202
Other	2,975,223	2,936,060	1,986,883	2,025,075	2,070,684
Allowance for Loan Losses	(84,089)	(103,069)	(86,784)	(85,559)	(104,843)
Allowance for Investment Loss	—	—	(1,185)	(1,185)	(65,993)
Total Assets	¥ 39,122,664	¥ 35,294,966	¥ 20,609,199	¥ 20,102,714	¥ 19,651,334
Liabilities:					
Deposits and Negotiable Certificates of Deposit	29,377,152	27,108,712	15,983,174	14,561,027	14,588,335
Acceptances and Guarantees	317,332	352,932	294,752	336,175	387,202
Other	7,397,010	5,948,608	3,151,363	4,057,572	3,575,106
Total Liabilities	¥ 37,091,495	¥ 33,410,252	¥ 19,429,289	¥ 18,954,776	¥ 18,550,644
Net Assets:					
Shareholders' Equity	¥ 1,788,176	¥ 1,707,817	¥ 1,162,428	¥ 1,137,308	¥ 1,086,770
Valuation and Translation Adjustments	242,992	176,896	17,480	10,630	13,919
Total Net Assets	¥ 2,031,168	¥ 1,884,714	¥ 1,179,909	¥ 1,147,938	¥ 1,100,690
Total Liabilities and Net Assets	¥ 39,122,664	¥ 35,294,966	¥ 20,609,199	¥ 20,102,714	¥ 19,651,334
For the Year					
Income:					
Trust Fees	¥ 99,302	¥ 89,984	¥ 48,009	¥ 50,939	¥ 53,140
Interest Income	348,379	333,312	212,172	226,472	289,366
Fees and Commissions	176,725	160,927	77,389	78,251	72,782
Trading Income	24,604	24,493	9,429	11,863	15,672
Other Ordinary Income	47,481	64,886	64,305	38,826	38,619
Other Income	82,170	55,219	25,549	32,096	30,985
Total Income	¥ 778,665	¥ 728,823	¥ 436,856	¥ 438,449	¥ 500,567
Expenses:					
Interest Expenses	140,470	133,802	95,589	89,627	109,822
Fees and Commissions Payments	72,439	75,583	34,143	34,880	32,783
Trading Expenses	228	339	—	72	—
Other Ordinary Expenses	21,815	14,261	6,813	23,666	22,424
General and Administrative Expenses	268,802	261,701	145,193	141,038	145,906
Other Expenses	88,941	84,099	52,317	78,542	111,908
Total Expenses	¥ 592,697	¥ 569,788	¥ 334,058	¥ 367,826	¥ 422,846
Income before Income Taxes	¥ 185,967	¥ 159,034	¥ 102,798	¥ 70,622	¥ 77,721
Net Income	¥ 116,002	¥ 105,160	¥ 53,958	¥ 73,526	¥ 21,691
Annual Dividends	¥ 36,886	¥ 320,471	¥ 29,712	¥ 23,443	¥ 16,745

	Yen				
Per Share of Common Stock:					
Net Income per Share of Common Stock	¥ 66.52	¥ 60.04	¥ 29.46	¥ 41.15	¥ 11.37
Net Income per Share of Common Stock (Fully Diluted)					
Net Assets per Share of Common Stock	1,146.50	1,060.26	638.14	619.05	590.82

Financial Summary:

Five-Year Summary (Unaudited)

Sumitomo Mitsui Trust Bank, Limited and its Consolidated Subsidiaries
As of and for the fiscal years ended March 31

	Millions of Yen				
Statements of Trust Account	**2014**	2013	2012	2011	2010
As of the Year-End					
Assets:					
Securities	**¥ 1,254,913**	¥ 721,626	¥ 382,982	¥ 632,625	¥ 554,630
Loans and Bills Discounted	**541,613**	468,216	292,652	333,232	398,476
Other	**134,998,194**	125,852,988	82,593,409	81,214,594	78,354,576
Total Assets	**¥ 136,794,720**	¥ 127,042,831	¥ 83,269,043	¥ 82,180,452	¥ 79,307,687
Liabilities:					
Money Trusts	**21,632,399**	20,259,804	13,391,736	12,950,352	12,284,982
Pension Trusts	**16,341,006**	14,166,680	6,122,070	6,259,408	5,435,133
Property Formation Benefit Trusts	**20,102**	20,630	8,911	8,789	8,521
Loan Trusts	**32,322**	81,727	—	19,991	74,774
Other Trusts	**98,768,890**	92,513,989	63,746,324	62,941,910	61,504,272
Total Liabilities	**¥ 136,794,720**	¥ 127,042,831	¥ 83,269,043	¥ 82,180,452	¥ 79,307,687

	Millions of Yen				
Total Employable Funds (Non-Consolidated)	**2014**	2013	2012	2011	2010
As of the Year-End					
Deposits	**¥ 29,377,152**	¥ 27,108,712	¥ 15,983,174	¥ 14,561,027	¥ 14,588,335
Money Trusts	**21,632,399**	20,259,804	13,391,736	12,950,352	12,284,982
Pension Trusts	**16,341,006**	14,166,680	6,122,070	6,259,408	5,435,133
Property Formation Benefit Trusts	**20,102**	20,630	8,911	8,789	8,521
Loan Trusts	**32,322**	81,727	—	19,991	74,774
Total Employable Funds*	**¥ 67,402,982**	¥ 61,637,555	¥ 35,505,893	¥ 33,799,569	¥ 32,391,747

* Total Employable Funds represents the total amount of the Deposits in the Banking Account and funds included under the Money Trusts, Pension Trusts, Property Formation Benefit Trusts and Loan Trusts in the Trust Account.

Financial Data:

Consolidated Balance Sheet

Sumitomo Mitsui Trust Bank, Limited and its Consolidated Subsidiaries
As of March 31, 2014 and 2013

	Millions of Yen		Millions of U.S. Dollars
	2014	2013	2014
Assets:			
Cash and Due from Banks	¥ 5,751,322	¥ 3,146,709	$ 55,892
Call Loans and Bills Bought	366,552	329,228	3,562
Receivables under Resale Agreements	88,069	91,911	856
Receivables under Securities Borrowing Transactions	289,377	207,494	2,812
Monetary Claims Bought	936,435	491,571	9,100
Trading Assets (Notes 1 and 4)	537,029	716,594	5,219
Money Held in Trust	13,344	19,014	130
Securities (Notes 2, 4 and 14)	5,629,697	6,180,225	54,710
Loans and Bills Discounted (Notes 3, 4 and 5)	23,689,058	22,194,917	230,214
Foreign Exchanges	12,114	59,570	118
Lease Receivables and Investment Assets (Note 4)	540,273	553,657	5,250
Other Assets (Notes 4 and 8)	1,347,796	1,500,046	13,098
Tangible Fixed Assets (Note 6)	237,265	239,855	2,306
Intangible Fixed Assets (Note 7)	195,131	191,778	1,896
Assets for Retirement Benefits	150,145	—	1,459
Deferred Tax Assets	19,692	59,347	191
Customers' Liabilities for Acceptances and Guarantees	485,384	583,945	4,717
Allowance for Loan Losses	(110,260)	(132,938)	(1,072)
Total Assets	¥ 40,178,429	¥ 36,432,931	$ 390,461
Liabilities:			
Deposits (Notes 4 and 9)	¥ 24,094,545	¥ 22,997,707	$ 234,155
Negotiable Certificates of Deposit	5,203,179	4,130,517	50,565
Call Money and Bills Sold	200,005	168,355	1,944
Payables under Repurchase Agreements (Note 4)	1,291,641	605,742	12,552
Trading Liabilities (Note 1)	214,104	233,133	2,081
Borrowed Money (Notes 4 and 10)	1,905,748	1,167,576	18,520
Foreign Exchanges	124	106	1
Short-Term Bonds Payable	904,882	940,067	8,794
Bonds Payable (Note 11)	1,055,826	983,815	10,261
Borrowed Money from Trust Account (Note 12)	1,342,001	1,281,038	13,042
Other Liabilities (Note 13)	1,128,130	1,024,161	10,963
Provision for Bonuses	14,894	14,008	145
Provision for Directors' Bonuses	255	187	2
Provision for Retirement Benefits	—	11,291	—
Liabilities for Retirement Benefits	10,480	—	102
Provision for Reimbursement of Deposits	3,917	6,207	38
Provision for Contingent Losses	8,800	9,720	86
Deferred Tax Liabilities	32,062	501	312
Deferred Tax Liabilities for Land Revaluation (Note 6)	3,954	4,122	38
Acceptances and Guarantees (Note 4)	485,384	583,945	4,717
Total Liabilities	¥ 37,899,940	¥ 34,162,206	$ 368,318
Net Assets:			
Total Shareholders' Equity:	¥ 1,894,132	¥ 1,795,349	$ 18,408
Capital Stock	342,037	342,037	3,324
Capital Surplus	601,259	608,794	5,843
Retained Earnings	950,835	844,517	9,240
Total Accumulated Other Comprehensive Income:	195,052	167,452	1,896
Valuation Differences on Available-for-Sale Securities	249,510	185,208	2,425
Deferred Gains or Losses on Hedges	(11,151)	(14,063)	(108)
Revaluation Reserve for Land (Note 6)	1,622	2,864	16
Foreign Currency Translation Adjustments	5,228	(6,556)	51
Adjustments for Retirement Benefits	(50,156)	—	(487)
Minority Interests	189,304	307,922	1,840
Total Net Assets	¥ 2,278,489	¥ 2,270,724	$ 22,143
Total Liabilities and Net Assets	¥ 40,178,429	¥ 36,432,931	$ 390,461

	Yen		U.S. Dollars
Net Assets per Share of Common Stock	¥ 1,181.15	¥ 1,106.90	$ 11.48

See accompanying notes.
The figures in U.S. dollars are converted from a yen basis for convenience at the rate of ¥102.90 to U.S. $1.00, the exchange rate prevailing as of March 31, 2014.

Financial Data:

Consolidated Statement of Income

Sumitomo Mitsui Trust Bank, Limited and its Consolidated Subsidiaries
For the fiscal years ended March 31, 2014 and 2013

	Millions of Yen		Millions of U.S. Dollars
	2014	2013	2014
Income:			
Trust Fees	¥ 99,222	¥ 89,878	$ 964
Interest Income:	360,698	345,665	3,505
Interest on Loans and Discounts	247,228	246,766	2,403
Interest and Dividends on Securities	96,003	88,279	933
Interest on Call Loans and Bills Bought	850	475	8
Interest on Receivables under Resale Agreements	726	830	7
Interest on Receivables under Securities Borrowing Transactions	141	267	1
Interest on Deposits with Banks	10,397	4,561	101
Other Interest Income (Note 1)	5,350	4,483	52
Fees and Commissions	307,223	269,290	2,986
Trading Income (Note 2)	24,604	24,350	239
Other Ordinary Income (Note 3)	290,148	309,615	2,820
Other Income (Note 4)	94,821	67,936	921
Total Income	¥ 1,176,718	¥ 1,106,736	$11,436
Expenses:			
Interest Expenses:	¥ 134,050	¥ 127,175	$ 1,303
Interest on Deposits	72,730	76,535	707
Interest on Negotiable Certificates of Deposit	8,611	9,592	84
Interest on Call Money and Bills Sold	1,566	646	15
Interest on Payables under Repurchase Agreements	1,102	1,090	11
Interest on Payables under Securities Lending Transactions	82	81	1
Interest on Borrowings	8,669	10,320	84
Interest on Short-Term Bonds	1,691	875	16
Interest on Bonds	19,881	18,513	193
Other Interest Expenses (Note 1)	19,714	9,519	192
Fees and Commissions Payments	85,742	86,975	833
Trading Expenses (Note 2)	228	339	2
Other Ordinary Expenses (Note 3)	240,091	230,833	2,333
General and Administrative Expenses (Note 5)	385,487	366,515	3,746
Other Expenses (Note 4)	97,983	93,500	952
Total Expenses	¥ 943,582	¥ 905,339	$ 9,170
Income before Income Taxes and Minority Interests	¥ 233,135	¥ 201,397	$ 2,266
Income Taxes:	86,978	63,292	845
Current	23,581	20,773	229
Deferred	63,397	42,519	616
Income before Minority Interests	146,156	138,104	1,420
Minority Interests in Income	11,729	12,916	114
Net Income	¥ 134,427	¥ 125,188	$ 1,306

	Yen		U.S. Dollars
Net Income per Share of Common Stock	¥ 77.52	¥ 72.00	$ 0.75

See accompanying notes.

Financial Data:

Consolidated Statement of Comprehensive Income

Sumitomo Mitsui Trust Bank, Limited and its Consolidated Subsidiaries
For the fiscal years ended March 31, 2014 and 2013

	Millions of Yen		Millions of U.S. Dollars
	2014	2013	2014
Income before Minority Interests	**¥ 146,156**	¥ 138,104	**$ 1,420**
Other Comprehensive Income (Loss):			
Valuation Differences on Available-for-Sale Securities	**65,781**	126,936	**639**
Deferred Gains (Losses) on Hedges	**1,420**	(7,988)	**14**
Revaluation Reserve for Land	**—**	(9)	**—**
Foreign Currency Translation Adjustments	**10,316**	7,683	**100**
Attributable to Equity-Method Affiliated Companies	**1,745**	(1,886)	**17**
Total Other Comprehensive Income (Loss) (Note 1)	**79,264**	124,736	**770**
Comprehensive Income:	**225,421**	262,840	**2,191**
Comprehensive Income Attributable to Owners of the Parent	**213,420**	249,725	**2,074**
Comprehensive Income Attributable to Minority Interests	**12,000**	13,115	**117**

See accompanying notes.

Financial Data:

Consolidated Statement of Changes in Net Assets

Sumitomo Mitsui Trust Bank, Limited and its Consolidated Subsidiaries

From April 1, 2013 to March 31, 2014

	Millions of Yen				
	Shareholders' Equity				
	Capital Stock	Capital Surplus	Retained Earnings	Treasury Stock	Total Shareholders' Equity
Balance at the Beginning of the Current Period	¥ 342,037	¥ 608,794	¥ 844,517	¥ —	¥ 1,795,349
Changes during the Period					
Cash Dividends		(7,535)	(29,350)		(36,886)
Net Income			134,427		134,427
Increase by Merger					—
Reversal of Revaluation Reserve for Land			1,241		1,241
Net Changes of Items Other Than Shareholders' Equity					
Total Changes during the Period	—	(7,535)	106,318	—	98,782
Balance at the End of the Current Period	¥ 342,037	¥ 601,259	¥ 950,835	¥ —	¥ 1,894,132

	Millions of Yen							
	Accumulated Other Comprehensive Income							
	Valuation Differences on Available-for-Sale Securities	Deferred Gains or Losses on Hedges	Revaluation Reserve for Land	Foreign Currency Translation Adjustments	Adjustments for Retirement Benefits	Total Accumulated Other Comprehensive Income	Minority Interests	Total Net Assets
Balance at the Beginning of the Current Period	¥ 185,208	¥ (14,063)	¥ 2,864	¥ (6,556)	¥ —	¥ 167,452	¥ 307,922	¥ 2,270,724
Changes during the Period								
Cash Dividends								(36,886)
Net Income								134,427
Increase by Merger								—
Reversal of Revaluation Reserve for Land								1,241
Net Changes of Items Other Than Shareholders' Equity	64,301	2,912	(1,241)	11,784	(50,156)	27,599	(118,617)	(91,017)
Total Changes during the Period	64,301	2,912	(1,241)	11,784	(50,156)	27,599	(118,617)	7,765
Balance at the End of the Current Period	¥ 249,510	¥ (11,151)	¥ 1,622	¥ 5,228	¥ (50,156)	¥ 195,052	¥ 189,304	¥ 2,278,489

From April 1, 2012 to March 31, 2013

	Millions of Yen				
	Shareholders' Equity				
	Capital Stock	Capital Surplus	Retained Earnings	Treasury Stock	Total Shareholders' Equity
Balance at the Beginning of the Current Period	¥ 342,037	¥ 296,568	¥ 596,138	¥ —	¥ 1,234,744
Changes during the Period					
Cash Dividends		(268,729)	(51,741)		(320,471)
Net Income			125,188		125,188
Increase by Merger		580,955	173,226		754,181
Reversal of Revaluation Reserve for Land			1,706		1,706
Net Changes of Items Other Than Shareholders' Equity					
Total Changes during the Period	—	312,225	248,379	—	560,605
Balance at the End of the Current Period	¥ 342,037	¥ 608,794	¥ 844,517	¥ —	¥ 1,795,349

	Millions of Yen							
	Accumulated Other Comprehensive Income							
	Valuation Differences on Available-for-Sale Securities	Deferred Gains or Losses on Hedges	Revaluation Reserve for Land	Foreign Currency Translation Adjustments	Adjustments for Retirement Benefits	Total Accumulated Other Comprehensive Income	Minority Interests	Total Net Assets
Balance at the Beginning of the Current Period	¥ 28,608	¥ (7,324)	¥ (4,955)	¥ (12,795)	¥ —	¥ 3,532	¥ 306,065	¥ 1,544,342
Changes during the Period								
Cash Dividends								(320,471)
Net Income								125,188
Increase by Merger								754,181
Reversal of Revaluation Reserve for Land								1,706
Net Changes of Items Other Than Shareholders' Equity	156,600	(6,739)	7,820	6,239	—	163,919	1,856	165,776
Total Changes during the Period	156,600	(6,739)	7,820	6,239	—	163,919	1,856	726,381
Balance at the End of the Current Period	¥ 185,208	¥ (14,063)	¥ 2,864	¥ (6,556)	¥ —	¥ 167,452	¥ 307,922	¥ 2,270,724

From April 1, 2013 to March 31, 2014

	Millions of U.S. Dollars				
	Shareholders' Equity				
	Capital Stock	Capital Surplus	Retained Earnings	Treasury Stock	Total Shareholders' Equity
Balance at the Beginning of the Current Period	$ 3,324	$ 5,916	$ 8,207	$ —	$ 17,448
Changes during the Period					
Cash Dividends		(73)	(285)		(358)
Net Income			1,306		1,306
Increase by Merger					—
Reversal of Revaluation Reserve for Land			12		12
Net Changes of Items Other Than Shareholders' Equity					
Total Changes during the Period	—	(73)	1,033	—	960
Balance at the End of the Current Period	$ 3,324	$ 5,843	$ 9,240	$ —	$ 18,408

	Millions of U.S. Dollars							
	Accumulated Other Comprehensive Income							
	Valuation Differences on Available-for-Sale Securities	Deferred Gains or Losses on Hedges	Revaluation Reserve for Land	Foreign Currency Translation Adjustments	Adjustments for Retirement Benefits	Total Accumulated Other Comprehensive Income	Minority Interests	Total Net Assets
Balance at the Beginning of the Current Period	$ 1,800	$ (137)	$ 28	$ (64)	$ —	$ 1,627	$ 2,992	$ 22,067
Changes during the Period								
Cash Dividends								(358)
Net Income								1,306
Increase by Merger								—
Reversal of Revaluation Reserve for Land								12
Net Changes of Items Other Than Shareholders' Equity	625	28	(12)	115	(487)	268	(1,153)	(885)
Total Changes during the Period	625	28	(12)	115	(487)	268	(1,153)	75
Balance at the End of the Current Period	$ 2,425	$ (108)	$ 16	$ 51	$ (487)	$ 1,896	$ 1,840	$ 22,143

Financial Data:

Consolidated Statement of Cash Flows

Sumitomo Mitsui Trust Bank, Limited and its Consolidated Subsidiaries
For the fiscal years ended March 31, 2014 and 2013

	Millions of Yen		Millions of U.S. Dollars
	2014	2013	2014
Net Cash Provided by (Used in) Operating Activities:			
Income before Income Taxes and Minority Interests	¥ 233,135	¥ 201,397	$ 2,266
Depreciation and Amortization	29,373	34,298	285
Impairment Losses	10,566	22,548	103
Amortization of Goodwill	9,098	8,897	88
Gain on Negative Goodwill	—	(2,388)	—
Equity in Losses (Earnings) of Affiliated Companies	(3,381)	(2,808)	(33)
Increase (Decrease) in Allowance for Loan Losses	(22,697)	(19,855)	(221)
Increase (Decrease) in Provision for Bonuses	885	1,535	9
Increase (Decrease) in Provision for Directors' Bonuses	68	3	1
Increase (Decrease) in Provision for Retirement Benefits	—	73	—
Decrease (Increase) in Assets for Retirement Benefits	2,182	—	21
Increase (Decrease) in Liabilities for Retirement Benefits	(1,431)	—	(14)
Increase (Decrease) in Provision for Reimbursement of Deposits	(2,289)	(725)	(22)
Increase (Decrease) in Provision for Contingent Losses	(919)	(2,770)	(9)
Increase (Decrease) in Provision for Relocation Expenses	—	(8,854)	—
Gain on Fund Management	(360,698)	(345,665)	(3,505)
Financing Expenses	134,050	127,175	1,303
Loss (Gain) Related to Securities	(19,032)	(46,231)	(185)
Loss (Gain) on Money Held in Trust	(883)	(946)	(9)
Foreign Exchange Losses (Gains)	(129,807)	(105,468)	(1,261)
Loss (Gain) on Disposal of Fixed Assets	1,057	(361)	10
Net Decrease (Increase) in Trading Assets	179,564	(115,456)	1,745
Net Increase (Decrease) in Trading Liabilities	(19,029)	54,012	(185)
Net Decrease (Increase) in Loans and Bills Discounted	(1,494,140)	(1,589,196)	(14,520)
Net Increase (Decrease) in Deposits	1,042,208	945,830	10,128
Net Increase (Decrease) in Negotiable Certificates of Deposit	1,072,662	877,672	10,424
Net Increase (Decrease) in Borrowed Money (excluding Subordinated Borrowings)	758,172	52,940	7,368
Net Decrease (Increase) in Due from Banks (excluding Due from the Bank of Japan)	(223,546)	(421,781)	(2,172)
Net Decrease (Increase) in Call Loans	(227,813)	(332,934)	(2,214)
Net Decrease (Increase) in Receivables under Securities Borrowing Transactions	(81,883)	(188,877)	(796)
Net Increase (Decrease) in Call Money	717,549	412,392	6,973
Net Increase (Decrease) in Payables under Securities Lending Transactions	—	(227,956)	—
Net Decrease (Increase) in Foreign Exchange—Assets	47,456	(50,129)	461
Net Increase (Decrease) in Foreign Exchange—Liabilities	18	35	0
Net Decrease (Increase) in Lease Receivables and Investment Assets	13,383	(3,733)	130
Net Increase (Decrease) in Short-Term Bonds Payable	(182,085)	562,208	(1,770)
Increase (Decrease) in Straight Bonds-Issuance and Redemption	189,728	94,181	1,844
Net Increase (Decrease) in Borrowed Money from Trust Account	60,963	47,275	592
Proceeds from Fund Management	357,934	347,254	3,478
Payments for Finance	(158,787)	(129,321)	(1,543)
Other, Net	15,040	111,834	146
Subtotal	¥ 1,946,673	¥ 306,101	$ 18,918
Income Taxes (Paid)	(22,662)	(8,443)	(220)
Net Cash Provided by (Used in) Operating Activities	¥ 1,924,010	¥ 297,657	$ 18,698

(Continued)

	Millions of Yen		Millions of U.S. Dollars
	2014	2013	2014
Net Cash Provided by (Used in) Investment Activities:			
Purchase of Securities	¥ (5,836,475)	¥ (11,262,010)	$ (56,720)
Proceeds from Sales of Securities	4,014,827	5,854,099	39,017
Proceeds from Redemption of Securities	2,577,263	5,785,157	25,046
Decrease in Money Held in Trust	5,650	663	55
Purchase of Tangible Fixed Assets	(13,885)	(19,759)	(135)
Proceeds from Sales of Tangible Fixed Assets	2,655	9,827	26
Purchase of Intangible Fixed Assets	(40,302)	(35,097)	(392)
Proceeds from Sales of Intangible Fixed Assets	11	1,022	0
Purchase of Investments in Subsidiaries with Changes in the Scope of Consolidation	(1,638)	(2,736)	(16)
Purchase of Investments in Affiliated Companies Accounted for by the Equity Method	—	(39)	0
Net Cash Provided by (Used in) Investment Activities	¥ 708,107	¥ 331,126	$ 6,882
Net Cash Provided by (Used in) Financing Activities:			
Increase in Subordinated Borrowings	¥ —	¥ 45,000	$ —
Decrease in Subordinated Borrowings	(20,000)	(50,000)	(194)
Proceeds from Issuance of Subordinated Bonds and Bonds with Subscription Rights to Shares	—	41,311	—
Payments for Redemption of Subordinated Bonds and Bonds with Subscription Rights to Shares	(124,500)	(100,000)	(1,210)
Repayments to Minority Shareholders	(120,000)	—	(1,166)
Cash Dividends Paid	(36,886)	(320,487)	(358)
Cash Dividends Paid to Minority Shareholders	(10,688)	(11,155)	(104)
Net Cash Provided by (Used in) Financing Activities	¥ (312,075)	¥ (395,331)	$ (3,033)
Effect of Exchange Rate Change on Cash and Cash Equivalents	¥ 61,023	¥ 14,321	$ 593
Net Increase (Decrease) in Cash and Cash Equivalents	¥ 2,381,066	¥ 247,774	$ 23,140
Cash and Cash Equivalents at the Beginning of the Period	¥ 1,853,984	¥ 576,546	$ 18,017
Increase in Cash and Cash Equivalents with Changes in the Scope of Consolidation	—	1,029,662	—
Cash and Cash Equivalents at the End of the Period (Note 1)	¥ 4,235,050	¥ 1,853,984	$ 41,157

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 (SMTB) and its consolidated subsidiaries (together, the "SMTB 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 SMTB 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 SMTB is incorporated and operates. The translation of Japanese yen amounts into U.S. dollar amounts are included solely for the convenience of readers outside Japan. The translation has been made at the rate of ¥102.90 to U.S. $1, the approximate rate of exchange as of March 31, 2014. 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, 2014: 68 companies

Principal Companies:

Sumitomo Mitsui Trust Panasonic Finance Co., Ltd.

Nikko Asset Management Co., Ltd.

Sumitomo Mitsui Trust Loan & Finance Co., Ltd.

Sumitomo Mitsui Trust Realty Co., Ltd.

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

Sumitomo Mitsui Trust Capital Co., Ltd. and six other companies were included in the scope of consolidation from the fiscal year ended March 31, 2014, due to acquisition of shares.

STB Preferred Capital 2 (Cayman) Limited and two other companies liquidated and were excluded from the scope of consolidation from the fiscal year ended March 31, 2014.

(2) Unconsolidated Subsidiaries

Principal Companies:

Hummingbird Co., Ltd.

ASIA GATEWAY I, L.P.

Hummingbird Co., Ltd., and 34 other companies were excluded from the scope of consolidation in accordance with Article 5, Paragraph 1, Item 2 of the Consolidated Financial Statements Regulations because they are the operators that are engaged in leasing activities through silent partnership arrangements and their assets and profits/losses do not belong to the subsidiaries.

Other unconsolidated subsidiaries, including ASIA GATEWAY I, L.P. 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, net income (amount corresponding to SMTB's interest in subsidiaries), retained earnings (amount corresponding to SMTB's interest in subsidiaries), and accumulated other comprehensive income (amount corresponding to SMTB's interest in subsidiaries).

2. Application of the Equity Method

(1) Unconsolidated Subsidiaries Accounted for by the Equity Method:

None

(2) Affiliates Accounted for by the Equity Method:

28 companies

Principal Companies:

Japan Stockholders Data Service Company, Limited

SBI Sumishin Net Bank, Ltd.

Changes in the affiliates accounted for by the equity method from the fiscal year ended March 31, 2014, are as follows:

Newly established Shen Zhen Rongtong Capital Management Co., Ltd. and one other company were

included in the scope of application of the equity method during the fiscal year ended March 31, 2014.

BUSINEXT CORPORATION and two other companies were excluded from the scope of application of the equity method from the fiscal year, mainly due to sales of shares.

(3) Unconsolidated Subsidiaries and Affiliates that are not Accounted for by the Equity Method

Principal Companies:

Hummingbird Co., Ltd.

Asia Gateway I, L.P.

Hummingbird Co., Ltd., and 34 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 the operators that are engaged in leasing activities through silent partnership arrangements and their assets and profits/losses do not belong to the subsidiaries.

Other unconsolidated subsidiaries and affiliates, including ASIA GATEWAY I, L.P., that are not accounted for by the equity method are excluded from the scope of application of the equity method because such exclusion would not materially affect the consolidated financial statements. Such materiality is determined based on the size of their net income (amount corresponding to SMTB's interest in subsidiaries and affiliates), retained earnings (amount corresponding to SMTB's interest in subsidiaries and affiliates), and accumulated other comprehensive income (amount corresponding to SMTB's interest in subsidiaries and affiliates).

3. Balance Sheet Dates of the Consolidated Subsidiaries

(1) The balance sheet dates of the consolidated subsidiaries are as follows:

April 30:	2 companies
June 30:	2 companies
August 31:	1 company
September 30:	6 companies
November 30:	1 company
December 31:	12 companies
January 31:	2 companies
March 31:	42 companies

(2) Subsidiaries are consolidated using the financial statements as of the following dates:

- Subsidiaries with a balance sheet date of April 30: Provisionally prepared financial statements as of January 31
- Subsidiaries with a balance sheet date of June 30: Provisionally prepared financial statements as of December 31
- A subsidiary with a balance sheet date of August 31: Provisionally prepared financial statements as of February 28
- Subsidiaries with a balance sheet date of September 30: Provisionally prepared financial statements as of March 31
- A subsidiary with a balance sheet date of November 30: Provisionally prepared financial statements as of February 28
- One of the subsidiaries with a balance sheet date of December 31: Provisionally prepared financial statements as of March 31
- Other subsidiaries: Financial statements as of their respective balance sheet dates.

Material transactions arising between the consolidated balance sheet dates, March 31, 2014, and the above balance sheet dates of subsidiaries have been reflected in the consolidated financial statements.

4. Significant Accounting Policies

(1) Trading Assets/Liabilities and Income/Expenses

Trading account activities are conducted to seek profits by taking advantage of short-term fluctuations in interest rates, currency rates, financial markets or other indicators, or inter-market differences ("for trading purposes"). The fluctuations in such items are presented as "Trading Assets" or "Trading Liabilities" in the consolidated balance sheets on a trade-date basis, and gains and losses from such transactions are presented as "Trading Income" or "Trading Expenses" in the consolidated statements of income.

For the measurement of trading assets and trading liabilities, securities and monetary claims are stated at their fair values as of the consolidated balance sheet date, and trading-related financial derivatives, such as swaps, futures, and options, are stated at the amounts that would be settled if they were terminated on the consolidated balance sheet date.

Trading income and trading expenses include interest income or expenses, changes in fair values of securities and monetary claims during the fiscal year, and changes in

values of derivatives between the beginning and end of the fiscal year.

(2) Securities

(a) Under the accounting standards for financial instruments in Japan, SMTB is required to determine the purposes of holding each security and classify such security into (i) securities held for trading purposes ("Trading Securities"), (ii) debt securities intended to be held to maturity ("Held-to-Maturity Debt Securities"), (iii) equity securities issued by subsidiaries and affiliated companies, or (iv) all other securities that are not classified in any of the above categories ("Available-for-Sale Securities"). "Held-to-Maturity Debt Securities" are carried at amortized cost using the moving-average method (the straight-line method). Equity securities issued by unconsolidated subsidiaries and affiliated companies not accounted for by the equity method are stated at moving-average cost. Japanese stocks classified as "Available-for-Sale Securities" are, in principle, valued at the average market price during the final month of the fiscal year. "Available-for-Sale Securities" other than Japanese stocks are, in principle, valued at the market price at the balance sheet date. "Available-for-Sale Securities" whose fair value is extremely difficult to estimate are carried at cost using the moving-average method. Valuation differences on "Available-for-Sale Securities" are recorded as a separate component of net assets and reported in the consolidated balance sheets.

(b) Securities in money held in trust are classified and accounted for in the same manner as securities described above.

(3) Financial Derivatives

Financial derivatives, excluding those for trading purposes, are stated at fair value.

(4) Depreciation and Amortization Methods

(a) Tangible fixed assets other than lease assets

Tangible fixed assets of SMTB are depreciated using the declining-balance method, except for the buildings acquired on or after April 1, 1998, which are depreciated using the straight-line method.

Useful lives of major asset categories:

Buildings: 3 to 60 years

Others: 2 to 20 years

At consolidated subsidiaries, tangible fixed assets are depreciated mainly using the straight-line method over the estimated useful lives of the assets.

(b) Intangible fixed assets other than lease assets

Intangible fixed assets are amortized using the straight-line method. Software for internal use is amortized over the useful life specified by SMTB or the consolidated subsidiaries, generally five years.

(c) Lease Assets

The lease assets under "Tangible Fixed Assets" and "Intangible Fixed Assets" that are related to finance leases that do not transfer ownership of the lease assets to lessees are depreciated using the straight-line method over the lease term, assuming a residual value of zero.

(5) Allowance for Loan Losses

SMTB records allowance for loan losses in accordance with internally established criteria for write-offs and allowance for loan losses.

For claims against borrowers that have initiated special liquidation proceedings or other bankruptcy proceedings ("legal bankruptcy") and against borrowers that are in substantially similar adverse condition ("virtual bankruptcy"), the allowance is provided based on the amount of claims, after the write-off stated below, net of the expected amount of recoveries from collateral and guarantees. For claims against borrowers that have not yet initiated bankruptcy proceedings, but are very likely to become bankrupt in the future ("possible bankruptcy"), an allowance is provided for the amount deemed necessary based on the overall assessment of the borrowers' solvency, after deducting the amount expected to be collected through the disposal of collateral or execution of guarantees from the claims.

For claims against large borrowers with certain credit risks and credit amounts that are classified as possible bankruptcy borrowers, restructured loan borrowers, or close-observation borrowers, if future cash flows from collection of the principal and interest can be reasonably estimated, the allowance is provided for the difference between the present value of expected future cash flows discounted at the contracted interest rate prior to the loan restructuring and the carrying amount of the claim (the "estimated cash flow method").

For claims that are classified as other than those above, the allowance is provided based on the historical loan-loss ratios during a certain period.

All claims are assessed at branches and credit supervision departments based on the criteria for self-assessment of asset quality. The Risk Management Department, which is independent from the operating sections, monitors the results of such assessments.

As for the other consolidated subsidiaries, the allowance for loan losses for general claims is provided based on the historical loan-loss ratios, and the allowance for loan losses for specific claims, such as possible uncollectible claims, is provided based on the estimate of unrecoverable amount for each claim.

For claims against borrowers who are legally bankrupt or virtually bankrupt with collateral or guarantees, claims against borrowers in legal or virtual bankruptcy, net of amounts expected to be collected through the disposal of collateral or through the execution of guarantees, are directly deducted from the original amount of claims. The deducted amount was ¥25,820 million (U.S. $251 million) and ¥43,662 million for the fiscal years ended March 31, 2014 and 2013, 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 Reimbursement of Deposits in Dormant Accounts

At SMTB, 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.

(9) Provision for Contingent Losses

A provision for contingent losses is provided for contingent losses associated with trust transactions in the amount deemed necessary based on the estimated possible future losses.

(10) Accounting for Retirement Benefits

In determining the retirement benefit obligations, SMTB adopts the point basis and other consolidated subsidiaries adopt the straight-line basis to attribute projected benefit obligations to the year ended March 31, 2014. Past service cost and actuarial gains or losses are expensed using the following methods:

Past service cost: Past service cost is recognized using the straight-line method, primarily over 10 years within the employees' average remaining service period at incurrence.

Actuarial gains or losses: Actuarial differences are expensed using the straight-line method, primarily over 8 to 10 years within the employees' average remaining service period, commencing from the next fiscal year of incurrence.

Some consolidated subsidiaries adopt the computational shortcut method in calculating projected benefit obligations for lump-sum retirement benefit plans, recording liabilities at amounts to be required for voluntary termination at the year-end.

(11) Foreign Currency Translation

Assets and liabilities of SMTB that are denominated in foreign currencies and overseas branch accounts are generally translated into yen at the exchange rates prevailing at the consolidated balance sheet date, except for shares of 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.

(12) Accounting for Leases

As for the consolidated subsidiaries in Japan, income and expenses arising from transactions of finance leases that do not transfer ownerships to lessees are recognized as sales and costs of goods sold when lease payments are collected.

(13) Hedge Accounting

(a) Interest-related transactions

SMTB manages interest rate risk arising from various

assets and liabilities by using financial derivatives transactions. Such transactions are generally treated as deferred hedges as specified in "Treatment for Accounting and Auditing of Application of Accounting Standard for Financial Instruments in Banking Industry" (Japanese Institute of Certified Public Accountants (JICPA) Industry Auditing Committee Report No. 24, "Report No. 24"). To evaluate the effectiveness of hedges designed to offset market fluctuations, hedged items, such as deposits, loans and bills discounted, and hedging instruments, such as interest rate swaps, are grouped by duration to maturity. The effectiveness of hedges designed to fix cash flow is evaluated by verifying the correlation between the interest volatility factors for the hedged items and those for the hedging instruments.

In accordance with "Temporary Treatment for Accounting and Auditing concerning Application of Accounting Standard for Financial Instruments in Banking Industry" (JICPA Industry Auditing Committee Report No. 15), SMTB has adopted "Macro Hedge Accounting" to account for certain interest-related derivatives, which are utilized to manage interest rate exposure of certain changes of transactions, such as loans and deposits. Deferred gains (losses) on hedges in the consolidated balance sheets as of the end of the current fiscal year that have resulted from existing "Macro Hedge Accounting" are amortized over the remaining period designated under "Macro Hedge Accounting" for each hedging transaction. Deferred losses on hedge associated with "Macro Hedge Accounting" were ¥471 million (U.S. $5 million) and ¥630 million (before tax effect) as of March 31, 2014 and 2013, respectively.

(b) Currency-related transactions

SMTB manages the foreign exchange risk arising from various assets and liabilities denominated in foreign currencies 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 Foreign Currency Transactions in Banking Industry" (JICPA Industry Auditing Committee Report No. 25, "Report No. 25").

The effectiveness of hedging instruments, such as cross-currency swaps and foreign exchange swaps as a means of hedging to mitigate 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, the hedged items.

Additionally, transactions intended to hedge the currency risk associated with foreign-denominated securities (other than bonds) are treated as portfolio hedges. Fair value hedge accounting has been adopted to account for such transactions on the conditions that specific foreign-denominated securities are designated in advance as hedged items and that forward obligations exist in excess of the acquisition cost of such foreign-denominated securities on a foreign currency basis.

(c) Internal hedge transactions and others

Among derivatives transactions of SMTB that take place between consolidated subsidiaries or designated trading accounts and some other accounts, those interest rate swaps and cross-currency swaps designated as hedging instruments are carried out in accordance with standards for cover deals with external parties, which eliminate discretion and enable strict management on hedges pursuant to Report No. 24 and Report No. 25. Accordingly, income or expenses arising from such interest rate swaps and cross-currency swaps are recognized as profits or losses, or deferred, rather than eliminated.

Deferred hedge accounting has been adopted for certain assets and liabilities by individual transactions.

Other consolidated subsidiaries account for such transactions as deferred hedges, fair value hedges, or exceptional treatment for interest rate swaps by individual transactions.

(14) 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.

(15) Scope of Cash and Cash Equivalents in the Consolidated Statements of Cash Flows

For SMTB, the balance of Cash and Cash Equivalents in the consolidated statements of cash flows equals the balance of cash and due from the Bank of Japan under "Cash and Due from Banks" presented in the consolidated balance sheets. For the consolidated subsidiaries, the balance of Cash and Cash Equivalents in the consolidated statements

of cash flows composes the balance of "Cash and Due from Banks" presented in the consolidated balance sheets.

(16) National and Local Consumption Taxes

National and local consumption taxes ("consumption taxes") payable by SMTB and its consolidated subsidiaries in Japan are accounted for by the tax-excluded method. However, any nondeductible consumption taxes associated with asset purchases are recorded as expenses in the current fiscal year.

Changes in Accounting Policies

SMTB applied the "Accounting Standard for Retirement Benefits" (ASBJ Statement No. 26 of May 17, 2012) (the "Accounting Standard") and the "Guidance on Accounting Standard for Retirement Benefits" (ASBJ Guidance No. 25 of May 17, 2012) (the "Guidance") at the end of the fiscal year ended March 31, 2014, except for items prescribed at paragraph 35 of the Accounting Standard and paragraph 67 of the Guidance. In accordance with the Accounting Standard and the Guidance, the difference between the plan assets and the projected benefit obligations is reported as an asset for retirement benefits or a liability for retirement benefits from the fiscal year ended March 31, 2014.

For the application of the Accounting Standard and the Guidance, SMTB adopted the transitional provision at paragraph 37 of the Accounting Standard, recording unrecognized actuarial gains or losses and unrecognized past service costs (both after adjusting for tax effects) in accumulated other comprehensive income at the end of the fiscal year ended March 31, 2014.

As a result, SMTB recorded assets for retirement benefits of ¥150,145 million (U.S. $1,459 million) and liabilities for retirement benefits of ¥10,480 million (U.S. $102 million), while accumulated other comprehensive income decreased by ¥50,156 million (U.S. $487 million), accordingly.

The effect of such changes in accounting policies on per share information is stated in the relevant section.

New Accounting Standards Not Yet Applied

1. The Accounting Standard and the Guidance for Retirement Benefits (May 17, 2012)

(1) Overview

The Accounting Standard and the Guidance for Retirement Benefits are amended from the viewpoint of financial reporting improvement and international convergence, mainly focusing on accounting treatments of actuarial differences and past service costs, determination of retirement benefit obligations and current service costs, and enhancement of disclosures.

(2) Planned Effective Date

SMTB plans to apply the amendments relating to determination of retirement benefit obligations and current service costs at the beginning of the fiscal year starting April 1, 2014.

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

The application of these Accounting Standard and the Guidance is expected to decrease retained earnings by ¥30,887 million (U.S. $300 million) as of April 1, 2014.

2. The Accounting Standard and the Guidance for Business Combinations (September 13, 2013)

(1) Overview

The Accounting Standard and the Guidance for Business Combinations was amended mainly focusing on the followings:

1) treatment of changes in the parent company's ownership interests in its subsidiary when the parent company continues to have control upon further acquisition of shares of its subsidiary;
2) treatments for acquisition-related costs;
3) provisional accounting treatment; and
4) presentation of net income, and the change in wording from "minority interests" to "non-controlling interests."

(2) Planned Effective Dates

SMTB plans to apply the amendments to the Accounting Standard and the Guidance for Business Combinations at the beginning of the fiscal year starting April 1, 2015.

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

SMTB is in the process of assessing impacts of the Accounting Standard and the Guidance on its consolidated financial statements.

Notes to the Consolidated Balance Sheet

1. Trading Assets and Trading Liabilities

(1) Trading assets as of March 31, 2014 and 2013 consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2014	2013	2014
Securities in Trading Account	¥ 20,283	¥ 25,193	$ 197
Derivatives of Trading Securities	34	2	0
Derivatives of Securities Related to Trading Transactions	7	—	0
Trading-Related Financial Derivatives	329,825	362,646	3,205
Other Trading Assets	186,879	328,751	1,816
Total	¥ 537,029	¥ 716,594	$ 5,219

(2) Trading liabilities as of March 31, 2014 and 2013 consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2014	2013	2014
Derivatives of Trading Securities	¥ 22	¥ —	$ 0
Derivatives of Securities Related to Trading Transactions	9	83	0
Trading-Related Financial Derivatives	214,072	233,049	2,080
Total	¥ 214,104	¥ 233,133	$ 2,081

2. Securities

Securities held as of March 31, 2014 and 2013 consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2014	2013	2014
Government Bonds	¥ 1,533,759	¥ 2,394,283	$ 14,905
Local Government Bonds	15,665	20,925	152
Corporate Bonds	598,031	655,019	5,812
Stocks	1,248,216	1,189,227	12,130
Other Securities	2,234,024	1,920,770	21,711
Total	¥ 5,629,697	¥ 6,180,225	$ 54,710

"Securities" include stocks and equity investments in unconsolidated subsidiaries and affiliates.

	Millions of Yen		Millions of U.S. Dollars
	2014	2013	2014
Stocks	¥ 42,401	¥ 33,688	$ 412
Equity Investments	52,064	15,987	506

Securities purchased under resale agreements and borrowing transactions with cash collateral that SMTB is permitted to sell or repledge.

	Millions of Yen		Millions of U.S. Dollars
	2014	2013	2014
Securities that are Further Loaned	¥ 282,361	¥ 185,648	$ 2,744
Securities Held without Selling or Repledging as of the End of the Fiscal Year	99	1,648	1

3. Loans and Bills Discounted

Loans and bills discounted as of March 31, 2014 and 2013 consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2014	2013	2014
Bills Discounted	¥ 3,580	¥ 5,196	$ 35
Loans on Bills	282,224	300,459	2,743
Loans on Deeds	20,984,206	19,535,601	203,928
Overdrafts	2,419,046	2,353,659	23,509
Total	¥ 23,689,058	¥ 22,194,917	$ 230,214

Bills discounted are treated as financial transactions in accordance with Report No. 24. SMTB has a right to freely sell or (re)pledge such commercial bills. The total face value of these bills amounted to ¥3,580 million (U.S. $35 million) and ¥5,196 million as of March 31, 2014 and 2013, respectively.

Under the SMTB's Self-Assessment Rules, SMTB classifies loans as "Delinquent Loans" if borrowers are virtually bankrupt or potentially bankrupt. For claims against borrowers who are legally bankrupt or virtually bankrupt with collateral or guarantees, claims against borrowers in legal or virtual bankruptcy, net of amounts expected to be collected through the disposal of collateral or through the execution of guarantees, are directly deducted from the original amount of claims.

Loans and bills discounted as of March 31, 2014 and 2013 included the following:

	Millions of Yen		Millions of U.S. Dollars
	2014	2013	2014
Loans in Bankruptcy Proceedings	¥ 2,693	¥ 19,536	$ 26
Other Delinquent Loans	104,768	177,498	1,018
Loans Past Due Three Months or More	—	13	—
Restructured Loans	133,830	115,019	1,301
Total	¥ 241,293	¥ 312,067	$ 2,345

Loans in bankruptcy proceedings are loans whose interest receivable, excluding loans that have been written off ("nonaccrual loans"), is not recorded for the reasons as prescribed in Paragraph 1, Items 3 and 4 of Article 96 of "Enforcement Ordinance for the Corporation Tax Act" (Cabinet Order No. 97 of 1965). Such loans' collection or repayment of principals or interests is not expected due to delinquency in payment of principals or interests for a substantial period or other causes.

Other delinquent loans are nonaccrual loans other than (i) loans in bankruptcy proceedings and (ii) loans for which the terms of interest payments have been extended in connection with the borrower's business restructuring or to otherwise provide support.

Loans past due three months or more are those loans for which principal or interest payments are more than three months past due (calculated from the day following the contractual payment date), excluding loans classified as loans in bankruptcy proceedings or other delinquent loans.

Restructured loans are those loans whose terms have been modified by reducing or waiving interest, granting interest payment extensions, granting principal repayment extensions, forgiving debt, or otherwise providing some arrangements favorable to the borrower in connection with the borrower's business restructuring or to otherwise provide support, excluding those loans classified as loans in bankruptcy proceedings, other delinquent loans, or loans past due three months or more.

4. Assets Pledged

Assets pledged as collateral as of March 31, 2014 and 2013 consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2014	2013	2014
Assets Pledged as Collateral:			
Trading Assets	¥ 112,985	¥ 132,976	$ 1,098
Securities	1,349,048	1,012,028	13,110
Loans and Bills Discounted	1,301,641	1,456,657	12,650
Lease Receivables and Investment Assets	12,254	20,546	119
Other Assets	133,553	336	1,298
Total	¥ 2,909,482	¥ 2,622,546	$ 28,275
Corresponding Liabilities to Assets Pledged as Collateral:			
Deposits	¥ 8,057	¥ 4,215	$ 78
Payables under Repurchase Agreements	1,016,833	419,677	9,882
Borrowed Money	745,260	281,319	7,243
Acceptances and Guarantees	34,863	38,411	339
Total	¥ 1,805,014	¥ 743,624	$ 17,541

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
	2014	2013	2014
Securities	¥ 494,714	¥ 636,446	$ 4,808
Other Assets	—	182	—

"Other Assets" include initial margins of futures, security deposits, and cash collateral paid for financial instruments. Such amounts are as follows:

	Millions of Yen		Millions of U.S. Dollars
	2014	2013	2014
Initial Margins of Futures	¥ 7,676	¥ 3,403	$ 75
Security Deposits	21,259	20,696	207
Cash Collateral Paid for Financial Instruments	418,015	397,774	4,062

5. Overdraft Facility Agreements and Commitment Lines of Credit

Overdraft facility agreements and committed lines of credit are agreements to extend a certain amount of credit at the customer's request as long as the terms of the agreement have not been violated. The amounts of unused credit under such agreements were ¥10,646,113 million (U.S. $103,461 million) and ¥10,417,710 million, of which ¥7,908,348 million (U.S. $76,855 million) and ¥7,691,417 million were attributable to agreements expiring within one year or which may be unconditionally canceled at any time, as of March 31, 2014 and 2013, respectively.

The balance of unused credit will not necessarily affect the future cash flows of SMTB and its consolidated subsidiaries because most of these agreements expire without credit being extended. Most of these agreements contain clauses allowing SMTB 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, SMTB 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, 2014 and 2013 consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2014	2013	2014
Land	¥ 136,846	¥ 138,254	$ 1,330
Buildings	73,522	74,714	715
Lease Assets	1,561	846	15
Construction in Progress	1,219	609	12
Others	24,115	25,429	234
Total	¥ 237,265	¥ 239,855	$ 2,306

Accumulated depreciation amounted to ¥198,361 million (U.S. $1,928 million) and ¥198,498 million, and advance depreciation amounted to ¥33,860 million (U.S. $329 million) and ¥34,429 million as of March 31, 2014 and 2013, respectively.

In accordance with the Act on Revaluation of Land (Act No. 34, promulgated on March 31, 1998), land for commercial use of SMTB was revalued, and the amount equivalent to the taxes on the resulting valuation difference was recorded as a "Deferred Tax Liabilities for Land Revaluation" in liabilities, and the amount net of such difference was recorded as a "Revaluation Reserve for Land" in net assets.

Revaluation date: March 31, 1998 and March 31, 1999

Revaluation method prescribed by Paragraph 3 of Article 3 of the Act:

The revaluation was calculated by reasonably adjusting the value of land based on the following prices: the posted prices for benchmark properties as prescribed by Item 1 of Article 2 of the "Order for Enforcement of the Act on Revaluation of Land" (Cabinet Order No. 119, promulgated on March 31, 1998); the standard prices for benchmark properties as prescribed by Item 2 of Article 2, the registered prices in tax lists for such land for commercial use as prescribed by Item 3 of Article 2; and the land assessments under Item 4 of Article 2 of the same Order.

Differences between the fair value and the revalued carrying amount of the land for commercial use subject to Article 10 of the Act were ¥8,952 million (U.S. $87 million) and ¥9,902 million as of March 31, 2014 and 2013, respectively.

7. Intangible Fixed Assets

Intangible fixed assets as of March 31, 2014 and 2013 consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2014	2013	2014
Software	¥ 89,469	¥ 68,370	$ 869
Goodwill	98,168	112,789	954
Lease Assets	94	112	1
Others	7,398	10,506	72
Total	¥ 195,131	¥ 191,778	$ 1,896

8. Other Assets

Other assets as of March 31, 2014 and 2013 consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2014	2013	2014
Domestic Exchange Settlement Account, Debit	¥ 585	¥ 518	$ 6
Prepaid Expenses	9,591	3,107	93
Accrued Income	117,054	112,733	1,138
Initial Margins of Futures Markets	7,676	3,403	75
Variation Margins of Futures Markets	—	923	—
Financial Derivatives Other Than Trading Assets	291,523	379,953	2,833
Receivables for Securities Transactions	203,056	60,734	1,973
Cash Collateral Paid For Financial Instruments-Assets	418,015	397,774	4,062
Others	300,292	540,898	2,918
Total	¥ 1,347,796	¥ 1,500,046	$ 13,098

9. Deposits

Deposits as of March 31, 2014 and 2013 consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2014	2013	2014
Current Deposits, Ordinary Deposits and Deposits at Notice	¥ 4,427,651	¥ 4,202,556	$ 43,029
Time Deposits	18,721,460	18,029,860	181,938
Others	945,434	765,289	9,188
Total	¥ 24,094,545	¥ 22,997,707	$ 234,155

10. Borrowed Money

Borrowed money as of March 31, 2014 and 2013 consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2014	2013	2014
Subordinated Borrowings	¥ 195,000	¥ 215,000	$ 1,895
Other Borrowed Money	1,710,748	952,576	16,625
Total	¥ 1,905,748	¥ 1,167,576	$ 18,520

Average interest rates on borrowed money were 0.61% and 0.91% for the fiscal years ended March 31, 2014 and 2013, respectively.

Annual maturities of borrowed money as of March 31, 2014, for the next five years are as follows:

	Millions of Yen	Millions of U.S. Dollars
Fiscal Year Ending March 31	2014	2014
2015	¥ 968,307	$ 9,410
2016	150,913	1,467
2017	65,992	641
2018	89,167	867
2019	61,380	597
Total	¥ 1,335,761	$ 12,981

11. Bonds Payable

Bonds payable as of March 31, 2014 and 2013 consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2014	2013	2014
Perpetual Subordinated Bonds	¥ 108,246	¥ 108,979	$ 1,052
Subordinated Bonds	602,468	719,453	5,855
Other Bonds Payable	345,111	155,382	3,354
Total	¥ 1,055,826	¥ 983,815	$ 10,261

Annual maturities of bonds payable as of March 31, 2014, for the next five years are as follows:

	Millions of Yen	Millions of U.S. Dollars
Fiscal Year Ending March 31	2014	2014
2015	¥ 94,000	$ 914
2016	53,000	515
2017	110,450	1,073
2018	166,405	1,617
2019	131,450	1,277
Total	¥ 555,305	$ 5,397

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, 2014 and 2013 consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2014	2013	2014
Domestic Exchange Settlement Account, Credit	¥ 622	¥ 765	$ 6
Income Taxes Payable	19,014	8,865	185
Accrued Expenses	131,327	162,881	1,276
Unearned Income	72,396	70,316	704
Variation Margins of Futures Markets	2,530	113	25
Financial Derivatives Other Than Trading Liabilities	518,341	582,148	5,037
Lease Obligations	7,980	6,884	78
Asset Retirement Obligations	3,472	4,145	34
Payables for Securities Transactions	123,927	9,902	1,204
Cash Collateral Received for Financial Instruments-Liabilities	157,861	100,498	1,534
Others	90,653	77,638	881
Total	¥ 1,128,130	¥ 1,024,161	$ 10,963

14. Acceptances and Guarantees

Bonds presented under Securities included guarantee obligations on corporate bonds that were placed through private securities offerings (Paragraph 3 of Article 2 of the Financial Instruments and Exchange Act) amounting to ¥180,108 million (U.S. $1,750 million) and ¥184,146 million as of March 31, 2014 and 2013, respectively.

Notes to the Consolidated Statement of Income

1. Other Interest Income and Expenses

(1) Other interest income for the fiscal years ended March 31, 2014 and 2013 consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2014	2013	2014
Interest on Monetary Claims Bought	¥ 3,172	¥ 2,185	$ 31
Others	2,177	2,297	21
Total	¥ 5,350	¥ 4,483	$ 52

(2) Other interest expenses for the fiscal years ended March 31, 2014 and 2013 consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2014	2013	2014
Interest on Interest Rate Swaps	¥ 12,227	¥ 3,185	$ 119
Others	7,486	6,334	73
Total	¥ 19,714	¥ 9,519	$ 192

2. Trading Income and Expenses

(1) Trading income for the fiscal years ended March 31, 2014 and 2013 consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2014	2013	2014
Income from Trading Securities and Derivatives	¥ 193	¥ 458	$ 2
Income from Trading-Related Financial Derivatives Transactions	23,952	23,402	233
Other Trading Income	458	489	4
Total	¥ 24,604	¥ 24,350	$ 239

(2) Trading expenses for the fiscal years ended March 31, 2014 and 2013 consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2014	2013	2014
Expenses on Trading Transactions	¥ 228	¥ 339	$ 2
Total	¥ 228	¥ 339	$ 2

3. Other Ordinary Income and Expenses

(1) Other ordinary income for the fiscal years ended March 31, 2014 and 2013 consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2014	2013	2014
Net Gains on Foreign Exchange Transactions	¥ —	¥ 6,111	$ —
Gains on Sales of Bonds	32,851	58,819	319
Gains on Redemption of Bonds	—	1	—
Income from Derivatives Other Than for Trading or Hedging	13,393	—	130
Others	243,903	244,682	2,370
Total	¥ 290,148	¥ 309,615	$ 2,820

(2) Other ordinary expenses for the fiscal years ended March 31, 2014 and 2013 consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2014	2013	2014
Net Losses on Foreign Exchange Transactions	¥ 4,188	¥ —	$ 41
Losses on Sales of Bonds	16,954	8,128	165
Losses on Redemption of Bonds	—	1	—
Expenses on Derivatives Other Than for Trading or Hedging	—	5,873	—
Others	218,948	216,830	2,128
Total	¥ 240,091	¥ 230,833	$ 2,333

4. Other Income and Expenses

(1) Other income for the fiscal years ended March 31, 2014 and 2013 consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2014	2013	2014
Gains on Sales of Stocks and Other Securities	¥ 57,367	¥ 24,882	$ 558
Gains on Money Held in Trust	883	948	9
Net Reversal of Allowance for Possible Loan Losses	8,426	5,703	82
Recoveries of Written-Off Claims	2,173	3,650	21
Equity in Earnings of Affiliates	3,381	2,808	33
Gains on Stock-Related Derivatives	3,148	8,379	31
Gains on Disposal of Fixed Assets	599	3,601	6
Others	18,841	17,961	183
Total	¥ 94,821	¥ 67,936	$ 921

(2) Other expenses for the fiscal years ended March 31, 2014 and 2013 consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2014	2013	2014
Write-Off of Loans	¥ 1,680	¥ 3,205	$ 16
Losses on Sales of Stocks and Other Securities	52,524	19,152	510
Losses on Devaluation of Stocks and Other Securities	1,705	10,188	17
Losses on Money Held in Trust	0	2	0
Losses on Disposal of Fixed Assets	1,656	3,240	16
Losses on Impairment of Fixed Assets	10,566	22,548	103
Management Integration Expenses	7,508	11,600	73
Others	22,339	23,561	217
Total	¥ 97,983	¥ 93,500	$ 952

5. General and Administrative Expenses

General and administrative expenses for the fiscal years ended March 31, 2014 and 2013 consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2014	2013	2014
Taxes Other Than Income Taxes	¥ 11,954	¥ 12,834	$ 116
Personnel Expenses	192,825	180,713	1,874
Others	180,707	172,967	1,756
Total	¥ 385,487	¥ 366,515	$ 3,746

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, 2014 and 2013 consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2014	2013	2014
Valuation Difference on Available-for-Sale Securities:			
Changes during the Period	¥ 120,432	¥ 234,774	$ 1,170
Reclassification Adjustments	(19,383)	(35,540)	(188)
Before Tax Effects	101,048	199,234	982
Tax Effects	(35,266)	(72,297)	(343)
Valuation Difference on Available-for-Sale Securities	65,781	126,936	639
Deferred Gains (Losses) on Hedges:			
Changes during the Period	(9,993)	(15,597)	(97)
Reclassification Adjustments	12,227	3,185	119
Before Tax Effects	2,234	(12,412)	22
Tax Effects	(814)	4,423	(8)
Deferred Gains (Losses) on Hedges	1,420	(7,988)	14
Revaluation Reserve for Land:			
Changes during the Period	—	—	—
Reclassification Adjustments	—	—	—
Before Tax Effects	—	—	—
Tax Effects	—	(9)	—
Revaluation Reserve for Land	—	(9)	—
Foreign Currency Translation Adjustments:			
Changes during the Period	10,316	7,608	100
Reclassification Adjustments	—	74	—
Before Tax Effects	10,316	7,683	100
Tax Effects	—	—	—
Foreign Currency Translation Adjustments	10,316	7,683	100
Attributable to Equity-Method Affiliated Companies:			
Changes during the Period	1,247	(2,409)	12
Reclassification Adjustments	498	523	5
Attributable to Equity-Method Affiliated Companies	1,745	(1,886)	17
Total Other Comprehensive Income	¥ 79,264	¥ 124,736	$ 770

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, 2014 and 2013 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, 2014					
Number of Issued Shares:					
Common Share	3,000,000	1,674,537	—	—	1,674,537
The First Series of Class 2 Preferred Shares	109,000	109,000	—	—	109,000
Total	3,109,000	1,783,537	—	—	1,783,537

	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, 2013					
Number of Issued Shares:					
Common Share	3,000,000	1,674,537	—	—	1,674,537
The First Series of Class 2 Preferred Shares	109,000	109,000	—	—	109,000
Total	3,109,000	1,783,537	—	—	1,783,537

2. Subscription Rights to Shares

Subscription rights to shares for the fiscal years ended March 31, 2014 and 2013 consisted of the following:

		Millions of Yen		Millions of U.S. Dollars
		2014	2013	2014
Consolidated Subsidiary	Subscription Rights to Shares as Stock Options	¥ —	¥ —	$ —
(Nikko Asset Management Co., Ltd.)	Subscription Rights to Shares as Treasury Stock Options	—	—	—

3. Dividends

Dividends paid for the fiscal years ended March 31, 2014 and 2013 consist of the following:

As for the fiscal year ended March 31, 2014:

Resolution	Type of Shares	Cash Dividends Declared: Millions of Yen (Millions of U.S. Dollars)	Cash Dividends per Share: Yen (U.S. Dollars)	Record Date	Effective Date
June 27, 2013					
Ordinary General Meeting of Shareholders	Common Share	¥ 34,328 ($334)	¥20.50 ($0.20)	March 31, 2013	June 27, 2013
	The First Series of Class 2 Preferred Shares	¥ 252 ($2)	¥ 2.32 ($0.02)	March 31, 2013	June 27, 2013

Resolution	Type of Shares	Cash Dividends Declared: Millions of Yen (Millions of U.S. Dollars)	Cash Dividends per Share: Yen (U.S. Dollars)	Record Date	Effective Date
November 14, 2013					
Board of Directors' Meeting	The First Series of Class 2 Preferred Shares	¥ 2,305 ($22)	¥ 21.15 ($0.21)	September 30, 2013	December 2, 2013

Dividends with a record date during the current fiscal year ended March 31, 2014, but whose effective date is after March 31, 2014, 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 27, 2014						
Ordinary General Meeting of Shareholders	Common Share	¥ 28,266 ($275)	Retained Earnings	¥16.88 ($0.16)	March 31, 2014	June 30, 2014
	The First Series of Class 2 Preferred Shares	¥ 2,305 ($22)	Retained Earnings	¥21.15 ($0.21)	March 31, 2014	June 30, 2014

As for the fiscal year ended March 31, 2013:

Resolution	Type of Shares	Cash Dividends Declared (Millions of Yen)	Cash Dividends per Share (Yen)	Record Date	Effective Date
June 27, 2012					
Ordinary General Meeting of Shareholders	Common Share	¥ 65,072	¥ 38.86	March 31, 2012	June 28, 2012
	The First Series of Class 2 Preferred Shares	¥ 2,305	¥ 21.15	March 31, 2012	June 28, 2012

Resolution	Type of Shares	Cash Dividends Declared (Millions of Yen)	Cash Dividends per Share (Yen)	Record Date	Effective Date
November 14, 2012					
Board of Directors' Meeting	Common Share	¥ 9,209	¥ 5.50	September 30, 2012	November 28, 2012
	The First Series of Class 2 Preferred Shares	¥ 2,305	¥21.15	September 30, 2012	November 28, 2012

Resolution	Type of Shares	Cash Dividends Declared (Millions of Yen)	Cash Dividends per Share (Yen)	Record Date	Effective Date
March 8, 2013					
Extraordinary General Meeting of Shareholders	Common Share	¥ 239,525	¥ 143.04	March 8, 2013	March 11, 2013
	The First Series of Class 2 Preferred Shares	¥ 2,052	¥ 18.83	March 8, 2013	March 11, 2013

Dividends with a record date during the current fiscal year ended March 31, 2013, but whose effective date is after March 31, 2013, are as follows:

Resolution	Type of Shares	Total Cash Dividends (Millions of Yen)	Dividend Resources	Cash Dividends per Share (Yen)	Record Date	Effective Date
June 27, 2013						
Ordinary General Meeting of Shareholders	Common Share	¥ 7,535	Capital Surplus	¥ 4.50	March 31, 2013	June 27, 2013
		¥ 26,792	Retained Earnings	¥16.00	March 31, 2013	June 27, 2013
	The First Series of Class 2 Preferred Shares	¥ 252	Retained Earnings	¥ 2.32	March 31, 2013	June 27, 2013

Notes to the Consolidated Statement of Cash Flows

1. Reconciliation of Cash and Cash Equivalents

The following table shows reconciliation between cash and cash equivalents in the consolidated statements of cash flows and cash and due from banks in the consolidated balance sheets as of March 31, 2014 and 2013.

	Millions of Yen		Millions of U.S. Dollars
	2014	2013	2014
Cash and Due from Banks	¥ 5,751,322	¥ 3,146,709	$ 55,892
Due from Banks (excluding Due from the Bank of Japan)	(1,516,272)	(1,292,725)	(14,735)
Cash and Cash Equivalents	¥ 4,235,050	¥ 1,853,984	$ 41,157

2. Material Nonmonetary Transactions

There were no relevant transactions for the fiscal year ended March 31, 2014.

For the fiscal year ended March 31, 2013, as a result of the merger with The Chuo Mitsui Trust and Banking Company, Limited (CMTB) and Chuo Mitsui Asset Trust and Banking Company, Limited (CMAB), the acquired assets and assumed liabilities are as follows:

Amount of Assets

Total Assets	¥ 12,420,711 million
Loans and Bills Discounted	¥ 8,140,558 million

Amount of Liabilities

Total Liabilities	¥ 11,623,922 million
Deposits	¥ 9,189,268 million

Leases

1. Finance Leases

As a lessee:

(1) Finance leases that do not transfer ownership of the lease assets to lessees

1) Description of lease assets

i) Tangible fixed assets

Mainly store buildings and office equipment

ii) Intangible fixed assets

Software

2) Method for amortizing lease assets

Refer to "(4) Depreciation and Amortization Methods" of "4. Significant Accounting Policies" in the Significant Accounting Policies and Practices.

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

There were no relevant items for the fiscal years ended March 31, 2014 and 2013.

2. Operating Leases

As a lessee:

Total future lease payments under non-cancelable operating leases as of March 31, 2014 and 2013, were as follows:

	Millions of Yen		Millions of U.S. Dollars
	2014	2013	2014
Due in One Year or Less	¥ 4,072	¥ 3,300	$ 40
Due More Than One Year	7,706	7,314	75
Total	¥ 11,779	¥ 10,615	$ 114

As a lessor:

Total future lease payments receivable under non-cancelable operating leases as of March 31, 2014 and 2013, were as follows:

	Millions of Yen		Millions of U.S. Dollars
	2014	2013	2014
Due in One Year or Less	¥ 4,934	¥ 11,314	$ 48
Due More Than One Year	3,957	12,431	38
Total	¥ 8,892	¥ 23,746	$ 86

Financial Instruments

1. Circumstances of Financial Instruments

(1) Policy on Financial Instruments

The SMTB Group is engaged in a variety of financial service businesses, primarily trust banking business operated by SMTB. To facilitate these businesses, the SMTB 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.

SMTH monitors risks associated with the group-wide financial assets and liabilities.

SMTB monitors its respective risks while implementing comprehensive Asset-Liability Management (ALM). Meanwhile, SMTB 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. SMTB is also engaged in activities of trading securities and derivatives through trading accounts ("Trading Accounts") that are segregated from other accounts ("Banking Accounts") in accordance with Article 13-6-3, the "Ordinance for Enforcement of the Banking Act"). Some consolidated subsidiaries are also engaged in trading securities.

(2) Description and Risks of Financial Instruments

1) Trading accounts

The SMTB Group deals with over-the-counter (OTC) and listed derivatives transactions related to interest rates, exchange rates, bonds, credits, and commodities as well as trading securities. These derivatives transactions are exposed to risks associated with fluctuation in interest rates, exchange rates, and prices; credit risks; and other risks.

2) Banking accounts

Financial assets of the SMTB 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.

The SMTB 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, the SMTB Group comprehensively manages various financial assets and liabilities, such as loans and deposits, by categorizing them based on characteristics of their interest rate risks, and applies the hedge accounting to hedge such a 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 SMTB denominated in foreign currencies, the 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 fair value hedge accounting is also applied as a portfolio hedge to hedge the exchange rate risk in available-for-sale securities denominated in foreign currencies, other than bonds, using financial liabilities denominated in foreign currencies (including foreign exchange contracts) designated as hedging instruments.

The details of the hedge accounting are described in "Significant Accounting Policies and Practices."

(3) Risk Management for Financial Instruments

The SMTB Group considers that the basis of the 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" set by the board of directors.

The risk management framework of each risk category is as below:

1) Credit risk management

Credit risk is the risk of financial loss to the SMTB Group when a customer or counterparty fails to meet its contractual obligations, and such a 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. The SMTB Group continuously diversifies its credit portfolios and builds up a stronger customer base by sophisticating 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 the SMTB Group on credit risk management calls for "a diversified credit portfolio" and "strict management for individual credits."

For the former, the SMTB Group manages credit exposures of each customer based on its limited credit amount, and periodically reviews impacts of identified risks to large and particular creditors and concentration in industry sectors, including the measurement of the credit risk. The SMTB 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, the SMTB Group manages individual credits through processes, such as credit screening, self-assessment, and internal credit ratings. Credit ratings indicate the credit status of creditor and the possibility of defaults on a scale, and provide the basis for credit screening of individual transactions and credit portfolio management. The SMTB Group evaluates solvency and collectability of credits based on the analysis, for instance the customer's financial condition, cash flows, and earning capacity through the self-assessment.

(b) Risk management framework of credit risk

In SMTB, the board of directors decides important matters related to credit risk management when developing management plans. The board of directors also decides 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 to make check-and-balance work. Furthermore, the Research Department evaluates credit ratings based on industry research and credit analysis of individual companies along with quantitative analysis. SMTB periodically holds a meeting of Executive Committee and Credit Risk Committee to deliberate material matters of managing credit risks. SMTB has built up an appropriate management framework for risk management through the check-and-balance function, the committees' discussions, and the validation of the credit risk management and operation by the Corporate Risk Management Department.

2) Market risk management

Market risk is the risk of financial loss to the SMTB 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, the SMTB 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 of market risk

In SMTB, the board of directors resolves ALM basic plans and risk management plans as important matters related to market risk under management plans. The ALM Committee resolves basic matters of ALM basic plans and risk management plans related to market risk regarding company-wide comprehensive risk management for assets/liabilities.

In SMTB, the Risk Management Department is responsible for planning and implementing market risk management. The role of the Risk Management Department includes measuring a risk level and profits/losses and monitoring the condition 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

The SMTB 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 the SMTB Group, SMTB manages market risks by measuring VaR and calculating various risk management indicators, and carrying out various simulations.

The internally developed VaR model is basically the variance-covariance method, and the historical simulation method is also used for calculating some risks (nonlinear risks and others), such as risks associated with option transactions. Market risk can be classified into categories, such as interest rate risk, stock price risk, exchange rate risk, and others according to its characteristics. SMTB 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

The SMTB Group uses VaR for managing risks associated with trading securities and some of currency and interest-related derivatives transactions held in the "Trading Accounts." The VaR model used is primarily based on the variance-covariance method (with holding period of 10 business days, confidence interval of 99%, and observation period of 260 business days).

As of March 31, 2014, the total amount of market risk (estimated potential loss) of financial instruments held by the SMTB Group in the Trading Accounts was ¥2.9 billion (U.S. $28 million).

The SMTB Group performs back testing that compares VaR calculated based on its internal model with actual profit and loss. The back testing for the fiscal year ended March 31, 2014, resulted in no instance where actual losses were in excess of VaR; therefore, the SMTB 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

The SMTB Group uses VaR for managing risks associated with financial assets and liabilities held in the Banking Accounts. The variance-covariance method is the primary measurement method for interest/exchange rate and credit spread exposures, and the historical simulation method for stock price exposure (with holding period of maximum one year according to a position; confidence interval of 99%; and observation period of 260 business days—one or five years for stock prices).

As of March 31, 2014, the total amount of market risk (estimated potential loss) of financial instruments held by the SMTB Group in the Banking Account was ¥783.1 billion (U.S. $7,610 million).

The SMTB Group performs back testing on certain positions held in the "Banking Accounts" that compares VaR calculated based on its internal model with actual profit and loss regarding financial assets and liabilities subject to measurement. The SMTB Group considers that the measurement model properly captures market risk with sufficient accuracy. However, as VaR measures the amount of market risk under certain probabilities statistically calculated based on past volatility in the market, it may not properly capture the risk under extreme market movements.

3) Management of liquidity risk (Liquidity risk management on fund-raising)

Liquidity risk is the risk of financial loss to the SMTB Group when the Group fails to raise necessary funds or is forced to raise finds at significantly higher rates.

(a) Risk management policy of liquidity risk

With regard to liquidity risk, the SMTB Group designs and implements a policy to build up a risk management framework for liquidity risk, recognizing that financial difficulties due to exposure to such a risk could possibly lead the SMTB Group directly to bankruptcy under certain circumstances.

(b) Risk management framework and approaches for liquidity risk

Liquidity risk management departments determine the extent of its cash crunch appropriately in cooperation with the liquidity management departments, while gathering and analyzing information of both 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 liquidity risk, the liquidity risk management departments manage cash flow within the predetermined appropriate limits, and the liquidity risk management departments monitor its compliance.

(4) Supplementary Explanation Concerning Fair Value of Financial Instruments

Fair value of financial instruments is based on quoted prices in markets. If a quoted price is not available, a reasonably calculated amount is used as fair value. Calculation of such amounts involves certain assumptions and may vary when different assumptions are employed.

2. Fair Values of Financial Instruments

The carrying amounts on the consolidated balance sheets and fair values of financial instruments as of March 31, 2014 and 2013, as well as the differences between these values are presented below. The fair values of unlisted shares are excluded from the following table because such fair values are extremely difficult to be determined (see Note 2).

	Millions of Yen			Millions of U.S. Dollars		
	2014			2014		
	Carrying Amount	Fair Value	Difference	Carrying Amount	Fair Value	Difference
(1) Cash and Due from Banks (*1)	¥ 5,751,215	¥ 5,751,215	¥ —	$ 55,891	$ 55,891	$ —
(2) Call Loans and Bills Bought	366,552	366,552	—	3,562	3,562	—
(3) Receivables under Resale Agreements	88,069	88,069	—	856	856	—
(4) Receivables under Securities Borrowing Transactions	289,377	289,377	—	2,812	2,812	—
(5) Monetary Claims Bought (*1)	899,552	900,432	880	8,742	8,751	9
(6) Trading Assets						
Trading Securities	207,162	207,162	—	2,013	2,013	—
(7) Money Held in Trust	1,344	1,344	—	13	13	—
(8) Securities						
Held-to-Maturity Debt Securities	410,076	451,992	41,916	3,985	4,393	407
Available-for-Sale Securities	4,972,870	4,972,870	—	48,327	48,327	—
(9) Loans and Bills Discounted	23,689,058			230,214		
Allowance for Loan Losses (*2)	(87,303)			(848)		
	23,601,754	23,816,809	215,054	229,366	231,456	2,090
(10) Foreign Exchanges	12,114	12,114	—	118	118	—
(11) Lease Receivables and Investment Assets (*1)	536,741	542,840	6,099	5,216	5,275	59
Total Assets	¥ 37,136,830	¥ 37,400,780	¥ 263,950	$ 360,902	$ 363,467	$ 2,565
(1) Deposits	¥ 24,094,545	¥ 24,132,045	¥ 37,499	$ 234,155	$ 234,519	$ 364
(2) Negotiable Certificates of Deposit	5,203,179	5,203,179	—	50,565	50,565	—
(3) Call Money and Bills Sold	200,005	200,005	—	1,944	1,944	—
(4) Payables under Repurchase Agreements	1,291,641	1,291,641	—	12,552	12,552	—
(5) Borrowed Money	1,905,748	1,916,886	11,138	18,520	18,629	108
(6) Foreign Exchanges	124	124	—	1	1	—
(7) Short-Term Bonds Payable	904,882	904,882	—	8,794	8,794	—
(8) Bonds Payable	1,055,826	1,091,075	35,249	10,261	10,603	343
(9) Borrowed Money from Trust Account	1,342,001	1,342,001	—	13,042	13,042	—
Total Liabilities	¥ 35,997,956	¥ 36,081,844	¥ 83,887	$ 349,834	$ 350,650	$ 815
Derivatives Transactions (*3)						
Derivatives Transactions Not Qualifying for Hedge Accounting	¥ 140,173	¥ 140,173	¥ —	$ 1,362	$ 1,362	$ —
Derivatives Transactions Qualifying for Hedge Accounting	(251,228)	(251,228)	—	(2,441)	(2,441)	—
Total Derivatives Transactions	¥ (111,054)	¥ (111,054)	¥ —	$ (1,079)	$ (1,079)	$ —

(*1) The allowance for credit losses corresponding to Cash and Due from Banks, Monetary Claims Bought, and Lease Receivables and Investment Assets is directly deducted from the carrying amounts on the consolidated balance sheets because the balance of the allowance is immaterial.
(*2) A general allowance for loan losses and specific allowances for loan losses are deducted from Loans and Bills Discounted.
(*3) Derivatives transactions recorded in Trading Assets and Trading Liabilities or in Other Assets and Other Liabilities are presented collectively.
Receivables and payables arising from derivatives transactions are presented on a net basis. Negative figures represent a liability balance after netting.

	Millions of Yen		
	2013		
	Carrying Amount	Fair Value	Difference
(1) Cash and Due from Banks (*1)	¥ 3,146,620	¥ 3,146,620	¥ —
(2) Call Loans and Bills Bought	329,228	329,228	—
(3) Receivables under Resale Agreements	91,911	91,911	—
(4) Receivables under Securities Borrowing Transactions	207,494	207,494	—
(5) Monetary Claims Bought (*1)	454,343	454,510	167
(6) Trading Assets			
Trading Securities	353,945	353,945	—
(7) Money Held in Trust	7,014	7,014	—
(8) Securities			
Held-to-Maturity Debt Securities	595,096	641,385	46,289
Available-for-Sale Securities	5,299,723	5,299,723	—
(9) Loans and Bills Discounted	22,194,917		
Allowance for Loan Losses (*2)	(101,970)		
	22,092,947	22,304,339	211,391
(10) Foreign Exchanges	59,570	59,570	—
(11) Lease Receivables and Investment Assets (*1)	547,778	555,272	7,493
Total Assets	¥ 33,185,674	¥ 33,451,017	¥ 265,342
(1) Deposits	¥ 22,997,707	¥ 23,050,392	¥ 52,684
(2) Negotiable Certificates of Deposit	4,130,517	4,130,517	—
(3) Call Money and Bills Sold	168,355	168,355	—
(4) Payables under Repurchase Agreements	605,742	605,742	—
(5) Borrowed Money	1,167,576	1,181,448	13,872
(6) Foreign Exchanges	106	106	—
(7) Short-Term Bonds Payable	940,067	940,067	—
(8) Bonds Payable	983,815	1,023,271	39,455
(9) Borrowed Money from Trust Account	1,281,038	1,281,038	—
Total Liabilities	¥ 32,274,927	¥ 32,380,940	¥ 106,013
Derivatives Transactions (*3)			
Derivatives Transactions Not Qualifying for Hedge Accounting	¥ 152,911	¥ 152,911	¥ —
Derivatives Transactions Qualifying for Hedge Accounting	(225,591)	(225,591)	—
Total Derivatives Transactions	¥ (72,680)	¥ (72,680)	¥ —

(*1) The allowance for credit losses corresponding to Cash and Due from Banks, Monetary Claims Bought, and Lease Receivables and Investment Assets is directly deducted from the carrying amounts on the interim consolidated balance sheets because the balance of the allowance is immaterial.
(*2) A general allowance for loan losses and specific allowances for loan losses are deducted from Loans and Bills Discounted.
(*3) Derivatives transactions recorded in Trading Assets and Trading Liabilities or in Other Assets and Other Liabilities are presented collectively.
Receivables and payables arising from derivatives transactions are presented on a net basis. Negative figures represent a liability balance after netting.

(Note 1) Method for Calculating Fair Values of Financial Instruments

Assets

(1) Cash and Due from Banks, (2) Call Loans and Bills Bought, (3) Receivables under Resale Agreements, (4) Receivables under Securities Borrowing Transactions, and (10) Foreign Exchanges

These instruments with transactions without stated maturities are stated at their carrying amounts because the carrying amounts approximate the fair values. For transactions with stated maturities, corresponding instruments are stated at their carrying amounts because most of such transactions have short contractual terms (one year or less) and the carrying amounts approximate the fair values.

(5) Monetary Claims Bought

Monetary claims bought with counterparties' quoted prices or dealer/broker-quoted prices are stated at such prices. Fair values for all other such claims are calculated by classifying them according to their internal ratings and maturities and discounting future cash flows to their present values.

(6) Trading Assets

Bonds and other securities held for trading purposes are stated at dealer association prices or dealer/broker-quoted prices. For short-term corporate bonds, their fair values are calculated by discounting future cash flows to their present values.

(7) Money Held in Trust

Securities managed as trust assets for money held in trust, which are individually managed primarily for the management of securities, are stated at quoted market prices or dealer/broker-quoted prices. Notes regarding money held in trust by its holding purposes are presented under the "Money Held in Trust" section.

(8) Securities

Stocks are stated at quoted market prices. Bonds are stated at quoted market prices, dealer association prices, or dealer/broker-quoted prices. Investment trusts are stated at published reference prices. Fair values of privately placed bonds guaranteed by SMTB are calculated by classifying them according to their internal ratings and maturities, and discounting future cash flows to their present value.

Notes regarding securities by their holding purpose are presented under the "Securities" section.

(9) Loans and Bills Discounted

Fair values of loans and bills discounted are calculated by grouping loans according to loan terms, internal ratings, and maturities and discounting the aggregate principal and interest by the assumed interest rate for similar new loans. However, variable-rate loans for which their carrying amounts are deemed to approximate fair values, 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.

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 because the carrying amounts are deemed to approximate the fair values because of the expected repayment periods and the interest terms.

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 the fair values.

(11) Lease Receivables and Lease Investment Assets

Fair values for lease receivables and investment assets are calculated by grouping these assets according to their internal ratings and maturities, and discounting the aggregate principal and interest by the assumed interest rate for similar new agreements.

Liabilities

(1) Deposits and (2) Negotiable Certificates of Deposit

Demand deposits are stated at the amount that would have to be paid on demand at the consolidated balance sheet date (carrying amount).

Yen fixed-rate time deposits are grouped by product type and stated at the present value of their future cash flows discounted by the rates that would be paid on new deposits. Fixed-rate time deposits with short maturities (one year or less) and floating-rate time deposits are generally stated at their carrying amounts because the carrying amounts approximate the fair values.

(3) Call Money and Bills Sold, (4) Payables under Repurchase Agreements, (6) Foreign Exchanges, (7) Short-term Bonds Payable, and (9) Borrowed Money from Trust Accounts

The obligations without stated maturities are stated at the amounts that would have to be paid on demand at the consolidated balance sheet date (carrying amount). Obligations with stated maturities are stated at their carrying amounts because they have short contractual terms (one year or less) and the carrying amounts approximate the fair values.

(5) Borrowed Money

Fair values of borrowed money 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 the fair values.

Borrowed money of consolidated subsidiaries at variable rates is stated at their carrying amounts. The carrying amounts are deemed to approximate the fair values 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.

(8) Bonds Payable

Bonds issued by SMTB 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 corporate bonds.

Derivatives

Notes regarding fair values of derivatives are presented under the "Derivatives" section.

(Note 2) The amounts of financial instruments on the consolidated balance sheets for which fair values are not reliably determinable are as stated below, and such amounts are not included in the market value information for financial instruments presented under the "Assets, (8) Available-for-Sale Securities" section.

	Millions of Yen		Millions of U.S. Dollars
	2014	2013	2014
	Carrying Amount	Carrying Amount	Carrying Amount
Securities	**¥ 152,274**	¥ 235,729	**$ 1,480**
Unlisted stocks (*3)(*4)	**101,575**	114,670	**987**
Investments in Associations	**47,678**	116,716	**463**
Others (*3)(*4)	**3,020**	4,342	**29**
Total	**¥ 152,274**	¥ 235,729	**$ 1,480**

(*1) The above financial instruments are excluded from fair value disclosure because there are no quoted market prices, and therefore, there is no reliable measure of fair value.
(*2) Stocks in subsidiaries and affiliated companies are not included in the above table.
(*3) For the fiscal year ended March 31, 2014, impairment losses of ¥1,273 million (U.S. $12 million) and ¥0 million (U.S. $0 million) were recognized against Unlisted Stocks and Others, respectively.
(*4) During the fiscal year ended March 31, 2013, impairment losses of ¥731 million and ¥201 million were recognized against Unlisted Stocks and Others, respectively.

(Note 3) Redemption Schedule of Monetary Claims and Securities with Maturity after March 31, 2014 and 2013

	Millions of Yen					
March 31, 2014	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	¥ 5,606,238	¥ 33	¥ —	¥ —	¥ —	¥ —
Call Loans and Bills Bought	366,552	—	—	—	—	—
Receivables under Resale Agreements	88,069	—	—	—	—	—
Receivables under Securities Borrowing Transactions	289,377	—	—	—	—	—
Monetary Claims Bought (*1)	714,664	44,689	46,933	7,599	10,693	106,231
Money Held in Trust	12,000	—	—	—	1,344	—
Securities	1,545,852	606,893	501,865	242,983	1,042,668	309,464
Held-to-Maturity Debt Securities	31,209	90,500	29,231	40,685	99,396	146,771
Government Bonds	20,109	84,145	20,621	—	—	115,000
Corporate Bonds	—	—	—	—	—	3,626
Available-for-Sale Securities with Maturity	1,514,643	516,392	472,633	202,298	943,271	162,692
Government Bonds	1,200,000	50,000	—	—	10,000	27,000
Local Government Bonds	879	3,080	4,528	2,664	4,272	—
Corporate Bonds	115,915	147,950	188,801	75,921	30,992	31,227
Loans and Bills Discounted (*2)	3,999,791	4,814,457	3,692,460	2,628,246	1,664,957	4,859,300
Lease Receivables and Investment Assets (*3)	160,848	215,331	107,704	26,817	13,052	3,621
Total	¥ 12,783,394	¥ 5,681,405	¥ 4,348,962	¥ 2,905,647	¥ 2,732,715	¥ 5,278,617

	Millions of Yen					
March 31, 2013	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	¥ 3,062,843	¥ 56	¥ —	¥ —	¥ —	¥ —
Call Loans and Bills Bought	329,228	—	—	—	—	—
Receivables under Resale Agreements	91,911	—	—	—	—	—
Receivables under Securities Borrowing Transactions	207,494	—	—	—	—	—
Monetary Claims Bought (*1)	255,713	21,848	60,713	2,902	7,241	134,698
Money Held in Trust	19,014	—	—	—	—	—
Securities	2,202,437	1,063,025	542,572	271,591	358,139	422,256
Held-to-Maturity Debt Securities	158,720	68,838	91,600	39,076	111,718	157,585
Government Bonds	20,020	54,129	70,746	—	—	115,000
Corporate Bonds	—	—	—	—	—	6,767
Available-for-Sale Securities with Maturity	2,043,717	994,187	450,972	232,515	246,420	264,671
Government Bonds	1,735,000	250,000	—	30,000	10,000	95,000
Local Government Bonds	40	2,738	11,089	1,048	5,648	—
Corporate Bonds	101,364	232,084	185,206	56,491	40,310	29,517
Loans and Bills Discounted (*2)	4,223,357	4,640,076	3,449,122	1,854,229	1,531,744	4,553,532
Lease Receivables and Investment Assets (*3)	170,670	220,892	104,084	30,126	10,762	2,213
Total	¥ 10,562,670	¥ 5,945,899	¥ 4,156,493	¥ 2,158,849	¥ 1,907,887	¥ 5,112,701

	Millions of U.S. Dollars					
March 31, 2014	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	$ 54,482	$ 0	$ —	$ —	$ —	$ —
Call Loans and Bills Bought	3,562	—	—	—	—	—
Receivables under Resale Agreements	856	—	—	—	—	—
Receivables under Securities Borrowing Transactions	2,812	—	—	—	—	—
Monetary Claims Bought (*1)	6,945	434	456	74	104	1,032
Money Held in Trust	117	—	—	—	13	—
Securities	15,023	5,898	4,877	2,361	10,133	3,007
Held-to-Maturity Debt Securities	303	880	284	395	966	1,426
Government Bonds	195	818	200	—	—	1,118
Corporate Bonds	—	—	—	—	—	35
Available-for-Sale Securities with Maturity	14,720	5,018	4,593	1,966	9,167	1,581
Government Bonds	11,662	486	—	—	97	262
Local Government Bonds	9	30	44	26	42	—
Corporate Bonds	1,126	1,438	1,835	738	301	303
Loans and Bills Discounted (*2)	38,871	46,788	35,884	25,542	16,180	47,224
Lease Receivables and Investment Assets (*3)	1,563	2,093	1,047	261	127	35
Total	$ 124,231	$ 55,213	$ 42,264	$ 28,238	$ 26,557	$ 51,299

(*1) The balances exclude monetary claims bought for debtors who are legally bankrupt, virtually bankrupt or likely to become bankrupt that are not expected to be collected, amounting to ¥23 million (U.S. $0 million) and ¥65 million as of March 31, 2014 and 2013, respectively.
(*2) The balances exclude loans and bills discounted for debtors who are legally bankrupt, virtually bankrupt or likely to become bankrupt that are not expected to be collected, amounting to ¥107,462 million (U.S. $1,044 million) and ¥197,034 million, and those without maturity, amounting to ¥1,921,737 million (U.S. $18,676 million) and ¥1,737,522 million as of March 31, 2014 and 2013, respectively.
(*3) The balances exclude lease receivables and investment assets for the debtors who are legally bankrupt, virtually bankrupt or likely to become bankrupt that not expected to be collected, amounting to ¥1,321 million (U.S. $13 million) and ¥3,894 million, and the sum of guaranteed residual values by lessee and estimated salvage values, amounting to ¥11,576 million (U.S. $112 million) and ¥11,013 million as of March 31, 2014 and 2013, respectively.

(Note 4) Repayment Schedule of Bonds, Borrowed Money, and Other Interest-Bearing Liabilities after March 31, 2014 and 2013

	Millions of Yen					
March 31, 2014	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)	¥ 15,858,400	¥ 5,765,514	¥ 2,461,866	¥ 2,093	¥ 6,671	¥ —
Negotiable Certificates of Deposit	5,121,132	82,047	—	—	—	—
Call Money and Bills Sold	200,005	—	—	—	—	—
Payables under Repurchase Agreements	1,291,641	—	—	—	—	—
Borrowed Money (*2)	968,307	216,905	150,548	175,931	180,042	169,013
Short-Term Bonds Payable	904,970	—	—	—	—	—
Bonds Payable (*3)	94,000	163,450	297,855	228,000	90,000	74,500
Borrowed Money from Trust Account	1,342,001	—	—	—	—	—
Total	¥ 25,780,459	¥ 6,227,917	¥ 2,910,269	¥ 406,024	¥ 276,713	¥ 243,513

	Millions of Yen					
March 31, 2013	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)	¥ 13,504,191	¥ 7,379,925	¥ 2,096,524	¥ 5,246	¥ 11,725	¥ 93
Negotiable Certificates of Deposit	4,048,447	82,069	—	—	—	—
Call Money and Bills Sold	168,355	—	—	—	—	—
Payables under Repurchase Agreements	605,742	—	—	—	—	—
Borrowed Money (*2)	436,341	275,360	121,042	69,034	140,670	70,126
Short-Term Bonds Payable	940,163	—	—	—	—	—
Bonds Payable (*3)	125,402	265,000	210,093	—	201,500	73,000
Borrowed Money from Trust Account	1,281,038	—	—	—	—	—
Total	¥ 21,109,681	¥ 8,002,355	¥ 2,427,660	¥ 74,280	¥ 353,896	¥ 143,220

	Millions of U.S. Dollars					
March 31, 2014	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)	$ 154,115	$ 56,030	$ 23,925	$ 20	$ 65	$ —
Negotiable Certificates of Deposit	49,768	797	—	—	—	—
Call Money and Bills Sold	1,944	—	—	—	—	—
Payables under Repurchase Agreements	12,552	—	—	—	—	—
Borrowed Money (*2)	9,410	2,108	1,463	1,710	1,750	1,642
Short-Term Bonds Payable	8,795	—	—	—	—	—
Bonds Payable (*3)	914	1,588	2,895	2,216	875	724
Borrowed Money from Trust Account	13,042	—	—	—	—	—
Total	$ 250,539	$ 60,524	$ 28,283	$ 3,946	$ 2,689	$ 2,367

(*1) The balance of demand deposits is included in "Within One Year." Deposits include balances of current accounts.
(*2) The balances exclude perpetual subordinated debts without maturity, amounting to ¥45,000 million (U.S. $437 million) and ¥55,000 million as of March 31, 2014 and 2013, respectively.
(*3) The balances exclude perpetual subordinated bonds without maturity, amounting to ¥108,246 million (U.S. $1,052 million) and ¥108,979 million as of March 31, 2014 and 2013, respectively.

Securities

*1. In addition to the "Securities" presented in the consolidated balance sheets, the following information includes trading securities and short-term corporate bonds under "Trading Assets," negotiable certificates of deposit reported under "Cash and Due from Banks," loan-backed trust deeds reported under "Monetary Claims Bought."

*2. "Stocks in Subsidiaries and Affiliated Companies" is presented as a note to the consolidated balance sheets.

1. Trading Securities

	Valuation Difference Reflected on the Statements of Income		
	Millions of Yen		Millions of U.S. Dollars
	2014	2013	2014
Trading Securities	¥ 74	¥ 121	$ 1

2. Held-to-Maturity Securities with Fair Value

	Millions of Yen		
March 31, 2014	Carrying Amount	Fair Value	Difference
Securities for which Fair Value Exceeds Carrying Amount			
Government Bonds	¥ 245,415	¥ 256,514	¥ 11,098
Local Government Bonds	—	—	—
Short-Term Corporate Bonds	—	—	—
Corporate Bonds	3,626	3,667	41
Other Bonds	184,705	216,145	31,440
Foreign Bonds	154,634	185,420	30,785
Others	30,070	30,725	654
Subtotal	433,747	476,328	42,580
Securities for which Fair Value Does Not Exceed Carrying Amount			
Government Bonds	¥ 70	¥ 69	¥ (0)
Local Government Bonds	—	—	—
Short-Term Corporate Bonds	—	—	—
Corporate Bonds	—	—	—
Other Bonds	7,428	7,419	(8)
Foreign Bonds	6,328	6,319	(8)
Others	1,100	1,100	—
Subtotal	7,498	7,489	(9)
Total	¥ 441,246	¥ 483,818	¥ 42,571

March 31, 2013	Millions of Yen		
	Carrying Amount	Fair Value	Difference
Securities for which Fair Value Exceeds Carrying Amount			
Government Bonds	¥ 265,817	¥ 278,611	¥ 12,794
Local Government Bonds	—	—	—
Short-Term Corporate Bonds	—	—	—
Corporate Bonds	6,593	6,674	80
Other Bonds	319,340	353,860	34,519
Foreign Bonds	279,508	313,164	33,656
Others	39,832	40,696	863
Subtotal	591,751	639,147	47,395
Securities for which Fair Value Does Not Exceed Carrying Amount			
Government Bonds	¥ 70	¥ 69	¥ (0)
Local Government Bonds	—	—	—
Short-Term Corporate Bonds	—	—	—
Corporate Bonds	175	173	(1)
Other Bonds	44,031	43,790	(241)
Foreign Bonds	42,931	42,690	(241)
Others	1,100	1,100	—
Subtotal	44,277	44,034	(242)
Total	¥ 636,029	¥ 683,181	¥ 47,152

March 31, 2014	Millions of U.S. Dollars		
	Carrying Amount	Fair Value	Difference
Securities for which Fair Value Exceeds Carrying Amount			
Government Bonds	$ 2,385	$ 2,493	$ 108
Corporate Bonds	35	36	0
Other Bonds	1,795	2,101	306
Foreign Bonds	1,503	1,802	299
Others	292	299	6
Subtotal	4,215	4,629	414
Securities for which Fair Value Does Not Exceed Carrying Amount			
Government Bonds	$ 1	$ 1	$ (0)
Local Government Bonds	—	—	—
Short-Term Corporate Bonds	—	—	—
Corporate Bonds	—	—	—
Other Bonds	72	72	(0)
Foreign Bonds	62	61	(0)
Others	11	11	—
Subtotal	73	73	(0)
Total	$ 4,288	$ 4,702	$ 414

3. Available-for-Sale Securities

March 31, 2014	Millions of Yen		
	Carrying Amount	Acquisition Cost	Difference
Securities for which Carrying Amount Exceeds Acquisition Cost			
Stocks	¥ 979,504	¥ 543,554	¥435,950
Bonds	1,484,265	1,479,874	4,391
Government Bonds	1,034,187	1,033,987	200
Local Government Bonds	11,212	10,951	260
Short-Term Corporate Bonds	—	—	—
Corporate Bonds	438,866	434,935	3,930
Other Securities	1,119,813	1,102,049	17,763
Foreign Stocks	1,230	180	1,050
Foreign Bonds	972,598	963,347	9,250
Others	145,983	138,520	7,463
Subtotal	3,583,583	3,125,478	458,105
Securities for which Carrying Amount Does Not Exceed Acquisition Cost			
Stocks	¥ 128,119	¥ 156,034	¥ (27,914)
Bonds	413,978	414,427	(449)
Government Bonds	254,086	254,097	(11)
Local Government Bonds	4,453	4,469	(15)
Short-Term Corporate Bonds	—	—	—
Corporate Bonds	155,438	155,859	(421)
Other Securities	1,020,119	1,038,199	(18,080)
Foreign Stocks	1,209	1,262	(53)
Foreign Bonds	791,966	799,034	(7,067)
Others	226,942	237,902	(10,959)
Subtotal	1,562,216	1,608,661	(46,444)
Total	¥ 5,145,800	¥ 4,734,139	¥411,660

March 31, 2013	Millions of Yen		
	Carrying Amount	Acquisition Cost	Difference
Securities for which Carrying Amount Exceeds Acquisition Cost			
Stocks	¥ 876,970	¥ 536,824	¥340,146
Bonds	1,903,325	1,892,255	11,069
Government Bonds	1,448,395	1,442,074	6,320
Local Government Bonds	18,131	17,761	370
Short-Term Corporate Bonds	—	—	—
Corporate Bonds	436,798	432,420	4,378
Other Securities	1,047,619	1,001,813	45,805
Foreign Stocks	898	164	733
Foreign Bonds	891,132	868,118	23,014
Others	155,588	133,530	22,058
Subtotal	3,827,915	3,430,894	397,021
Securities for which Carrying Amount Does Not Exceed Acquisition Cost			
Stocks	¥ 164,144	¥ 214,304	¥ (50,159)
Bonds	894,145	895,322	(1,176)
Government Bonds	680,001	680,029	(28)
Local Government Bonds	2,793	2,798	(5)
Short-Term Corporate Bonds	—	—	—
Corporate Bonds	211,351	212,493	(1,142)
Other Securities	496,566	525,475	(28,909)
Foreign Stocks	1,134	1,139	(4)
Foreign Bonds	240,956	244,113	(3,157)
Others	254,475	280,222	(25,746)
Subtotal	1,554,856	1,635,102	(80,245)
Total	¥ 5,382,772	¥ 5,065,996	¥316,776

	Millions of U.S. Dollars		
March 31, 2014	Carrying Amount	Acquisition Cost	Difference
Securities for which Carrying Amount Exceeds Acquisition Cost			
Stocks	$ 9,519	$ 5,282	$ 4,237
Bonds	14,424	14,382	43
Government Bonds	10,050	10,048	2
Local Government Bonds	109	106	3
Short-Term Corporate Bonds	—	—	—
Corporate Bonds	4,265	4,227	38
Other Securities	10,883	10,710	173
Foreign Stocks	12	2	10
Foreign Bonds	9,452	9,362	90
Others	1,419	1,346	73
Subtotal	34,826	30,374	4,452
Securities for which Carrying Amount Does Not Exceed Acquisition Cost			
Stocks	$ 1,245	$ 1,516	$ (271)
Bonds	4,023	4,027	(4)
Government Bonds	2,469	2,469	(0)
Local Government Bonds	43	43	(0)
Short-Term Corporate Bonds	—	—	—
Corporate Bonds	1,511	1,515	(4)
Other Securities	9,914	10,089	(176)
Foreign Stocks	12	12	(1)
Foreign Bonds	7,696	7,765	(69)
Others	2,205	2,312	(107)
Subtotal	15,182	15,633	(451)
Total	$ 50,008	$ 46,007	$ 4,001

4. Available-for-Sale Securities Sold during the Current Fiscal Year

Year Ended March 31, 2014	Millions of Yen		
	Amount Sold	Gain	Loss
Stocks	¥ 140,237	¥ 51,209	¥ 1,751
Bonds	571,154	5,957	3,655
Government Bonds	451,241	5,484	3,465
Local Government Bonds	16,342	41	46
Corporate Bonds	103,569	431	143
Other Securities	3,445,757	33,050	64,073
Foreign Bonds	3,322,084	26,684	13,282
Others	123,673	6,366	50,790
Total	¥ 4,157,149	¥ 90,218	¥ 69,479

Year Ended March 31, 2013	Millions of Yen		
	Amount Sold	Gain	Loss
Stocks	¥ 77,453	¥ 23,631	¥ 6,217
Bonds	2,857,861	21,358	2,294
Government Bonds	2,810,179	20,900	2,278
Local Government Bonds	6,448	163	1
Corporate Bonds	41,233	294	14
Other Securities	2,972,831	38,711	18,768
Foreign Bonds	2,823,355	37,104	5,646
Others	149,476	1,606	13,121
Total	¥ 5,908,146	¥ 83,701	¥ 27,281

Year Ended March 31, 2014	Millions of U.S. Dollars		
	Amount Sold	Gain	Loss
Stocks	$ 1,363	$ 498	$ 17
Bonds	5,551	58	36
Government Bonds	4,385	53	34
Local Government Bonds	159	0	0
Corporate Bonds	1,007	4	1
Other Securities	33,486	321	623
Foreign Bonds	32,285	259	129
Others	1,202	62	494
Total	$ 40,400	$ 877	$ 675

(Note) The above figures include "Available-for-Sale Securities" whose fair value is extremely difficult to estimate.

5. Impairment of Securities

Available-for-sale securities other than securities whose fair values are not reliably determinable, not trading securities, are treated as impaired when their fair values have declined significantly from the acquisition cost and it is deemed unlikely to recover to the acquisition cost. Such securities are recorded at their fair values in the consolidated balance sheets. The difference between the acquisition cost and the fair values is recognized as an impairment loss.

Impairment losses recognized were ¥431 million (U.S. $4 million) and ¥9,254 million on stocks during the fiscal years ended March 31, 2014 and 2013, respectively.

The criteria to determine 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, some securities are deemed that their fair values are unrecoverable and impairment losses are recognized when their fair values have declined more than 30%, but less than 50% compared with their acquisition cost and the fair values have continued to decline over a certain period.

Money Held in Trust

1. Money Held in Trust for Trading Purposes

	Millions of Yen	
March 31, 2014	Carrying Amount	Valuation Difference Reflected to the Statements of Income
Money Held in Trust for Trading Purpose	¥ —	¥—

	Millions of Yen	
March 31, 2013	Carrying Amount	Valuation Difference Reflected to the Statements of Income
Money Held in Trust for Trading Purpose	¥ 5,016	¥ (1)

	Millions of U.S. Dollars	
March 31, 2014	Carrying Amount	Valuation Difference Reflected to the Statements of Income
Money Held in Trust for Trading Purpose	$ —	$—

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, 2014 and 2013.

3. Other Money Held in Trust (other than those held for trading purposes or held-to-maturity)

	Millions of Yen				
March 31, 2014	Carrying Amount	Acquisition Cost	Difference	Positive Difference	Negative Difference
Other Money Held in Trust	¥ 13,344	¥ 12,859	¥ 484	¥ 484	¥ —

	Millions of Yen				
March 31, 2013	Carrying Amount	Acquisition Cost	Difference	Positive Difference	Negative Difference
Other Money Held in Trust	¥ 13,998	¥ 13,284	¥ 714	¥ 714	¥ —

	Millions of U.S. Dollars				
March 31, 2014	Carrying Amount	Acquisition Cost	Difference	Positive Difference	Negative Difference
Other Money Held in Trust	$ 130	$ 125	$ 5	$ 5	$ —

Note: The amount of "Difference" is net of "Positive Difference" and "Negative Difference."

Valuation Differences on Available-for-Sale Securities

The following table shows components of Valuation Differences on Available-for-Sale Securities in the consolidated balance sheets.

	Millions of Yen		Millions of U.S. Dollars
March 31	2014	2013	2014
Valuation Difference			
Available-for-Sale Securities	¥ 379,792	¥279,100	$ 3,691
Other Money Held in Trust	484	714	5
Total Valuation Differences	380,276	279,815	3,696
Amount Equivalent to Deferred Tax Assets (Liabilities)	(129,658)	(94,734)	(1,260)
Total (before Adjustment for Minority Interests)	250,618	185,080	2,436
Minority Interests	(597)	(860)	(6)
Parent Company's Portions in Available-for-Sale Securities Owned by its Affiliated Companies	(511)	988	(5)
Valuation Difference on Available-for-Sale Securities	¥ 249,510	¥185,208	$ 2,425

1) Foreign currency translation adjustments on available-for-sale securities, for which fair values are not reliably determinable, are included in the "Available-for-Sale Securities" under "Valuation Differences."

2) The valuation difference of ¥(49) million (U.S. $(0.5) million) and ¥34 million on available-for-sale securities composing assets held by associated companies as of March 31, 2014 and 2013, respectively, is included in "Available-for-Sale Securities" under "Valuation Differences."

3) The unamortized portion of valuation difference as of the consolidated balance sheet date arising from the reclassification of the holding purpose of securities is included in "Available-for-Sale Securities" under "Valuation Differences."

Derivatives

1. Derivatives Transactions Not Qualifying for Hedge Accounting

Derivatives transactions not qualifying for hedge accounting are grouped by the type of underlying transactions. The notional amounts (or the amount equivalent to the principal specified in the contracts), the fair values, and the valuation differences as of the consolidated balance sheet date, as well as the methods for determining such fair values are presented below. The contract values 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, 2014 and 2013 consist of the following:

	Millions of Yen				Millions of U.S. Dollars			
	2014				2014			
	Notional Amount		Fair Value	Valuation Difference	Notional Amount		Fair Value	Valuation Difference
	Total	Over One Year			Total	Over One Year		
Listed								
Interest Futures								
Sold	¥33,039,172	¥25,296,720	¥ 300	¥ 300	$ 321,080	$ 245,838	$ 3	$ 3
Purchased	31,967,212	23,348,077	1,252	1,252	310,663	226,901	12	12
Interest Options								
Sold	2,355,433	722,076	(786)	114	22,891	7,017	(8)	1
Purchased	1,458,669	497,261	597	(130)	14,176	4,832	6	(1)
OTC								
Forward Rate Agreements								
Sold	¥ —	¥ —	¥ —	¥ —	$ —	$ —	$ —	$ —
Purchased	—	—	—	—	—	—	—	—
Interest Rate Swaps								
Fix Rcv-Flt Pay	66,123,613	52,516,979	1,676,682	1,676,682	642,601	510,369	16,294	16,294
Flt Rcv-Fix Pay	65,181,210	51,755,650	(1,549,700)	(1,549,700)	633,442	502,970	(15,060)	(15,060)
Flt Rcv-Flt Pay	4,541,809	3,162,879	4,988	4,988	44,138	30,737	48	48
Interest Options								
Sold	4,510,352	4,420,147	(59,282)	372	43,832	42,956	(576)	4
Purchased	3,490,159	3,438,234	33,820	1,068	33,918	33,413	329	10
Others								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Total			¥ 107,871	¥ 134,948			$ 1,048	$ 1,311

	Millions of Yen			
	2013			
	Notional Amount		Fair Value	Valuation Difference
	Total	Over One Year		
Listed				
Interest Futures				
Sold	¥ 11,941,701	¥ 4,516,149	¥ (3,950)	¥ (3,950)
Purchased	11,779,754	4,253,781	4,050	4,050
Interest Options				
Sold	1,414,280	232,667	(313)	189
Purchased	973,501	149,967	300	(159)
OTC				
Forward Rate Agreements				
Sold	¥ —	¥ —	¥ —	¥ —
Purchased	—	—	—	—
Interest Rate Swaps				
Fix Rcv-Flt Pay	70,682,288	53,901,824	2,382,725	2,382,725
Flt Rcv-Fix Pay	67,254,265	50,654,199	(2,240,009)	(2,240,009)
Flt Rcv-Flt Pay	4,301,406	3,390,556	4,095	4,095
Interest Options				
Sold	4,442,037	4,362,532	(104,458)	(35,141)
Purchased	3,648,913	3,566,130	62,609	19,891
Others				
Sold	—	—	—	—
Purchased	—	—	—	—
Total			¥ 105,049	¥ 131,690

1) The above transactions are stated at their fair values and valuation differences are recorded in the consolidated statements of income.

2) The fair values of listed derivatives transactions are based on the closing prices on the Tokyo Financial Exchange and other exchanges. The fair values of OTC derivatives transactions are calculated using the net present value method or option-pricing models.

(2) Currency-Related Transactions

Currency-related transactions not qualifying for hedge accounting as of March 31, 2014 and 2013 consist of the following:

	Millions of Yen				Millions of U.S. Dollars			
	2014				2014			
	Notional Amount		Fair Value	Valuation Difference	Notional Amount		Fair Value	Valuation Difference
	Total	Over One Year			Total	Over One Year		
OTC								
Currency Swaps	¥ 1,044,582	¥ 878,297	¥ 1,287	¥ 1,287	$ 10,151	$ 8,535	$ 13	$ 13
Forward Exchange Contracts								
Sold	6,030,992	275,546	(86,732)	(86,732)	58,610	2,678	(843)	(843)
Purchased	5,377,563	409,388	134,103	134,103	52,260	3,979	1,303	1,303
Currency Options								
Sold	1,558,263	722,613	(72,984)	(10,113)	15,143	7,022	(709)	(98)
Purchased	1,413,270	657,963	56,106	(2,899)	13,734	6,394	545	(28)
Others								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Total			¥ 31,780	¥ 35,646			$ 309	$ 346

	Millions of Yen			
	2013			
	Notional Amount		Fair Value	Valuation Difference
	Total	Over One Year		
OTC				
Currency Swaps	¥ 456,072	¥ 249,003	¥ 2,257	¥ 2,257
Forward Exchange Contracts				
Sold	5,272,068	282,889	(95,448)	(95,448)
Purchased	5,644,246	460,677	149,219	149,219
Currency Options				
Sold	2,372,497	865,192	(86,247)	26,419
Purchased	2,284,442	781,008	75,312	(32,593)
Others				
Sold	—	—	—	—
Purchased	—	—	—	—
Total			¥ 45,093	¥ 49,855

1) The above transactions are stated at their fair values and valuation differences are recorded in the consolidated statements of income.

2) The fair values are calculated using the net present value method or option-pricing models.

(3) Stock-Related Transactions

Stock-related transactions not qualifying for hedge accounting as of March 31, 2014 and 2013 consist of the following:

	Millions of Yen				Millions of U.S. Dollars			
	2014				2014			
	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	¥ 88,412	¥ —	¥ (856)	¥ (856)	$ 859	$ —	$ (8)	$ (8)
Purchased	54,117	—	649	649	526	—	6	6
Stock Index Options								
Sold	5,678	—	(21)	47	55	—	(0)	0
Purchased	12,108	—	36	(113)	118	—	0	(1)
OTC								
OTC Stock Options								
Sold	¥ —	¥ —	¥ —	¥ —	$ —	$ —	$ —	$ —
Purchased	—	—	—	—	—	—	—	—
Stock Index and Other Swaps								
Stock Price Index Volatility Receivable/ Short-Term Floating Interest Rate Payable	43,000	43,000	(774)	(774)	418	418	(8)	(8)
Short-Term Floating Interest Rate Receivable/ Stock Price Index Volatility Payable	43,000	43,000	774	774	418	418	8	8
Others								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Total			¥ (191)	¥ (272)			$ (2)	$ (3)

	Millions of Yen			
	2013			
	Notional Amount		Fair Value	Valuation Difference
	Total	Over One Year		
Listed				
Stock Index Futures				
Sold	¥ 104,512	¥ —	¥ (90)	¥ (90)
Purchased	44,094	—	240	240
Stock Index Options				
Sold	69,765	—	(672)	18
Purchased	540,800	—	4,486	2,371
OTC				
OTC Stock Options				
Sold	¥ —	¥ —	¥ —	¥ —
Purchased	—	—	—	—
Stock Index and Other Swaps				
Stock Price Index Volatility Receivable/ Short-Term Floating Interest Rate Payable	51,104	51,104	(2,000)	(2,000)
Short-Term Floating Interest Rate Receivable/ Stock Price Index Volatility Payable	51,104	51,104	2,000	2,000
Others				
Sold	—	—	—	—
Purchased	—	—	—	—
Total			¥ 3,963	¥ 2,539

1) The above transactions are stated at their fair values and valuation differences are recorded in the consolidated statements of income.
2) The fair values of listed derivatives transactions are based on the closing prices on the Osaka Exchange and other exchanges for the year ended March 31, 2014, and the Tokyo Stock Exchange and other exchanges for the year ended March 31, 2013. The fair values of OTC transactions are calculated using the net present value method or option-pricing models.

(4) Bond-Related Transactions

Bond-related transactions not qualifying for hedge accounting as of March 31, 2014 and 2013 consist of the following:

	Millions of Yen				Millions of U.S. Dollars			
	2014				2014			
	Notional Amount		Fair Value	Valuation Difference	Notional Amount		Fair Value	Valuation Difference
	Total	Over One Year			Total	Over One Year		
Listed								
Bond Futures								
Sold	¥ 2,043,076	¥ —	¥ 1,884	¥ 1,884	$ 19,855	$ —	$ 18	$ 18
Purchased	2,153,971	—	(1,295)	(1,295)	20,933	—	(13)	(13)
Bond Future Options								
Sold	310,985	—	(599)	122	3,022	—	(6)	1
Purchased	247,110	—	610	(16)	2,401	—	6	0
OTC								
Bond Forward Contracts								
Sold	¥ 47,391	¥ —	¥ 48	¥ 48	$ 461	$ —	$ 0	$ 0
Purchased	32,728	—	(46)	(46)	318	—	0	0
Bond Options								
Sold	11,541	—	(3)	26	112	—	0	0
Purchased	11,541	—	56	9	112	—	1	0
Others								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Total			¥ 654	¥ 733			$ 6	$ 7

	Millions of Yen			
	2013			
	Notional Amount		Fair Value	Valuation Difference
	Total	Over One Year		
Listed				
Bond Futures				
Sold	¥ 1,178,281	¥ —	¥ (11,885)	¥ (11,885)
Purchased	1,013,022	—	10,880	10,880
Bond Future Options				
Sold	127,490	—	(330)	(20)
Purchased	95,396	—	193	(22)
OTC				
Bond Forward Contracts				
Sold	¥ 67,842	¥ —	¥ (459)	¥ (459)
Purchased	71,756	—	406	406
Bond Options				
Sold	—	—	—	—
Purchased	—	—	—	—
Others				
Sold	—	—	—	—
Purchased	—	—	—	—
Total			¥ (1,195)	¥ (1,100)

1) The above transactions are stated at their fair values and valuation differences are recorded in the consolidated statements of income.
2) The fair values are based on the closing prices on the Osaka Exchange and other exchanges for the year ended March 31, 2014, and Tokyo Stock Exchange and other exchanges for the year ended March 31, 2013. The fair values of OTC transactions are calculated according to the prices offered by quote information vendors.

(5) Commodity-Related Transactions

There were no commodity-related transactions not qualifying for hedge accounting as of March 31, 2014 and 2013.

(6) Credit Derivatives Transactions

Credit derivatives transactions not qualifying for hedge accounting as of March 31, 2014 and 2013 consist of the following:

	Millions of Yen				Millions of U.S. Dollars			
	2014				2014			
	Notional Amount		Fair Value	Valuation Difference	Notional Amount		Fair Value	Valuation Difference
	Total	Over One Year			Total	Over One Year		
OTC								
Credit Default Swap								
Sold	¥ 27,800	¥ 27,800	¥ 470	¥ 470	$ 270	$ 270	$ 5	$ 5
Purchased	42,206	42,206	(411)	(411)	410	410	(4)	(4)
Total			¥ 59	¥ 59			$ 1	$ 1

	Millions of Yen			
	2013			
	Notional Amount		Fair Value	Valuation Difference
	Total	Over One Year		
OTC				
Credit Default Swap				
Sold	¥ 2,000	¥ 2,000	¥ 31	¥ 31
Purchased	2,000	2,000	(31)	(31)
Total			¥ —	¥ —

1) The above transactions are stated at their fair values and valuation differences are recorded in the consolidated statements of income.

2) The fair values are calculated using the net present value method.

3) "Sold" represents transactions under which the credit risk has been assumed, and "Purchased" represents transactions under which the credit risk has been transferred to another party.

2. Derivatives Transactions Qualifying for Hedge Accounting

Derivatives transactions qualifying for hedge accounting are grouped by the type of underlying transactions. The value of such contracts (or the amount equivalent to the principal specified in the contracts) and the fair values as of the consolidated balance sheet date, as well as the methods for determining such fair values are presented below. The notional amounts do not reflect the market risk associated with the derivatives.

(1) Interest-Related Transactions

Interest-related transactions qualifying for hedge accounting as of March 31, 2014 and 2013 consist of the following:

	Major Hedged Item	Millions of Yen 2014 Notional Amount Total	Millions of Yen 2014 Notional Amount Over One Year	Millions of Yen 2014 Fair Value	Millions of U.S. Dollars 2014 Notional Amount Total	Millions of U.S. Dollars 2014 Notional Amount Over One Year	Millions of U.S. Dollars 2014 Fair Value
Deferral Method							
Interest Rate Swaps							
Fix Rcv-Flt Pay	Interest-Earning/Bearing Financial Assets/Liabilities such as Loans and Bills Discounted, Available-for-Sale Securities (Bonds), Deposits, and Bonds Payable	¥ 4,631,601	¥ 2,281,001	¥ 9,420	$ 45,011	$ 22,167	$ 92
Flt Rcv-Fix Pay		826,969	725,015	(31,462)	8,037	7,046	(306)
Interest Futures							
Sold		—	—	—	—	—	—
Purchased		—	—	—	—	—	—
Interest Options							
Sold		—	—	—	—	—	—
Purchased		—	—	—	—	—	—
Others							
Sold		—	—	—	—	—	—
Purchased		—	—	—	—	—	—
Exceptional Treatment for Interest Rate Swap							
Interest Rate Swaps							
Fix Rcv-Flt Pay	Borrowed Money	—	—	(Note 3)	—	—	(Note 3)
Flt Rcv-Fix Pay		29,084	27,409	(Note 3)	281	266	(Note 3)
Total				(22,042)			$ (214)

	Major Hedged Item	Millions of Yen 2013 Notional Amount Total	Millions of Yen 2013 Notional Amount Over One Year	Millions of Yen 2013 Fair Value
Deferral Method				
Interest Rate Swaps				
Fix Rcv-Flt Pay	Interest-Earning/Bearing Financial Assets/Liabilities such as Loans and Bills Discounted, Available-for-Sale Securities (Bonds), Deposits, and Bonds Payable	¥ 6,533,073	¥ 3,903,073	¥ 12,036
Flt Rcv-Fix Pay		923,484	867,171	(52,368)
Interest Futures				
Sold		—	—	—
Purchased		—	—	—
Interest Options				
Sold		—	—	—
Purchased		—	—	—
Others				
Sold		—	—	—
Purchased		—	—	—
Exceptional Treatment for Interest Rate Swap				
Interest Rate Swaps				
Fix Rcv-Flt Pay	Borrowed Money	278	278	(Note 3)
Flt Rcv-Fix Pay		2,729	2,729	(Note 3)
Total				¥ (40,331)

1) Deferred hedge accounting stipulated in Report No. 24 is applied, in principle.
2) Fair values are calculated mainly using the net present value method or option-pricing models.
3) Interest rate swaps to which exceptional treatment is applied are accounted for as part of the borrowings being hedged; therefore, their fair values are included in the fair value of Borrowed Money presented under "Financial Instruments."

(2) Currency-Related Transactions

Currency-related transactions qualifying for hedge accounting as of March 31, 2014 and 2013 consist of the following:

	Major Hedged Item	Millions of Yen 2014 Notional Amount Total	Millions of Yen 2014 Notional Amount Over One Year	Millions of Yen 2014 Fair Value	Millions of U.S. Dollars 2014 Notional Amount Total	Millions of U.S. Dollars 2014 Notional Amount Over One Year	Millions of U.S. Dollars 2014 Fair Value
Deferral Method							
Currency Swaps		¥ 1,783,565	¥ 1,016,955	¥ (229,442)	$ 17,333	$ 9,883	$ (2,230)
Forward Exchange Contracts							
Sold	Loans and Bills	—	—	—	—	—	—
Purchased	Discounted and Securities	13,170	445	257	128	4	2
Others	Denominated in Foreign						
Sold	Currency	—	—	—	—	—	—
Purchased		—	—	—	—	—	—
Total				¥ (229,185)			$ (2,227)

	Major Hedged Item	Millions of Yen 2013 Notional Amount Total	Millions of Yen 2013 Notional Amount Over One Year	Millions of Yen 2013 Fair Value
Deferral Method				
Currency Swaps		¥ 1,529,082	¥ 1,071,317	¥ (185,537)
Forward Exchange Contracts				
Sold	Loans and Bills	—	—	—
Purchased	Discounted Denominated	23,656	1,219	277
Others	in Foreign Currency and			
Sold	Securities	—	—	—
Purchased		—	—	—
Total				¥ (185,260)

1) Deferred hedge accounting stipulated in Report No. 25 is applied, in principle.
2) Fair values are calculated mainly using the net present value method.

(3) Stock-Related Transactions

There were no stock-related transactions qualifying for hedge accounting as of March 31, 2014 and 2013.

(4) Bond-Related Transactions

There were no bond-related transactions qualifying for hedge accounting as of March 31, 2014 and 2013.

Retirement and Pension Plans

Retirement and Pension Plans for the Fiscal Year Ended March 31, 2014

1. Outline of the Retirement Benefit Plans Adopted by SMTB

SMTB has defined-benefit plans (a corporate pension fund plan and a lump-sum retirement benefit plan). A lump-sum retirement benefit plan is offered to contract employees according to internal rules. SMTB also has a defined-contribution pension plan and may provide extra retirement payments to retiring employees in some cases. SMTB sets up employee retirement benefit trusts as part of its pension plan assets.

Consolidated subsidiaries have lump-sum retirement benefit plans, defined-benefit corporate pension plans, defined-contribution pension plans, and plans administered under an employees' pension fund system. Some consolidated subsidiaries also have a multiple employer pension plan.

Some consolidated subsidiaries adopt the computational short-cut 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
	2014	2014
Retirement Benefit Obligations (opening balance)	¥ 369,723	$ 3,593
Service Cost-Benefits Earned during the Fiscal Year	9,460	92
Interest Cost on Projected Benefit Obligations	7,198	70
Actuarial Differences	2,261	22
Retirement Benefits Paid	(17,280)	(168)
Past Service Cost	298	3
Other	(3,231)	(31)
Retirement Benefit Obligations (closing balance)	¥ 368,430	$ 3,580

(2) Reconciliation of Plan Assets

	Millions of Yen	Millions of U.S. Dollars
	2014	2014
Plan Assets (opening balance)	¥ 479,499	$ 4,660
Expected Return on Plan Assets	21,670	211
Actuarial Differences	14,340	139
Contributions by the Employer	8,184	80
Retirement Benefits Paid	(15,600)	(152)
Plan Assets (closing balance)	¥ 508,095	$ 4,938

(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
	2014	2014
Retirement Benefit Obligations of Retirement Benefit Plans with Plan Assets	¥ 342,079	$ 3,324
Plan Assets	(508,095)	(4,938)
	(166,015)	(1,613)
Retirement Benefit Obligations of Retirement Benefit Plans without Plan Assets	26,350	256
Net of Liabilities and Assets Recorded in the Consolidated Balance Sheet	¥ (139,665)	$ (1,357)

	Millions of Yen	Millions of U.S. Dollars
	2014	2014
Liabilities for Retirement Benefits	¥ 10,480	$ 102
Assets for Retirement Benefits	(150,145)	(1,459)
Net of Liabilities and Assets Recorded in the Consolidated Balance Sheet	¥ (139,665)	$ (1,357)

(4) Breakdown of Retirement Benefit Expenses

	Millions of Yen	Millions of U.S. Dollars
	2014	2014
Service Cost-Benefits Earned during the Fiscal Year	¥ 9,460	$ 92
Interest Cost on Projected Benefit Obligations	7,198	70
Expected Return on Plan Assets	(21,670)	(211)
Amortization of Actual Differences	18,316	178
Amortization of Past Service Cost	(136)	(1)
Other	1,232	12
Retirement Benefit Expenses for Defined Benefit Obligations	¥ 14,401	$ 140

(5) Adjustments for Retirement Benefits

The breakdown of adjustments for retirement benefits (before tax effect) is as follows:

	Millions of Yen	Millions of U.S. Dollars
	2014	2014
Unrecognized Past Service Cost	¥ 897	$ 9
Unrecognized Actual Differences	77,061	749
Total	¥ 77,959	$ 758

(6) Plan Assets

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

	Proportion (%)
Debt Securities	19
Equity Securities	58
Cash and Due from Banks	3
Other	20
Total	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 57% of the total plan asset.

2) Expected long-term rate of return on plan assets

In order to determine the expected long-term rate of return on plan assets, SMTB 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.

(7) Assumptions Used

Major assumptions used for calculating the actuarial gains and losses for the fiscal year ended March 31, 2014, are as follows:

	2014
Discount Rate	Mainly 2.0%
Expected Long-Term Rate of Return on Plan Assets	4.5%

3. Defined-Contribution Pension Plans

Contributions by SMTB and its consolidated subsidiaries to the defined contribution pension plans were ¥1,396 million (U.S. $14 million) for the year ended March 31, 2014.

Retirement and Pension Plans for the Fiscal Year Ended March 31, 2013

1. Outline of the Retirement Benefit Plans Adopted by SMTB

SMTB has defined-benefit plans (a corporate pension fund plan and a lump-sum retirement benefit plan). A lump-sum retirement benefit plan is offered to contract employees according to internal rules. SMTB also has a defined-contribution pension plan and may provide extra retirement payments to retiring employees in some cases. SMTB sets up employee retirement benefit trusts as part of its pension plan assets.

Consolidated subsidiaries have lump-sum retirement benefit plans, defined benefit corporate pension plans, defined contribution pension plans, and plans administered under an employees' pension fund system. Some consolidated subsidiaries also have a multiple employer pension plan.

(Additional information)

In conjunction with the merger with CMTB and CMAB on April 1, 2012, SMTB transitioned to a new retirement benefit program consisting of a defined benefit corporate pension plan, a defined contribution pension plan, and a lump-sum retirement benefit plan on the same day.

2. Liabilities Related to Retirement Benefits included in the Consolidated Balance Sheet as of March 31, 2013

	Millions of Yen
	2013
Retirement Benefit Obligations	¥ (369,723)
Plan Assets (fair value)	479,499
Unfunded Projected Benefit Obligations	109,776
Unrecognized Actuarial Differences	108,135
Unrecognized Past Service Cost	462
Net Amount Recognized in the Consolidated Balance Sheets	218,375
Prepaid Pension Costs (deduction)	229,666
Total	¥ (11,291)

(Notes)

1. The figures above do not include additional retirement allowances as extraordinary expenditure.
2. The plan assets include assets in the retirement benefit trusts.
3. The computational shortcut method is applied to calculate lump-sum retirement benefits for contract employees of SMTB and retirement benefit obligations of some consolidated subsidiaries.

3. Retirement Benefit Expenses Included in the Consolidated Statement of Income for the Fiscal Year Ended March 31, 2013

	Millions of Yen
	2013
Service Cost-Benefits Earned during the Fiscal Year	¥ 9,257
Interest Cost on Projected Benefit Obligations	7,209
Expected Return on Plan Assets	(31,486)
Amortization of Past Service Cost	(27)
Amortization of Actuarial Differences	21,734
Others (such as Additional Retirement Allowances)	2,553
Total	¥ 9,242

(Note)

Pension expenses within the lump-sum retirement benefit plan for contract employees at SMTB and at some consolidated subsidiaries, which adopt the computational shortcut method, are included in "Service Costs-Benefits Earned during the Fiscal Period."

4. Assumptions Used

	2013
Discount Rate	Mainly 2.0%
Expected Rate of Return on Plan Assets	7.0%
Methods for Allocating the Projected Benefits to Periods of Services	SMTB: Point Basis Other Consolidated Subsidiaries: Straight-Line Basis
Amortization Period for Past Service Cost	Primarily 10 Years Past service cost is recognized using the straight-line method over a prescribed number of years within the employees' average remaining service period at incurrence.
Amortization Period for Actuarial Differences	Primarily 8 to 10 Years Actuarial differences are expensed using the straight-line method over a prescribed number of years within the employees' average remaining service period at incurrence, commencing from the next fiscal year of incurrence.

Stock Option Plans

1. Expenses Recorded in Connection with Stock Options during the Fiscal Years Ended March 31, 2014 and 2013

There were no corresponding items for the fiscal years ended March 31, 2014 and 2013.

2. Description of Stock Options

Consolidated Subsidiary: Nikko Asset Management Co., Ltd.

(1) Description of Stock Options

Year Ended March 31, 2014	Resolution during Fiscal Year 2009	
Number of Eligible Persons and their Position (Directors, Executive Officers, Employees)	271	48
Number of Stock Options Granted by Class of Share (*)	Common stock: 19,724,100 shares	Common stock: 1,702,800 shares
Grant Date	February 8, 2010	August 20, 2010
Vesting Conditions	The recipient must, in principle, be an employee, etc., of Nikko Asset Management Co., Ltd., on January 22, 2012, whichever is later ("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 the 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 the options.	Same as on the left
Eligible Service Period	From the grant date until two full years have passed since the First Exercisable Date	Same as on the left
Exercise Period	From January 22, 2012, to January 21, 2020	Same as on the left
Exercise Price		
Fair Unit Value on the Grant Date		

	Resolution during the Fiscal Year 2010	Resolution during the Fiscal Year 2011
Number of Eligible Persons and their Position (Directors, Executive Officers, Employees)	1	186
Number of Stock Options Granted by Class of Share	Common stock: 2,310,000 shares	Common stock: 6,101,700 shares
Grant Date	August 20, 2010	October 7, 2011
Vesting Conditions	The recipient must, in principle, be an employee, etc., of Nikko Asset Management Co., Ltd., on January 22, 2012, whichever is later ("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 the periods, one half, one fourth and one fourth of the options held by the recipient will be vested, respectively. Nikko Asset Management Co., Ltd., must have implemented the IPO at the time of the exercise of any of these options.	The recipient must, in principle, be an employee, etc., of Nikko Asset Management Co., Ltd., on October 7, 2013, whichever is later ("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 the periods, one half, one fourth and one fourth of the options held by the recipient will be vested, respectively. Nikko Asset Management Co., Ltd., must have implemented the IPO at the time of the exercise of any of these options.
Eligible Service Period	From the grant date until two full years have passed since the First Exercisable Date	From the grant date until two full years have passed since the First Exercisable Date
Exercise Period	From January 22, 2012, to January 21, 2020	From October 7, 2013, to October 6, 2021
Exercise Price		
Fair Unit Value on the Grant Date		

(*) Converted into the number of equivalent shares.

(2) Volume and Changes in Stock Options

1) Number of stock options

Year Ended March 31, 2014	Shares	
	Resolution during Fiscal Year 2009	
Grant Date	February 8, 2010	August 20, 2010
Unvested Stock Options		
At the Beginning of the Fiscal Year	16,978,500	1,626,900
Granted	—	—
Forfeited	1,075,800	59,400
Vested	—	—
At the End of Fiscal Year	15,902,700	1,567,500
Vested Stock Options		
At the Beginning of Fiscal Year	—	—
Vested	—	—
Exercised	—	—
Forfeited	—	—
At the End of Fiscal Year	—	—

	Shares	
	Resolution during Fiscal Year 2010	Resolution during Fiscal Year 2011
Grant Date	August 20, 2010	October 7, 2011
Unvested Stock Options		
At the Beginning of the Fiscal Year	2,310,000	5,930,100
Granted	—	—
Forfeited	—	541,200
Vested	—	—
At the End of Fiscal Year	2,310,000	5,388,900
Vested Stock Options		
At the Beginning of Fiscal Year	—	—
Vested	—	—
Exercised	—	—
Forfeited	—	—
At the End of Fiscal Year	—	—

(*) Converted into the number of equivalent shares.

2) Unit price information

Year Ended March 31, 2014	Resolution during Fiscal Year 2009	
Grant Date	February 8, 2010	August 20, 2010
Exercise Price	¥625	¥625
Fair Price on the Grant Date (*1)	0	0

	Resolution during Fiscal Year 2010	Resolution during Fiscal Year 2011
Grant Date	August 20, 2010	October 7, 2011
Exercise Price	¥ 625	¥737 (*3)
Fair Price on the Grant Date (*1)	0	0

(*1) In lieu of fair value per share, the fair price refers to a share price of an estimate of each option's intrinsic value (the difference between the fair value of the share calculated by the comparable transactional price method and the exercise price).
(*2) The total amount of intrinsic value of the options was 0 yen as of March 31, 2014.
(*3) If the IPO price is set as any amount exceeding 737 yen, the Exercise Price shall be adjusted to an amount equal to the IPO Price on the IPO Date (the Exercise Price shall be adjusted to reflect appropriately the nature of any split or consolidation of shares after the Allotment Date, if any).

Income Taxes

1. Deferred Tax Assets and Liabilities

	Millions of Yen		Millions of U.S. Dollars
Year Ended March 31	**2014**	2013	**2014**
Deferred Tax Assets:			
Allowance for Loan Losses (including Direct Write-Offs of Loans with Guarantees or Collateral)	**¥ 37,950**	¥ 46,678	**$ 369**
Devaluation of Securities	**35,680**	44,475	**347**
Deferred Gains (Losses) on Hedges	**3,770**	4,584	**37**
Adjustments for Retirement Benefits	**27,757**	—	**270**
Tax Losses Carried Forward	**13,133**	47,758	**128**
Others	**72,316**	76,409	**703**
Subtotal	**¥ 190,610**	¥ 219,906	**$ 1,852**
Valuation Allowance	**(39,621)**	(33,617)	**(385)**
Deferred Tax Assets	**¥ 150,988**	¥ 186,288	**$ 1,467**
Deferred Tax Liabilities:			
Retirement Benefits	**¥ (27,453)**	¥ (25,316)	**$ (267)**
Valuation Difference on Available-for-Sale Securities	**(129,578)**	(94,737)	**(1,259)**
Others	**(6,327)**	(7,388)	**(61)**
Deferred Tax Liabilities	**¥ (163,359)**	¥ (127,442)	**$ (1,588)**
Net Deferred Tax Assets (Liabilities)	**¥ (12,370)**	¥ 58,846	**$ (120)**

2. Effective Income Tax Rate

Year Ended March 31	**2014**	2013
Effective Statutory Tax Rate	—	38.01 %
Adjustments:		
Tax Rate Difference between SMTB and its Subsidiaries	—	(2.08)
Changes in Valuation Allowance	—	(2.06)
Permanent Differences (e.g. Cash Dividends Received)	—	(1.83)
Adjustment to Deferred Tax Assets due to Tax Rate Change	—	—
Others	—	(0.59)
Effective Income Tax Rate	—	31.42 %

Disclosure on adjustments between the effective statutory tax rate and the effective income tax rate is omitted since the difference was less than 5% for the fiscal year ended March 31, 2014.

3. Adjustments to Deferred Tax Assets and Liabilities due to Change in Corporate Tax Rates

The Ministry of Finance in Japan released the "Act on Partial Amendment to the Income Tax Act, etc." (Act No. 10 of 2014) on March 31, 2014, to replace the special corporation tax for reconstruction, effective from fiscal years beginning on and after April 1, 2014. As a result of the promulgation, the effective statutory tax rate will be reduced from 38.01% to 35.64% for calculating deferred tax assets and liabilities on temporary differences that are expected to be realized during the fiscal year beginning on April 1, 2014. The effects of this change were to decrease Deferred Tax Assets by ¥659 million (U.S. $6 million), to increase Deferred Tax Liabilities by ¥3,228 million (U.S. $31 million), to increase Valuation Differences on Available-for-Sale Securities by ¥10 million (U.S. $0 million), and to increase Income Taxes—Deferred by ¥3,898 million (U.S. $38 million).

Segment Information

1. Reportable Segment Information

The SMTB Group's reportable segments are defined as operation segments for which discrete financial information is available and which are regularly reviewed by the Board of Directors in determining resources to be allocated to the segments and in assessing their business performance.

The SMTB Group comprises SMTB and its consolidated subsidiaries, and SMTB and Sumitomo Mitsui Trust Panasonic Finance Co., Ltd. (SMTPFC) are treated as reportable segments. The main activities of the reportable segments are presented below:

SMTB: Trust banking business
SMTPFC: Leasing business

2. Method for Calculating Income, Profit or Losses, Assets, Liabilities, and Other Items by Reportable Segment

The accounting policies used for the reportable segments are the same as those presented under "Significant Accounting Policies and Practices," and the amount of segment profit presented for the reportable segments is Income before Income Taxes and Minority Interests.

Prices for internal transactions among segments are the same as the prices for transactions with unaffiliated customers.

3. Income, Profit or Losses, Assets, Liabilities, and Other Items by Reportable Segment

	Millions of Yen						
	Reportable Segment						
Fiscal Year Ended March 31, 2014	SMTB	SMTPFC	Total	Others	Total	Adjustment	Carrying Amount
Income:							
Unaffiliated Customers	¥ 765,522	¥ 253,140	¥ 1,018,662	¥ 158,056	¥ 1,176,718	¥ —	¥ 1,176,718
Intersegment	13,142	959	14,102	75,954	90,056	(90,056)	—
Total	¥ 778,665	¥ 254,099	¥ 1,032,764	¥ 234,010	¥ 1,266,774	¥ (90,056)	¥ 1,176,718
Segment Profit	¥ 185,967	¥ 12,046	¥ 198,014	¥ 39,577	¥ 237,591	¥ (4,455)	¥ 233,135
Segment Assets	¥ 39,122,664	¥ 916,120	¥ 40,038,785	¥ 8,458,204	¥ 48,496,989	¥ (8,318,559)	¥ 40,178,429
Segment Liabilities	¥ 37,091,495	¥ 769,070	¥ 37,860,566	¥ 7,994,618	¥ 45,855,185	¥ (7,955,245)	¥ 37,899,940
Others							
Depreciation and Amortization	¥ 26,041	¥ 1,108	¥ 27,149	¥ 3,871	¥ 31,021	¥ (1,647)	¥ 29,373
Amortization of Goodwill	—	—	—	2,475	2,475	6,622	9,098
Interest Income	348,379	1,955	350,334	27,711	378,046	(17,348)	360,698
Interest Expenses	140,470	4,247	144,717	4,174	148,891	(14,841)	134,050
Gain on Disposal of Fixed Assets	471	90	561	16	578	21	599
Loss on Disposal of Fixed Assets	1,326	195	1,522	134	1,656	—	1,656
Impairment Loss	1,612	—	1,612	6,727	8,339	2,227	10,566
Unamortized Balance of Goodwill	—	—	—	27,953	27,953	70,214	98,168

Fiscal Year Ended March 31, 2013	Millions of Yen						
	Reportable Segment			Others	Total	Adjustment	Carrying Amount
	SMTB	SMTPFC	Total				
Income:							
Unaffiliated Customers	¥ 721,458	¥ 254,294	¥ 975,753	¥ 130,983	¥ 1,106,736	¥ —	¥ 1,106,736
Intersegment	7,364	462	7,827	74,444	82,272	(82,272)	—
Total	¥ 728,823	¥ 254,757	¥ 983,580	¥ 205,428	¥ 1,189,008	¥ (82,272)	¥ 1,106,736
Segment Profit	¥ 159,034	¥ 13,232	¥ 172,266	¥ 40,000	¥ 212,267	¥ (10,869)	¥ 201,397
Segment Assets	¥ 35,294,966	¥ 927,860	¥ 36,222,827	¥ 7,977,197	¥ 44,200,025	¥ (7,767,093)	¥ 36,432,931
Segment Liabilities	¥ 33,410,252	¥ 786,886	¥ 34,197,139	¥ 7,414,269	¥ 41,611,408	¥ (7,449,201)	¥ 34,162,206
Others							
Depreciation and Amortization	¥ 28,338	¥ 1,544	¥ 29,882	¥ 5,059	¥ 34,942	¥ (643)	¥ 34,298
Amortization of Goodwill	—	—	—	2,444	2,444	6,452	8,897
Interest Income	333,312	2,086	335,398	28,718	364,116	(18,451)	345,665
Interest Expenses	133,802	5,102	138,904	4,961	143,865	(16,690)	127,175
Gain on Disposal of Fixed Assets	3,347	172	3,520	17	3,538	63	3,601
Gain on Negative Goodwill	—	—	—	—	—	2,388	2,388
Impairment Loss	20,977	83	21,060	34	21,095	1,452	22,548
Management Integration Expenses	11,315	—	11,315	479	11,794	(193)	11,600
Unamortized Balance of Goodwill	—	—	—	33,911	33,911	78,877	112,789

Fiscal Year Ended March 31, 2014	Millions of U.S. Dollars						
	Reportable Segment			Others	Total	Adjustment	Carrying Amount
	SMTB	SMTPFC	Total				
Income:							
Unaffiliated Customers	$ 7,439	$ 2,460	$ 9,900	$ 1,536	$ 11,436	$ —	$ 11,436
Intersegment	128	9	137	738	875	(875)	—
Total	$ 7,567	$ 2,469	$ 10,037	$ 2,274	$ 12,311	$ (875)	$ 11,436
Segment Profit	$ 1,807	$ 117	$ 1,924	$ 385	$ 2,309	$ (43)	$ 2,266
Segment Assets	$ 380,201	$ 8,903	$ 389,104	$ 82,198	$ 471,302	$ (80,841)	$ 390,461
Segment Liabilities	$ 360,462	$ 7,474	$ 367,936	$ 77,693	$ 445,629	$ (77,310)	$ 368,318
Others							
Depreciation and Amortization	$ 253	$ 11	$ 264	$ 38	$ 301	$ (16)	$ 285
Amortization of Goodwill	—	—	—	24	24	64	88
Interest Income	3,386	19	3,405	269	3,674	(169)	3,505
Interest Expenses	1,365	41	1,406	41	1,447	(144)	1,303
Gain on Disposal of Fixed Assets	5	1	5	0	6	0	6
Loss on Disposal of Fixed Assets	13	2	15	1	16	—	16
Impairment Loss	16	—	16	65	81	22	103
Unamortized Balance of Goodwill	—	—	—	272	272	682	954

1) The figures represent income in substitution for net sales to be presented by companies in other industries.
2) The figures under SMTPFC represent consolidated amounts.
3) "Others" includes the consolidated subsidiaries other than SMTB and SMTPFC.
4) The figures shown under "Adjustment" represent the consolidation adjustments for internal transactions.
5) Segment profits have been adjusted to "Income before Income Taxes and Minority Interests" as presented in the consolidated statements of income.

Related Information

1. Information by services

Fiscal Year Ended March 31, 2014	Millions of Yen			
	Trust Banking Business	Leasing Business	Others	Total
Income:				
Unaffiliated Customers	¥ 765,522	¥ 253,140	¥ 158,056	¥ 1,176,718

Fiscal Year Ended March 31, 2013	Millions of Yen			
	Trust Banking Business	Leasing Business	Others	Total
Income:				
Unaffiliated Customers	¥ 721,458	¥ 254,294	¥ 130,983	¥ 1,106,736

Fiscal Year Ended March 31, 2014	Millions of U.S. Dollars			
	Trust Banking Business	Leasing Business	Others	Total
Income:				
Unaffiliated Customers	$ 7,439	$ 2,460	$ 1,536	$ 11,436

(Note) The figures represent income in substitution for net sales to be presented by companies in other industries.

2. Geographic Information

(1) Income

More than 90% of the SMTB Group's income on the consolidated statements of income for the fiscal years ended March 31, 2014 and 2013, is attributable to income from unaffiliated customers in Japan; accordingly, income by geographical area is not presented.

(2) Tangible Fixed Assets

More than 90% of the SMTB Group's tangible fixed assets on the consolidated balance sheets as of March 31, 2014 and 2013, are located in Japan; accordingly, tangible fixed assets by geographical area are not presented.

3. Information by Major Customer

Due to voluminous income-generating transactions between the SMTB Group and an enormous number of the SMTB Group's customers, transactions are not classified by major counterparty; accordingly, information by major customers is not presented.

4. Information related to Losses on Impairment of Fixed Assets by Reportable Segment

Information is not provided in this section because the same information is disclosed in the "Segment Information" section.

5. Information related to Amortization of Goodwill and Unamortized Balance of Goodwill by Reportable Segment

Information is not provided in this section because the same information is disclosed in the "Segment Information" section.

6. Information related to Gain on Negative Goodwill by Reportable Segment

There was no gain on negative goodwill by reportable segment during the fiscal year ended March 31, 2014. Information for the fiscal year ended March 31, 2013 is not provided in this section because the same information is disclosed in the "Segment Information" section.

Related Party Transactions

1. Related Party Transactions

There were no material transactions that need to be disclosed for the fiscal years ended March 31, 2014 and 2013.

2. Notes on the Parent Company or Significant Affiliated Companies

(1) Parent Company

Sumitomo Mitsui Trust Holdings, Inc. (listed on the Tokyo Stock Exchange and the Nagoya Stock Exchange)

(2) Condensed Financial Information of Significant Affiliated Companies

There was no significant condensed financial information of significant affiliated companies for the fiscal year ended March 31, 2014 to be disclosed.

Per Share of Common Stock Information

	Yen		U.S. Dollars
	Fiscal Year Ended March 31, 2014	Fiscal Year Ended March 31, 2013	**Fiscal Year Ended March 31, 2014**
Net Assets per Share of Common Stock	**¥ 1,181.15**	¥ 1,106.90	**$ 11.48**
Net Income per Share of Common Stock	**77.52**	72.00	**0.75**

(Notes)

1. Net assets per share of common stock and basis for calculation are as follows:

	Millions of Yen		Millions of U.S. Dollars
	As of March 31, 2014	As of March 31, 2013	**As of March 31, 2014**
Net Assets as Reported	**¥ 2,278,489**	¥ 2,270,724	**$ 22,143**
Less:	**300,610**	417,175	**2,921**
Issue Amount of Shares of Preferred Stock	**109,000**	109,000	**1,059**
Dividends on Shares of Preferred Stock	**2,305**	252	**22**
Minority Interests	**189,304**	307,922	**1,840**
Net Assets Attributable to Common Shareholders	**1,977,879**	1,853,549	**19,221**
The Number of Shares of Common Stock Outstanding (Thousands of Shares)	**1,674,537**	1,674,537	**1,674,537**

2. Net income per share of common stock and basis for calculation are as follows:

	Millions of Yen		Millions of U.S. Dollars
	As of March 31, 2014	As of March 31, 2013	**As of March 31, 2014**
Net Income per Share of Common Stock			
Net Income	**¥ 134,427**	¥ 125,188	**$ 1,306**
Net Income Not Attributable to Common Shareholders	**4,610**	4,610	**45**
Dividends on Shares of Preferred Stock	**4,610**	4,610	**45**
Net Income Attributable to Common Shareholders	**129,816**	120,577	**1,262**
Average Number of Shares of Common Stock Outstanding (Thousands of Shares)	**1,674,537**	1,674,537	**1,674,537**

3. Fully-diluted net income per share of common stock and basis for calculation

Fully-diluted net income per share of common stock for the fiscal year ended March 31, 2014 and 2013 are not presented because there were no dilutive potential shares.

The potential shares that were excluded from the calculation of fully-diluted net income per share of common stock because they have no dilutive effect are as follows:

Subsidiaries (Nikko Asset Management Co., Ltd.)

A description of these securities is presented in the subsection of the Notes to Consolidated Financial Statements "Stock Option Plans."

Changes in Accounting Policies

SMTB applied the Accounting Standard and the Guidance at the end of the fiscal year ended March 31, 2014, except for items prescribed in paragraph 35 of the Accounting Standard and paragraph 67 of the Guidance. SMTB adopted the transitional provision in paragraph 37 of the Accounting Standard.

As a result, the net asset per share for the year decreased by ¥29.95 (U.S. $0.29).

Significant Subsequent Event

Establishment of a Significant Subsidiary

SMTB held a meeting of the Board of Directors on June 12, 2014, and resolved to establish a subsidiary of SMTB in Thailand.

1. Purpose of Establishing a Subsidiary

SMTB opened a representative office in Bangkok in 1993 to primarily gather information locally. In Asia, our strategically important business area, especially in Thailand, financial service needs are increasing against a backdrop of the economic development. We, the SMTH Group, has an objective to become Asia's number one trust bank. Taking advantage of the opportunity when the Thai authority grants banking license to foreign banks, we are eager to meet a wide range of requirements of our clients, including Japanese corporations which are expanding their business in Thailand. Once the subsidiary is opened, we intend to contribute towards further economic prosperity of our clients and Thailand through provision of high-quality services that the SMTH Group has cultivated in the financial business as a trust bank.

2. Subsidiary's Profile

(1) Name

Sumitomo Mitsui Trust Bank (Thai) Public Company Limited

(2) Main Business Activities

Preparation for establishing banking business operations (The subsidiary will engage in banking operations when opened.)

(3) Date of Establishment

July 2014 (planned; banking operations will begin in fiscal year 2015)

(4) Capital

20 billion Thai Baht (99.9% capital investment by SMTB and its consolidated subsidiaries; with the initial investment of 0.3 million Thai Baht, the total value of investment is expected to be 20 billion Thai Baht by the start of operations.)

Financial Data:

Independent Auditors' Report

KPMG

Independent Auditor's Report

To the Board of Directors of
Sumitomo Mitsui Trust Bank, Limited:

We have audited the accompanying consolidated financial statements of Sumitomo Mitsui Trust Bank, Limited and its consolidated subsidiaries, which comprise the consolidated balance sheet as at March 31, 2014, and the consolidated statement of income, statement of comprehensive income, statement of changes in net assets and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information expressed in Japanese yen.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, while the objective of the financial statement audit is not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Sumitomo Mitsui Trust Bank, Limited and its consolidated subsidiaries as at March 31, 2014, and their financial performance and cash flows for the year then ended in accordance with accounting principles generally accepted in Japan.

Convenience Translation

The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended March 31, 2014 are presented solely for convenience. Our audit also included the translation of yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made on the basis described in "Basis of Presentation of Financial Statements" to the consolidated financial statements.

KPMG AZSA LLC

June 27, 2014
Tokyo, Japan

KPMG AZSA LLC, a limited liability audit corporation incorporated under the Japanese Certified Public Accountants Law and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

Financial Data:

Non-Consolidated Balance Sheet (Unaudited)

Sumitomo Mitsui Trust Bank, Limited
As of March 31, 2014 and 2013

	Millions of Yen		Millions of U.S. Dollars
	2014	2013	2014
Assets:			
Cash and Due from Banks:	¥ 5,614,828	¥ 2,953,549	$ 54,566
Cash	144,991	83,743	1,409
Due from Banks	5,469,836	2,869,806	53,157
Call Loans	366,552	329,228	3,562
Receivables under Resale Agreements	88,069	91,911	856
Receivables under Securities Borrowing Transactions	289,377	207,494	2,812
Monetary Claims Bought	258,311	177,857	2,510
Trading Assets:	585,467	752,901	5,690
Trading Account Securities	20,283	25,193	197
Derivatives of Trading Securities	34	2	0
Securities Related to Trading Transactions	7	—	0
Trading-Related Financial Derivatives	330,074	363,057	3,208
Other Trading Assets	235,069	364,648	2,284
Money Held in Trust	12,000	17,016	117
Securities:	5,971,283	6,531,276	58,030
Government Bonds	1,533,384	2,393,887	14,902
Local Government Bonds	15,665	20,925	152
Corporate Bonds	617,916	674,868	6,005
Stocks	1,536,448	1,482,787	14,931
Other Securities	2,267,867	1,958,807	22,040
Loans and Bills Discounted:	24,034,244	22,349,067	233,569
Bills Discounted	3,580	5,196	35
Loans on Bills	369,347	350,437	3,589
Loans on Deeds	21,243,387	19,641,470	206,447
Overdrafts	2,417,928	2,351,962	23,498
Foreign Exchanges:	12,114	59,570	118
Due from Foreign Banks (Our Accounts)	12,114	59,570	118
Other Assets:	1,136,155	1,035,198	11,041
Domestic Exchange Settlement Account, Debit	585	518	6
Prepaid Expenses	4,730	1,056	46
Accrued Income	99,855	91,139	970
Initial Margins of Futures Markets	7,676	3,403	75
Variation Margin of Futures Markets	—	923	—
Derivatives Other Than for Trading-Assets	291,526	379,955	2,833
Cash Collateral Paid for Financial Instruments Assets	418,015	397,774	4,062
Receivables for Securities Transactions	203,056	60,734	1,973
Other Assets	110,708	99,693	1,076
Tangible Fixed Assets:	203,326	205,891	1,976
Buildings	64,914	65,816	631
Land	114,586	115,782	1,114
Lease Assets	1,488	767	14
Construction in Progress	767	609	7
Other	21,570	22,915	210
Intangible Fixed Assets:	90,515	69,257	880
Software	86,264	64,968	838
Lease Assets	64	84	1
Other	4,186	4,205	41
Prepaid Pension Expenses	227,175	229,312	2,208
Deferred Tax Assets	—	35,570	—
Customers' Liabilities for Acceptances and Guarantees	317,332	352,932	3,084
Allowance for Loan Losses	(84,089)	(103,069)	(817)
Total Assets	¥ 39,122,664	¥ 35,294,966	$ 380,201

	Millions of Yen		Millions of U.S. Dollars
	2014	2013	2014
Liabilities:			
Deposits:	¥ 24,072,972	¥ 22,885,737	$ 233,945
Current Deposits	351,815	322,014	3,419
Ordinary Deposits	4,002,352	3,745,624	38,896
Saving deposits	2,353	2,469	23
Deposits at Notice	89,733	96,647	872
Time Deposits	18,680,319	17,953,091	181,539
Other Deposits	946,398	765,889	9,197
Negotiable Certificates of Deposit	5,304,179	4,222,975	51,547
Call Money	251,455	215,350	2,444
Payables under Repurchase Agreements	1,291,641	605,742	12,552
Trading Liabilities:	214,138	233,141	2,081
Derivatives of Trading Securities	22	—	0
Derivatives of Securities Related to Trading Transactions	9	83	0
Trading-Related Financial Derivatives	214,106	233,058	2,081
Borrowed Money:	1,574,581	1,065,212	15,302
Borrowing from Other Banks	1,574,581	1,065,212	15,302
Foreign Exchanges:	228	106	2
Due to Foreign Banks (Their Accounts)	208	105	2
Foreign Bills Payable	19	1	0
Short-Term Bonds Payable	667,403	753,302	6,486
Bonds Payable	995,826	880,913	9,678
Borrowed Money from Trust Account	1,342,001	1,281,038	13,042
Other Liabilities:	971,748	884,420	9,444
Domestic Exchange Settlement Account, Credit	622	765	6
Income Taxes Payable	8,202	3,545	80
Accrued Expenses	126,435	159,427	1,229
Unearned Revenue	2,048	2,096	20
Variation Margin of Futures Markets	2,530	113	25
Trading account securities borrowed	3,027	4,793	29
Derivatives Other Than for Trading-Liabilities	517,757	581,309	5,032
Lease Obligations	1,558	748	15
Asset Retirement Obligations	3,375	4,073	33
Cash Collateral Received for Financial Instruments Liabilities	157,861	100,498	1,534
Payables for Securities Transactions	123,927	9,902	1,204
Other	24,400	17,145	237
Provision for Bonuses	8,787	8,533	85
Provision for Directors' Bonuses	105	107	1
Provision for Retirement Benefits	628	689	6
Provision for Reimbursement of Deposits	3,917	6,207	38
Provision for Contingent Losses	8,800	9,720	86
Deferred Tax Liabilities	61,793	—	601
Deferred Tax Liabilities for Land Revaluation	3,954	4,122	38
Acceptances and Guarantees	317,332	352,932	3,084
Total Liabilities	¥ 37,091,495	¥ 33,410,252	$ 360,462
Net Assets:			
Total Shareholders' Equity:	¥ 1,788,176	¥ 1,707,817	$ 17,378
Capital Stock	342,037	342,037	3,324
Capital Surplus:	601,259	608,794	5,843
Legal Capital Surplus	273,016	273,016	2,653
Other Capital Surplus	328,242	335,778	3,190
Retained Earnings:	844,879	756,985	8,211
Legal Retained Earnings	69,020	69,020	671
Other Retained Earnings:	775,858	687,964	7,540
Other Voluntary Reserves	371,870	371,870	3,614
Retained Earnings Brought Forward	403,988	316,094	3,926
Total Valuation and Translation Adjustments:	242,992	176,896	2,361
Valuation Difference on Available-for-Sale Securities	247,804	181,641	2,408
Deferred Gains (Losses) on Hedges	(6,434)	(7,609)	(63)
Revaluation Reserve for Land	1,622	2,864	16
Total Net Assets	¥ 2,031,168	¥ 1,884,714	$ 19,739
Total Liabilities and Net Assets	¥ 39,122,664	¥ 35,294,966	$ 380,201

Financial Data:

Non-Consolidated Statement of Income (Unaudited)

Sumitomo Mitsui Trust Bank, Limited
For the fiscal years ended March 31, 2014 and 2013

	Millions of Yen		Millions of U.S. Dollars
	2014	2013	2014
Income:			
Trust Fees	¥ 99,302	¥ 89,984	$ 965
Interest Income:	348,379	333,312	3,386
Interest on Loans and Discounts	236,593	237,114	2,299
Interest and Dividends on Securities	98,462	88,886	957
Interest on Call Loans and Bills Bought	850	475	8
Interest on Receivables under Resale Agreements	726	830	7
Interest on Receivables under Securities Borrowing Transactions	141	267	1
Interest on Due from Banks	9,583	4,122	93
Other Interest Income	2,021	1,615	20
Fees and Commissions:	176,725	160,927	1,717
Fees and Commissions on Domestic and Foreign Exchanges	1,579	1,572	15
Other Fees and Commissions	175,145	159,354	1,702
Trading Income:	24,604	24,493	239
Gains on Trading Account Securities Transactions	193	458	2
Income from Trading-Related Financial Derivatives Transactions	23,952	23,402	233
Other Trading Income	458	632	4
Other Ordinary Income:	47,481	64,886	461
Gains on Foreign Exchange Transactions	—	6,139	—
Gains on Sales of Bonds	32,691	58,585	318
Gains on Derivatives Other Than for Trading-Assets	13,342	—	130
Other	1,448	162	14
Other Income:	82,170	55,219	799
Reversal of Allowance for Loan Losses	6,293	3,841	61
Recoveries of Written-Off Claims	1,263	2,947	12
Gains on Sales of Stocks and Other Securities	57,056	24,617	554
Gains on Money Held in Trust	600	600	6
Other	16,956	23,211	165
Total Income	¥ 778,665	¥ 728,823	$ 7,567

	Millions of Yen		Millions of U.S. Dollars
	2014	2013	2014
Expenses:			
Interest Expenses:	¥ 140,470	¥ 133,802	$ 1,365
Interest on Deposits	72,603	76,435	706
Interest on Negotiable Certificates of Deposit	8,704	9,663	85
Interest on Call Money and Bills Sold	1,756	853	17
Interest on Payables under Repurchase Agreements	1,102	1,090	11
Interest on Payables under Securities Lending Transactions	82	81	1
Interest on Borrowings and Rediscounts	17,154	19,805	167
Interest on Short-Term Bonds	1,071	573	10
Interest on Bonds	18,953	16,705	184
Interest on Interest Swaps	11,533	2,430	112
Other Interest Expenses	7,508	6,163	73
Fees and Commissions Payments:	72,439	75,583	704
Fees and Commissions on Domestic and Foreign Exchanges	820	810	8
Other Fees and Commissions	71,619	74,773	696
Trading Expenses:	228	339	2
Expenses on Securities and Derivatives Related to Trading Transactions	228	339	2
Other Ordinary Expenses:	21,815	14,261	212
Loss on Foreign Exchange Transactions	4,144	—	40
Loss on Sale of Bonds	16,942	8,043	165
Expenses on Derivatives Other Than for Trading or Hedging	—	5,773	—
Other Ordinary Expenses	728	444	7
General and Administrative Expenses	268,802	261,701	2,612
Other Expenses:	88,941	84,099	864
Written-Off Loans	215	1,430	2
Losses on Sales of Stocks and Other Securities	52,524	19,101	510
Losses on Devaluation of Stocks and Other Securities	6,735	10,913	65
Loss on Money Held in Trust	0	2	0
Impairment Loss	1,612	20,977	16
Other	27,851	31,675	271
Total Expenses	¥ 592,697	¥ 569,788	$ 5,760
Income before Income Taxes	¥ 185,967	¥ 159,034	$ 1,807
Income Taxes:			
Current	8,405	10,251	82
Deferred	61,559	43,621	598
Net Income	¥ 116,002	¥ 105,160	$ 1,127

	Yen		U.S. Dollars
Net Income per Share of Common Stock	¥ 66.52	¥ 60.04	$ 0.65

Financial Data:

Non-Consolidated Statement of Changes in Net Assets (Unaudited)

Sumitomo Mitsui Trust Bank, Limited

From April 1, 2013 to March 31, 2014

	Millions of Yen							
	Shareholders' Equity							
	Capital Stock	Capital Surplus			Retained Earnings			Total Shareholders' Equity
		Legal Capital Surplus	Other Capital Surplus	Total Capital Surplus	Legal Retained Earnings	Other Retained Earnings	Total Retained Earnings	
Balance at the Beginning of the Current Period	¥ 342,037	¥ 273,016	¥ 335,778	¥ 608,794	¥ 69,020	¥ 687,964	¥ 756,985	¥ 1,707,817
Changes during the Period								
Cash Dividends			(7,535)	(7,535)		(29,350)	(29,350)	(36,886)
Net Income						116,002	116,002	116,002
Reversal of Revaluation Reserve for Land						1,241	1,241	1,241
Net Changes of Items Other Than Shareholders' Equity								
Total Changes during the Period	—	—	(7,535)	(7,535)	—	87,893	87,893	80,358
Balance at the End of the Current Period	¥ 342,037	¥ 273,016	¥ 328,242	¥ 601,259	¥ 69,020	¥ 775,858	¥ 844,879	¥ 1,788,176

	Millions of Yen				
	Valuation and Translation Adjustments				Total Net Assets
	Valuation Differences on Available-for-Sale Securities	Deferred Gains or Losses on Hedges	Revaluation Reserve for Land	Total Valuation and Translation Adjustments	
Balance at the Beginning of the Current Period	¥ 181,641	¥ (7,609)	¥ 2,864	¥ 176,896	¥ 1,884,714
Changes during the Period					
Cash Dividends					(36,886)
Net Income					116,002
Reversal of Revaluation Reserve for Land					1,241
Net Changes of Items Other Than Shareholders' Equity	66,163	1,174	(1,241)	66,095	66,095
Total Changes during the Period	66,163	1,174	(1,241)	66,095	146,454
Balance at the End of the Current Period	¥ 247,804	¥ (6,434)	¥ 1,622	¥ 242,992	¥ 2,031,168

From April 1, 2012 to March 31, 2013

	Millions of Yen							
	Shareholders' Equity							
	Capital Stock	Capital Surplus			Retained Earnings			Total Shareholders' Equity
		Legal Capital Surplus	Other Capital Surplus	Total Capital Surplus	Legal Retained Earnings	Other Retained Earnings	Total Retained Earnings	
Balance at the Beginning of the Current Period	¥ 342,037	¥ 242,555	¥ 54,013	¥ 296,568	¥ 58,872	¥ 464,950	¥ 523,823	¥ 1,162,428
Changes during the Period								
Cash Dividends		30,460	(299,190)	(268,729)	10,148	(61,890)	(51,741)	(320,471)
Net Income						105,160	105,160	105,160
Increase by Merger			580,955	580,955		178,036	178,036	758,992
Reversal of Revaluation Reserve for Land						1,706	1,706	1,706
Net Changes of Items Other Than Shareholders' Equity								
Total Changes during the Period	—	30,460	281,765	312,225	10,148	223,013	233,162	545,388
Balance at the End of the Current Period	¥ 342,037	¥ 273,016	¥ 335,778	¥ 608,794	¥ 69,020	¥ 687,964	¥ 756,985	¥ 1,707,817

	Millions of Yen				
	Valuation and Translation Adjustments				Total Net Assets
	Valuation Differences on Available-for-Sale Securities	Deferred Gains or Losses on Hedges	Revaluation Reserve for Land	Total Valuation and Translation Adjustments	
Balance at the Beginning of the Current Period	¥ 27,351	¥ (4,914)	¥ (4,955)	¥ 17,480	¥ 1,179,909
Changes during the Period					
Cash Dividends					(320,471)
Net Income					105,160
Increase by Merger					758,992
Reversal of Revaluation Reserve for Land					1,706
Net Changes of Items Other Than Shareholders' Equity	154,290	(2,694)	7,820	159,415	159,415
Total Changes during the Period	154,290	(2,694)	7,820	159,415	704,804
Balance at the End of the Current Period	¥ 181,641	¥ (7,609)	¥ 2,864	¥ 176,896	¥ 1,884,714

From April 1, 2013 to March 31, 2014

	Millions of U.S. Dollars							
	Shareholders' Equity							
	Capital Stock	Capital Surplus			Retained Earnings			Total Shareholders' Equity
		Legal Capital Surplus	Other Capital Surplus	Total Capital Surplus	Legal Retained Earnings	Other Retained Earnings	Total Retained Earnings	
Balance at the Beginning of the Current Period	$ 3,324	$ 2,653	$ 3,263	$ 5,916	$ 670	$ 6,686	$ 7,357	$ 16,597
Changes during the Period								
Cash Dividends			(73)	(73)		(285)	(285)	(358)
Net Income						1,127	1,127	1,127
Reversal of Revaluation Reserve for Land						12	12	12
Net Changes of Items Other Than Shareholders' Equity								
Total Changes during the Period	—	—	(73)	(73)	—	854	854	781
Balance at the End of the Current Period	$ 3,324	$ 2,653	$ 3,190	$ 5,843	$ 670	$ 7,540	$ 8,211	$ 17,378

	Millions of U.S. Dollars				
	Valuation and Translation Adjustments				Total Net Assets
	Valuation Differences on Available-for-Sale Securities	Deferred Gains or Losses on Hedges	Revaluation Reserve for Land	Total Valuation and Translation Adjustments	
Balance at the Beginning of the Current Period	$ 1,765	$ (74)	$ 28	$ 1,719	$ 18,316
Changes during the Period					
Cash Dividends					(358)
Net Income					1,127
Reversal of Revaluation Reserve for Land					12
Net Changes of Items Other Than Shareholders' Equity	643	11	(12)	642	642
Total Changes during the Period	643	11	(12)	642	1,423
Balance at the End of the Current Period	$ 2,408	$ (63)	$ 16	$ 2,361	$ 19,739

Financial Data:

Statement of Trust Account (Unaudited)

Sumitomo Mitsui Trust Bank, Limited and its Consolidated Subsidiaries
Fiscal years ended March 31, 2014 and 2013

As of March 31	Millions of Yen		Millions of U.S. Dollars
	2014	2013	2014
Assets:			
Loans and Bills Discounted (Note 2)	¥ 541,613	¥ 468,216	$ 5,263
Securities (Note 3)	1,254,913	721,626	12,195
Beneficiary Rights	104,647,873	98,377,149	1,016,986
Securities Held in Custody Accounts	38,156	121,560	371
Monetary Claims	10,657,129	9,974,322	103,568
Tangible Fixed Assets	10,024,054	9,745,762	97,415
Intangible Fixed Assets	113,341	68,509	1,101
Other Claims	7,618,457	5,834,878	74,037
Call Loan	35,200	36,700	342
Loans to Banking Account	1,342,001	1,281,038	13,042
Cash and Due from Banks	521,978	413,070	5,073
Total Assets	¥ 136,794,720	¥ 127,042,831	$ 1,329,395
Liabilities:			
Money Trusts (Note 4)	21,632,399	20,259,804	210,227
Pension Trusts	16,341,006	14,166,681	158,805
Property Formation Benefit Trusts	20,102	20,630	195
Loan Trusts (Note 5)	32,322	81,727	314
Securities Investment Trusts	43,472,286	40,591,888	422,471
Money in Trust Other Than Money Trusts	5,322,528	3,754,522	51,725
Securities Trusts	21,506,508	21,203,661	209,004
Money Claims in Trust	10,934,451	10,123,781	106,263
Movables in Trust	0	—	0
Real Estate in Trust	114,418	112,383	1,112
Composite Trusts	17,418,697	16,727,754	169,278
Total Liabilities	¥ 136,794,720	¥ 127,042,831	$ 1,329,395

See Notes to Statements of Trust Account (Unaudited).

Financial Data:

Notes to Statement of Trust Account (Unaudited)

1. Trust Accounts

Under the Trust Act of Japan, trust activities must be administered separately from a commercial banking business. As a result, assets accepted in trust must be segregated from the assets held by SMTB. Within the general category of trust accounts, each trust account is segregated from other trust assets. Accordingly, the financial statements of SMTB do not reflect SMTB'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 SMTB, and such guaranteed principal as of March 31, 2014 and 2013, was ¥1,365,323 million (U.S. $13,268 million) and ¥1,309,916 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 ¥102.90 to U.S. $1, the approximate rate of exchange as of March 31, 2014. Such translations should not be construed as representations that the Japanese yen amounts could be converted into U.S. dollars at that or any other rate.

Amounts less than one million Japanese yen and one million U.S. dollars have been rounded down. As a result, the total may not be equal to sum of individual amounts.

Each amount presented in the statements of trust account as of March 31, 2014 and 2013, is the sum of trust accounts in SMTB and JTSB. Re-trust amounts between these consolidated subsidiaries for asset management are excluded from the amounts presented in in the statements of trust account.

2. Loans and Bills Discounted

Loans as of March 31, 2014 and 2013 consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2014	2013	2014
Loans on Deeds	¥ 324,008	¥ 309,112	$ 3,149
Loans on Bills	217,605	159,105	2,115
Total	¥ 541,613	¥ 468,217	$ 5,263

The balances of guaranteed trust account loans as of March 31, 2014 and 2013 stood at ¥91,276 million (U.S. $887 million) and ¥108,302 million respectively, which included the following:

Under certain trust agreements, repayments of the principal of the customers' trust assets are guaranteed by SMTB, and loans on such guaranteed trust assets as of March 31, 2014 and 2013 included the following:

	Millions of Yen		Millions of U.S. Dollars
	2014	2013	2014
Other Delinquent Loans	¥ 24,604	¥ 25,080	$ 239
Restructured Loans	300	378	3
Total	¥ 24,904	¥ 25,462	$ 242

3. Securities

Securities held as of March 31, 2014 and 2013 consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2014	2013	2014
Government Bonds	¥ 727,825	¥ 558,696	$ 7,073
Local Government Bonds	29	30	0
Stocks	103	30	1
Other Securities	526,954	162,869	5,121
Total	¥ 1,254,913	¥ 721,626	$12,195

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
	2014	2013	2014
Assets:			
Loans and Bills Discounted	¥ 91,276	¥ 108,302	$ 887
Securities	30	30	0
Others	1,243,731	1,121,636	12,087
Total	¥ 1,335,037	¥ 1,229,969	$ 12,974
Liabilities:			
Principal	1,333,794	1,229,217	12,962
Allowance for Impairment of Guaranteed Trust Principal	76	94	1
Others	1,166	656	11
Total	¥ 1,335,037	¥ 1,229,969	$ 12,974

In the case of certain money trusts, the principal amount is guaranteed, and as the above table indicates, allowance for the impairment of guaranteed trust principal is set aside by SMTB. The figures in the table include funds re-invested from other trusts managed by SMTB.

5. Balance of Loan Trusts

The balance of loan trusts is as follows (the figures in the table include funds re-trusted from other trusts managed by SMTB):

	Millions of Yen		Millions of U.S. Dollars
	2014	2013	2014
Assets:			
Loans and Bills Discounted	¥ —	¥ —	$ —
Securities	—	—	—
Others	32,322	82,027	314
Total	¥ 32,322	¥ 82,027	$ 314
Liabilities:			
Principal	31,528	80,698	306
Special Reserve Fund	249	526	2
Others	544	802	5
Total	¥ 32,322	¥ 82,027	$ 314

As in certain money trusts, the principal amount of loan trusts is guaranteed, and as the above table indicates, a special reserve fund is set aside by SMTB.

This section outlines matters to be stated in explanatory documents relating to the fiscal year separately stipulated by the Director-General of the Financial Services Agency (Notification No. 15 of Financial Services Agency, March 23, 2007) with regard to the status of capital adequacy as set forth in Article 19-2, Paragraph 1, Item 5-(d) of the Enforcement Regulations of the Banking Act (Ministry of Finance Ordinance No. 10, 1982), as well as the matters regarding compensation separately stipulated by the Director-General of the Financial Services Agency (Notification No. 21 of Financial Services Agency, March 29, 2012) as having significant consequences on the business operation or asset status of a bank, a bank holding company, or their subsidiaries, according to Article 19-2, Paragraph 1, Item 6, Article 19-3, Item 4 and Article 34-26, Paragraph 1, Item 5 of the Enforcement Regulations of the Banking Act (Ministry of Finance Ordinance No. 10, 1982).

The following disclosure is with respect to Sumitomo Mitsui Trust Holdings, Inc. as of the end of March 2014, unless otherwise stated specifically.

Capital Adequacy Ratio Qualitative Disclosure Data:

Sumitomo Mitsui Trust Holdings, Inc.

1. Overview of Risk Management 270
2. Compliance with BIS Capital Adequacy Regulations 272

Compensation Disclosure Data:

Sumitomo Mitsui Trust Holdings, Inc.

Capital Adequacy Ratio Qualitative Disclosure Data:

Sumitomo Mitsui Trust Holdings, Inc.

1. Overview of Risk Management

(1) Basic Policies on Risk Management

Sumitomo Mitsui Trust Group (the "SMTH Group") is working to improve its risk management system based on recognition of the fact that ensuring the sound and stable management of the entire SMTH Group and each subsidiary in the SMTH Group is vital to the improvement of corporate value, and, to that end, risk management is one of the most important functions.

Risk management aims to accurately recognize risk status, and implement necessary countermeasures regarding risks, through a series of activities, which include risk identification, assessment, monitoring, control and reduction, in order to ensure sound management. The SMTH Group manages risks in the SMTH Group and comprehensively measures risks unique to the group organization that each group company cannot recognize alone, such as the spread of risks within the SMTH Group. It manages these risks by comparing them with the SMTH Group's overall financial strength (Enterprise Risk Management). In addition, of the risks subject to Enterprise Risk Management, the SMTH Group combines risks which are quantifiable with unified criteria, and quantitatively manages risks held by the SMTH Group (Integrated Risk Management).

(2) Risk Categories and Management System

The SMTH Group defines risk categories by type of risks to be managed, namely credit risk, market risk, funding risk and operational risk.

The SMTH Group positions supervision of risk management for the entire SMTH Group as one of the most important functions of the holding company, Sumitomo Mitsui Trust Holdings, Inc. ("SMTH"). SMTH aims to improve and upgrade its risk management system by establishing Risk Management Rules as a basic agenda for risk management in the SMTH Group and formulates policies and plans for each fiscal year with respect to risk management in the SMTH Group.

SMTH has instituted the Risk Management Department as a department to supervise the overall SMTH Group risk management and monitor the risk status of the SMTH Group, and to also issue instructions and provide guidance to each group company on development of proper risk management systems. Additionally, as a department for supervision of compliance, the Compliance Department has been instituted to formulate policies for the entire SMTH Group and to monitor the status of management and operations.

Regarding internal audits, a system is in place in which SMTH determines policy improvements of the internal audit system for the entire SMTH Group and carries out internal audits for each department of SMTH. In addition, SMTH supervises internal audit functions of each group company and issues necessary instructions upon receipt of reports on audit results and the status of improvements carried out by each group company.

At each group company, in order for risk management and compliance policies determined by SMTH to be carried out, systems for proper risk management corresponding to risk characteristics, compliance, and each business have been developed.

The Board of Directors of SMTH obtains necessary information from each group company, performs monitoring, appraisal and analysis of the risk status of the SMTH Group, and carries out proper risk management so that sound management is ensured.

Additionally, the directors of SMTH and each group company duly recognize the fact that risk management has a material impact on the achievement of their strategic targets, and the executive officers in charge of the risk management-related departments strive to accurately recognize the status of risks and examine policies and specific measures, based on a sufficient understanding of source, type and characteristics of risks and methods and importance of risk management. The roles and responsibilities of these directors and executive officers in charge of the risk management-related departments are specified in the respective Risk Management Rules provided by SMTH and each group company.

(3) Integrated Risk Management and Risk Capital Allocation

1) Integrated Risk Management System

The SMTH Group has built an integrated risk management system to serve as a framework for risk management to secure sound management by keeping risks within the limits of management's strengths. In integrated risk management, the SMTH Group manages risks according to the characteristic of each risk category, while it combines each risk by quantifying them by using unified criteria such as VaR, and comprehensively ascertains, appraises, and manages these risks by comparing them with the SMTH Group's

overall financial strength. The results of this risk status monitoring are reported to the Executive Committee, the Board of Directors and others on a regular basis.

2) Risk Capital Allocation Operations

For the purpose of the SMTH Group's capital allocation operations, SMTH assesses capital adequacy level, in consideration of the external environment, risk-return performance status, strategic targets, and the results of its stress test, and allocates capital of the SMTH Group to each group company based on its risks (credit risk, market risk, and operational risk). The risk capital allocation plan is subject to the approval of the Board of Directors.

Each group company operates its business in compliance with the allocated amount of risk capital (risk capital). The risk management supervision department monitors adherence to the allocated risk capital (risk capital) and the risk amount status on a monthly basis and reports to the Board of Directors and others.

The risk capital allocation plan is reexamined semiannually, and also whenever deemed necessary due to modifications to the business plan of any one of the group companies or changes in risk status, etc.

3) Assessment of Capital Adequacy Level, Capital Strategy

The capital management departments assess the level of capital adequacy from the viewpoint of soundness each time a risk capital allocation plan is formulated or reexamined, and reports to the Board of Directors and others.

The SMTH Group assesses capital adequacy level multilaterally by establishing multiple definitions of capital and risk as follows.

From the viewpoint of ensuring business continuity, the SMTH Group assesses the capital adequacy level by comparing the amount of risk with a confidence interval of 99% with the regulatory required Common Equity Tier 1 capital (allocation fund). Also, from the viewpoint of depositor protection, it compares the amount of risk with a confidence interval of 99.9% and the amount of risk with a confidence interval of 99% after the consideration of stress events with the regulatory required total capital.

4) Stress Test

The SMTH Group conducts stress tests mainly based on historical scenarios and hypothetical scenarios of the risk capital allocation plan (economic capital) and the capital adequacy ratio plan (regulatory capital), and utilizes the result for purposes including assessment of capital adequacy levels when formulating management plans, etc.

• Types of Scenarios

(i) Historical Scenario (Example)

Market Risk: Assumes the rate of decline at the time of the Lehman crisis

Credit Risk: Assumes the worst ratings migration since the collapse of the bubble economy

(ii) Hypothetical Scenario (Example)

Scenario in which confidence in Japan's fiscal sustainability comes into question, giving rise to a "Bad rise in interest rates" and leading to a major economic recession

• Stress Test PDCA Cycles

PDCA Cycles	Scenario Formulation/Review		Impact Measurement	Reporting (Analysis/Assessment)	Corresponding Policies
Reporting Line	Stress Scenario Review Committee	Capital Allocation Committee	Various Committees, etc.		ALM Committee/ Capital Allocation Committee, etc.

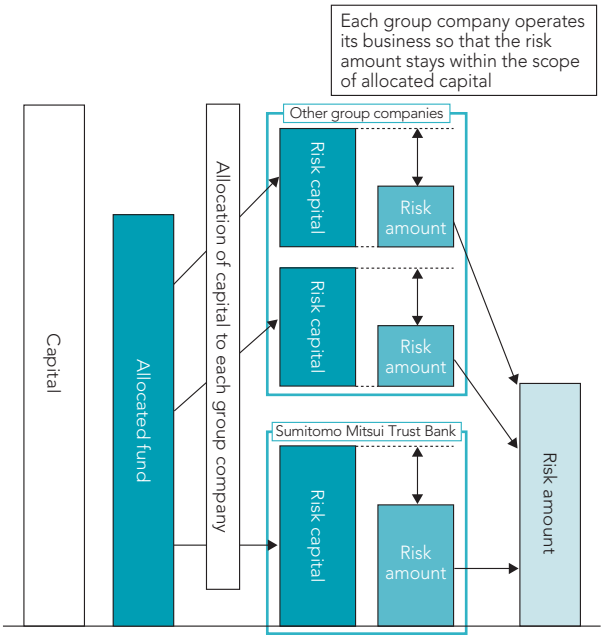
5) Capital Adequacy Status

Under the risk capital allocation plan, against total capital of ¥2,777.7 billion (Common Equity Tier 1 capital of ¥1,874.5 billion) of SMTH on a consolidated basis, the allocated risk capital (risk capital) is ¥1,520.6 billion. Risk capital actually used (risk amount) is ¥1,143.8 billion. In addition, the balance between total capital (risk capital) and allocation fund, about ¥1,257.1 billion, is at a sufficient level according to the results of stress tests.

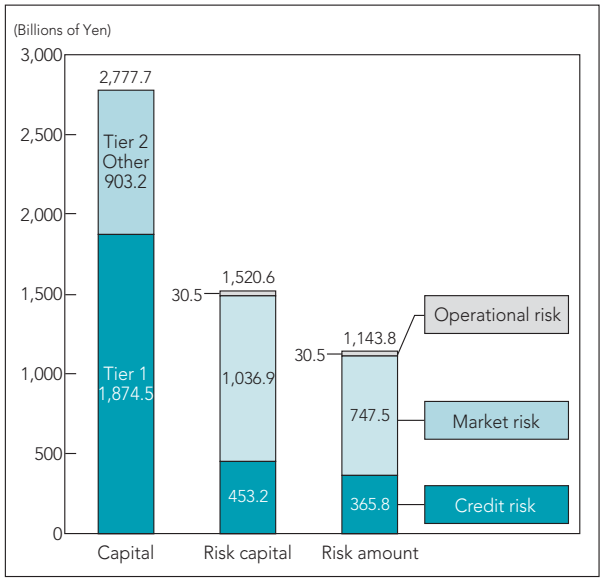
6) Upgrading of Integrated Risk Management and Capital Management Systems

The SMTH Group will continuously verify the scope of risk to be managed, risk measurement methods, risk capital allocation methods, capital adequacy level assessment methods, etc., so that integrated risk management and capital management will be more effective, and will strive to improve and upgrade the systems.

• Capital Allocation Scheme



• Capital and Risk Capital
(within a 99% confidence interval, 1 year holding period)



(4) Business Continuity Management

The SMTH Group has established an emergency-response framework. In the case of an emergency headquarters headed by the President would be set up for quick and appropriate responses.

Furthermore, to achieve uninterrupted business continuity while ensuring the safety of our clients, officers and employees, as well as their family members, the SMTH Group also has in place a business continuity plan (BCP). Regular training and reviews of the plan's content are conducted so that it continues to be effective.

2. Compliance with BIS Capital Adequacy Regulations

(1) Compliance with BIS Capital Adequacy Regulations

Basel Ⅱ, which has been applied from the end of March 2007 as the capital adequacy ratio rules for Japan, aims to evaluate risks faced by financial institutions in more detail, with greater precision than the previous regulatory framework, while also encouraging enhanced risk management abilities of financial institutions. Basel Ⅱ is comprised of the following "Three Pillars." Furthermore, Basel Ⅲ, which has been introduced on a step-by-step basis from the end of March 2013, aims at enhancing both the quality and quantity of capital, along with more focused risk recognition.

The Group has established a system to comply with the regulations in the course of integrated risk management. Moreover, it is committed to further enhancing its risk management performance by constantly stepping up its compliance with new international financial regulations. As part of these efforts, from the end of March 2014, the Group adopted the Advanced Measurement Approach to operational risks in the calculation of the capital adequacy ratio.

1) "The First Pillar"

The first pillar is designed to manage the required capital calculated under the regulation-prescribed methods. An internationally active bank is required to have a minimal capital against the aggregate of credit risk, market risk and operational risk, in addition to further elaborating the measurement of credit risk.

Banks are to choose risk methods according to their internal risk management frameworks, and we have adopted the approaches indicated on the next page.

2) "The Second Pillar"

The second pillar comprises the management of overall risks, including "interest rate risk in the banking account" and "credit concentration risk," which are particularly important among risks not covered by the first pillar, by the banks themselves, and the examination of the banks' capital adequacy by the banking supervisory authorities through the processes of evaluation and supervision. It is aimed at maintaining and improving the soundness of the management of banks. The SMTH Group is managing these risks within the internal risk management framework.

3) "The Third Pillar"

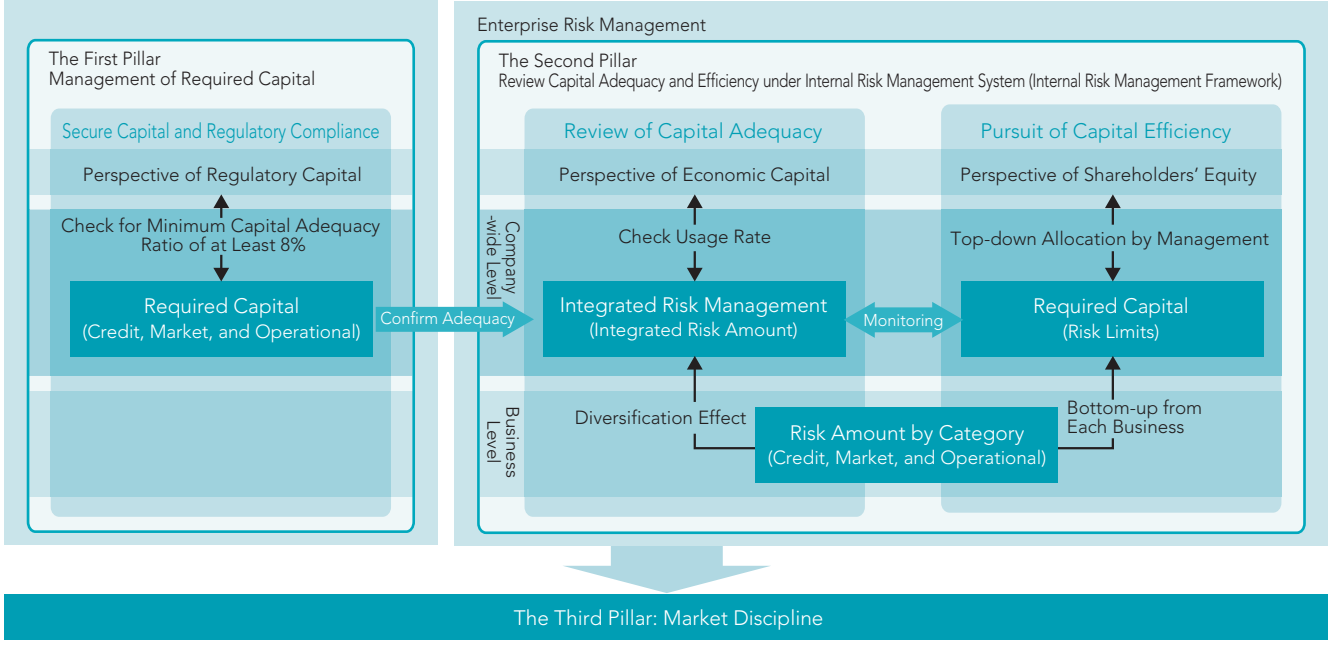
The third pillar is designed to aim at maintaining and improving the soundness of bank management by enhancing information disclosure regarding matters related to the first and second pillars, such as capital adequacy and risk management, thereby increasing the effectiveness of market discipline to be exerted on banks.

• Method and Calculation

$$\text{Capital Adequacy Ratio} = \frac{\text{Total Qualifying Capital}}{\text{Credit Risk + Market Risk + Operational Risk}}$$

	Sumitomo Mitsui Trust Holdings	Sumitomo Mitsui Trust Bank
Credit Risk	Foundation Internal Ratings-Based (IRB) Approach	Foundation Internal Ratings-Based (IRB) Approach
Market Risk	Internal Models Approach	Internal Models Approach
Operational Risk	Advanced Measurement Approach	Advanced Measurement Approach

• Framework for Risk Management at the SMTH Group



Compensation Disclosure Data:

Sumitomo Mitsui Trust Holdings, Inc.

1. Development Status of Organizational Structures Concerning Compensation for Applicable Officers and Employees within the SMTH Group

(1) Scope of "Applicable Officers and Employees"

The scope of "applicable officers" and "applicable employees, etc." (collectively the "applicable officers and employees") as defined in the compensation notification to be disclosed is as follows:

(i) Scope of the "Applicable Officers"

Applicable officers include directors and corporate auditors of SMTH, but exclude external directors and external auditors.

(ii) Scope of "Applicable Employees, etc."

Of SMTH'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 SMTH 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 SMTH Group's management, namely Sumitomo Mitsui Trust Bank, Limited, Japan Trustee Services Bank, Ltd., and Sumitomo Mitsui Trust Panasonic Finance Co., Ltd.

(b) Scope of a "Person Receiving a Substantial Amount of Compensation"

A "person receiving a substantial amount of compensation" refers to a person who receives compensation in excess of a certain threshold amount from SMTH or its significant consolidated subsidiaries. Such a threshold amount is set at ¥40 million within the SMTH Group. This threshold amount has been determined based on the average compensation for officers paid in fiscal year 2013 (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 SMTH 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 SMTH, the SMTH Group or its significant consolidated subsidiaries, or whose transactions can cause loss with significant impact on their asset status. Specifically, they include executive officers of SMTH and employees equivalent to general managers in the departments involving loan operations and market risk management.

(2) Determination of Compensation for Applicable Officers and Employees

(i) Determination of Compensation for Applicable Officers

SMTH determines the total amount of compensation for officers based on decisions made at the General Meeting of Shareholders. Of the total compensation, individual allocation of compensation for directors is at the discretion of the Board of Directors, while that for corporate auditors depends on deliberations of corporate auditors.

(ii) Determination of Compensation for Applicable Employees, etc.

Compensation for employees, etc. within the SMTH Group is payable, subject to the policies established primarily by the Boards of Directors and others of SMTH and its significant consolidated subsidiaries. According to such policies, compensation systems are designed by human resources depart-

ments of SMTH 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 SMTH on a regular basis.

Compensation for overseas employees, etc. are determined and payable under the local compensation system established by each overseas operation on its own, in compliance with local laws and regulations and local employment practice. Establishment and change of overseas compensation systems require consultation with, and validity verification by, the Human Resources Department of SMTH.

2. Adequacy Evaluation of Design and Operation of the Compensation System for Applicable Officers and Employees of SMTH

(1) Policies Concerning Compensation for Applicable Officers and Employees

(i) Policies Concerning Compensation for "Applicable Officers"

The limit amount for compensation for officers as decided by the General Meeting of Shareholders is ¥30 million per month for directors, and ¥9 million per month for corporate auditors, apart from a ¥20 million annual limit for stock options (share acquisition rights) for Directors. The amount of compensation for directors and corporate auditors is capped by these limits.

Compensation for Directors is intended to function effectively as an incentive to make improvements in corporate performance and expand corporate value in order to achieve steady and sustainable growth of the SMTH Group.

The amount of compensation for directors is also aimed at reflecting corporate performance, the contribution of each director to corporate performance, efforts for expansion of business operations in the medium- to long-terms, and for improvement of corporate value, and so forth, and determined based on an annual compensation policy determined by the Board of Directors and on an objective evaluation made by the Performance Evaluation Committee.

Furthermore, for the fiscal year under review, share acquisition rights were allotted to directors as a stock option to further enhance their motivation and morale that helps drive SMTH's stock price increases, medium- to long-term corporate performance, and ultimately shareholder profits.

(ii) Policies Concerning Compensation for "Applicable Employees, etc."

Compensations for the SMTH Group's employees, etc. are determined by performance assessments, to reflect each employee's contribution to corporate performance in determining a performance-linked portion and evaluating target attainment performance. The human resources departments at each company ensure that compensation payments are not excessively performance-oriented, on the basis of the compensation system in place, current status of performance assessment and actual payment records.

On the other hand, compensation for overseas employees is determined under a basic principle by which payrolls are determined based on job description and responsibility, while bonuses are determined based on performance. Meanwhile, the total compensation budget is capped locally, based on the performance of each operation, preventing excessive impact on the overall compensation fund from individual employees' extraordinary performance.

3. Consistency of SMTH's Compensation System for Applicable Officers and Employees in Line with Risk Management, and Linkage between Compensation and Performance

In determining compensation for applicable officers, the total amount of compensation is determined based on decisions made at the General Meeting of Shareholders. In determining compensation for applicable employees, etc., an adequate budget is arranged in consideration of the SMTH Group's financial standing and other considerations.

• Total Amount of Compensation for the Applicable Officers and Employees within the Group (From April 1, 2013 to March 31, 2014)

Category	Headcount	Millions of Yen						
		Total amount of compensation	Total amount of fixed compensation	Basic Compensation	Total amount of variable compensation	Bonus	Compensation as stock option	Retirement benefits
Directors (excluding External Directors)	9	485	405	405	63	63	17	—
Corporate Auditors (excluding External Auditors)	3	64	64	64	—	—	—	—
Applicable Officers	4	202	102	102	100	100	—	—

* Amount of compensation stated above includes compensation for (concurrent) directorship at the significant consolidated subsidiaries.

Capital Adequacy Ratio Quantitative Disclosure Data:

Sumitomo Mitsui Trust Holdings, Inc. ("SMTH")

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Capital Adequacy Ratio Quantitative Disclosure Data:

Sumitomo Mitsui Trust Holdings, Inc.

Capital Adequacy Ratio

Consolidated

We calculate the consolidated BIS capital adequacy ratio in line with provisions of Article 52-25 of the Banking Act and on the basis of calculation formula prescribed under the criteria for judging whether a bank holding company and its subsidiaries' capital adequacy ratios are appropriate in light of assets held (the Financial Services Agency 2006 Notification No. 20, hereinafter referred to as the "Notification").

Since the end of March 2014, we have adopted the Foundation Internal Ratings-Based (IRB) Approach for the calculation of credit risk-weighted assets, the Advanced Measurement Approach for the calculation of operational risk, and market risk regulations.

Scope of Consolidation

Consolidated

(1) There is no difference between companies belonging to the group of companies subject to the consolidated BIS capital adequacy ratio as prescribed by the Basel Notification, Article 3 (hereinafter referred to as the "SMTH Group") and the companies included in the scope of accounting consolidation.

(2) The number of consolidated subsidiaries that belong to the SMTH Group is 76. The principal company is the following.

Name	Principal Business Operations
Sumitomo Mitsui Trust Bank, Limited	Trust and Banking Businesses

(3) There is no affiliated company that undertakes financial services subject to the Basel Notification, Article 9.

(4) There are no particular restrictions on the transfer of funds and capital within the SMTH 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

Fiscal Year 2013

Items		Millions of Yen, %	Amounts Excluded under Transitional Arrangements	Basel Ⅲ Template No.
Common Equity Tier 1 Capital: Instruments and Reserves				
Directly Issued Qualifying Common Share Capital Plus Related Capital Surplus and Retained Earnings		¥ 1,770,959		1a+2–1c–26
of Which: Capital Stock and Capital Surplus		906,875		1a
of Which: Retained Earnings		886,491		2
of Which: Treasury Stock (Deduction)		591		1c
of Which: Earnings to be Distributed (Deduction)		21,815		26
of Which: Others		—		
Subscription Rights to Common Shares		47		1b
Accumulated Other Comprehensive Income		40,719	¥ 162,879	3
Common Share Capital Issued by Subsidiaries and Held by Third Parties (Amount Allowed in Group Common Equity Tier 1)		2,244		5
Amount Allowed in Group Common Equity Tier 1 Subject to Transitional Arrangements		27,203		
of Which: Common Share Capital Issued by Subsidiaries and Held by Third Parties		27,203		
Common Equity Tier 1 Capital: Instruments and Reserves	(A)	1,841,175		6
Common Equity Tier 1 Capital: Regulatory Adjustments				
Intangible Assets Other than Mortgage Servicing Rights (Net of Related Deferred Tax Liabilities)		34,704	138,817	8+9
of Which: Goodwill (Including Those Equivalent)		19,374	77,497	8
of Which: Other Intangible Assets		15,329	61,319	9
Deferred Tax Assets That Rely on Future Profitability Excluding Those Arising from Temporary Differences (Net of Related Deferred Tax Liabilities)		727	2,911	10
Deferred Gains or Losses on Derivatives under Hedge Accounting		(1,542)	(6,168)	11
Shortfall of Eligible Provisions to Expected Losses		19,827	79,308	12
Securitization Gain on Sale		1,488	5,955	13
Gains and Losses Due to Changes in Own Credit Risk on Fair Valued Liabilities		—	—	14
Assets for Retirement Benefits		19,327	77,309	15
Investments in Own Shares (Excluding Those Reported in the Net Assets Section)		12	50	16
Reciprocal Cross-Holdings in Common Equity		—	—	17
Investments in the Common Stock of Banking, Financial and Insurance Entities That are Outside the Scope of Regulatory Consolidation, Net of Eligible Short Positions, Where the Bank Does Not Own More than 10% of the Issued Share Capital (Amount above 10% Threshold)		6,446	25,785	18
Amount above the 10% Threshold on the Specified Items		—	—	19+20+21
of Which: Significant Investments in the Common Stock of Banking, Financial and Insurance Entities That are Outside the Scope of Regulatory Consolidation, Net of Eligible Short Positions		—	—	19
of Which: Mortgage Servicing Rights		—	—	20
of Which: Deferred Tax Assets Arising from Temporary Differences (Net of Related Deferred Tax Liabilities)		—	—	21
Amount Exceeding the 15% Threshold on the Specified Items		—	—	22
of Which: Significant Investments in the Common Stock of Banking, Financial and Insurance Entities That are Outside the Scope of Regulatory Consolidation, Net of Eligible Short Positions		—	—	23
of Which: Mortgage Servicing Rights		—	—	24
of Which: Deferred Tax Assets Arising from Temporary Differences (Net of Related Deferred Tax Liabilities)		—	—	25
Regulatory Adjustments Applied to Common Equity Tier 1 Due to Insufficient Additional Tier 1 and Tier 2 to Cover Deductions		—		27
Common Equity Tier 1 Capital: Regulatory Adjustments	(B)	80,992		28
Common Equity Tier 1 Capital (CETI)				
Common Equity Tier 1 Capital	(C) = (A)–(B)	¥ 1,760,182		29

Items		Millions of Yen, %	Amounts Excluded under Transitional Arrangements	Basel Ⅲ Template No.
Additional Tier 1 Capital: Instruments				
Directly Issued Qualifying Additional Tier 1 Instruments Plus Related Capital Surplus of Which Classified as Equity under Applicable Accounting Standards		¥ —		31a
Subscription Rights to Additional Tier 1 Instruments		—		31b
Directly Issued Qualifying Additional Tier 1 Instruments Plus Related Capital Surplus of Which Classified as Liabilities under Applicable Accounting Standards		—		32
Qualifying Additional Tier 1 Instruments Issued by Special Purpose Vehicles		—		
Additional Tier 1 Instruments Issued by Subsidiaries and Held by Third Parties (Amount Allowed in Group Additional Tier 1)		9,667		34–35
Eligible Tier 1 Capital Instruments Subject to Phase out from Additional Tier 1 Capital		395,000		33+35
of Which: Directly Issued and Issued by Special Purpose Vehicles		235,000		33
of Which: Issued by Subsidiaries		160,000		35
Amount Allowed in Group Additional Tier 1 Subject to Transitional Arrangements		5,874		
of Which: Accumulated Other Comprehensive Income		5,874		
Additional Tier 1 Capital: Instruments	(D)	410,541		36
Additional Tier 1 Capital: Regulatory Adjustments				
Investments in Own Additional Tier 1 Instruments		—	¥ —	37
Reciprocal Cross-Holdings in Additional Tier 1 Instruments		—	—	38
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)		3,176	12,704	39
Significant Investments in the Additional Tier 1 Instruments of Banking, Financial and Insurance Entities That are Outside the Scope of Regulatory Consolidation, Net of Eligible Short Positions		—	—	40
Regulatory Adjustments Applied to Additional Tier 1 Subject to Transitional Arrangements		121,687		
of Which: Tier 1 Subject to Pre-Basel Ⅲ Treatment		121,687		
Regulatory Adjustments Applied to Additional Tier 1 Due to Insufficient Tier 2 to Cover Deductions		—		42
Additional Tier 1 Capital: Regulatory Adjustments	(E)	124,863		43
Additional Tier 1 Capital (ATI)				
Additional Tier 1 Capital	(F)=(D)–(E)	285,678		44
Tier 1 Capital (TI = CETI + ATI)				
Tier 1 Capital	(G) =(C)+(F)	2,045,861		45
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		—		46
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		—		
Qualifying Tier 2 Instruments Issued by Special Purpose Vehicles		—		
Tier 2 Instruments Issued by Subsidiaries and Held by Third Parties (Amount Allowed in Group Tier 2)		2,738		48–49
Eligible Tier 2 Capital Instruments Subject to Phase out from Tier 2		686,327		47+49
of Which: Directly Issued and Issued by Special Purpose Vehicles		—		47
of Which: Issued by Subsidiaries		686,327		49
Provisions Allowed in Group Tier 2		509		50
of Which: General Allowance for Credit Losses		509		50a
of Which: Excess Amount of Eligible Provisions to Expected Losses		—		50b
Amount Allowed in Group Tier 2 Subject to Transitional Arrangements		123,045		
of Which: Accumulated Other Comprehensive Income		123,045		
Tier 2 Capital: Instruments and Provisions	(H)	¥ 812,621		51

Items		Millions of Yen, %		
			Amounts Excluded under Transitional Arrangements	Basel Ⅲ Template No.
Tier 2 Capital: Regulatory Adjustments				
Investments in Own Tier 2 Instruments		¥ —	¥ —	52
Reciprocal Cross-Holdings in Tier 2 Instruments		—	—	53
Investments in the Tier 2 Instruments of Banking, Financial and Insurance Entities That are Outside the Scope of Regulatory Consolidation, Net of Eligible Short Positions, Where the Bank Does not Own More than 10% of the Issued Common Share Capital of the Entity (Amount above 10% Threshold)		13,108	52,435	54
Significant Investments in the Tier 2 Instruments of Banking, Financial and Insurance Entities That are Outside of the Scope of Regulatory Consolidation, Net of Eligible Short Positions		1,140	4,560	55
Regulatory Adjustments Applied to Tier 2 Subject to Transitional Arrangements		52,565		
of Which: Tier 2 and Deductions Subject to Pre-Basel Ⅲ Treatment		52,565		
Tier 2 Capital: Regulatory Adjustments	(I)	66,814		57
Tier 2 Capital (TII)				
Tier 2 Capital	(J)=(H)–(I)	745,806		58
Total Capital (TC = T1 + TII)				
Total Capital	(K)=(G)+(J)	2,791,668		59
Total Risk Weighted Assets				
Risk Weighted Assets Subject to Transitional Arrangements		262,986		
of Which: Amount not Included in Tier 1 or Tier 2 or Deductions Subject to Pre-Basel Ⅲ Treatment		262,986		
Total Risk Weighted Assets	(L)	18,884,547		60
Capital Ratios (Consolidated)				
Common Equity Tier 1 Capital Ratio (C)/(L)		9.32%		61
Tier 1 Capital Ratio (G)/(L)		10.83%		62
Total Capital Ratio (K)/(L)		14.78%		63
Regulatory Adjustments (before Risk Weighting)				
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)		160,409		72
Significant Investments in the Common Stock of Banking, Financial and Insurance Entities (Amount below the Thresholds for Deduction)		43,423		73
Mortgage Servicing Rights (Amount below the Thresholds for Deduction)		—		74
Deferred Tax Assets Arising from Temporary Differences (Amount below the Thresholds for Deduction)		64,585		75
Provisions Included in Tier 2 Capital: Instruments and Provisions				
Provisions Eligible for Inclusion in Tier 2 in Respect of Exposures Subject to Standardized Approach (Prior to Applicable of Cap)		509		76
Cap on Inclusion of Provisions in Tier 2 under Standardized Approach		6,244		77
Provisions Eligible for Inclusion in Tier 2 in Respect of Exposures Subject to Internal Ratings-Based Approach (Prior to Applicable of Cap)		—		78
Cap on Inclusion of Provisions in Tier 2 under Internal Ratings-Based Approach		99,661		79
Capital Instruments Subject to Phase out Arrangements				
Current Cap on Additional Tier 1 Instruments Subject to Phase out Arrangements		436,000		82
Amount Excluded from Additional Tier 1 Due to Cap (Excess over Cap after Redemptions and Maturities)		—		83
Current Cap on Tier 2 Instruments Subject to Phase out Arrangements		686,327		84
Amount Excluded from Tier 2 Due to Cap (Excess over Cap after Redemptions and Maturities)		¥ 74,956		85

Note: SMTH received an external audit by KPMG AZSA LLC of the calculation of the consolidated BIS capital adequacy ratio as of March 31, 2014 in line with "Agreed Upon Methods for the Implementation of Capital Adequacy Ratio Audits" (Pronouncement 30 of the Japanese Institute of Certified Public Accountants, Bank Auditing Committee, May 13, 2014). The external audit is not part of the accounting audit of the consolidated financial statements but was conducted by the external auditor as part of the internal risk management framework concerning the calculation of the consolidated BIS capital adequacy ratio under agreed-upon examination procedures, which we considered it necessary, and is a report of the results presented to us. It thus does not represent an opinion by the external auditor regarding the consolidated BIS capital adequacy ratio itself or parts of internal risk management framework which concern the ratio.

Fiscal Year 2012

Items		Millions of Yen, %		
			Amounts Excluded under Transitional Arrangements	Basel Ⅲ Template No.
Common Equity Tier 1 Capital: Instruments and Reserves				
Directly Issued Qualifying Common Share Capital Plus Related Capital Surplus and Retained Earnings		¥ 1,582,746		1a+2–1c–26
of Which: Capital Stock and Capital Surplus		905,582		1a
of Which: Retained Earnings		790,139		2
of Which: Treasury Stock (Deduction)		93,164		1c
of Which: Earnings to be Distributed (Deduction)		19,810		26
of Which: Others		—		
Subscription Rights to Common Shares		19		1b
Accumulated Other Comprehensive Income		—	¥ 134,482	3
Common Share Capital Issued by Subsidiaries and Held by Third Parties (Amount Allowed in Group Common Equity Tier 1)		1,861		5
Amount Allowed in Group Common Equity Tier 1 Subject to Transitional Arrangements		29,164		
of Which: Common Share Capital Issued by Subsidiaries and Held by Third Parties		29,164		
Common Equity Tier 1 Capital: Instruments and Reserves	(A)	1,613,792		6
Common Equity Tier 1 Capital: Regulatory Adjustments				
Intangible Assets Other than Mortgage Servicing Rights (Net of Related Deferred Tax Liabilities)		—	179,337	8+9
of Which: Goodwill (Including Those Equivalent)		—	113,649	8
of Which: Other Intangible Assets		—	65,688	9
Deferred Tax Assets That Rely on Future Profitability Excluding Those Arising from Temporary Differences (Net of Related Deferred Tax Liabilities)		—	23,768	10
Deferred Gains or Losses on Derivatives under Hedge Accounting		—	(3,542)	11
Shortfall of Eligible Provisions to Expected Losses		—	107,278	12
Securitization Gain on Sale		—	13,150	13
Gains and Losses Due to Changes in Own Credit Risk on Fair Valued Liabilities		—	—	14
Defined-Benefit Pension Fund Net Assets (Net of Related Deferred Tax Liabilities)		—	107,226	15
Investments in Own Shares (Excluding Those Reported in the Net Assets Section)		—	129	16
Reciprocal Cross-Holdings in Common Equity		—	—	17
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)		—	47,835	18
Amount above the 10% Threshold on the Specified Items		—	14,275	19+20+21
of Which: Significant Investments in the Common Stock of Banking, Financial and Insurance Entities That are Outside the Scope of Regulatory Consolidation, Net of Eligible Short Positions		—	—	19
of Which: Mortgage Servicing Rights		—	—	20
of Which: Deferred Tax Assets Arising from Temporary Differences (Net of Related Deferred Tax Liabilities)		—	14,275	21
Amount Exceeding the 15% Threshold on the Specified Items		—	—	22
of Which: Significant Investments in the Common Stock of Banking, Financial and Insurance Entities That are Outside the Scope of Regulatory Consolidation, Net of Eligible Short Positions		—	—	23
of Which: Mortgage Servicing Rights		—	—	24
of Which: Deferred Tax Assets Arising from Temporary Differences (Net of Related Deferred Tax Liabilities)		—	—	25
Regulatory Adjustments Applied to Common Equity Tier 1 Due to Insufficient Additional Tier 1 and Tier 2 to Cover Deductions		—		27
Common Equity Tier 1 Capital: Regulatory Adjustments	(B)	—		28
Common Equity Tier 1 Capital (CETI)				
Common Equity Tier 1 Capital	(C) = (A)–(B)	¥ 1,613,792		29

Items		Millions of Yen, %	Amounts Excluded under Transitional Arrangements	Basel Ⅲ Template No.
Additional Tier 1 Capital: Instruments				
Directly Issued Qualifying Additional Tier 1 Instruments Plus Related Capital Surplus of Which Classified as Equity under Applicable Accounting Standards		¥ —		31a
Subscription Rights to Additional Tier 1 Instruments		—		31b
Directly Issued Qualifying Additional Tier 1 Instruments Plus Related Capital Surplus of Which Classified as Liabilities under Applicable Accounting Standards		—		32
Qualifying Additional Tier 1 Instruments Issued by Special Purpose Vehicles		—		
Additional Tier 1 Instruments Issued by Subsidiaries and Held by Third Parties (Amount Allowed in Group Additional Tier 1)		13,526		34–35
Eligible Tier 1 Capital Instruments Subject to Phase out from Additional Tier 1 Capital		490,500		33+35
of Which: Directly Issued and Issued by Special Purpose Vehicles		238,500		33
of Which: Issued by Subsidiaries		252,000		35
Amount Allowed in Group Additional Tier 1 Subject to Transitional Arrangements		(4,427)		
of Which: Accumulated Other Comprehensive Income		(4,427)		
Additional Tier 1 Capital: Instruments	(D)	499,598		36
Additional Tier 1 Capital: Regulatory Adjustments				
Investments in Own Additional Tier 1 Instruments		—	¥ —	37
Reciprocal Cross-Holdings in Additional Tier 1 Instruments		—	—	38
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)		—	22,701	39
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		—	7,222	40
Regulatory Adjustments Applied to Additional Tier 1 Subject to Transitional Arrangements		179,356		
of Which: Tier 1 Subject to Pre-Basel Ⅲ Treatment		179,356		
Regulatory Adjustments Applied to Additional Tier 1 Due to Insufficient Tier 2 to Cover Deductions		—		42
Additional Tier 1 Capital: Regulatory Adjustments	(E)	179,356		43
Additional Tier 1 Capital (ATI)				
Additional Tier 1 Capital	(F)=(D)–(E)	320,242		44
Tier 1 Capital (TI = CETI + ATI)				
Tier 1 Capital	(G) =(C)+(F)	1,934,034		45
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		—		46
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		—		
Qualifying Tier 2 Instruments Issued by Special Purpose Vehicles		—		
Tier 2 Instruments Issued by Subsidiaries and Held by Third Parties (Amount Allowed in Group Tier 2)		2,660		48–49
Eligible Tier 2 Capital Instruments Subject to Phase out from Tier 2		772,118		47+49
of Which: Directly Issued and Issued by Special Purpose Vehicles		—		47
of Which: Issued by Subsidiaries		772,118		49
Provisions Allowed in Group Tier 2		10,663		50
of Which: General Allowance for Credit Losses		10,663		50a
of Which: Excess Amount of Eligible Provisions to Expected Losses		—		50b
Amount Allowed in Group Tier 2 Subject to Transitional Arrangements		99,886		
of Which: Accumulated Other Comprehensive Income		99,886		
Tier 2 Capital: Instruments and Provisions	(H)	¥ 885,329		51

Items		Millions of Yen, %		
			Amounts Excluded under Transitional Arrangements	Basel Ⅲ Template No.
Tier 2 Capital: Regulatory Adjustments				
Investments in Own Tier 2 Instruments		¥ —	¥ —	52
Reciprocal Cross-Holdings in Tier 2 Instruments		—	—	53
Investments in the Tier 2 Instruments of Banking, Financial and Insurance Entities That are Outside the Scope of Regulatory Consolidation, Net of Eligible Short Positions, Where the Bank Does not Own More than 10% of the Issued Common Share Capital of the Entity (Amount above 10% Threshold)		—	113,257	54
Significant Investments in the Tier 2 Instruments of Banking, Financial and Insurance Entities That are Outside of the Scope of Regulatory Consolidation, Net of Eligible Short Positions		—	5,450	55
Regulatory Adjustments Applied to Tier 2 Subject to Transitional Arrangements		80,788		
of Which: Tier 2 and Deductions Subject to Pre-Basel Ⅲ Treatment		80,788		
Tier 2 Capital: Regulatory Adjustments	(I)	80,788		57
Tier 2 Capital (TII)				
Tier 2 Capital	(J)=(H)–(I)	804,540		58
Total Capital (TC = T1 + TII)				
Total Capital	(K)=(G)+(J)	2,738,574		59
Total Risk Weighted Assets				
Risk Weighted Assets Subject to Transitional Arrangements		474,476		
of Which: Amount not Included in Tier 1 or Tier 2 or Deductions Subject to Pre-Basel Ⅲ Treatment		474,476		
Total Risk Weighted Assets	(L)	19,421,569		60
Capital Ratios (Consolidated)				
Common Equity Tier 1 Capital Ratio (C)/(L)		8.30%		61
Tier 1 Capital Ratio (G)/(L)		9.95%		62
Total Capital Ratio (K)/(L)		14.10%		63
Regulatory Adjustments (before Risk Weighting)				
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)		129,177		72
Significant Investments in the Common Stock of Banking, Financial and Insurance Entities (Amount below the Thresholds for Deduction)		37,044		73
Mortgage Servicing Rights (Amount below the Thresholds for Deduction)		—		74
Deferred Tax Assets Arising from Temporary Differences (Amount below the Thresholds for Deduction)		124,394		75
Provisions Included in Tier 2 Capital: Instruments and Provisions				
Provisions Eligible for Inclusion in Tier 2 in Respect of Exposures Subject to Standardized Approach (Prior to Applicable of Cap)		10,663		76
Cap on Inclusion of Provisions in Tier 2 under Standardized Approach		15,673		77
Provisions Eligible for Inclusion in Tier 2 in Respect of Exposures Subject to Internal Ratings-Based Approach (Prior to Applicable of Cap)		—		78
Cap on Inclusion of Provisions in Tier 2 under Internal Ratings-Based Approach		93,950		79
Capital Instruments Subject to Phase out Arrangements				
Current Cap on Additional Tier 1 Instruments Subject to Phase out Arrangements		490,500		82
Amount Excluded from Additional Tier 1 Due to Cap (Excess over Cap after Redemptions and Maturities)		54,500		83
Current Cap on Tier 2 Instruments Subject to Phase out Arrangements		772,118		84
Amount Excluded from Tier 2 Due to Cap (Excess over Cap after Redemptions and Maturities)		¥ 85,790		85

Note: SMTH received an external audit by KPMG AZSA LLC of the calculation of the consolidated BIS capital adequacy ratio as of March 31, 2013 in line with "Agreed Upon Methods for the Implementation of Capital Adequacy Ratio Audits" (Pronouncement 30 of the Japanese Institute of Certified Public Accountants, Bank Auditing Committee, March 21, 2013). The external audit is not part of the accounting audit of the consolidated financial statements but was conducted by the external auditor as part of the internal risk management framework concerning the calculation of the consolidated BIS capital adequacy ratio under agreed-upon examination procedures, which we considered it necessary, and is a report of the results presented to us. It thus does not represent an opinion by the external auditor regarding the consolidated BIS capital adequacy ratio itself or parts of internal risk management framework which concern the ratio.

Outline and Details of Agreements Concerning Capital Funding Instruments Consolidated

Outline and Details of Agreements Concerning Capital Funding Instruments are available on our website (http://smth.jp/ir/basel/index.html).

Explanation on Reconciliation between Balance Sheet Items and Regulatory Capital Elements Consolidated

Fiscal Year 2013

Items	Consolidated Balance Sheet (*) Amount (Millions of Yen)	Ref. No. of Appendix	Basel Ⅲ Template No. under the Composition of Capital Disclosure
(Assets)			
Cash and Due from Banks	¥ 6,916,949		
Call Loans and Bills Bought	651,552		
Receivables under Resale Agreements	88,069		
Receivables under Securities Borrowing Transactions	289,377		
Monetary Claims Bought	936,435		
Trading Assets	537,029		
Money Held in Trust	13,344	6–a	
Securities	5,764,450	2–b, 6–b	
Loans and Bills Discounted	23,824,035	6–c	
Foreign Exchanges	12,114		
Lease Receivables and Investment Assets	540,204		
Other Assets	1,333,355	6–d	
Tangible Fixed Assets	229,583		
Buildings	74,202		
Land	127,735		
Lease Assets	1,601		
Construction in Progress	1,219		
Other	24,823		
Intangible Fixed Assets	210,536	2–a	
Software	110,362		
Goodwill	92,670		
Lease Assets	94		
Other	7,409		
Assets for Retirement Benefits	150,153	3	
Deferred Tax Assets	17,128	4–a	
Customers' Liabilities for Acceptances and Guarantees	485,384		
Allowance for Loan Losses	(110,289)		
Total Assets	¥ 41,889,413		

Items	Consolidated Balance Sheet (*) Amount (Millions of Yen)	Ref. No. of Appendix	Basel Ⅲ Template No. under the Composition of Capital Disclosure
(Liabilities)			
Deposits	¥ 24,123,328		
Negotiable Certificates of Deposit	5,100,179		
Call Money and Bills Sold	200,005		
Payables under Repurchase Agreements	1,291,641		
Trading Liabilities	214,104		
Borrowed Money	1,906,117		
Foreign Exchanges	124		
Short-term Bonds Payable	904,882		
Bonds Payable	1,057,772		
Borrowed Money from Trust Account	2,941,748		
Other Liabilities	1,139,718	6–e	
Provision for Bonuses	15,415		
Provision for Director's Bonuses	255		
Retirement Benefits Liabilities	11,311		
Provision for Reimbursement of Deposits	3,917		
Provision for Contingent Loss	8,800		
Deferred Tax Liabilities	39,705	4–b	
Deferred Tax Liabilities for Land Revaluation	3,954	4–c	
Acceptances and Guarantees	485,384		
Total Liabilities	39,448,370		
(Net Assets)			
Capital Stock	261,608	1–a	
Capital Surplus	754,267	1–b	
Retained Earnings	886,491	1–c	
Treasury Stock	(591)	1–d	
Total Shareholders' Equity	1,901,775		
Valuation Difference on Available-for-Sale Securities	229,637		
Deferred Gains or Losses on Hedges	(12,585)	5	
Revaluation Reserve for Land	(5,761)		
Foreign Currency Translation Adjustment	7,343		
Remeasurements of Retirement Benefits	(15,033)		
Total Accumulated Other Comprehensive Income	203,599		3
Subscription Rights to Shares	47		1b
Minority Interests	335,620	7	
Total Net Assets	2,441,043		
Total Liabilities and Net Assets	¥ 41,889,413		

(*) The regulatory scope of consolidation is the same as the accounting scope of consolidation.

(Appendix)

Note: Amounts in the "Composition of capital" are based on those before considering under transitional arrangements. Therefore, they include "Amounts excluded under transitional arrangements" disclosed in "Composition of capital disclosure" and exclude items for regulatory purpose under transitional arrangement from these tables.

1. Shareholders' equity

(1) Consolidated balance sheet

Consolidated Balance Sheet Items	Amount (Millions of Yen)	Remarks	Ref. No.
Capital Stock	¥ 261,608		1–a
Capital Surplus	754,267		1–b
Retained Earnings	886,491		1–c
Treasury Stock	(591)		1–d
Total Shareholders' Equity	¥ 1,901,775		

(2) Composition of capital

Items in the Composition of Capital Disclosure	Amount (Millions of Yen)	Remarks	Basel Ⅲ Template No.
Directly Issued Qualifying Common Share Capital Plus Related Capital Surplus and Retained Earnings	¥ 1,792,775	Shareholders' Equity Attributable to Common Shares (before Adjusting National Specific Regulatory Adjustments (Earnings to be Distributed))	
of Which: Capital Stock and Capital Surplus	906,875		1a
of Which: Retained Earnings	886,491		2
of Which: Treasury Stock (Deduction)	591		1c
of Which: Others	—		
Directly Issued Qualifying Additional Tier 1 Instruments Plus Related Capital Surplus of Which Classified as Equity under Applicable Accounting Standards	—	Shareholders' Equity Attributable to Preferred Shares with a Loss Absorbency at the Point of Non-Viability	31a

2. Intangible fixed assets

(1) Consolidated balance sheet

Consolidated Balance Sheet Items	Amount (Millions of Yen)	Remarks	Ref. No.
Intangible Fixed Assets	¥ 210,536		2–a
Securities	5,764,450		2–b
of Which: Goodwill Arising on the Application of the Equity Method	4,201		
Associated Deferred Tax Liabilities	41,216		

(2) Composition of capital

Items in the Composition of Capital Disclosure	Amount (Millions of Yen)	Remarks	Basel Ⅲ Template No.
Goodwill (Net of Related Deferred Tax Liabilities, Including Those Equivalent)	¥ 96,871		8
Other Intangible Assets (Net of Related Deferred Tax Liabilities)	76,649	Excluding Goodwill, Mortgage Servicing Rights (Software, etc.)	9
Mortgage Servicing Rights (Net of Related Deferred Tax Liabilities)	—		
Amount above the 10% Threshold on the Specified Items	—		20
Amount exceeding the 15% Threshold on the Specified Items	—		24
Amount below the Thresholds for Deduction (before Risk Weighting)	—		74

3. Assets for Retirement Benefits

(1) Consolidated balance sheet

Consolidated Balance Sheet Items	Amount (Millions of Yen)	Remarks	Ref. No.
Assets for Retirement Benefits	¥ 150,153		3
Associated Deferred Tax Liabilities	53,515		

(2) Composition of capital

Items in the Composition of Capital Disclosure	Amount (Millions of Yen)	Remarks	Basel Ⅲ Template No.
Assets for Retirement Benefits	¥ 96,637		15

4. Deferred tax assets

(1) Consolidated balance sheet

Consolidated Balance Sheet Items	Amount (Millions of Yen)	Remarks	Ref. No.
Deferred Tax Assets	¥ 17,128		4–a
Deferred Tax Liabilities	39,705		4–b
Deferred Tax Liabilities for Land Revaluation	3,954		4–c
Associated Intangible Fixed Assets	41,216		
Associated Assets for Retirement Benefits	53,515		

(2) Composition of capital

Items in the Composition of Capital Disclosure	Amount (Millions of Yen)	Remarks	Basel Ⅲ Template No.
Deferred Tax Assets That Rely on Future Profitability excluding Those Arising from Temporary Differences (Net of Related Deferred Tax Liabilities)	¥ 3,639	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)	64,585	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)	64,585		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	¥ (12,585)		5

(2) Composition of capital

Items in the Composition of Capital Disclosure	Amount (Millions of Yen)	Remarks	Basel Ⅲ Template No.
Deferred Gains or Losses on Derivatives under Hedge Accounting	¥ (7,710)	Excluding those items whose valuation differences arising from hedged items are recognized as "Accumulated other comprehensive income"	11

6. Investments in the capital of financial entities

(1) Consolidated balance sheet

Consolidated Balance Sheet Items	Amount (Millions of Yen)	Remarks	Ref. No.
Money Held in Trust	¥ 13,344		6–a
Securities	5,764,450		6–b
Loans and Bills Discounted	23,824,035	Including subordinated loans	6–c
Other Assets	1,333,355	Including derivatives	6–d
Other Liabilities	¥ 1,139,718	Including derivatives	6–e

(2) Composition of capital

Items in the Composition of Capital Disclosure	Amount (Millions of Yen)	Remarks	Basel Ⅲ Template No.
Investments in Own Capital Instruments	¥ 63		
Common Equity Tier 1 Capital	63		16
Additional Tier 1 Capital	—		37
Tier 2 Capital	—		52
Reciprocal Cross-Holdings in Capital Instruments	—		
Common Equity Tier 1 Capital	—		17
Additional Tier 1 Capital	—		38
Tier 2 Capital	—		53
Investments in the Instruments of Banking, Financial and Insurance Entities That are Outside the Scope of Regulatory Consolidation, Where the Bank Does not Own More than10% of the Issued Share Capital	274,066		
Common Equity Tier 1 Capital	32,232		18
Additional Tier 1 Capital	15,880		39
Tier 2 Capital	65,544		54
Amount below the Thresholds for Deduction (before Risk Weighting)	160,409		72
Significant Investments in the Common Stock of Banking, Financial and Insurance Entities That are Outside the Scope of Regulatory Consolidation, Net of Eligible Short Positions	49,123		
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	5,700		55
Amount below the Thresholds for Deduction (before Risk Weighting)	43,423		73

7. Minority interests

(1) Consolidated balance sheet

Consolidated Balance Sheet Items	Amount (Millions of Yen)	Remarks	Ref. No.
Minority Interests	¥ 335,620		7

(2) Composition of capital

Items in the Composition of Capital Disclosure	Amount (Millions of Yen)	Remarks	Basel Ⅲ Template No.
Common Share Capital Issued by Subsidiaries and Held by Third Parties (Amount Allowed in Group Common Equity Tier 1)	¥ 2,244		5
Qualifying Additional Tier 1 Instruments Issued by Special Purpose Vehicles	—		30–31ab–32
Additional Tier 1 Instruments Issued by Subsidiaries and Held by Third Parties (Amount Allowed in Group Additional Tier 1)	9,667		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)	2,738		48–49

Fiscal Year 2012

Items	Consolidated Balance Sheet (*) Amount (Millions of Yen)	Ref. No. of Appendix	Basel Ⅲ Template No. under the Composition of Capital Disclosure
(Assets)			
Cash and Due from Banks	¥ 3,902,377		
Call Loans and Bills Bought	514,228		
Receivables under Resale Agreements	91,911		
Receivables under Securities Borrowing Transactions	207,494		
Monetary Claims Bought	491,805		
Trading Assets	716,594		
Money Held in Trust	19,014	6–a	
Securities	6,346,001	2–b, 6–b	
Loans and Bills Discounted	22,391,660	6–c	
Foreign Exchanges	59,570		
Lease Receivables and Investment Assets	553,532		
Other Assets	1,446,809	3, 6–d	
Tangible Fixed Assets	230,595		
Buildings	74,233		
Land	128,878		
Lease Assets	927		
Construction in Progress	609		
Other	25,946		
Intangible Fixed Assets	205,775	2–a	
Software	88,355		
Goodwill	106,791		
Lease Assets	112		
Other	10,515		
Deferred Tax Assets	75,685	4–a	
Customers' Liabilities for Acceptances and Guarantees	583,945		
Allowance for Loan Losses	(132,970)		
Total Assets	¥ 37,704,031		

Items	Consolidated Balance Sheet (*) Amount (Millions of Yen)	Ref. No. of Appendix	Basel Ⅲ Template No. under the Composition of Capital Disclosure
(Liabilities)			
Deposits	¥ 23,023,897		
Negotiable Certificates of Deposit	4,103,517		
Call Money and Bills Sold	168,355		
Payables under Repurchase Agreements	605,742		
Trading Liabilities	233,133		
Borrowed Money	1,169,032		
Foreign Exchanges	106		
Short-term Bonds Payable	940,067		
Bonds Payable	986,363		
Borrowed Money from Trust Account	2,483,248		
Other Liabilities	1,023,319	6–e	
Provision for Bonuses	14,631		
Provision for Director's Bonuses	187		
Provision for Retirement Benefits	16,132		
Provision for Reimbursement of Deposits	6,207		
Provision for Contingent Loss	9,720		
Deferred Tax Liabilities	1,825	4–b	
Deferred Tax Liabilities for Land Revaluation	4,122	4–c	
Acceptances and Guarantees	583,945		
Total Liabilities	35,373,557		
(Net Assets)			
Capital Stock	261,608	1–a	
Capital Surplus	752,973	1–b	
Retained Earnings	790,139	1–c	
Treasury Stock	(93,164)	1–d	
Total Shareholders' Equity	1,711,556		
Valuation Difference on Available-for-Sale Securities	161,522		
Deferred Gains or Losses on Hedges	(17,154)	5	
Revaluation Reserve for Land	(5,457)		
Foreign Currency Translation Adjustment	(4,427)		
Total Accumulated Other Comprehensive Income	134,482		3
Subscription Rights to Shares	19		1b
Minority Interests	484,415	7	
Total Net Assets	2,330,474		
Total Liabilities and Net Assets	¥ 37,704,031		

(*) The regulatory scope of consolidation is the same as the accounting scope of consolidation.

(Appendix)

Note: Amounts in the "Composition of capital" are based on those before considering under transitional arrangements. Therefore, they include "Amounts excluded under transitional arrangements" disclosed in "Composition of capital disclosure" and exclude items for regulatory purpose under transitional arrangement from these tables.

1. Shareholders' equity

(1) Consolidated balance sheet

Consolidated Balance Sheet Items	Amount (Millions of Yen)	Remarks	Ref. No.
Capital Stock	¥ 261,608		1–a
Capital Surplus	752,973		1–b
Retained Earnings	790,139		1–c
Treasury Stock	(93,164)		1–d
Total Shareholders' Equity	¥ 1,711,556		

(2) Composition of capital

Items in the Composition of Capital Disclosure	Amount (Millions of Yen)	Remarks	Basel Ⅲ Template No.
Directly Issued Qualifying Common Share Capital Plus Related Capital Surplus and Retained Earnings	¥ 1,602,556	Shareholders' Equity Attributable to Common Shares (before Adjusting National Specific Regulatory Adjustments (Earnings to be Distributed))	
of Which: Capital Stock and Capital Surplus	905,582		1a
of Which: Retained Earnings	790,139		2
of Which: Treasury Stock (Deduction)	93,164		1c
of Which: Others	—		
Directly Issued Qualifying Additional Tier 1 Instruments Plus Related Capital Surplus of Which Classified as Equity under Applicable Accounting Standards	—	Shareholders' Equity Attributable to Preferred Shares with a Loss Absorbency at the Point of Non-Viability	31a

2. Intangible fixed assets

(1) Consolidated balance sheet

Consolidated Balance Sheet Items	Amount (Millions of Yen)	Remarks	Ref. No.
Intangible Fixed Assets	¥ 205,775		2–a
Securities	6,346,001		2–b
of Which: Goodwill Arising on the Application of the Equity Method	6,857		
Associated Deferred Tax Liabilities	33,295		

(2) Composition of capital

Items in the Composition of Capital Disclosure	Amount (Millions of Yen)	Remarks	Basel Ⅲ Template No.
Goodwill (Net of Related Deferred Tax Liabilities, Including Those Equivalent)	¥ 113,649		8
Other Intangible Assets (Net of Related Deferred Tax Liabilities)	65,688	Excluding Goodwill, Mortgage Servicing Rights (Software, etc.)	9
Mortgage Servicing Rights (Net of Related Deferred Tax Liabilities)	—		
Amount above the 10% Threshold on the Specified Items	—		20
Amount exceeding the 15% Threshold on the Specified Items	—		24
Amount below the Thresholds for Deduction (before Risk Weighting)	—		74

3. Defined-benefit pension fund net assets (prepaid pension cost)

(1) Consolidated balance sheet

Consolidated Balance Sheet Items	Amount (Millions of Yen)	Remarks	Ref. No.
Other Assets	¥ 1,446,809		3
of Which: Prepaid Pension Cost	166,606		
Associated Deferred Tax Liabilities	59,379		

(2) Composition of capital

Items in the Composition of Capital Disclosure	Amount (Millions of Yen)	Remarks	Basel Ⅲ Template No.
Defined-Benefit Pension Fund Net Assets (Net of Related Deferred Tax Liabilities)	¥ 107,226		15

4. Deferred tax assets

(1) Consolidated balance sheet

Consolidated Balance Sheet Items	Amount (Millions of Yen)	Remarks	Ref. No.
Deferred Tax Assets	¥ 75,685		4–a
Deferred Tax Liabilities	1,825		4–b
Deferred Tax Liabilities for Land Revaluation	4,122		4–c
Associated Intangible Fixed Assets	33,295		
Associated Prepaid Pension Cost	59,379		

(2) Composition of capital

Items in the Composition of Capital Disclosure	Amount (Millions of Yen)	Remarks	Basel Ⅲ Template No.
Deferred Tax Assets That Rely on Future Profitability excluding Those Arising from Temporary Differences (Net of Related Deferred Tax Liabilities)	¥ 23,768	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)	138,670	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	14,275		21
Amount exceeding the 15% Threshold on the Specified Items	—		25
Amount below the Thresholds for Deduction (before Risk Weighting)	124,394		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	¥ (17,154)		5

(2) Composition of capital

Items in the Composition of Capital Disclosure	Amount (Millions of Yen)	Remarks	Basel Ⅲ Template No.
Deferred Gains or Losses on Derivatives under Hedge Accounting	¥ (3,542)	Excluding those items whose valuation differences arising from hedged items are recognized as "Accumulated other comprehensive income"	11

6. Investments in the capital of financial entities

(1) Consolidated balance sheet

Consolidated Balance Sheet Items	Amount (Millions of Yen)	Remarks	Ref. No.
Money Held in Trust	¥ 19,014		6–a
Securities	6,346,001		6–b
Loans and Bills Discounted	22,391,660	Including subordinated loans	6–c
Other Assets	1,446,809	Including derivatives	6–d
Other Liabilities	¥ 1,023,319	Including derivatives	6–e

(2) Composition of capital

Items in the Composition of Capital Disclosure	Amount (Millions of Yen)	Remarks	Basel Ⅲ Template No.
Investments in Own Capital Instruments	¥ 129		
Common Equity Tier 1 Capital	129		16
Additional Tier 1 Capital	—		37
Tier 2 Capital	—		52
Reciprocal Cross-Holdings in Capital Instruments	—		
Common Equity Tier 1 Capital	—		17
Additional Tier 1 Capital	—		38
Tier 2 Capital	—		53
Investments in the Instruments of Banking, Financial and Insurance Entities That are Outside the Scope of Regulatory Consolidation, Where the Bank Does not Own More than10% of the Issued Share Capital	312,971		
Common Equity Tier 1 Capital	47,835		18
Additional Tier 1 Capital	22,701		39
Tier 2 Capital	113,257		54
Amount below the Thresholds for Deduction (before Risk Weighting)	129,177		72
Significant Investments in the Common Stock of Banking, Financial and Insurance Entities That are Outside the Scope of Regulatory Consolidation, Net of Eligible Short Positions	49,716		
Amount above the 10% Threshold on the Specified Items	—		19
Amount exceeding the 15% Threshold on the Specified Items	—		23
Additional Tier 1 Capital	7,222		40
Tier 2 Capital	5,450		55
Amount below the Thresholds for Deduction (before Risk Weighting)	37,044		73

7. Minority interests

(1) Consolidated balance sheet

Consolidated Balance Sheet Items	Amount (Millions of Yen)	Remarks	Ref. No.
Minority Interests	¥ 484,415		7

(2) Composition of capital

Items in the Composition of Capital Disclosure	Amount (Millions of Yen)	Remarks	Basel Ⅲ Template No.
Common Share Capital Issued by Subsidiaries and Held by Third Parties (Amount Allowed in Group Common Equity Tier 1)	¥ 1,861		5
Qualifying Additional Tier 1 Instruments Issued by Special Purpose Vehicles	—		30–31ab–32
Additional Tier 1 Instruments Issued by Subsidiaries and Held by Third Parties (Amount Allowed in Group Additional Tier 1)	13,526		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)	2,660		48–49

Capital Adequacy

Consolidated

Amounts of Required Capital

(1) Amounts of required capital against credit risk (excluding equity exposures to which the IRB Approach is applied and exposures held in funds)

As of March 31	Millions of Yen 2014	2013
Portfolios to Which the Standardized Approach is Applied	¥ **47,219**	¥ 110,517
Exposures to Business Units Set for Phased Roll-out Application	**—**	71,299
Exposures Excluded from Application	**47,219**	39,217
Portfolios to Which the IRB Approach is Applied and Breakdown by Portfolio	**1,315,021**	1,237,144
Corporate Exposures	**951,959**	934,276
Sovereign Exposures	**21,416**	16,729
Financial Institution Exposures	**47,909**	47,773
Residential Mortgage Exposures	**109,580**	93,006
Qualifying Revolving Retail Exposures	**2,673**	1,050
Other Retail Exposures	**28,464**	19,673
Other Exposures*1	**153,017**	124,634
Securitization Exposures	**16,933**	29,891

*1. Other exposures refer to the exposures below.
Purchased receivables, unsettled transactions, lease transactions, CVA risk, central counterparty-related, equities, etc., with 250% risk-weight applied and other assets
*2. The calculation method of the amounts of required capital ratio against credit risk is as follows:
Portfolios to which the Standardized Approach is applied: amount of credit risk-weighted assets x 8%
Portfolios to which the IRB Approach is applied: (amount of credit risk-weighted assets x 1.06) x 8% + expected loss amount
Securitization exposures: (amount of credit risk-weighted assets x 1.06) x 8% + expected loss amount
*3. As of September 30, 2013, Sumitomo Mitsui Trust Loan & Finance Co., Ltd. (Finance Operation Division) and Sumitomo Mitsui Trust Panasonic Finance Group have switched from the Standardized Approach to the IRB Approach.

(2) Amounts of required capital against credit risk concerning equity exposures to which the IRB Approach is applied

	Millions of Yen	
As of March 31	2014	2013
Equity Exposures	¥ 141,740	¥ 140,861
PD/LGD Approach	38,611	41,234
Simple Risk-Weight Method of the Market-based Approach	21,575	21,007
Internal Model Method of the Market-based Approach	—	—
Transitional Measures*1	81,553	78,618

*1. The amount of credit risk-weighted assets is calculated with a risk-weight of 100%, pursuant to the Notification, Supplementary Rules Article 13.
*2. The calculation method of the amounts of required capital against credit risk concerning equity exposures to which the IRB Approach is applied is as follows
Those applicable to the PD/LGD approach: (amount of credit risk-weighted assets x 1.06) x 8% + expected loss amount
Those applicable to the simple risk-weight method of the market-based approach: (amount of credit risk-weighted assets x 1.06) x 8%
Those applicable to the transitional measures: (amount of credit risk-weighted assets x 1.06) x 8%

(3) Amounts of required capital against credit risk concerning exposures held in funds

	Millions of Yen	
As of March 31	2014	2013
Exposures Held in Funds*	¥ 120,657	¥ 143,392

* (Amount of credit risk-weighted assets x 1.06) x 8% + expected loss amount

(4) Amounts of required capital against market risk

	Millions of Yen	
As of March 31	2014	2013
Market Risk	¥ 29,569	¥ 42,264
Amounts of Required Capital by Category under the Standardized Approach	1,325	1,573
Interest Rate Risk	630	938
Equity Position Risk	—	—
Foreign Exchange Risk	694	635
Commodities Risk	—	—
Options Transactions	—	—
Internal Model Approach	28,244	40,690

(5) Amounts of required capital against operational risk

	Millions of Yen	
As of March 31	2014	2013
Operational Risk	¥ 65,666	¥ 94,155
Advanced Measurement Approach	59,411	—
Standardized Approach	1,294	94,155
Basic Indicator Approach	4,961	—

Note: Operational risk amounts are calculated based on the advanced measurement approach (some companies use the basic indicator approach or the standardized approach) starting from March 31, 2014 in the place of the standardized approach used previously.

(6) Consolidated total required capital

	Millions of Yen	
As of March 31	2014	2013
Consolidated Total Required Capital*	¥ 1,510,763	¥ 1,553,725

* (Total amount of credit risk-weighted assets + market risk equivalents/8% + operational risk equivalents/8%) x 8%

Credit Risk

Consolidated

Balance of Exposures Related to Credit Risk and Breakdown by Primary Types

	Millions of Yen					
	2014					
	Credit Risk Exposures					Exposures Three Months or Longer Overdue or Exposures in Default
As of March 31		Loans, Call Loans, Deposits, etc.	Securities	Derivative Transactions	Other Off-balance Sheet Transactions	
Japan	¥ 33,145,782	¥ 26,914,962	¥ 3,602,043	¥ 266,666	¥ 2,362,110	¥ 273,423
Outside Japan	5,280,102	3,150,287	1,556,460	314,906	258,449	39,171
Total for Regions	¥ 38,425,885	¥ 30,065,249	¥ 5,158,503	¥ 581,572	¥ 2,620,559	¥ 312,595
Manufacturing	4,400,248	2,771,647	729,083	20,653	878,864	63,015
Agriculture and Forestry	3,030	2,634	328	66	—	—
Fisheries	97	4	92	—	—	—
Mining and Quarrying of Stones and Gravel	13,244	11,855	216	—	1,172	—
Construction	287,770	165,744	66,505	535	54,985	5,380
Electricity, Gas, Heat Supply and Water	975,381	867,733	37,658	2,079	67,909	69
Information and Communication	453,351	404,453	12,198	940	35,759	746
Transport and Postal Activities	1,449,425	1,152,225	203,134	13,163	80,901	1,150
Wholesale and Retail Trade	1,892,754	1,423,756	178,408	5,379	285,209	2,534
Finance and Insurance	2,630,254	2,044,486	293,709	199,949	92,108	69,182
Real Estate	3,076,729	2,528,533	241,627	11,476	295,092	41,165
Goods Rental and Leasing	664,074	585,739	15,903	817	61,613	279
Local Public Bodies	100,338	72,060	15,665	—	12,611	—
Individuals	7,835,027	7,651,744	—	—	183,282	61,556
Others	14,644,157	10,382,628	3,363,970	326,511	571,047	67,514
Total for Industry Sectors	¥ 38,425,885	¥ 30,065,249	¥ 5,158,503	¥ 581,572	¥ 2,620,559	¥ 312,595
One Year or Less	9,112,631	6,617,498	1,543,587	70,905	880,639	
Over One Year to Three Years	5,535,111	4,060,136	578,183	115,716	781,074	
Over Three Years to Five Years	9,391,605	8,458,421	443,145	140,528	349,510	
Over Five Years	14,386,537	10,929,192	2,593,587	254,422	609,335	
Total for All Durations	¥ 38,425,885	¥ 30,065,249	¥ 5,158,503	¥ 581,572	¥ 2,620,559	
Average Balance during the Period	¥ 36,266,864	¥ 27,824,955	¥ 5,246,998	¥ 625,265	¥ 2,569,645	

Notes: 1. Of exposures subject to the calculation of credit risk-weighted assets, the above lists corporate, retail, equities, etc., purchased receivables as well as lease transactions application exposures.
2. "Others" in the industry sectors include non-residents and state public services. Exposures for durations of over five years include those with no fixed maturities.
3. "Average Balance during the Period" is the average of the balance as of March 31, 2013, September 30, 2013 and March 31, 2014.
4. The above data represents amounts after credit risk mitigation effects of netting contracts allowed under the law and netting against the obligor's cash on deposit.

As of March 31	Millions of Yen					
	2013					
	Credit Risk Exposures					Exposures Three Months or Longer Overdue or Exposures in Default
		Loans, Call Loans, Deposits, etc.	Securities	Derivative Transactions	Other Off-balance Sheet Transactions	
Japan	¥ 30,906,112	¥ 23,736,808	¥ 4,445,251	¥ 255,379	¥ 2,468,671	¥ 352,800
Outside Japan	3,924,717	2,252,183	1,065,270	412,226	195,036	7,100
Total for Regions	¥ 34,830,829	¥ 25,988,992	¥ 5,510,522	¥ 667,606	¥ 2,663,708	¥ 359,900
Manufacturing	4,434,435	2,796,055	650,070	32,375	955,934	73,302
Agriculture and Forestry	3,806	3,178	617	9	—	—
Fisheries	66	0	65	—	—	—
Mining and Quarrying of Stones and Gravel	13,821	12,319	996	—	505	61
Construction	299,053	159,270	71,809	923	67,050	6,682
Electricity, Gas, Heat Supply and Water	922,880	837,737	30,918	2,298	51,925	112
Information and Communication	376,279	300,961	13,974	1,151	60,191	4,754
Transport and Postal Activities	1,564,445	1,233,098	243,566	14,731	73,049	1,195
Wholesale and Retail Trade	1,982,360	1,369,213	226,935	4,939	381,272	4,023
Finance and Insurance	2,745,186	2,179,875	268,835	182,938	113,536	117,034
Real Estate	3,071,986	2,558,217	227,534	11,314	274,918	57,186
Goods Rental and Leasing	656,467	574,185	13,991	1,004	67,286	—
Local Public Bodies	111,231	75,773	20,925	—	14,533	—
Individuals	6,909,962	6,771,537	—	—	138,425	56,108
Others	11,738,845	7,117,566	3,740,280	415,919	465,079	39,437
Total for Industry Sectors	¥ 34,830,829	¥ 25,988,992	¥ 5,510,522	¥ 667,606	¥ 2,663,708	¥ 359,900
One Year or Less	8,944,593	5,690,281	2,146,905	108,983	998,423	
Over One Year to Three Years	5,886,316	4,030,909	955,762	93,294	806,350	
Over Three Years to Five Years	6,945,893	6,014,832	451,975	130,926	348,159	
Over Five Years	13,054,025	10,252,969	1,955,879	334,401	510,774	
Total for All Durations	¥ 34,830,829	¥ 25,988,992	¥ 5,510,522	¥ 667,606	¥ 2,663,708	
Average Balance during the Period	¥ 33,572,861	¥ 24,415,751	¥ 5,749,780	¥ 725,816	¥ 2,681,512	

Notes: 1. Of exposures subject to the calculation of credit risk-weighted assets, the above lists corporate, retail, equities, etc., purchased receivables and phased roll-out application exposures.
2. "Others" in the industry sectors include non-residents and state public services. Exposures for durations of over five years include those with no fixed maturities.
3. "Average Balance during the Period" is the average of the balance as of March 31, 2012, September 30, 2012 and March 31, 2013.
4. The above data represents amounts after credit risk mitigation effects of netting contracts allowed under the law and netting against the obligor's cash on deposit.

Balance and Changes of General Allowance for Loan Losses, Specific Allowance for Loan Losses, and Allowance for Loan Losses from Specified Foreign Country Borrowers

(1) General allowance for loan losses

As of March 31	Millions of Yen		
	2014	2013	Change
	Balance	Balance	
General Allowance for Loan Losses	**¥ 73,209**	¥ 72,892	¥ 316

(2) Specific allowance for loan losses (breakdown by region, industry sector)

As of March 31	Millions of Yen		
	2014	2013	Change
	Balance	Balance	
Japan	¥ 32,874	¥ 56,204	¥ (23,330)
Outside Japan	4,206	3,873	333
Total for Regions	¥ 37,080	¥ 60,077	¥ (22,997)
Manufacturing	2,548	10,643	(8,094)
Agriculture and Forestry	1	5	(4)
Fisheries	1	—	1
Mining and Quarrying of Stones and Gravel	1	—	1
Construction	301	752	(450)
Electricity, Gas, Heat Supply and Water	4	6	(1)
Information and Communication	30	817	(787)
Transport and Postal Activities	3,412	2,344	1,067
Wholesale and Retail Trade	934	1,167	(233)
Finance and Insurance	325	4,152	(3,826)
Real Estate	1,378	5,082	(3,704)
Goods Rental and Leasing	14	24	(9)
Local Public Bodies	—	—	—
Individuals	6,387	7,747	(1,360)
Others	21,737	27,332	(5,595)
Total for Industry Sectors	¥ 37,080	¥ 60,077	¥ (22,997)

Note: "Others" in the industry sectors include non-residents and state public services.

(3) Allowance for loan losses from specified foreign country borrowers

Not applicable as of the end of March 2014, and the end of March 2013.

Amounts of Written-off Loans by Industry Sector

Years Ended March 31	Millions of Yen	
	2014	2013
Manufacturing	¥ 93	¥ 184
Agriculture and Forestry	1	2
Fisheries	—	3
Mining and Quarrying of Stones and Gravel	—	0
Construction	57	102
Electricity, Gas, Heat Supply and Water	2	1
Information and Communication	3	43
Transport and Postal Activities	23	175
Wholesale and Retail Trade	71	674
Finance and Insurance	1	3
Real Estate	35	58
Goods Rental and Leasing	—	5
Local Public Bodies	—	2
Individuals	1,068	1,207
Others	319	740
Total for Industry Sectors	¥ 1,680	¥ 3,205

Note: "Others" in the industry sectors include non-residents and state public services.

Balance of Exposures to which the Standardized Approach is Applied by Risk-Weight Category

	Millions of Yen			
	2014		2013	
As of March 31		Subject to Rating		Subject to Rating
Balance of Exposures to which the Standardized Approach is Applied after Allowing for the Credit Risk Mitigation Effect by Risk-Weight Category	**¥ 2,573,502**	**¥ 636**	¥ 2,990,559	¥ 90,214
0%	**1,489,272**	**—**	1,252,217	—
10%	**72**	**—**	9,717	—
20%	**616,938**	**631**	382,588	5,031
35%	**—**	**—**	—	—
50%	**1,042**	**4**	62,822	55,502
75%	**—**	**—**	—	—
100%	**466,014**	**—**	1,281,142	29,427
150%	**161**	**—**	2,070	252
Amounts of exposures with 1,250% risk-weight applied	**—**		—	

Exposures to which the IRB Approach is Applied

		Millions of Yen	
As of March 31		2014	2013
Specialized Lending under the Slotting Criteria		**¥ 2,150,264**	¥ 1,960,959
High-Volatility Commercial Real Estate Exposures		**110,725**	208,755
Maturities of 2.5 Years or Longer		**84,621**	132,333
Strong	95%	**14,210**	22,409
Good	120%	**42,849**	76,150
Satisfactory	140%	**27,562**	26,464
Weak	250%	**—**	0
Default	0%	**—**	7,308
Maturities of Less than 2.5 Years		**26,103**	76,422
Strong	70%	**—**	—
Good	95%	**18,033**	15,403
Satisfactory	140%	**788**	57,135
Weak	250%	**—**	3,882
Default	0%	**7,281**	—
Other Exposures		**¥ 2,039,538**	¥ 1,752,203
Maturities of 2.5 Years or Longer		**1,756,418**	1,523,190
Strong	70%	**750,552**	574,846
Good	90%	**722,072**	641,225
Satisfactory	115%	**227,782**	229,269
Weak	250%	**44,412**	58,727
Default	0%	**11,599**	19,121
Maturities of Less than 2.5 Years		**283,120**	229,012
Strong	50%	**93,265**	45,999
Good	70%	**88,229**	129,885
Satisfactory	115%	**89,792**	52,051
Weak	250%	**11,624**	860
Default	0%	**207**	215
Equity Exposures to which the Simple Risk-Weight Method of the Market-based Approach is Applied		**¥ 74,330**	¥ 67,144
300%		**42,890**	20,845
400%		**31,439**	46,298

Portfolios to which the IRB Approach is Applied

(1) Corporate exposures

As of March 31	Millions of Yen 2014 Weighted Average of PD Value	Weighted Average of LGD Value	Risk-Weight Weighted Average	EAD Value On-balance Sheet Asset Items	EAD Value Off-balance Sheet Asset Items
Ordinary Assets (Seijo-Saki)	**0.36%**	**44.65%**	**49.89%**	**¥ 11,855,361**	**¥ 2,079,794**
Assets to Special Mention Debtors (Yo-Chui-Saki) (Not Including Assets to Substandard Debtors)	**8.93%**	**43.10%**	**183.59%**	**386,593**	**17,848**
Substandard Debtors (Yo-Kanri-Saki) or Worse	**100.00%**	**43.40%**		**213,333**	**24,441**
Total	**2.23%**	**44.58%**	**52.79%**	**¥ 12,455,288**	**¥ 2,122,084**

As of March 31	Millions of Yen 2013 Weighted Average of PD Value	Weighted Average of LGD Value	Risk-Weight Weighted Average	EAD Value On-balance Sheet Asset Items	EAD Value Off-balance Sheet Asset Items
Ordinary Assets (Seijo-Saki)	0.32%	44.76%	46.95%	¥ 11,230,979	¥ 2,063,668
Assets to Special Mention Debtors (Yo-Chui-Saki) (Not Including Assets to Substandard Debtors)	8.44%	44.62%	184.98%	458,168	63,692
Substandard Debtors (Yo-Kanri-Saki) or Worse	100.00%	43.05%		273,859	23,213
Total	2.72%	44.72%	51.07%	¥ 11,963,007	¥ 2,150,575

(2) Sovereign exposures

As of March 31	Millions of Yen 2014 Weighted Average of PD Value	Weighted Average of LGD Value	Risk-Weight Weighted Average	EAD Value On-balance Sheet Asset Items	EAD Value Off-balance Sheet Asset Items
Ordinary Assets (Seijo-Saki)	**0.01%**	**44.92%**	**2.90%**	**¥ 8,996,138**	**¥ 76,376**
Assets to Special Mention Debtors (Yo-Chui-Saki) (Not Including Assets to Substandard Debtors)	**8.39%**	**45.00%**	**173.02%**	**120**	**—**
Substandard Debtors (Yo-Kanri-Saki) or Worse	**—**	**—**		**—**	**—**
Total	**0.01%**	**44.92%**	**2.90%**	**¥ 8,996,258**	**¥ 76,376**

As of March 31	Millions of Yen 2013 Weighted Average of PD Value	Weighted Average of LGD Value	Risk-Weight Weighted Average	EAD Value On-balance Sheet Asset Items	EAD Value Off-balance Sheet Asset Items
Ordinary Assets (Seijo-Saki)	0.02%	44.90%	3.05%	¥ 6,592,066	¥ 36,297
Assets to Special Mention Debtors (Yo-Chui-Saki) (Not Including Assets to Substandard Debtors)	8.39%	45.00%	173.02%	520	—
Substandard Debtors (Yo-Kanri-Saki) or Worse	—	—		—	—
Total	0.02%	44.90%	3.07%	¥ 6,592,587	¥ 36,297

(3) Financial Institution exposures

As of March 31	Millions of Yen				
	2014				
	Weighted Average of PD Value	Weighted Average of LGD Value	Risk-Weight Weighted Average	EAD Value	
				On-balance Sheet Asset Items	Off-balance Sheet Asset Items
Ordinary Assets (Seijo-Saki)	**0.10%**	**44.61%**	**26.72%**	**¥ 1,665,170**	**¥ 530,415**
Assets to Special Mention Debtors (Yo-Chui-Saki) (Not Including Assets to Substandard Debtors)	—	—	—	—	—
Substandard Debtors (Yo-Kanri-Saki) or Worse	—	—		—	—
Total	**0.10%**	**44.61%**	**26.72%**	**¥ 1,665,170**	**¥ 530,415**

As of March 31	Millions of Yen				
	2013				
	Weighted Average of PD Value	Weighted Average of LGD Value	Risk-Weight Weighted Average	EAD Value	
				On-balance Sheet Asset Items	Off-balance Sheet Asset Items
Ordinary Assets (Seijo-Saki)	0.08%	45.36%	26.95%	¥ 1,499,866	¥ 665,033
Assets to Special Mention Debtors (Yo-Chui-Saki) (Not Including Assets to Substandard Debtors)	8.39%	45.00%	173.02%	715	827
Substandard Debtors (Yo-Kanri-Saki) or Worse	—	—		—	—
Total	0.09%	45.36%	27.06%	¥ 1,500,582	¥ 665,861

(4) Equity exposures under the PD/LGD Approach

As of March 31	Millions of Yen		
	2014		
	Weighted Average of PD Value	Risk-Weight Weighted Average	Balance
Ordinary Assets (Seijo-Saki)	**0.24%**	**146.36%**	**¥ 328,728**
Assets to Special Mention Debtors (Yo-Chui-Saki) (Not Including Assets to Substandard Debtors)	**6.48%**	**487.80%**	**128**
Substandard Debtors (Yo-Kanri-Saki) or Worse	**100.00%**	**1,192.50%**	**74**
Total	**0.27%**	**146.73%**	**¥ 328,931**

Note: Risk-weight weighted averages include the amounts obtained by multiplying the expected loss amounts by 1,250% risk-weight.

As of March 31	Millions of Yen		
	2013		
	Weighted Average of PD Value	Risk-Weight Weighted Average	Balance
Ordinary Assets (Seijo-Saki)	0.28%	146.43%	¥ 348,813
Assets to Special Mention Debtors (Yo-Chui-Saki) (Not Including Assets to Substandard Debtors)	8.27%	541.53%	778
Substandard Debtors (Yo-Kanri-Saki) or Worse	100.00%	1,192.50%	74
Total	0.32%	147.53%	¥ 349,666

Note: Risk-weight weighted averages include the amounts obtained by multiplying the expected loss amounts by 1,250% risk-weight.

(5) Residential mortgage exposures, qualifying revolving retail exposures, and other retail exposures

As of March 31	Millions of Yen 2014 Weighted Average of PD Value	Weighted Average of LGD Value	Risk-Weight Weighted Average	EAD Value On-balance Sheet Asset Items	EAD Value Off-balance Sheet Asset Items	Undrawn Commitment	CCF
Residential Mortgage							
Current	0.22%	30.62%	12.54%	¥ 6,812,881	¥ 47,251	¥ 4,460	100.00%
Overdue	23.06%	31.41%	176.97%	77,514	134	32	100.00%
Default	100.00%	33.15%	50.39%	43,848	79	10	100.00%
Qualifying Revolving Retail							
Current	0.54%	74.61%	16.93%	27,383	77,240	938,217	8.23%
Overdue	30.55%	69.26%	193.13%	373	169	858	19.69%
Default	100.00%	77.97%	22.73%	421	274	3,565	7.69%
Other Retail (consumer)							
Current	0.82%	54.31%	45.49%	148,823	51,321	169,074	30.10%
Overdue	28.83%	37.72%	93.48%	1,160	118	191	32.37%
Default	100.00%	42.30%	53.72%	2,921	551	247	32.13%
Other Retail (commercial)							
Current	1.42%	34.17%	30.30%	304,474	5,213	2,701	100.00%
Overdue	32.87%	32.35%	80.27%	5,092	431	287	100.00%
Default	100.00%	43.91%	36.55%	17,167	367	44	100.00%
Total	1.41%	32.06%	16.23%	¥ 7,442,063	¥ 183,154	¥ 1,119,690	12.17%

As of March 31	Millions of Yen 2013 Weighted Average of PD Value	Weighted Average of LGD Value	Risk-Weight Weighted Average	EAD Value On-balance Sheet Asset Items	EAD Value Off-balance Sheet Asset Items	Undrawn Commitment	CCF
Residential Mortgage							
Current	0.21%	29.63%	11.75%	¥ 6,292,607	¥ 55,390	¥ 5,239	100.00%
Overdue	22.74%	30.23%	168.62%	55,707	103	9	100.00%
Default	100.00%	32.01%	53.09%	43,136	115	—	—
Qualifying Revolving Retail							
Current	0.69%	70.06%	17.38%	9,587	16,391	56,137	29.20%
Overdue	27.79%	69.87%	203.76%	236	74	255	29.22%
Default	100.00%	79.37%	28.76%	499	36	125	29.22%
Other Retail (consumer)							
Current	1.05%	47.36%	46.23%	104,675	61,645	200,104	30.53%
Overdue	28.03%	37.09%	93.09%	714	78	88	34.38%
Default	100.00%	41.00%	58.46%	3,217	615	265	34.05%
Other Retail (commercial)							
Current	0.64%	30.26%	23.47%	233,878	3,568	168	100.00%
Overdue	25.17%	31.00%	71.48%	3,115	144	—	—
Default	100.00%	42.57%	29.10%	11,056	360	23	100.00%
Total	1.30%	30.28%	14.63%	¥ 6,758,432	¥ 138,527	¥ 262,417	31.68%

Actual Credit Losses in the Current Period and Year-on-Year Change for Portfolios to which the IRB Approach is Applied

Years Ended March 31	Millions of Yen				
	2014		2013		Change in Actual Credit Losses
	Actual Credit Losses	Reversals	Actual Credit Losses	Reversals	
Corporate Exposures	**¥ (7,351)**	**¥ (14,838)**	¥ (2,417)	¥ (20,857)	¥ (4,933)
Sovereign Exposures	**(4)**	**(4)**	(10)	(10)	6
Financial Institution Exposures	**(23)**	**(23)**	(1)	(12)	(21)
Retail Exposures	**905**	**(1,749)**	1,244	(1,166)	(338)

Note: Of total credit costs, only those that can be identified as stemming from specified asset classes are shown in the table.

Factor Analysis

Actual credit losses in FY2013 decreased by ¥5.2 billion year on year.

This was mainly due to the posting of new reversals of allowances for loan losses caused by the improved credit status of obligors and their repayments in addition to a limited amount of new non-performing loans.

Estimated Credit Losses and Comparable Actual Credit Losses for Portfolios to which the IRB Approach is Applied

Years Ended March 31	Millions of Yen	
	2014	2013
	Actual Credit Losses	Estimated Credit Losses
Corporate Exposures	**¥ (7,351)**	**¥ 203,334**
Sovereign Exposures	**(4)**	**473**
Financial Institution Exposures	**(23)**	**880**
Retail Exposures	**905**	**28,148**

Notes: 1. Estimated credit losses for fiscal year 2012 are the expected loss amount as of March 31, 2013.
2. Actual credit losses for fiscal year 2013 are the sum of losses for the year ended March 31, 2014.

Years Ended March 31	Millions of Yen	
	2013	2012
	Actual Credit Losses	Estimated Credit Losses
Corporate Exposures	¥ (2,417)	¥ 189,671
Sovereign Exposures	(10)	317
Financial Institution Exposures	(1)	747
Retail Exposures	1,244	34,399

Notes: 1. Estimated credit losses for fiscal year 2011 are the expected loss amount as of March 31, 2012.
2. Actual credit losses for fiscal year 2012 are the sum of losses for the year ended March 31, 2013.

Years Ended March 31	Millions of Yen	
	2012	2011
	Actual Credit Losses	Estimated Credit Losses
Corporate Exposures	¥ 16,832	¥ 195,988
Sovereign Exposures	4,749	230
Financial Institution Exposures	(135)	3,395
Retail Exposures	2,576	35,841

Notes: 1. Estimated credit losses for fiscal year 2010 are the sum of the expected loss amount of the Chuo Mitsui Trust Holdings (consolidated) and The Sumitomo Trust and Banking (consolidated) for March 31, 2011.
2. Actual credit losses for fiscal year 2011 are the sum of losses for the year ended March 31, 2012.

Credit Risk Mitigation Techniques

Consolidated

Amounts of Exposures to which Credit Risk Mitigation Techniques are Applied

As of March 31	Millions of Yen 2014 Eligible Financial Collateral	Other Eligible Collateral	Guarantees	Credit Derivatives
Portfolios to which the Standardized Approach is Applied	¥ 758,704	¥ —	¥ —	¥ —
Portfolios to which the IRB Approach is Applied	1,952,225	570,143	425,344	—
Corporate Exposures	453,236	559,847	225,918	—
Sovereign Exposures	16,892	10,296	199,426	—
Financial Institution Exposures	1,482,096	—	—	—
Retail Exposures	—	—	—	—

As of March 31	Millions of Yen 2013 Eligible Financial Collateral	Other Eligible Collateral	Guarantees	Credit Derivatives
Portfolios to which the Standardized Approach is Applied	¥ 614,240	¥ —	¥ —	¥ —
Portfolios to which the IRB Approach is Applied	1,218,010	512,101	456,561	—
Corporate Exposures	363,000	501,205	250,017	—
Sovereign Exposures	14,660	10,895	206,543	—
Financial Institution Exposures	840,348	—	—	—
Retail Exposures	—	—	—	—

Counterparty Risk in Derivative and Long-term Settlement Transactions

Consolidated

Derivative Transactions

As of March 31	Millions of Yen 2014	2013
Aggregate Sum of Amounts of Gross Reconstruction Costs (limited only to those not below zero)	¥ 1,941,120	¥ 2,749,474
Credit Equivalents Before Effect of Mitigation by Collateral under the Credit Risk Mitigation Technique	716,508	830,927
Foreign Exchange Related	564,204	545,031
Interest Rate Related	2,190,096	3,300,411
Credit Derivatives	7,215	431
Others	—	—
Effect of Mitigating Credit Equivalents Due to Close-out Netting Contracts (Deduction)	2,045,008	3,014,946
Amounts of Collateral	134,936	163,320
Deposits	107,898	45,387
Securities	27,037	117,932
Credit Equivalents After Effect of Mitigation by Collateral under the Credit Risk Mitigation Technique	581,572	667,606
Notional Principal Amounts of Credit Derivatives Subject to the Calculation of Credit Equivalents	67,006	4,000
Purchasing Protection by Credit Default Swaps	42,206	2,000
Providing Protection by Credit Default Swaps	24,800	2,000
Notional Principal Amounts of Credit Derivatives Used to Allow for the Effect of Credit Risk Mitigation Technique	—	—

Note: Credit equivalents are calculated with the current exposure approach.

Long-term Settlement Transactions

As of March 31	Millions of Yen 2014	2013
Aggregate Sum of Amounts of Gross Reconstruction Costs (limited only to those not below zero)	¥ —	¥ —
Credit Equivalents Before Effect of Mitigation by Collateral under the Credit Risk Mitigation Technique	196	—
Amounts of Collateral	—	—
Credit Equivalents After Effect of Mitigation by Collateral under the Credit Risk Mitigation Technique	196	—

Note: Credit equivalents are calculated with the current exposure approach.

Securitization Exposures — Consolidated

Securitization Exposures Originated by the SMTH Group

Fiscal Year 2013

Subject to the Calculation of Credit Risk-Weighted Assets

(1) Outline of securitizations during fiscal year 2013, type and status of main principal underlying assets

Date of Securitization:		September 2013	February 2014
Type of Underlying Assets:		Residential Mortgage Loans	Residential Mortgage Loans
Type of Transaction:		Asset transfer-type securitization transaction	Asset transfer-type securitization transaction
Aggregate Sum of Underlying Assets:	at the time of securitization	¥ 44,938 million	¥ 33,596 million
	as of March 31, 2014	¥ 42,758 million	¥ 32,949 million
Initial Issue Amount:		¥ 44,938 million	¥ 33,596 million
Preferred Beneficiary Notes		¥ 40,000 million (AAA/R&I)	¥ 30,000 million (AAA/R&I)
Subordinated Beneficiary Notes		¥ 4,938 million (no rating)	¥ 3,596 million (no rating)
Date of Redemption:		April 2054	August 2054

The SMTH Group holds part of the exposures related to these securitization transactions, and quantitative data in (2)–(11) below include data related to these securitization transactions.

(2) Amounts of securitization exposures held and breakdown of main principal underlying assets by type

As of March 31	Millions of Yen 2014 Exposure Amounts: On-balance Sheet Transactions	Exposure Amounts: Off-balance Sheet Transactions	Aggregate Sum of Underlying Assets	Aggregate Sum of Underlying Assets: Asset Transfer-Type Securitization Transactions	Aggregate Sum of Underlying Assets: Synthetic Securitization Transaction
Securitization Exposures except Resecuritization Exposures	¥ 100,677	¥ —	¥ 393,566	¥ 393,566	¥ —
Residential Mortgage Loans	100,677	—	393,566	393,566	—
Others	—	—	—	—	—
Resecuritization Exposures	—	—	—	—	—
Total	¥ 100,677	¥ —	393,566	393,566	¥ —

(3) Cumulative total of underlying assets overdue for three months or longer or in default related to securitization exposures held, cumulative total of losses, and breakdown by type of main principal underlying assets

	Millions of Yen	
	2014	
Years Ended March 31	Cumulative Total of Underlying Assets Overdue for Three Months or Longer or in Default	Cumulative Total Losses
Residential Mortgage Loans	¥ 2,796	¥ 197
Others	—	—
Total	¥ 2,796	¥ 197

(4) Amounts of assets held for the purpose of securitization transactions and breakdown of principal assets by type

Not applicable.

(5) Balance and amounts of required capital of securitization exposures held by risk-weight category

	Millions of Yen			
	2014			
	Balance		Required Capital	
As of March 31	On-balance Sheet Transactions	Off-balance Sheet Transactions	On-balance Sheet Transactions	Off-balance Sheet Transactions
Securitization Exposures except Resecuritization Exposures (IRB Approach)	¥ 100,677	¥ —	¥ 9,446	¥ —
Less than 20%	—	—	—	—
20% to Less than 50%	9,784	—	342	—
50% to Less than 100%	82,264	—	3,852	—
100% to Less than 350%	4,403	—	773	—
350% to Less than 1,250%	—	—	—	—
1,250%	4,224	—	4,478	—
Resecuritization Exposures (IRB Approach)	—	—	—	—
Less than 20%	—	—	—	—
20% to Less than 50%	—	—	—	—
50% to Less than 100%	—	—	—	—
100% to Less than 350%	—	—	—	—
350% to Less than 1,250%	—	—	—	—
1,250%	—	—	—	—
Total	¥ 100,677	¥ —	¥ 9,446	¥ —

(6) Amounts equivalent to the increase in capital following securitization and breakdown by type of principal underlying assets

	Millions of Yen
As of March 31	2014
Residential Mortgage Loans	¥ 7,444
Others	—
Total	¥ 7,444

(7) Amounts of securitization exposures by type of principal underlying assets risk-weighted at 1,250% under provisions of the Notification, Article 225

	Millions of Yen
As of March 31	2014
Residential Mortgage Loans	¥ 4,224
Others	—
Total	¥ 4,224

(8) Items by type of principal underlying assets of securitization exposures with early redemption clauses

Not applicable.

(9) Application of credit risk mitigation techniques to resecuritization exposures held

Not applicable.

(10) Amounts of gains/losses on sale following securitization transactions recognized during fiscal year 2013 and breakdown by type of principal underlying assets

Not applicable.

(11) Amounts of credit risk-weighted assets calculated with the application of transitional measures with respect to securitization exposures

Not applicable.

Subject to the Calculation of Market Risk Assets

Not applicable.

Fiscal Year 2012

Subject to the Calculation of Credit Risk-Weighted Assets

(1) Outline of securitizations during fiscal year 2012, type and status of main principal underlying assets

Not applicable.

(2) Amounts of securitization exposures held and breakdown of main principal underlying assets by type

	Millions of Yen				
	2013				
	Exposure Amounts		Aggregate Sum of Underlying Assets		
As of March 31	On-balance Sheet Transactions	Off-balance Sheet Transactions		Asset Transfer-Type Securitization Transactions	Synthetic Securitization Transaction
Securitization Exposures except Resecuritization Exposures	¥ 209,752	¥ —	¥ 545,071	¥ 545,071	¥ —
Residential Mortgage Loans	209,752	—	545,071	545,071	—
Others	—	—	—	—	—
Resecuritization Exposures	—	—	—	—	—
Total	¥ 209,752	¥ —	¥ 545,071	¥ 545,071	¥ —

(3) Cumulative total of underlying assets overdue for three months or longer or in default related to securitization exposures held, cumulative total of losses, and breakdown by type of main principal underlying assets

	Millions of Yen	
	2013	
Year Ended March 31	Cumulative Total of Underlying Assets Overdue for Three Months or Longer or in Default	Cumulative Total Losses
Residential Mortgage Loans	¥ 2,196	¥ 246
Others	—	—
Total	¥ 2,196	¥ 246

(4) Amounts of assets held for the purpose of securitization transactions and breakdown of main principal assets by type

Not applicable.

(5) Balance and amounts of required capital of securitization exposures held by risk-weight category

	Millions of Yen			
	2013			
	Balance		Required Capital	
As of March 31	On-balance Sheet Transactions	Off-balance Sheet Transactions	On-balance Sheet Transactions	Off-balance Sheet Transactions
Securitization Exposures except Resecuritization Exposures (IRB Approach)	¥ 209,752	¥ —	¥ 12,592	¥ —
Less than 20%	—	—	—	—
20% to Less than 50%	179,734	—	5,981	—
50% to Less than 100%	20,936	—	1,172	—
100% to Less than 350%	4,664	—	758	—
350% to Less than 1,250%	—	—	—	—
1,250%	4,415	—	4,680	—
Resecuritization Exposures (IRB Approach)	—	—	—	—
Less than 20%	—	—	—	—
20% to Less than 50%	—	—	—	—
50% to Less than 100%	—	—	—	—
100% to Less than 350%	—	—	—	—
350% to Less than 1,250%	—	—	—	—
1,250%	—	—	—	—
Total	¥ 209,752	¥ —	¥ 12,592	¥ —

(6) Amounts equivalent to the increase in capital following securitization and breakdown by type of main principal underlying assets

	Millions of Yen
As of March 31	2013
Residential Mortgage Loans	¥ 13,150
Others	—
Total	¥ 13,150

(7) Amounts of securitization exposures by type of principal underlying assets risk-weighted at 1,250% under provisions of the Notification, Article 225

	Millions of Yen
As of March 31	2013
Residential Mortgage Loans	¥ 4,415
Others	—
Total	¥ 4,415

(8) Items by type of principal underlying assets of securitization exposures with early redemption clauses

Not applicable.

(9) Application of credit risk mitigation techniques to resecuritization exposures held

Not applicable.

(10) Amounts of gains/losses on sale following securitization transactions recognized during fiscal year 2012 and breakdown by type of principal underlying assets

Not applicable.

(11) Amounts of credit risk-weighted assets calculated with the application of transitional measures with respect to securitization exposures

Not applicable.

Subject to the Calculation of Market Risk Assets

Not applicable.

Securitization Exposures Purchased by the SMTH Group

Fiscal Year 2013

Subject to the Calculation of Credit Risk-Weighted Assets

(1) Amounts of securitization exposures held and breakdown of main principal underlying assets by type

As of March 31	Millions of Yen 2014 Exposure Amounts On-balance Sheet Transactions	Off-balance Sheet Transactions
Securitization Exposures except Resecuritization Exposures	¥ 319,060	¥ 57,835
Residential Mortgage Loans	115,785	749
Credit Card Loans	3,373	—
Claims on Lease Payments, Installment Receivables	32,603	45,951
Commercial Real Estate-Secured Loans	—	2,450
Other Claims on Corporates	167,298	8,684
Resecuritization Exposures	29,448	—
Securitization Exposures to Residential Mortgage Loans and Residential Mortgage Loans as Underlying Assets	9,138	—
Securitization Exposures to Commercial Real Estate Secured Loans and Commercial Real Estate Secured Loans as Underlying Assets	—	—
Securitization Exposures to Other Claims on Corporates and Other Claims on Corporates as Underlying Assets	20,309	—
Total	¥ 348,508	¥ 57,835

(2) Balance and amounts of required capital of securitization exposures held by risk-weight category

As of March 31	Millions of Yen 2014 Balance On-balance Sheet Transactions	Off-balance Sheet Transactions	Required Capital On-balance Sheet Transactions	Off-balance Sheet Transactions
Securitization Exposures except Resecuritization Exposures (IRB Approach)	¥ 319,060	¥ 57,835	¥ 4,736	¥ 1,461
Less than 20%	297,285	45,951	1,973	272
20% to Less than 50%	4,550	3,049	77	65
50% to Less than 100%	12,452	—	610	—
100% to Less than 350%	2,130	8,684	289	964
350% to Less than 1,250%	1,449	—	522	—
1,250%	1,192	150	1,263	159
Resecuritization Exposures (IRB Approach)	29,448	—	630	—
Less than 20%	—	—	—	—
20% to Less than 50%	27,969	—	531	—
50% to Less than 100%	621	—	26	—
100% to Less than 350%	857	—	72	—
350% to Less than 1,250%	—	—	—	—
1,250%	—	—	—	—
Total	¥ 348,508	¥ 57,835	¥ 5,367	¥ 1,461

(3) Amounts of securitization exposures by type of underlying assets risk-weighted at 1,250% under provisions of the Notification, Article 225

As of March 31	Millions of Yen 2014
Residential Mortgage Loans	¥ —
Credit Card Loans	—
Claims on Lease Payments, Installment Receivables	—
Commercial Real Estate-Secured Loans	150
Other Claims on Corporates	1,192
Total	¥ 1,342

(4) Application of credit risk mitigation techniques to resecuritization exposures held

Not applicable.

(5) Amounts of credit risk-weighted assets calculated with the application of transitional measures with respect to securitization exposures

Not applicable.

Subject to the Calculation of Market Risk Assets

Not applicable.

Fiscal Year 2012

Subject to the Calculation of Credit Risk-Weighted Assets

(1) Amounts of securitization exposures held and breakdown of principal underlying assets by type

As of March 31	Millions of Yen 2013 Exposure Amounts On-balance Sheet Transactions	Off-balance Sheet Transactions
Securitization Exposures except Resecuritization Exposures	¥ 259,421	¥ 39,369
Residential Mortgage Loans	158,350	749
Credit Card Loans	8,575	—
Claims on Lease Payments, Installment Receivables	29,099	34,071
Commercial Real Estate-Secured Loans	2,777	2,450
Other Claims on Corporates	60,618	2,098
Resecuritization Exposures	77,071	—
Securitization Exposures to Residential Mortgage Loans and Residential Mortgage Loans as Underlying Assets	13,541	—
Securitization Exposures to Commercial Real Estate Secured Loans and Commercial Real Estate Secured Loans as Underlying Assets	—	—
Securitization Exposures to Other Claims on Corporates and Other Claims on Corporates as Underlying Assets	63,530	—
Total	¥ 336,493	¥ 39,369

(2) Balance and amounts of required capital of securitization exposures held by risk-weight category

As of March 31	Millions of Yen 2013 Balance On-balance Sheet Transactions	Balance Off-balance Sheet Transactions	Required Capital On-balance Sheet Transactions	Required Capital Off-balance Sheet Transactions
Securitization Exposures except Resecuritization Exposures (IRB Approach)	¥ 259,421	¥ 39,369	¥ 9,165	¥ 284
Less than 20%	228,836	36,169	1,504	214
20% to Less than 50%	6,660	3,199	129	69
50% to Less than 100%	16,425	—	992	—
100% to Less than 350%	431	—	36	—
350% to Less than 1,250%	884	—	318	—
1,250%	6,183	—	6,183	—
Resecuritization Exposures (IRB Approach)	77,071	—	6,044	—
Less than 20%	—	—	—	—
20% to Less than 50%	71,354	—	1,427	—
50% to Less than 100%	494	—	20	—
100% to Less than 350%	684	—	58	—
350% to Less than 1,250%	—	—	—	—
1,250%	4,537	—	4,537	—
Total	¥ 336,493	¥ 39,369	¥ 15,209	¥ 284

(3) Amounts of securitization exposures by type of principal underlying assets risk-weighted at 1,250% under provisions of the Notification, Article 225

As of March 31	Millions of Yen 2013
Residential Mortgage Loans	¥ —
Credit Card Loans	—
Claims on Lease Payments, Installment Receivables	—
Commercial Real Estate-Secured Loans	—
Other Claims on Corporates	10,720
Total	¥ 10,720

(4) Application of credit risk mitigation techniques to resecuritization exposures held

Not applicable.

(5) Amounts of credit risk-weighted assets calculated with the application of transitional measures with respect to securitization exposures

Not applicable.

Subject to the Calculation of Market Risk Assets

Not applicable.

Market Risk

Consolidated

(1) Value at Risk (VaR) as of the end of period and maximum, mean, and minimum VaR for the period

	Billions of Yen							
	As of March 31, 2014	Fiscal Year 2013			As of March 31, 2013	Fiscal Year 2012		
		Maximum	Minimum	Mean		Maximum	Minimum	Mean
VaR in Banking Account	¥ 783.1	¥ 920.9	¥ 766.9	¥ 840.3	¥ 767.5	¥ 806.9	¥ 596.6	¥ 666.5
VaR in Trading Account	2.9	5.0	1.4	3.1	2.6	6.7	1.8	2.9

VaR Measurement Standards

Banking account Confidence interval: one-tailed 99% Holding period: 21 business days to 1 year Observation period: 1 year

Trading account Confidence interval: one-tailed 99% Holding period: 10 business days Observation period: 1 year

(2) Term-end Stressed Value at Risk and maximum, mean and minimum of Stressed Value at Risk for the period

	Billions of Yen							
	As of March 31, 2014	Fiscal Year 2013			As of March 31, 2013	Fiscal Year 2012		
		Maximum	Minimum	Mean		Maximum	Minimum	Mean
Stressed VaR in Trading Account	¥ 6.9 [2.2]	¥ 14.7 [4.7]	¥ 2.7 [0.8]	¥ 5.9 [1.8]	¥ 5.6 [1.7]	¥ 14.7 [4.6]	¥ 3.1 [0.9]	¥ 6.3 [1.9]

Stressed VaR Measurement Standards

Trading account Confidence interval: one-tailed 99% Holding period: 10 business days Observation period: 1 year

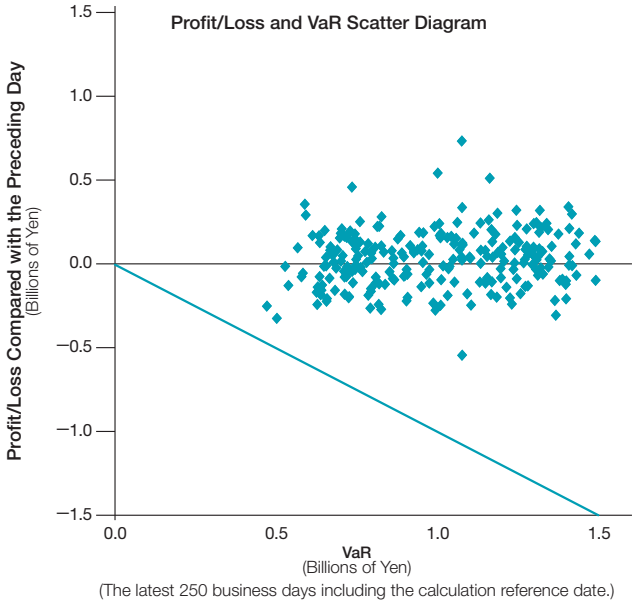
The figures inside the square brackets above denote stress VAR in a case where the holding period is one business day.

(3) The amounts of required capital related to term-end incremental risk and comprehensive risk, and maximum, mean and minimum amounts of required capital related to incremental risk and comprehensive risk for the period

Not applicable in the fiscal year ended March 31, 2013, and in the fiscal year ended March 31, 2014.

(4) Results of back testing and reasons for large downward deviations between actual losses and VaR

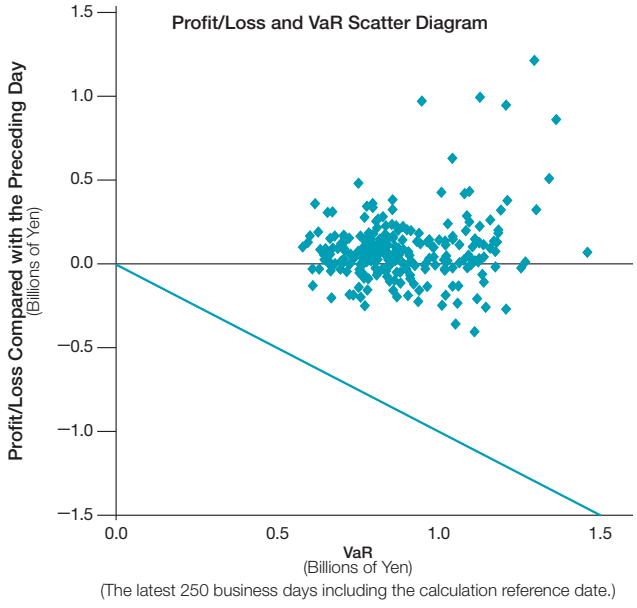
• Back testing of the trading account
Fiscal Year 2013



(The latest 250 business days including the calculation reference date.)

Note: As shown above, for fiscal year 2013 back testing of the trading accounts shows zero instances of losses in excess of VaR.

• Back testing of the trading account
Fiscal Year 2012



(The latest 250 business days including the calculation reference date.)

Note: As shown above, for fiscal year 2012 back testing of the trading accounts shows zero instances of losses in excess of VaR.

Capital Subscriptions or Equity Exposures in the Banking Account

Consolidated

	Millions of Yen							
	2014				2013			
As of March 31	Book Value		Fair Value		Book Value		Fair Value	
Consolidated Book and Fair Values*1								
Listed Shares Exposures	¥ 1,110,064		¥ 1,110,064		¥ 1,042,404		¥ 1,042,404	
Capital Subscriptions or Equity Exposures Other than Above	101,022		101,022		111,850		111,850	
Amounts of Gains/Losses on Sales and Write-offs	Gains/Losses	Gains	Losses	Write-offs	Gains/Losses	Gains	Losses	Write-offs
of Capital Subscriptions or Equity Exposures*2	(3,781)	52,126	53,553	2,355	(4,215)	22,840	19,341	7,714
Amounts of Unrealized Gains/Losses Recognized in the Consolidated Balance Sheets and not Recognized in the Consolidated Statements of Income			377,446				253,279	
Amounts of Unrealized Gains/Losses not Recognized in the Consolidated Balance Sheets and Statements of Income			Not applicable				Not applicable	

*1. Figures for available-for-sale securities include only Japanese and foreign stocks.
*2. Consolidated statements of income show gains/losses on stockholdings and related write-offs.

As of March 31	Millions of Yen	
	2014	2013
Amounts by Portfolio Category	¥ 1,364,950	¥ 1,343,657
Transitional Measures	961,688	927,077
Portfolios Adopting the Market-based Approach	74,330	67,144
Portfolios Adopting the PD/LGD Approach	328,931	349,436

Note: Amounts by portfolio category show exposures subject to the calculation of credit risk-weighted assets.

Exposures Held in Funds as Credit Risk-Weighted Assets

Consolidated

As of March 31	Millions of Yen	
	2014	2013
Aggregate Sum of Exposures Held in Funds	¥ 1,017,083	¥ 793,431
Look-through Approach	915,488	732,949
Simple Majority Formula	42,513	43,627
Investment Criteria Formula	35,483	—
Internal Model Approach	—	—
Probability Approach	22,877	16,099
Others	721	755

Note: Exposures subject to the calculation of credit risk-weighted assets are shown.

Gains/Losses and Changes in Economic Value Due to Interest Rate Shocks under Internal Control Management Used by the SMTH Group Regarding Interest Rate Risk in the Banking Account

Consolidated

• Outlier ratios

As of March 31	Millions of Yen	
	2014	2013
Overall Amounts of Interest Rate Risk	¥ 156,528	¥ 12,813
Japanese Yen Interest Rates	43,097	—
U.S. Dollar Interest Rates	109,664	8,015
Other Interest Rates	3,765	4,797
Outlier Ratios	5.9%	0.5%

Notes: 1. The amount of assets at consolidated units outside of Sumitomo Mitsui Trust Bank was small, so the overall risk and outlier ratios are shown at the consolidated level for Sumitomo Mitsui Trust Bank.

2. The above table indicates figures calculated by individual banks in accordance with the outlier standard specified by the "Comprehensive Guidelines for Supervision of Major Banks, etc." and based on the following assumptions:
   - Risk measurement method: Interest rate sensitivity approach
   - Interest rate fluctuation scenario: An interest rate shock consisting of the 1st and 99th percentile of the fluctuation of interest rates measured for the one-year holding period and a minimum observation period of five years.
   - Definition of the core deposits: The lowest of the following three is the upper limit on the core deposit amount (No.3 is adopted) and the maturity is five years (an average remaining term of 2.5 years): 1) The lowest balance of deposits in the past five years, 2) the balance left after deducting the maximum annual outflow of deposits in the past five years from the current balance of deposits, or 3) the amount equivalent to 50% of the current balance of deposits.

Indicators for Assessing Global Systemically Important Banks (G-SIBs) Consolidated

Item No.	Items	Billions of Yen As of March 31, 2014
1.	Total exposures (a + b + c + d):	
	a. Counterparty exposure of derivatives contracts	
	b. Gross value of securities financing transactions (SFTs) and counterparty exposure of SFTs	
	c. Other assets (other than assets specifically identified above and regulatory adjustments to Tier 1 and Common Equity Tier 1 capital under the fully phased-in Basel Ⅲ framework)	
	d. Notional amount of off-balance sheet items (other than derivatives contracts and SFTs)	¥ 45,917.4
2.	Intra-financial system assets (a + b + c + d):	
	a. Funds deposited with or lent to other financial institutions and undrawn committed lines extended to other financial institutions	
	b. Holdings of securities issued by other financial institutions (Note 1)	
	c. Net positive current exposure of SFTs with other financial institutions	
	d. Over-the-counter (OTC) derivatives with other financial institutions that have a net positive fair value	6,274.3
3.	Intra-financial system liabilities (a + b + c):	
	a. Deposits due to, and undrawn committed lines obtained from, other financial institutions	
	b. Net negative current exposure of SFTs with other financial institutions	
	c. OTC derivatives with other financial institutions that have a net negative fair value	6,096.3
4.	Securities outstanding (Note 1)	8,881.2
5.	Assets under custody	253,859.5
6.	Notional amount of OTC derivatives	166,786.3
7.	Held-for-trading (HFT) securities and available-for-sale (AFS) securities, excluding HFT and AFS securities that meet the definition of Level 1 assets and Level 2 assets with haircuts (Note 2)	2,098.8
8.	Level 3 assets (Note 3)	555.3
9.	Cross-jurisdictional claims	7,062.9
10.	Cross-jurisdictional liabilities	6,479.5

Item No.	Items	Billions of Yen Fiscal Year 2014
11.	Payments (settled through the BOJ-NET, the Japanese Banks' Payment Clearing Network and other similar settlement systems, excluding intragroup payments)	¥ 2,109,565.0
12.	Underwritten transactions in debt and equity markets (Note 4)	27.5

Notes: 1. Securities refer to secured debt securities, senior unsecured debt securities, subordinated debt securities, commercial paper, certificate of deposits, and equities.
2. Level 1 and Level 2 assets with haircuts are defined in the Basel Ⅲ Liquidity Coverage Ratio (LCR).
3. The amounts are calculated in accordance with the International Financial Reporting Standards with necessary modifications.
4. This refers to underwriting of securities defined in article 2 paragraph 8 item 6 of the Financial Instruments and Exchange Act.

This section outlines matters to be stated in explanatory documents relating to the fiscal year separately stipulated by the Director-General of the Financial Services Agency (Notification No. 15 of Financial Services Agency, March 23, 2007) with regard to the status of capital adequacy as set forth in Article 19-2, Paragraph 1, Item 5-(d) of the Enforcement Regulations of the Banking Act (Ministry of Finance Ordinance No. 10, 1982), as well as the matters regarding compensation separately stipulated by the Director-General of the Financial Services Agency (Notification No. 21 of Financial Services Agency, March 29, 2012) as having significant consequences on the business operation or asset status of a bank, a bank holding company, or their subsidiaries, according to Article 19-2, Paragraph 1, Item 6, Article 19-3, Item 4 and Article 34-26, Paragraph 1, Item 5 of the Enforcement Regulations of the Banking Act (Ministry of Finance Ordinance No. 10, 1982).

The following disclosure is with respect to Sumitomo Mitsui Trust Bank, Limited as of the end of March 2014.

Capital Adequacy Ratio Qualitative Disclosure Data:

Sumitomo Mitsui Trust Bank, Limited

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Compensation Disclosure Data:

Sumitomo Mitsui Trust Bank, Limited

Capital Adequacy Ratio Qualitative Disclosure Data:

Sumitomo Mitsui Trust Bank, Limited

1. Overview of Risk Management

(1) Basic Policies on Risk Management and Risk Categories

In accordance with the Risk Management Policy formulated by SMTH along with our management policy and the basic policy on internal control, the Board of Directors at Sumitomo Mitsui Trust Bank, Limited ("SMTB") has established Risk Management Rules, which sets out SMTB's basic rules for risk management, including the types of risk requiring attention, the techniques applied to hedge risk, and the structure and authority for risk control. Based on these rules, SMTB defines the content of specific standards for risk management by each type of risk.

The types of risks defined by SMTB for the above purpose include credit risk, market risk, funding risk and operational risk.

Credit risk is the risk of reduction or impairment of the value of assets (including off-balance sheet assets), owing to reasons such as deterioration in the financial condition of an obligor, that causes SMTB to incur loss.

Market risk is the risk of loss caused by the changes in the value of assets or liabilities held by SMTB (including those on off-balance basis) and/or the proceeds there from, due to fluctuations of various risk factors such as interest rates, foreign exchange rates, and stock prices.

Funding risk is the risk of loss resulting from a cash-flow crisis due to an inability to finance any necessary funds, or a tight funding environment that imposes an interest rate significantly higher than normal.

Operational risk refers to the risk of losses arising from inappropriate business processes, activities of executives or employees, computer systems as well as external incidents.

(2) Risk Management Structure

In accordance with the Risk Management Policy formulated by SMTH, SMTB sets down the roles and responsibilities of operational organizations and departments related to risk management as follows:

1) The Board of Directors formulates policies for the identification, assessment, monitoring, control and reduction of risks. It also formulates management plans, including the risk capital allocation plan and the risk management plan, and disseminates the plans throughout the company. It also establishes a reporting structure and vests authority in relevant organizations.

2) The Executive Committee sets rules and provisions regarding the identification, assessment, monitoring, control and mitigation of risks in line with the policies set out by the Board of Directors, and develops frameworks to put them into practice.

• Risk Categories

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

3) Front office departments engage in operational administration aimed at ensuring the effectiveness of risk management, such as implementing appropriate controls that reflect the scale and characteristics of risks based on the accurate recognition of risks, subject to Risk Management Rules and relevant risk management regulations, etc.

4) Risk management-related departments are responsible for developing and running the risk management process for identification, assessment, monitoring control and reduction of risks they are supposed to manage. Furthermore, in order to fulfill their check-and-balance functions over the front office departments these departments engage in the planning and promotion of the risk management system including reporting to senior management on a regular basis or as appropriate, based on the monitoring of risk status and risk management activities at front office departments.

2. Credit Risk Management

Credit risk refers to the risk that the Group incurs losses due to the value of an asset (including off-balance sheet assets) decreasing or impairing owing to such reasons as deterioration in the financial condition of an obligor. Of this, country risk, in particular, means risk that the Group incurs losses on credit provided overseas, due to foreign exchange, political and economic conditions of the country of the obligor. Credit risk is the most basic risk involved in the "credit creation function" —the basic function of finance.

Financial markets have been affected by the consumption tax hike in Japan, the global trend of monetary easing and growing instability among the emerging economies overseas. In addition, there are toughened international financial regulations including ones pertaining to credit concentration risk. We are building a more advanced credit risk management system in light of these conditions.

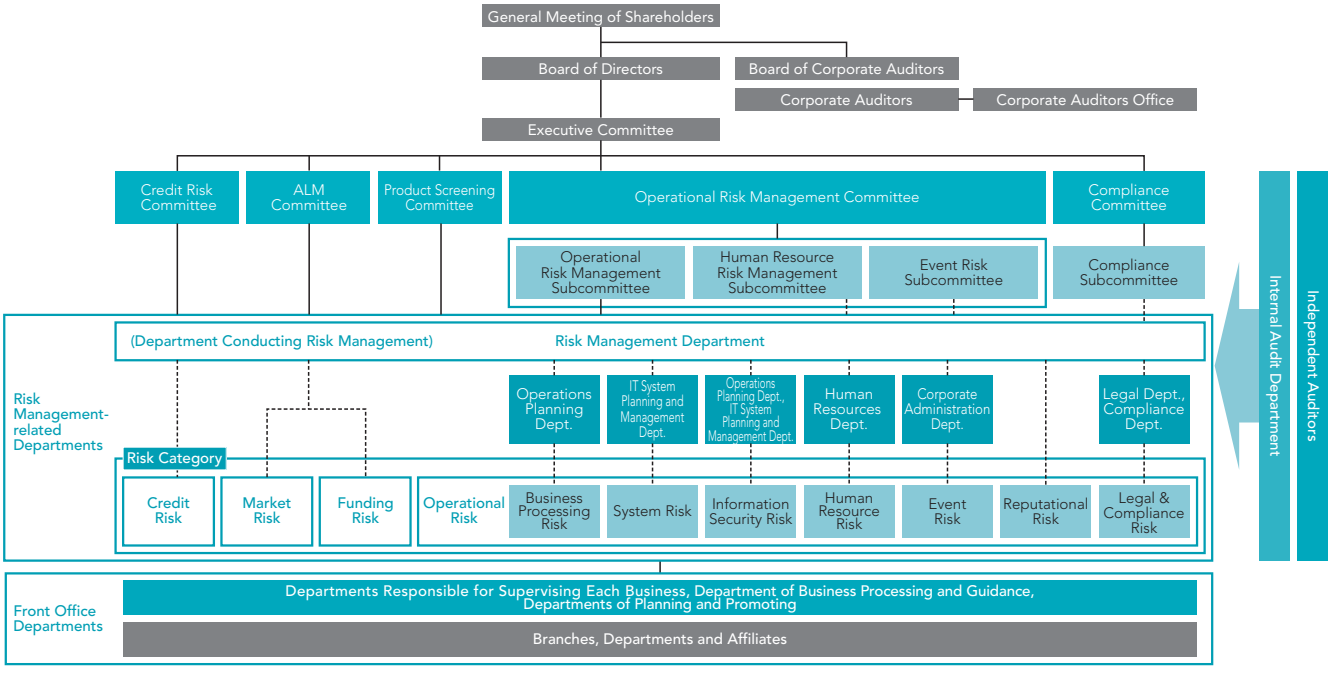
At the same time, we are also proactively working to serve new healthy demand for funds, to achieve a diversified credit portfolio and stronger client base.

Initiatives for clients' business improvement related to financial facilitation are also important from the viewpoint of credit risk management. Therefore, we are working to develop systems to handle them appropriately.

(1) Credit Risk Management Policy

The basic policy of SMTB's risk management calls for "a

• Risk Management Structure



diversified credit portfolio" and "strict credit management for individual credits." For the former, we are making efforts to mitigate credit concentration risk by managing, on a sector-by-sector and country-by-country basis, the diversification of the overall credit portfolio, including large borrowers. For the latter, we are managing individual credits in a more elaborate manner through the operation of credit screening, self-assessment and internal credit ratings.

Furthermore, we have set a standard for profitability by taking into account expense rates and expected loss ratios for each credit rating, and reflect the results of this measurement in the terms and conditions of each transaction in a bid to secure profit margins (spreads) commensurate with their risk amount to "ensure appropriate risk-return."

SMTB's credit risk management covers not only credit transactions in the banking account but also transactions in the principal guaranteed trust account.

(2) Credit Risk Management Structure

We have established a credit risk management framework under which various organizations and departments are closely organized for mutual support and effective checks and balances. Relevant organizations and departments assume their respective roles based on the credit strategies and credit risk management plans formulated by the Board of Directors as follows:

1) The Board of Directors decides on important matters related to credit risk management when establishing semi-annual management plans. Based on reports on credit risk management (including the results of asset assessment), the Board of Directors decides on the credit strategy and economic capital plan, and approves standards for self-assessment, as well as rules for write-offs, reserves and impairment accounting. Through these decisions, it strengthens and improves the fund management base, and ensures the effective use of funds and the soundness of assets, including assets in trust.

2) The Executive Committee, based on the reports of credit risk management (including the results of asset assessment), deliberates and decides on the credit strategy and the risk capital allocation plan, and brings them to the Board of Directors. Also, the Committee develops and reviews the framework to carry out self-assessment and the calculation of write-offs and reserves in an appropriate manner.

3) The Credit Risk Committee deliberates and decides on basic credit policies as well as investment and loan transactions, and secures the strengthening and improvement of the fund management base, the effective use of funds and the soundness of assets, including assets in trust.

4) The Risk Management Department designs and facilitates the management of credit risk in a proper manner as a risk management-related department pertaining to credit risk. Also, it undertakes credit risk management through the measurement of credit risk amounts, the monitoring of credit portfolios and validation of the appropriateness of self-assessment, write-offs and reserves, and verifies the appropriateness of the internal ratings system.

5) The Research Department applies credit ratings based on industry research and research on credit evaluation of individual companies along with quantitative analysis, from a neutral standpoint independent of global credit supervision departments, branches and departments.

6) Each Global Credit Supervision Department screens credit transactions strictly, provides appropriate guidance to branches and departments, and conduct self-assessment (secondary assessment), and deal with problematic loans.

7) Branches and Departments manage credit transactions appropriately and conduct self-assessment (initial assessment).

8) The Internal Audit Department conducts the internal audit of internal risk management frameworks for various processes.

(3) Credit Risk Management Methods

1) Credit Concentration Risk Management

Based on the idea that keeping close tabs on credit exposure to each obligor as the basics of credit risk management, we manage loans, stocks, off-balance sheet and other transactions in a comprehensive and integrated

manner. We place limits on credit exposures thus calculated and known, and also periodically examine the impact of credit risk realization of large obligors and the particular degree of concentration in industry sectors with large credit exposures, and we report these to the Executive Committee on a quarterly basis.

To manage country risks, we control exposures for each country in which obligors operate.

2) Credit Ratings and Self-assessment

"Credit ratings" that indicate the credit status of obligors and the possibility of defaults provide the basis for credit screening of individual transactions and credit portfolio management.

Our credit ratings use a method that combines a statistical quantitative model and qualitative assessment ascertaining characteristics of individual obligors, providing stage assessment in respect of the credit status of obligors and the likelihood of their defaults. They also serve as the basis for credit risk calculations using our Internal Ratings-Based Approach ("IRB Approach") based on capital adequacy regulations. Our credit rating system assigns ratings from 1 through 10 to a wide range of obligors, from all corporate clients, including banks, to project finance (loans for a particular project, to be repaid with the cash flows of that project with no, or limited, recourse to the borrower's other assets) and other structured finance transactions.

We conduct self-assessment basically for all assets in the banking account and the principal guaranteed trust account on a regular basis, and determine the "classification of obligors" by assessing client's repayment capacity by their financial standing, cash positions, profit earning capacity, etc., as well as the "asset classification" according to the risk of assets becoming irrecoverable or impaired in their value, in order to achieve effective credit risk management and adequate write-offs and reserves.

The credit rating systems and the self-assessment system share basic financial data of clients, and are administered in a mutually consistent manner, to enable us to evaluate the soundness of credit portfolios by properly reflecting the creditworthiness of clients. We are also striving to maintain the appropriateness of the system by carrying out reviews of credit ratings.

• Comparative Table of Credit Ratings and Self-assessment

Credit Ratings	Self-assessment	
	Classification of obligors	Categories
1	Normal	Not categorized (not II, III or IV)
2		
3		
4		
5		
6		
7	Requiring careful monitoring	II
8	3-month delinquent/restructured	
9	At risk of bankruptcy	III
10	Legally bankrupt and virtually bankrupt	IV
		Default

(Note) Individual credit ratings can be further adjusted, where necessary, through the addition of [+] or [-] symbols.

3) Credit Risk Quantification

The measurement of credit risk amount is designed to quantitatively grasp the extent as to how far the company's assets are likely to incur losses from credit events over the coming year. In particular, based on estimates of default rates in each grade of credit rating and recovery rates, we measure the difference between the maximum value of bad loan losses estimated within the range of certain probabilities and the expected bad loan loss, which is the average value of estimated bad loan losses, as the credit risk amount. The measurement results are reported regularly to the Board of Directors, etc.

As our risk measurement method, we have adopted Monte Carlo simulation, which generates a variety of scenarios (100,000 in our case) to plot a distribution of losses from which the maximum value of losses is estimated (See the chart below).

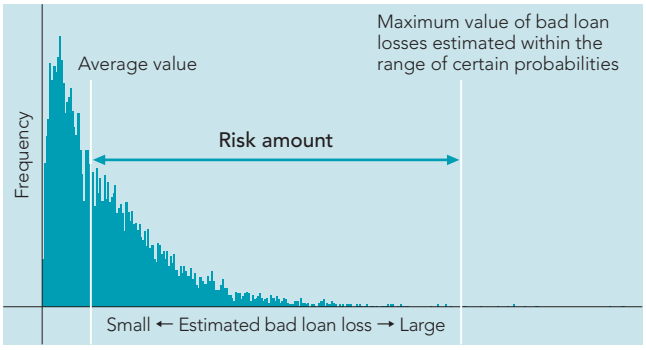
In the actual measurement, as our method is designed to factor in the correlation between individual assets, the risk amount derived reflects not only the quality of assets, but also the effects of diversification or credit portfolios. Therefore, by regularly monitoring the risk amount, we can ascertain the status of our credit risk management policy, i.e., "a diversified credit portfolio" and "strict credit management for individual credits." We also check the appro-

priateness of capital allocation and the soundness of business operations.

Usually, the measurement of risk amount is conducted using estimated values calculated based on default rates and recovery rates, etc. As a complementary measure, we also conduct "stress testing," intended to estimate the maximum possible losses that may arise from a situation that represents an aberration from historical data but could theoretically occur. We set out multiple stress scenarios and conduct simulations to see how the risk amount changes in each of these scenarios. The results of these tests are reported to the Board of Directors, etc.

We are also working on risk calculation techniques and the creation of more sophisticated stress scenarios, corresponding to the characteristics of SMTB's asset under out management.

• Risk Amount



(4) Compliance with Capital Adequacy Regulations

1) Measurement of Required Capital via the IRB Approach

As a method for calculating the amount of credit risk-weighted assets related to the calculation of the required capital under capital adequacy regulations, we have adopted the IRB Approach, which uses credit ratings and other internal data for the management of obligors.

We are further refining the calculation methods with a view to transition to the Advanced IRB Approach.

1. Basic Process of the IRB Approach

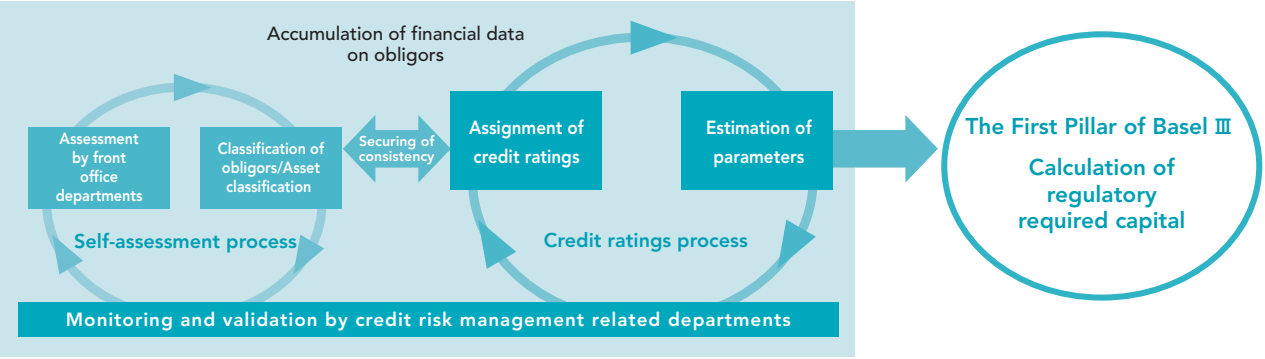
Under the IRB Approach, the amount of regulatory required capital is calculated via the following three stages:

(a) Assignment of Credit Ratings (Credit Ratings and Credit Pool Categories)

SMTB develops its own ratings system (Internal Ratings Management)* in accordance with its risk profiles, and based on this system, SMTB assigns ratings to obligors. Credit ratings ensure consistency with the results of self-assessment, and the accuracy of credit ratings is secured with credit risk management related departments validating the internal rating system and rating grades assigned to individual obligors.

* For details of our credit ratings system, please refer to "3. Internal Ratings System" on page 327.

• Basic Process of the IRB Approach



(b) Estimation of Parameters

Estimation of some parameters (input variables) necessary for risk measurement is implemented by collecting the actual results (performance data) of credit extended to individual credit transactions on the basis of ratings assigned under (a).

(c) Calculation of Minimum Required Capital

The minimum required capital is calculated by applying the result of (b) above to the calculating formula based on the notification issued by the Financial Services Agency.

2. Approaches Applicable to Respective Exposures

Under capital adequacy regulations, methods of calculating risk-weights and credit ratings used are varied depending on asset classes. Please refer to the table below for the breakdown of calculation methods and credit ratings we apply to respective exposures:

3. Estimated Parameters

As described below, there are three parameters which must be estimated in order to calculate the amount of credit risk-weighted assets. Exposures with higher levels of parameters have higher required capital. In order to ensure objectivity and accuracy, we use, in principle, the same parameters used for internal risk management purposes for capital adequacy regulations as well.

(a) Probability of Default (PD)

The prior probability that a single obligor or a single transaction is likely to default during a specified period.

(b) Loss Given Default (LGD)

The prior estimate of the ratio of a loss likely to be incurred in the event of a default by a certain obligor or a certain transaction to the exposure at default.

• Calculation Methods and Credit Ratings Applied to Respective Exposures

Approach	Asset Classification		Sub-category	Applicable Calculation Approaches*	Applicable Credit Ratings
Internal Ratings-based Approach	Corporate Exposure	Corporate Exposure	Large enterprises	Supervisory Formula	Obligor Ratings
			Leading small and medium-sized enterprises	Supervisory Formula	Obligor Ratings
		Specialized Lending	Loans for commercial real estate (with high volatility) Project Finance, Commodity Finance, Object Finance	Supervisory Slotting Criteria Approach	Structured Ratings
		Purchased Receivables	Regulatory formula for underlying assets	Supervisory Formula	Obligor Ratings
			Slotting criteria approach for underlying assets	Supervisory Slotting Criteria Approach	Structured Ratings
			Cases where classification is not possible due to multiple underlying assets	Top-down Approach	Credit Pools
		Sovereign Exposure		Supervisory Formula	Obligor Ratings
		Bank Exposure		Supervisory Formula	Obligor Ratings
		Equities, etc.	Domestic listed equities (including OTC equities), equities of domestic unlisted obligors	PD/LGD Approach	Obligor Ratings
			Equities of domestic unlisted firms with no credit exposure, foreign equities	Simplified Approach	—
	Retail Exposure	Retail Exposure	Residential mortgage exposures	Supervisory Formula	Credit Pools
			Qualifying revolving retail exposures	Supervisory Formula	Credit Pools
			Other retail exposures	Supervisory Formula	Credit Pools

* Supervisory Formula & PD/LGD Approach: Formulas prescribed in the Notification (by the Financial Services Agency) are used.
Supervisory Slotting Criteria Approach: An approach to calculate credit risk by mapping internal credit ratings to the five supervisory categories, each of which is associated with a specific risk-weight.
Simplified Approach: An approach that uses predetermined risk-weights.
External Ratings-based Approach: An approach that uses risk-weights mapped to external ratings.
Top-Down Approach: An approach that regards purchased assets as an aggregate and uses formulas prescribed in the Notification (by the Financial Services Agency).

Notes:
1. We use the external ratings-based approach and the supervisory formula. For details, please refer to page 336, "7. (I) Securitization Exposures."
2. For "funds," we apply calculation methods that are appropriate for respective underlying assets.

(c) Exposure At Default (EAD)

The likely exposure amount at the time of occurrence of events of default, including additional credit that may be drawn from lines of credit or other financing, before a client defaults on obligations.

4. PD Estimation Method

In our integrated risk management, we estimate PD, LGD and EAD, and of them, we use estimates of PD as parameters for the IRB Approach under capital adequacy regulations.

For domestic credit ratings, we estimate PD in line with the definition of default, which equates with the Basel Ⅱ definition, on the basis of our performance data (the "internal historical data method"). For international credit ratings, we estimate PD on the basis of mapping with default data provided by Moody's Investors Service, Inc. (the "mapping method"). In principle, we estimate PD for credit ratings on the basis of the cumulative default rate from the internal historical data for the latest 20 years and by taking into account applicable external data. For transactions subject to credit pool management that do not have the ratings migration, we estimate PD, in principle, by using the average of the actual default rates for the latest 20 years. Where the period of accumulation of performance data has yet to reach 20 years, we estimate PD on the basis of the actual default rates of all years for which the performance data is available.

5. Usage of Various Estimates for Purposes other than Calculation of Capital Adequacy Ratio

Our estimates used for calculating the capital adequacy ratio complying with capital adequacy regulations are applied for the following items:

(a) Use of Estimated Typical PD*

Quantitative measurement of credit risk, controls of credit limits, etc.

* The typical PD is a single-year PD conservatively estimated to obtain the long-term and stable level by excluding the impact of economic cycles.

(b) Use of Credit Ratings

Criteria for authority on credit-related operations, criteria for self-assessment, criteria for profitability, etc.

2) Exposures where the Standardized Approach is Applied

The Standardized Approach calculates risk-weighted assets by using external ratings provided by qualified rating agencies, instead of our own credit ratings. We have adopted the IRB Approach. We, however, use the Standardized Approach for business units and transactions excluded from the scope of application of the IRB Approach due to its insignificance and other factors.

We use ratings provided by the following qualified rating agencies to assess risk-weights' Rating and Investment Information, Inc. (R&I); Japan Credit Rating Agency, Ltd.(JCR); Moody's Investors Service, Inc. (Moody's); Standard &Poor's Rating Services (S&P); and Fitch Ratings Ltd. (Fitch).

1. "Phased Roll-out" Exposures

We apply the Standardized Approach to our subsidiaries (business units) that are in the middle of preparatory work toward the application of the IRB Approach. However, as of the end of March 2014, there were no subsidiaries subject to our "phased rollout" exposures.*

* Sumitomo Mitsui Trust Loan & Finance Co., Ltd. (Finance Operation Division) and Sumitomo Mitsui Trust Panasonic Finance Group had switched from "phased roll-out" exposures to the IRB Approach as of the end of September 2013.

2. "Carved Out" Exposures

We apply the Standardized Approach to subsidiaries that undertake little credit business, if any, as well as certain transactions that are not significant in terms of credit risk management, carving them out from the IRB Approach. Criteria whether to carve out business units or transactions from the IRB Approach are made after fully considering their importance with respect to the following points:

(a) The size of the expected credit loss and the frequency of credit provision
(b) Rank under the credit portfolio plan or the credit risk management policy
(c) The ratio to overall credit risk-weighted assets

3. Internal Ratings System

(1) Outline of the Internal Ratings System and Credit Pools System

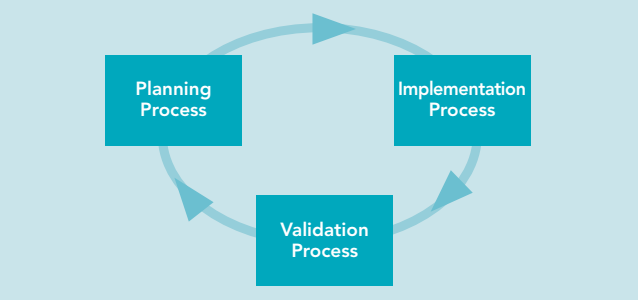
SMTB's internal ratings system is intended to ensure an appropriate evaluation process for financial assets held by the Group (excluding insignificant consolidated companies), and contribute to profit management and credit risk management in accordance with the Risk Management Policy.

Moreover, our internal credit ratings system is broadly divided into the domestic ratings system ("domestic ratings") and the overseas ratings system ("overseas ratings"). Each system includes obligor ratings that rank the PD of corporations, case ratings that rank the expected loss ratios of individual cases in consideration of factors such as collateral, guarantees and duration of credit, and structured ratings that rank the PD of real estate non-recourse loans and project finance.

(2) Administration of the Internal Ratings System

The process related to credit rating assignment comprises the "Planning Process" for defining ratings and setting procedures and criteria ("Policy on Credit Ratings"), the "Implementation Process" for appropriately applying the credit ratings and credit pools assignment criteria, and the "Validation Process" for ensuring the suitability and objectivity of credit ratings.

• Administration Process of Credit Ratings



1) Planning Process

The planning process is the procedure to establish credit rating criteria, credit pool categories and credit rating model* to secure the objectivity of the internal rating management, for which credit risk management related departments are responsible.

* Our credit rating model is a tool we have developed on our own to allocate the rating grade that corresponds statistically to the probability of default (PD) by using the financial data of obligors.

2) Implementation Process

In the implementation process, the credit rating assignment and assignment of credit pools are undertaken in accordance with the criteria prescribed in the planning process. In SMTB, each designated department such as each business management department takes charge of credit ratings assignments and credit pool assignments as the "implementation department." The procedure of credit rating assignment consists of a new assignment, regular review and monthly review, and the rating system is run in a way where credit ratings are reviewed in a timely manner in response to changes in the creditworthiness of obligors.

Furthermore, we assign credit ratings to clients in a combination of "quantitative assessment" and "qualitative assessment." "Quantitative assessment" is an assessment based on our credit rating model and mapping with external ratings, while "qualitative assessment" is an assessment based on human judgments ("expert judgment"). As we take the approach to determine credit ratings by combining "quantitative assessment" and "qualitative assessment," the monitoring of the objectivity of "qualitative assessment" made by expert judgment ultimately becomes important in ensuring the suitability of ratings.

In SMTB, throughout the implementation process, credit risk management related departments are monitoring the proper implementation of credit ratings in accordance with criteria set by the implementation department. Through the monitoring function of the implementation process, credit risk management related departments ensure the soundness of the entire process, including the appropriateness of the objectivity of expert judgment.

• Implementation Process of Credit Ratings



3) Validation Process

Credit risk management related departments, as "Validation Departments," carry out validation work once a year in order to ensure the accuracy and adequacy of results of the credit ratings model.

In the validation process, implementation departments provide data for validation, while validation departments undertake validation of the following items:

1) Credit rating results—suitability validation
2) Credit rating assignment criteria—objectivity validation
3) Credit pool classification—suitability validation
4) Parameters applied to credit ratings and credit pool—suitability validation

(3) Details of the Internal Ratings System

1) Procedures for Ratings Assignment under the Internal Ratings Systems

1. Procedures for Assigning Domestic Credit Ratings (Obligor Ratings)

(a) Subjects to be Rated

We assign credit ratings to all domestic corporate obligors (residents and nonresident Japanese).

(b) Quantitative Assessment

In domestic credit ratings, we use the credit rating model under which obligors' financial indicators are explanatory variables, and the typical PD is the explained variable. In building our credit ratings model, we have classified our obligors into five industry categories of manufacturing, wholesale/retail, services (including nonbanks), transportation/communications and construction/real estate in order to reflect financial characteristics of each industry sector in the assessment, and adopted statistical methods to choose financial indicators with a high correlation to the PD. Also, for financial data employed to build the model and to assess individual obligors by using the model, we use information such as unrealized losses collected and analyzed by branches and departments in addition to public financial statements, thus enabling the quantitative assessment that reflects the actual condition of obligors.

(c) Qualitative Assessment

The analysts in the implementation departments responsible for assigning sector-by-sector credit ratings assess "keiretsu" corporate groupings, industry circumstances, external ratings, future cash flow stability and other information that is not reflected in financial indicators (expert judgment).

For expert judgment, the margin of modification is limited, and qualitative assessment items are indicated in writing in order to contain the arbitrariness of those employees responsible for the assignment of credit ratings. Furthermore, departments which manage credit risk supervise the content of revisions to ensure objectivity.

2. Procedure for Assigning International Credit Ratings (Obligor Ratings)

(a) Subjects to be Rated

We assign credit ratings to all overseas obligors (nonresidents and non-Japanese).

(b) Quantitative Assessment

Given the limited availability of data compared to domestic ratings, overseas ratings look to external ratings (Moody's and S&P) as main judgment factors (for standard ratings and quantitative assessment ratings), and in principle, ratings on unsecured senior bonds are regarded as "standard ratings." When there are multiple external ratings, whichever is lower is used as the standard rating, in principle.

When there are no external ratings, we compare other companies in the same industry (in principle, multiple companies are selected from the same industry in the same country), or ratings based on the "Credit Statistics" published by rating agencies, and determine the "quantitative assessment ratings" as a prime factor for rating. Through this procedure, we secure the consistency of credit assessment criteria between obligors with external ratings and obligors without external ratings.

(c) Qualitative Assessment

The qualitative assessment ratings by expert judgment are determined on the basis of qualitative assessment criteria for domestic credit ratings and also by incorporating assessment factors not used in Japan, and limits are imposed on the margin of modification for each item of assessment. Furthermore, departments which manage credit risk supervise the content of revisions to ensure objectivity.

3. Procedure for Assigning Structured Ratings

(a) Subjects to be Rated

Structured ratings are assigned to structured finance projects with the cash flows generated from specific financed assets or businesses as the source of principal and interest payments.

(b) Quantitative Assessment

Two indicators are used for the quantitative assessment of structured ratings, for example in terms of real estate non-recourse loans: 1) the loan to value (LTV), which is the ratio of the amount of loans taken out or bonds issued to the appraised value of the subject asset; and 2) the debt service coverage ratio (DSCR), which is the ratio of net cash flow to the amount of interest on loans or bonds plus contracted principal payments. By combining these two indicators, we assess default risk during a given period and the certainty of redemptions by the sale of subject property at maturity and/or refinancing.

In addition, we assess the DSCR conservatively in anticipation of changes in the environment during a given period.

(c) Qualitative Assessment

In a real estate non-recourse loan, for example, in cases such as when a highly creditworthy tenant has undertaken a long-term lease contract, the assessment by expert judgment, in some cases, adjusts the rating level by taking these factors into consideration.

Since structured ratings are strongly individualized depending on specific transactions, we ensure the objectivity of ratings assigned by monitoring the adequacy of qualitative assessment at credit risk management related departments.

4. Procedures for Assignment of Credit Pool Categories

(a) Transactions Subject to Credit Pool Categorization

A credit pool is a group of transactions with similar risk profiles with regard to risks relating to the obligors as well as the transactions. In principle, SMTB applies the credit pool management approach to small-lot loans provided to individuals, etc. However, business finance loans to individuals, the outstanding balance of which is ¥100 million or higher, are assigned obligor ratings and managed individually.

(b) Assignment of Credit Pool Categories

SMTB divides loans into several categories according to product type, obligor status, transaction status, collateral coverage status and delinquency status. The loans are divided into three sub-categories' "residential mortgage exposure," "qualifying revolving retail exposure" and "other retail exposures."

4. Market Risk Management

Market risk refers to the risk that the Group incurs losses due to fluctuations in the value of assets/liabilities (including off-balance sheet assets/liabilities), or in the earnings generated from assets/liabilities, due to fluctuations in various market risk factors, such as interest rates, foreign exchange rates, stocks, commodities, and credit spreads. Of this, "market liquidity risk" in particular means risk that the Group incurs losses caused in a situation where it becomes impossible to conduct transactions in the market or becomes obligatory to trade at prices significantly disadvantageous than usual due to market turmoil.

We are building a more advanced market risk management system, after considering the impact on markets of fluctuations of such factors as interest rates and foreign exchange rates following the monetary easing by the Bank of Japan.

(1) Market Risk Management Policy

In managing market risk, we aim to ensure adequate profits commensurate with the strategic targets, scale and characteristics of business and risk profile of the Group. We are doing this by improving the management system, along with ensuring its operational soundness by adequate control over risks.

(2) Market Risk and Funding Risk Management Framework

1) The Board of Directors approves and determines the ALM Basic Plan and a risk management plan as important matters related to market risk and liquidity risk under management plans on a semiannual basis.

2) On a semiannual basis, the Executive Committee deliberates and decides the ALM Basic Plan and a risk management plan referred by the ALM Committee. In addition, based on reports on the status of market risk management, the Executive Committee implements measures to develop and improve the framework for facilitating control functions.

3) On a semiannual basis, the ALM Committee* plans the ALM Basic Plan on a company-wide comprehensive risk operational management basis for assets/liabilities as well

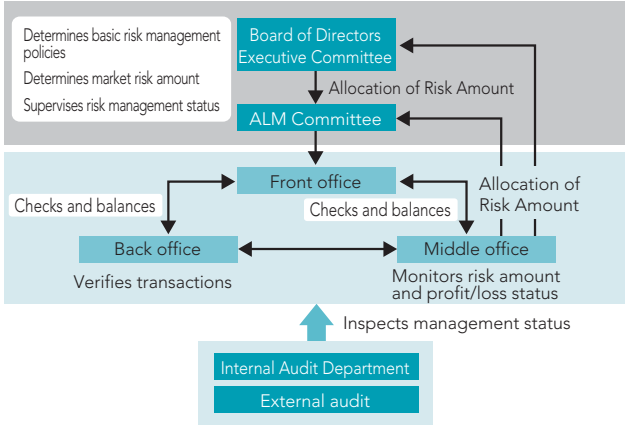
as a risk management plan related to market and liquidity risk. The ALM Committee is held on a monthly basis and controls market and funding risks on a consolidated basis, and strives to ensure the soundness of the composition of assets and liabilities as well as stability of earnings.

* ALM: Asset-Liability Management, designed to manage cash flows, liquidity, foreign exchange risk, interest rate risk, etc. by grasping the attributes of maturities and interest rates from assets and liabilities.

4) As a middle office independent from departments responsible for business processing (back offices) and departments responsible for market trading (front offices), the Corporate Risk Management Department is in a position to ensure proper control functions among the front and back offices. The role of this department includes the monitoring of conditions of market and funding risks managed under the ALM Basic Plan, measuring of risk amount and profits/losses, and planning and promoting market and funding risk management measures. It monitors the status of adherence of risk limits and loss limits. The department reports its findings to the members of the ALM Committee on a daily basis, and periodically and directly to the ALM Committee as well as the Board of Directors.

5) This department conducts internal auditing of the adequacy and effectiveness of the risk management framework.

• Market Risk/Funding Risk Management Structure



(3) Market Risk Management Methods

Market risk is quantified using VaR as a measurement standard, with confidence interval and holding period defined as follows:

Confidence interval: 99%

Holding period:	Trading	10 days
	Banking	ALM-related positions: 63 days (3 months)
		Credit investment and strategic investment: 260 days (1 year)
		Others: 21 days (1 month)

Meanwhile, in order to complement market risk management that assumes non-emergency situations, we periodically estimate the scale of potential loss beyond VaR in times of stress events, by conducting stress tests based on stress scenarios beyond the assumption of VaR measurement.

(4) Compliance with Capital Adequacy Regulations

1) Calculation of Market Risk Equivalent

The market risk equivalent refers to the sum of market risk in the trading account and foreign exchange risk and commodities risk in accounts other than the trading account, which is a factor used to calculate capital adequacy ratio. We calculate the market risk equivalent mainly by applying the Internal Models Approach*.

* We apply the Standardized Approach concerning individual risks at the parent company and exchange rate risks at consolidated subsidiaries.

We validate the reliability and effectiveness of the internal model by conducting back testing.

2) Outlier Ratio

Regarding the amount of interest rate risk for the banking account under the current capital adequacy regulations, when economic value calculated*1 under a certain interest rate fluctuation scenario*2 declines by more than 20% of total capital (Tier 1 capital + Tier 2 capital), a bank falls under the category of "outlier banks," and remedial actions to improve its stability will be made. The outlier ratio is obtained by dividing the overall amount of interest rate risk by total capital. As indicated by the table on page 383, our outlier ratio (on a consolidated basis) was 5.9% as of March 31, 2014, keeping us out of the category of outlier banks. The amount of interest rate risk in the banking

account, the amount of interest rate risk for internal management purposes and the overall amount of interest rate risk used for calculating the outlier ratio are not necessarily the same because of differences in the measurement method, calculation conditions and other matters.

*1 Our risk measurement method uses the interest rate sensitivity approach. Core deposits are defined as the lowest of the following three, as an upper limit, for the five-year maturity (the average term of 2.5 years): 1) the lowest balance of deposits in the past five years; 2) the balance left after deducting the maximum annual outflow of deposits in the past five years from the current balance of deposits; or 3) the amount equivalent to 50% of the current balance of deposits.

*2 Our interest rate fluctuation scenario assumes an interest rate shock consisting of the 1st and 99th percentile of the fluctuation of interest rates measured for the one year holding period and the minimum observation period of five years for the Japanese yen, U.S. dollar and Euro.
Regarding currencies which account for less than 5% of our overall assets or liabilities, we uniformly use a parallel shift of 200 basis points upward or downward as an interest rate fluctuation scenario.

5. Funding Risk Management

Funding risk refers to the risk that the Group incurs losses in a situation where it becomes impossible to secure necessary funds or becomes obligatory to raise funds at interest rates significantly higher than usual.

We are building a more advanced funding risk management system, after considering the needs for foreign currency funding associated with overseas business expansion and the compliance with new global standards (e.g. Basel Ⅲ) in terms of banks' capital adequacy and liquidity.

(1) Funding Risk Management Policy

Fully appreciating that a funding crisis resulting from the materialization of funding risk could, in the worst case, directly lead to a default of the Group, we are committed to formulating relevant policies for the development and establishment of an adequate funding risk management system, while keeping concerned parties fully informed on such development.

(2) Funding Risk Management Structure and Methods

The funding risk management-related departments make adequate judgments with respect to funding tightness, by collecting and analyzing information regarding our internal environment such as the Group's risk profile, as well as the external environment such as the overall economy and market conditions, subject to the risk management plan approved by the Board of Directors on a semi-annual basis and in coordination with the funding management departments.

In order to mitigate funding risk, the funding management departments control cash flows in compliance with a predetermined adequate risk limit. The funding risk management-related departments monitor the status of such compliance.

6. Operational Risk Management

Operational risk refers to the risk that the Group incurs losses resulting from inappropriate business processes, the activities of executives or employees and computer systems as well as from external events, and is classified into business processing risk, system risk, information security risk, legal and compliance risk, human resource risk, event risk and reputational risk for the purpose of risk management.

We will further enhance our operational risk management framework in order to appropriately deal with the completion of the system integration, as well as to remain prepared mainly for new risks that may emerge in association with the development in information technology.

(1) Operational Risk Management Policy

In developing an operational risk management system, we make it a principle to carry out adequate risk management in accordance with the scale and characteristics of businesses and risks involved, in an effort to ensure soundness and appropriateness of their businesses. This is based on the recognition that operational risk is something unavoidable in the course of business execution.

(2) Operational Risk Management Structure

1) The Board of Directors summarizes the matters to be addressed over the entire process of operational risk management along with specific actions, and it sets out the "Risk Management Plan (Operational Risk)," which is reviewed regularly or as necessary, on the basis of reports on the operational risk management situation.

2) The Executive Committee maintains the proper conditions for operational risk management, such as establishing the Operational Risk Management Committee and operational risk management-related departments including departments responsible for comprehensive manage-

ment of operational risk and departments responsible for the management of respective risk subcategories.

3) In the Operational Risk Management Committee, the executive officers in charge of the operational risk management-related departments and the general managers of the departments responsible for supervising each business receive reports on operational risk information including significant losses associated with operational risk while engaging in deliberation and consultation on these matters as necessary.

4) The Risk Management Department, which has overall responsibility for operational risk management, is committed to developing and enhancing the Group-wide operational risk management system, in coordination with the departments responsible for managing the subcategory risks.

5) The departments responsible for managing the subcategory risks are committed to developing and enhancing the Group-wide risk management system in each respective subcategory.

6) The Internal Audit Department conducts internal audit of the adequacy and effectiveness of the risk management system.

(3) Operational Risk Management Methods

Operational risks involved in all areas of the Group's business, including outsourced business, are subject to operational risk management, which adequately identifies and assesses risk from both qualitative and quantitative perspectives. Meanwhile, preventative measures against risk materialization, as well as responses in the event of materialization, causal analysis and recurrence-prevention measures are formulated to mitigate operational risk.

Management regarding Operational Accidents

As a countermeasure against operational accidents, such as incidents in which SMTB and/or its client(s) suffer loss as a result of inappropriate handling of business matters, SMTB is improving its reporting and management systems for operational accidents, to ensure proper handling of accidents at the time of their occurrence, prevention and elimination thereof, as well as to improve the quality of business process.

In the event of an operational accident, a concerned/involved department registers the accident with a reporting system, whereby it shall promptly be reported to the departments responsible for the businesses and the risk management. Furthermore, depending on the significance of the accident, such as the scope of its impacts and the size of associated loss, the report shall further be escalated to the bodies such as the Operational Risk Management Subcommittee, Operational Risk Management Committee and the Executive Committee. Upon receiving instructions from the departments responsible for the businesses, the department involved in the accident shall provide a prompt and appropriate response to clients, while it investigates and analyzes the causes of its occurrence, as it considers, develops and implements the measures to prevent its reoccurrence.

For the purpose of periodical analysis, the departments responsible for the businesses analyze the trends and causes of operational accidents in their respective business, and develop measures to prevent reoccurrence as deemed effective across the entire business. The risk management-related departments develop and review measures to prevent reoccurrence as deemed effective from a company-wide and cross-departmental point of view.

(4) Business Processing Risk Management Activities

Business processing risk refers to the risk that the Group incurs losses due to inappropriate business procedures arising from executives or employees neglecting to engage in proper business activities, or other incidents such as accidents or fraud. Engaging in a broad range of businesses including banking, asset management, asset administration and real estate, SMTB recognizes that business processing risk is something unavoidable in the course of business execution. SMTB is processing risk management in accordance with the scale and characteristics of business operations and risk so as to ensure peace of mind and satisfaction for its clients.

The Operations Planning Department, which is responsible for comprehensive management of business processing risk, comprehensively reviews inter-business issues concern-

ing business processing risk and business process streamlining, and develops a system for ensuring the effectiveness of SMTB'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.

SMTB developed a risk management plan that incorporated the goals for business processing risk management and it has implemented activities to mitigate business processing risk, including documentation of business processing, exhaustive checks for clerical errors and associated analysis, development of remedial measures and cautioning based on the macro analysis of clerical errors, outsourcing management, and self-inspection.

(5) System Risk Management Activities

System risk refers to the risk that the Group incurs losses due to such reasons as computer system failure, malfunctions and defects, as well as the risk that the Group incurs losses due to unauthorized use of a computer.

Since computer systems are vital for SMTB to carry out its business operations, SMTB recognizes that system risk is a serious risk with potential impacts on a wide range of clients, which may cause disrepute to SMTB. Therefore, SMTB is conducting adequate system risk management in accordance with the importance, nature and operational function of each system.

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 for the prevention of reoccurrence.

SMTB enhances the credibility of hardware and software as well as system operation, through measures including maintenance of hardware, securing of spare/alternate functions, back-up in place and preparation of manuals. Measures for ensuring security of the information system and preventing illegal access and use are also in place. Meanwhile, in order to minimize the impact of failure or disaster on the information system and to ensure early recovery and business continuity, we have in place a clarified communication and response system, manuals describing alternate measures and recovery procedures, along with the implementation of education and training on operations.

(6) Information Security Risk Management Activities

Information security risk refers to the risk that the Group incurs losses because information assets are not properly maintained or managed. This includes information leaks, incorrect information, an inability to use the information system and misuse of information. Since the information asset is one of the critical management resources involving the risk that could disrupt the basis of management, SMTB adequately maintains and manages all information assets under its care.

The Risk Management Department, which is responsible for information security risk management, is committed to developing and enhancing an information security risk management system, in coordination with the departments responsible for business processing risk management and the departments responsible for system risk management.

SMTB places degrees of importance on all information assets under its care according to the severity of potential losses that SMTB 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, adequately manage personal information in compliance with the laws pertaining to the protection of personal information 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 of our clients and shareholders.

SMTB is providing education and information to raise awareness of the information security risk management on a company-wide basis. Furthermore, the adequacy and effectiveness of the personal information management system are verified and ensured through self-inspection and internal audits.

(7) Activities to Manage Other Operational Risks

For legal and compliance risk management, we carry out verification from a legal perspective, such as legal checks, regarding the consistency of internal rules as well as the legality and adequacy of transactions and operations.

For human resource risk management, we have built a risk management system including the provision of internal training courses, interviews and consulting contacts to deal with personnel and labor management issues, such as unequal or unfair treatment of personnel and harassment.

For event risk management, we maintain preparedness against the risk events that impair business, such as natural disasters, the spread of infectious diseases, fire, crimes and traffic accidents, by developing preventative measures including mitigation measures, disaster prevention, crime prevention and safe operation management. We have also built and deployed a business continuity management system.

For the management of reputational risk, SMTB has built a system to prevent mass media reports, rumors or speculation that could compromise the reputation of SMTB or its subsidiaries and to conduct public announcement as well as respond to clients in a prompt and appropriate manner in the event that such a reputational issue arises.

(8) Compliance with Capital Adequacy Requirements

1) Calculation of Operational Risk Equivalent Amount

Since the end of March 2014, SMTB has adopted the Advanced Measurement Approach in lieu of the Standardized Approach, which was used previously, in the calculation of the operational risk equivalent amount under capital adequacy requirements.

Exceptionally, we adopt the Basic Indicator Approach or the Standardized Approach for a portion of the corporations deemed less important in the calculation of the operational risk equivalent amount and corporations that are in preparation for the adoption of the Advanced Measurement Approach.

2) Outline of the Advanced Measurement Approach

1. Measurement Framework

SMTB calculates the operational risk equivalent amount by aggregating "each maximum loss amounts of operational risk expected over a period of one year, with a one-sided confidence interval of 99.9% (hereinafter "VaR")," for each of the eight quantification units (six businesses, corporate management sections and earthquakes) that are based on the consistency between management regarding operational accidents and profit management.

The operational risk equivalent amount is calculated using the four elements that are pre-requisites for the adoption of the Advanced Measurement Approach, i.e. internal loss data, external loss data, business environment and the internal control factors, and scenario analysis, as well as the quantification model. The results of the calculation are utilized in activities to enhance operational risk management, including the deliberation of measures to improve the internal control factors.

Additionally, in the calculation of the operational risk equivalent amount, we do not reflect the mitigating effects of insurance, and do not exclude expected loss or conduct adjustments based on the correlation between the quantification units.

- Internal Loss Data
  Information on losses associated with operational risk occurring within the Group
- External Loss Data
  Information on losses associated with operational risk gathered from outside of the Group
- Business Environment and Internal Control Factors
  Factors relating to the business environment and the internal control factors of the Group that will impact operational risk
- Scenario Analysis
  Estimation method of the amount and frequency of serious losses associated with operational risk based on expert knowledge, experience and information on operational risk

2. Scenario Analysis

In order to accurately understand SMTB's risk profile, we identify events involving a large amount of losses associated with operational risk that cannot be covered by internal loss data alone when we conduct scenario analysis. We also construct scenario data that estimate loss amount and probability of such events.

The evaluation results of elements including the business environment and the internal control factors are

reflected in the subjects to the construction of scenario data, and the estimation of loss amount and frequency.

In addition, we ensure the objectivity, accuracy and completeness of the constructed scenario data by conducting verification using both internal loss data and external loss data.

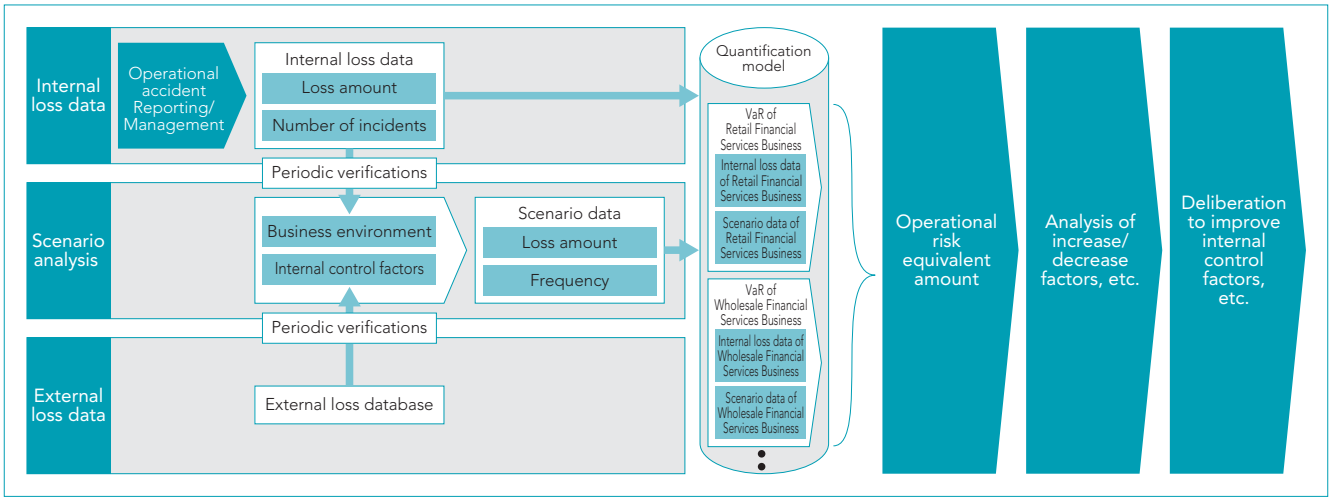
3. Quantification Model

The VaR of each measurement unit is calculated by plotting frequency distributions and severity distribution based on the internal loss data and the scenario data prepared through the scenario analysis, and expressed through Monte Carlo simulation that mixes such distributions and estimates the total severity distribution.

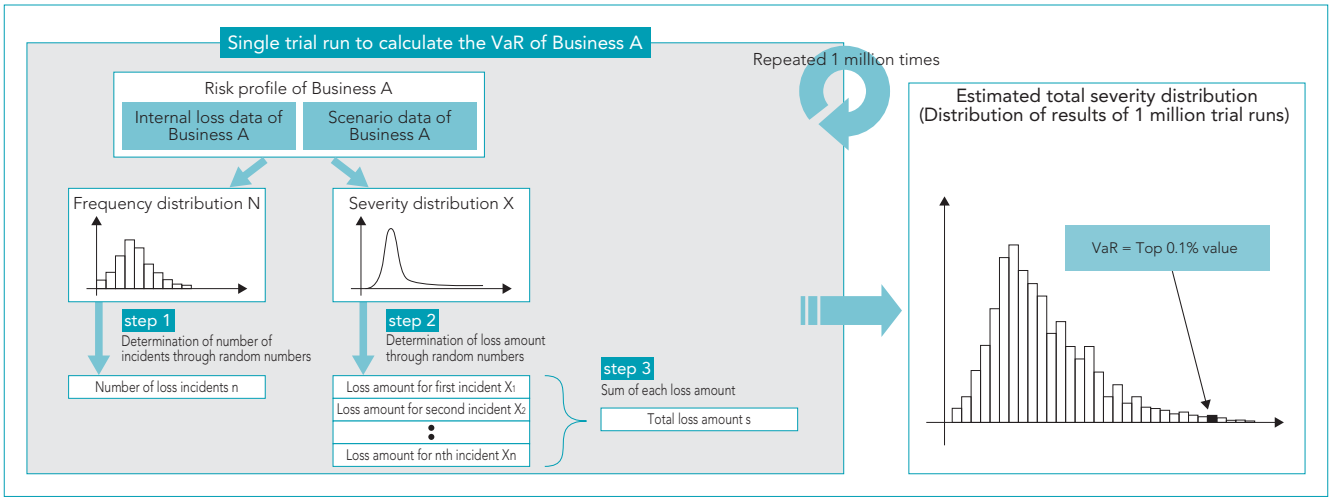
The Poisson distribution has been applied to the frequency distribution, and our own distribution method has been applied to severity distribution in order to grasp the amount of tail risk.

We confirm the appropriateness of the quantification model and the results of the VaR calculations by conducting periodic verifications such as back testing.

• Outline of the Quantification Framework



• Outline of Quantification Model



7. Other Related Matters

(1) Securitization Exposures

Securitization is a transaction where credit risks of multiple underlying assets are divided into two or more different classes forming a senior and subordinated structure, and are then transferred partially or wholly to third parties. Well-known such products, by type of underlying assets, include residential mortgage-backed securities (RMBS), commercial mortgage-backed securities (CMBS) and collateralized loan obligations (CLO), apart from re-securitization products backed by securitization products. In a securitization transaction, credit risk measurements differ between an originator, who brings securitized products to the market, and an investor, who purchases securitization exposures. The originator does not bear any credit risk, if such risk is completely transferred in a securitization transaction, but is left with some credit risk, if it accepted a subordinated portion in designing securitized products. The investor who purchased securitized products naturally bears credit risk inherent in such products. Meanwhile, re-securitization products, as they are backed by securitization products, make it more difficult to identify the risks involved, and may carry higher credit risk than ordinary securitization products.

We participate in the securitization market principally as an investor, but also have a track record of designing securitized products as an originator. We are also in the business of appropriately managing underlying assets for investors as a trustee in securitization, though we do not bear credit risk in doing so.

1) Management Policy of Securitization Exposures

1. Investor

In principle, we invest in securitization products assigned with high external ratings, and we manage risks by assigning credit ratings (structured ratings) according to our internal credit ratings system. During the investment periods, we regularly monitor not only external ratings but also the status and performance of the underlying assets of each securitization product, risk characteristics and the status of structures of the securitization transactions, which are reflected in a review of credit ratings to ensure stable earnings opportunities. In principle, re-securitization products are also subjected to a similar risk management.

2. Originator

We are considering the possibility of making more active use of securitization transactions, with the SMTB Group as an originator, as a means of controlling our loan portfolio. In doing so, we plan to design transactions that would effectively realize the intended transfer of credit risks, and also calculate credit risk-weighted assets we bear after securitization in an appropriate manner. The SMTB Group engages in securitization transactions of assets purchased from third parties, along with the assets held by affiliated companies within the scope of consolidation of the holding company. In both cases, we adopt schemes involving the use of trusts as conduits for the purpose of securitization, where the trust beneficiary rights with respect to the retained subordinated portion remain our exposure.

While securitization products originated by the SMTB Group are, in principle, held by investors outside the scope of consolidation of SMTH, some are held by SBI Sumishin Net Bank, Ltd., an affiliated company of the SMTB Group.

2) Accounting Policies for Securitization Transactions

In implementing securitization transactions, we have adopted a method of sale that recognizes the extinguishment of financial assets with the transfer to others of control of contractual rights over financial assets, in line with accounting standards for financial products. In the case of loans, for example, we recognize the extinguishment of assets, in principle, when the transfer of assets is legally completed and the payment for the transfer is received. In the case where we hold retained equity after the execution of a securitization transaction, we do not recognize the sale of assets for a portion related to the retained equity concerned, and include it in credit risk-weighted assets. On the other hand, in transactions involving a considerable amount of credit provision without prior payment of fund, an accounting treatment is adopted in which raised funds are recorded as a liability. Meanwhile, assets held for the purpose of securitization transactions are valued according to the accounting standards for financial instruments, and recorded in the banking account.

3) Management Method of Securitization Exposures

In calculating the amount of credit risk for securitization exposures, we use specific individual credit ratings assigned to securitization exposures, and measure the risk amount in much the same way as with ordinary corporate exposures.

Interest rate risk associated with securitization exposures is subject to the calculation of market risk.

4) Compliance with Capital Adequacy Regulations

In calculating credit risk-weighted assets in securitization exposure, we prioritize calculation methods and choose the most applicable calculation methods. For securitization exposures assigned with qualifying external ratings, we use an "external ratings-based approach" to calculate risk-weights. For securitization exposures without qualifying external ratings, we apply the "supervisory formula" commensurate with the characteristics of underlying assets to the calculation of risk-weights. Securitization exposures to which neither of the above-mentioned approaches can be applied are deducted from total capital. The total of capital charges against securitization exposures held is not to exceed the amount of required capital in the case where the IRB Approach is applied to underlying assets.

Qualifying rating agencies we use when we calculate credit risk-weighted assets with the "External Ratings-Based Approach" are Rating and Investment Information, Inc. (R&I); Japan Credit Rating Agency, Ltd. (JCR); Moody's Investors Service, Inc. (Moody's); Standards & Poor's Rating Services (S&P); and Fitch Ratings Ltd. (Fitch).

While securitization exposure is in principle subject to credit risk-weighted calculations, we use the standardized approach when calculating market risk-weighted equivalents.

(2) Banking Account Equity Exposures

We purchase equities through the banking account as part of our investment operations, and also make capital participation in organizations that can be expected to bring benefits to us and acquire equities in our clients to help strengthen business relations with them.

1) Management Policy for Banking Account Equity Exposures

While some of the equities we hold are intended to gain short term investment returns or returns pertaining to long-term business relations, listed stocks are marked to market and are therefore exposed to the risk of market price fluctuations.

We measure the risk of equity exposures by broadly classifying them into those listed and unlisted. For listed equity exposures with market prices, we recognize the volatility of market prices as risk, and measure equity VaR with an estimated holding period of one month, and the one-tailed 99% confidence interval, in the same way as with other market risks in the banking account, such as interest-rate risk.

Regarding unlisted equities, for which market price fluctuations cannot be observed directly, the amount of risk with a one year holding period is measured by the method of indirectly estimating the volatility of an appropriate alternative indicator or by invoking the PD/LGD Approach prescribed under capital adequacy regulations.

As stocks of consolidated subsidiaries are canceled out with capital accounts of such subsidiaries on the consolidated financial statement, capital on the consolidated financial statement is affected not by price fluctuations of equities of subsidiaries but by fluctuations of prices of assets held by subsidiaries. Thus, the risk to be measured is not the risk of the value of stocks held declining but the credit risk and market risk directly borne by subsidiaries. In contrast, the risk to be measured for equity method affiliates is the risk of the value of stockholdings declining.

2) Management Method of Banking Account Equity Exposures

Under capital adequacy regulations, we apply different risk calculation methods for domestic and overseas equity exposures.

As for domestic equities, equity exposures to obligors and listed companies are calculated with the regulatory formula using credit ratings assigned. We apply the simplified approach to exposures of domestic stocks without credit ratings and overseas equities, and calculate risk assets by multiplying those exposures by risk-weights set separately for listed and unlisted equities.

However, for equities acquired before the end of September 2004 and held continuously since then, risk-weights under the standardized approach are applicable pending the calculation of credit risk-weighted assets as of June 30, 2014 (the grandfathering rule).

(3) Credit Risk Mitigation Measures

Controls of credit exposures can be achieved not simply by reducing the balance of outstanding credit but also by seeking to loan protection via collateral and guarantees. These protection measures are collectively called "credit risk mitigation techniques."

While we measure the creditworthiness of clients com-

prehensively by looking at their business status and technological capabilities as well as their future potential, we also employ the credit risk mitigation techniques in order to cover deficiencies in creditworthiness or enhance the quality of loans.

In doing this, it is necessary for the credit risk mitigation techniques to be "valid" both legally and practically. In order to ensure that validity, we set internal standards for sound and reliable protection and management. In recent years, we have witnessed the emergence of a new strain of collateral, which is not included in the past standard method, such as "intellectual property rights." We intend to respond to the demands of the times, and are striving to build up our capabilities to accurately assess new kinds of assets.

1) Collateral

While collateral cannot be determined uniformly due to varying specific circumstances of obligors, we accept collateral that is most suitable for the use and character of loans and has good security qualifications.

We investigate and assess collateral in a prudent manner, bearing in mind the degree of difficulty in actual disposal and realization of collateral as well as legal limitations and economic constraints.

Principal collateral we accept includes the following:

- Commercial bills before maturity that fully meet statutory requirements with settlement certainty
- Yen-denominated time deposits and deposits at notice with us
- Beneficiary rights of principal of designated money in money trusts or beneficiary rights of principal and income of such trusts with us
- Beneficiary certificates of loan trusts with us (both registered and bearer form)
- Public and corporate bonds, listed stocks and securities investment trusts (bearer form)
- Land or land and buildings located for manageability, ease of disposal and with certain collateral quality
- Ships with certain collateral quality
- Foundations having good-quality, well-managed properties with settlement certainty in terms of earning capacity
- Claims payable to specific persons that meet certain requirements

The assessment of collateral is conducted once a year, in principle, for real estate and ships, while equities and other collateral with market value are assessed by current prices.

2) Guarantees

Guarantees are classified into several types, including specific debt guarantees covering only specific debts and revolving guarantees. In any event, we recognize guarantees that are consistent with our validity criteria for the effects of credit risk mitigation, including those with confirmed guarantee capacity and guarantee intentions, and also recognize guaranteed transactions in the process of screening credit applications. While we broadly recognize the validity of guarantees not only with formal guarantee agreements but also under signed memorandums and commitments to guarantee depending on accompanying terms and conditions, we set requirements for documents and other materials used to confirm potential guarantors' abilities and intentions of providing guarantees and give importance to the substantive effectiveness of guarantees instead of simply relying on written guarantee agreements.

Guarantors tend to be parent companies of obligors, and we are not relying on any particular guarantors. Since there are usually close relations between obligors and guarantors, the effect of diversification due to guarantees cannot be expected to any large extent. But we at least recognize equating the creditworthiness of guaranteed debt with the creditworthiness of guarantors.

3) Offset

We net loans owned against deposits from the same counterparty, in principle, on the basis of Japanese laws and only with clients who have concluded bank transaction agreements containing clauses for timely netting.

4) Netting

When we conduct derivatives transactions and repurchase agreement transactions, we conclude, in principle, legally valid bilateral netting agreements (ISDA master agreements, etc.) with counterparties. When reasons for early termination emerge, we mitigate credit risk by invoking bilateral netting agreements for the closeout netting of multiple derivatives transactions and repurchase agreement transactions concluded with counterparties concerned. We are also pushing for the conclusion of the Credit Support Annex ("CSA") as associated agreements to ISDA master agreements in order

to minimize credit risk in derivatives transactions. CSAs are bilateral agreements for credit enhancement, under which we and CSA counterparties calculate the present value of a derivatives transaction and the party with revaluation loss provides the other party with unrealized gains via collateral with the value equivalent to the revaluation loss.

Collateral is offered and received on a continuing basis between us and the CSA counterparty to make the revaluation gain/loss neutral. When the creditworthiness of one party deteriorates and is downgraded, however, the need arises to offer additional collateral* to account for the impact of the downgrade.

* The value of additional collateral varies depending on individual agreements with CSA counterparties.

5) Compliance with Capital Adequacy Regulations

The capital adequacy regulations narrowly define types and requirements of credit risk mitigation techniques that can be used to mitigate risk-weighted assets in the calculation of credit risk-weighted assets. As described above, we make use of credit risk mitigation techniques as much as possible, and set the scope of the credit risk mitigation techniques applicable to the calculation of our capital adequacy ratio as follows, after scrutinizing their eligibility for the notified requirements:

1. Qualifying Financial Asset Collateral

- Netting of loans against deposits (limited to jurisdictions where netting is authorized in a stable manner and also based on judicial precedents, etc., with offset agreements in place), deposits as collateral
- Legally valid bilateral netting agreements and credit enhancement by CSA, regarding derivatives transactions and repurchase agreement transactions
- Listed securities (Acceptable listed securities are shares. When accepting shares as qualifying financial assets collateral, we take into consideration the relationship between the obligor and the issuer of the shares)

2. Qualifying Assets Collateral

- Qualifying real estate asset collateral (land only or land and accompanying buildings, foundation)
- Other qualifying asset collateral (ships)

3. Guarantee and Credit Derivatives

- We accept guarantees mainly from public-sector organizations and business enterprises (guarantors) and purchase credit derivatives mainly from financial institutions (protection providers). Legally valid agreements, which appropriately provide the rights for guarantee and protection unharmed, are classified as qualifying instruments so that credit risk mitigation effects are ensured.

6) Regarding the concentration of credit and market risks resulting from the use of credit risk mitigation techniques

- Guarantees and credit derivatives are deemed to involve concentration risk.
- Guarantors tend to be the parent companies of obligors, and we are not relying on any particular guarantors. In our controls of the credit limits regarding an obligor, we monitor and control concentration risk through total management of the entire group to which the obligor belongs regardless of whether a guarantee is provided by the parent or not.
- The total notional principal amount of credit derivatives purchased by SMTB is not significant as credit risk. We manage the notional principal amount as part of the credit limits for the protection provider.

(4) Credit Risk in Market Trading

Approach to Manage Credit Risk in Market Trading

When conducting market trading with financial institutions as counterparties, credit risk as well as market risk arises, making it necessary to conduct appropriate risk management in accordance with the types of transactions. In order to contain credit risks associated with repetitive market trades with specific counterparties within a certain range, we are managing such risks by establishing credit lines for respective counterparties.

While in principle we treat principal or notional principal in contracted market trades as credit equivalents, we calculate credit equivalents by applying the current exposure method in principle for derivatives transactions. We also apply the same method to the calculation of credit equivalents regarding transactions with long settlement periods. Regarding these market trades, the middle office controls credit limits integrally for both on-balance sheet and off-balance sheet transactions on a monthly basis, and manage credit lines in an appropriate manner.

Compensation Disclosure Data:

Sumitomo Mitsui Trust Bank, Limited

1. Development Status of Organizational Structures Concerning Compensation for Applicable Officers and Employees within the SMTB Group

(1) Scope of "Applicable Officers and Employees"

The scope of "applicable officers" and "applicable employees, etc." (collectively "applicable officers and employees") as defined in the compensation notification to be disclosed is as follows:

(i) Scope of "Applicable Officers"

Applicable officers include directors and corporate auditors of SMTB, but exclude external directors and external auditors.

(ii) Scope of "Applicable Employees, etc."

Of SMTB'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 SMTB 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 SMTB Group's management, namely Sumitomo Mitsui Trust Panasonic Financial Co., Ltd.

(b) Scope of a "Person Receiving a Substantial Amount of Compensation"

A "person receiving a substantial amount of compensation" refers to a person who receives compensation in excess of a certain threshold amount from SMTB or its significant consolidated subsidiaries. Such a threshold amount is set at ¥40 million within the SMTB 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 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 SMTB, the SMTB Group or its significant consolidated subsidiaries, or whose transactions can cause loss with significant impact on their asset status. Specifically, they include executive officers and employees equivalent to general managers in the departments involving loan operations and market risk management.

(2) Determination of Compensation for Applicable Officers and Employees

(i) Determination of Compensation for Applicable Officers

SMTB determines the total amount of compensation for officers based on decisions made at the General Meeting of Shareholders. Of the total compensation, individual allocation of compensation for directors is at the discretion of the Board of Directors, while that for corporate auditors depends on deliberations of corporate auditors.

(ii) Determination of Compensation for Applicable Employees, etc.

Compensation for employees, etc. within SMTB and the Group is payable, subject to the policies established primarily by the Boards of Directors and others of SMTB and its significant consolidated subsidiaries. According to such policies, compensation systems are designed by human resources departments of SMTB and its significant consolidated subsidiaries, independent of the business promotion

departments and documented as payroll rules, etc. Information on the compensation systems of the significant consolidated subsidiaries is reported to, and verified by, the Personnel Department of SMTB on a regular basis.

Compensation for overseas employees, etc. are determined and payable under the local compensation system established by each overseas operation on its own, in compliance with local laws and regulations and local employment practice. Establishment and change of overseas compensation systems require consultation with, and validity verification by, the Personnel Department of SMTB.

2. Adequacy Evaluation of Design and Operation of the Compensation System for Applicable Officers and Employees of SMTB

(1) Policies Concerning Compensation for Applicable Officers and Employees

(i) Policies Concerning the Compensation for "Applicable Officers"

The limit amount for compensation for officers as decided by the General Meeting of Shareholders is ¥80 million per month for directors, and ¥20 million per month for corporate auditors, apart from a ¥30 million annual limit for stock options (share acquisition rights) for directors. Compensation for directors and corporate auditors are capped by these limits.

Compensation for directors is intended to function effectively as an incentive to make improvements in corporate performance and expand corporate value in order to achieve steady and sustainable growth of the SMTB Group.

The amount of compensation is also aimed at reflecting corporate performance, the contribution of each director to corporate performance, efforts for expansion of business operations in the medium- to long-terms, and for improvement of corporate value, and so forth. Amounts of compensation are determined based on an annual compensation policy determined by the Board of Directors and on an objective evaluation made by the Performance Evaluation Committee.

Furthermore, for the fiscal year under review, Sumitomo Mitsui Trust Holdings, Inc. allotted share acquisition rights to directors as a stock option to further enhance their motivation and morale that helps drive stock price increases, medium- to long-term corporate performance, and ultimately shareholder profits.

(ii) Policies Concerning Compensation for "Applicable Employees, etc."

Compensations for the SMTB Group's employees, etc. are determined by performance assessments, to reflect each employee's contribution to corporate performance in determining a performance-linked portion and evaluating target achieving performance. The human resources departments at each company have ensured that compensation payments are not excessively performance-oriented, on the basis of the compensation system in place, current status of performance assessment and actual payment records.

On the other hand, compensation for overseas employees is determined under a basic principle by which payrolls are determined based on job description and responsibility, while bonuses are determined based on performance. Meanwhile, the total compensation budget is capped locally, based on the performance of each operation, preventing excessive impact on the overall compensation fund from individual employees' extraordinary performance.

3. Consistency of SMTB's Compensation System for Applicable Officers and Employees in Line with Risk Management, and Linkage between Compensation and Performance

In determining compensation for applicable officers, the total amount of compensation is determined based on decisions made at the General Meeting of Shareholders. In determining compensation for applicable employees, etc., an adequate budget is arranged in consideration of the SMTB Group's financial standing and other considerations.

• Total Amount of Compensation for Applicable Officers and Employees within the SMTB Group (From April 1, 2013 to March 31, 2014)

Category	Headcount	Millions of Yen						
		Total amount of compensation	Total amount of fixed compensation	Basic Compensation	Total amount of variable compensation	Bonus	Compensation as stock option	Retirement benefits
Directors (excluding External Directors)	14	711	589	589	96	96	26	—
Corporate Auditors (excluding External Auditors)	2	57	57	57	—	—	—	—
Applicable employees, etc.	4	202	102	102	100	100	—	—

* Amount of compensation stated above includes compensation for (concurrent) directorship at the significant consolidated subsidiaries.

Capital Adequacy Ratio Quantitative Disclosure Data:

Sumitomo Mitsui Trust Bank, Limited

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Market Risk	420
Capital Subscriptions or Equity Exposures in the Banking Account	421
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Capital Adequacy Ratio Quantitative Disclosure Data:

Sumitomo Mitsui Trust Bank, Limited

Capital Adequacy Ratio

Consolidated

We calculate the BIS capital adequacy ratio on both a consolidated and non-consolidated basis in line with provisions of Article 14-2 of the Banking Act and on the basis of calculation formula prescribed under the criteria for judging whether a bank's capital adequacy ratio is appropriate in light of assets held (the Financial Services Agency 2006 Notification No. 19, hereinafter referred to as the "Notification").

Applying uniform international standards on March 2014, we have adopted the Foundation Internal Ratings-Based (IRB) Approach for the calculation of credit risk-weighted assets, the Advanced Measurement Approach for the calculation of operational risk, and market risk regulations.

Scope of Consolidation

Consolidated

(1) There is no difference between companies belonging to the group of companies subject to the consolidated BIS capital adequacy ratio as prescribed by the Basel Notification, Article 3 (hereinafter referred to as the "SMTB Group") and the companies included in the scope of accounting consolidation.

(2) The number of consolidated subsidiaries that belong to the SMTB Group is 68. The principal companies are the following.

Name	Principal Business Operations
Sumitomo Mitsui Trust Panasonic Finance Co., Ltd.	General Leasing, Installment Purchase Services, Credit Card Business
Nikko Asset Management Co., Ltd.	Investment Management, Investment Advisory
Sumitomo Mitsui Trust Loan & Finance Co., Ltd.	Money Lending Business
Sumitomo Mitsui Trust Realty Co., Ltd.	Real Estate Brokerage Business
Sumitomo Mitsui Trust Guarantee Co., Ltd.	Housing Loan Guaranty Business
Sumitomo Mitsui Trust Bank (U.S.A.) Limited	Banking, Trust Business

(3) There is no affiliated company that undertakes financial services subject to the Basel Notification, Article 9.

(4) There are no particular restrictions on the transfer of funds and capital within the SMTB 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

Fiscal Year 2013

Items		Millions of Yen, %	Amounts Excluded under Transitional Arrangements	Basel Ⅲ Template No.
Common Equity Tier 1 Capital: Instruments and Reserves				
Directly Issued Qualifying Common Share Capital Plus Related Capital Surplus and Retained Earnings		¥ 1,754,560		1a+2–1c–26
of Which: Capital Stock and Capital Surplus		834,296		1a
of Which: Retained Earnings		950,835		2
of Which: Treasury Stock (Deduction)		—		1c
of Which: Earnings to be Distributed (Deduction)		30,571		26
of Which: Others		—		
Subscription Rights to Common Shares		—		1b
Accumulated Other Comprehensive Income		39,010	¥ 156,042	3
Common Share Capital Issued by Subsidiaries and Held by Third Parties (Amount Allowed in Group Common Equity Tier 1)		—		5
Amount Allowed in Group Common Equity Tier 1 Subject to Transitional Arrangements		14,363		
of Which: Common Share Capital Issued by Subsidiaries and Held by Third Parties		14,363		
Common Equity Tier 1 Capital: Instruments and Reserves	(A)	1,807,935		6
Common Equity Tier 1 Capital: Regulatory Adjustments				
Intangible Assets Other than Mortgage Servicing Rights (Net of Related Deferred Tax Liabilities)		33,113	132,452	8+9
of Which: Goodwill (Including Those Equivalent)		20,473	81,895	8
of Which: Other Intangible Assets		12,639	50,556	9
Deferred Tax Assets That Rely on Future Profitability Excluding Those Arising from Temporary Differences (Net of Related Deferred Tax Liabilities)		643	2,575	10
Deferred Gains or Losses on Derivatives under Hedge Accounting		(1,255)	(5,020)	11
Shortfall of Eligible Provisions to Expected Losses		19,826	79,307	12
Securitization Gain on Sale		1,488	5,955	13
Gains and Losses Due to Changes in Own Credit Risk on Fair Valued Liabilities		—	—	14
Assets for Retirement Benefits		19,326	77,305	15
Investments in Own Shares (Excluding Those Reported in the Net Assets Section)		—	—	16
Reciprocal Cross-Holdings in Common Equity		—	—	17
Investments in the Common Stock of Banking, Financial and Insurance Entities That are Outside the Scope of Regulatory Consolidation, Net of Eligible Short Positions, Where the Bank Does Not Own More than 10% of the Issued Share Capital (Amount above 10% Threshold)		6,797	27,191	18
Amount above the 10% Threshold on the Specified Items		—	—	19+20+21
of Which: Significant Investments in the Common Stock of Banking, Financial and Insurance Entities That are Outside the Scope of Regulatory Consolidation, Net of Eligible Short Positions		—	—	19
of Which: Mortgage Servicing Rights		—	—	20
of Which: Deferred Tax Assets Arising from Temporary Differences (Net of Related Deferred Tax Liabilities)		—	—	21
Amount Exceeding the 15% Threshold on the Specified Items		—	—	22
of Which: Significant Investments in the Common Stock of Banking, Financial and Insurance Entities That are Outside the Scope of Regulatory Consolidation, Net of Eligible Short Positions		—	—	23
of Which: Mortgage Servicing Rights		—	—	24
of Which: Deferred Tax Assets Arising from Temporary Differences (Net of Related Deferred Tax Liabilities)		—	—	25
Regulatory Adjustments Applied to Common Equity Tier 1 Due to Insufficient Additional Tier 1 and Tier 2 to Cover Deductions		—		27
Common Equity Tier 1 Capital: Regulatory Adjustments	(B)	79,942		28
Common Equity Tier 1 Capital (CETI)				
Common Equity Tier 1 Capital	(C) = (A)–(B)	¥ 1,727,992		29

Items		Millions of Yen, %	Amounts Excluded under Transitional Arrangements	Basel Ⅲ Template No.	
Additional Tier 1 Capital: Instruments					
Directly Issued Qualifying Additional Tier 1 Instruments Plus Related Capital Surplus of Which Classified as Equity under Applicable Accounting Standards		¥ —		31a	30
Subscription Rights to Additional Tier 1 Instruments		—		31b	
Directly Issued Qualifying Additional Tier 1 Instruments Plus Related Capital Surplus of Which Classified as Liabilities under Applicable Accounting Standards		—		32	
Qualifying Additional Tier 1 Instruments Issued by Special Purpose Vehicles		—			
Additional Tier 1 Instruments Issued by Subsidiaries and Held by Third Parties (Amount Allowed in Group Additional Tier 1)		9,184		34–35	
Eligible Tier 1 Capital Instruments Subject to Phase out from Additional Tier 1 Capital		269,000		33+35	
of Which: Directly Issued and Issued by Special Purpose Vehicles		269,000		33	
of Which: Issued by Subsidiaries		—		35	
Amount Allowed in Group Additional Tier 1 Subject to Transitional Arrangements		4,182			
of Which: Accumulated Other Comprehensive Income		4,182			
Additional Tier 1 Capital: Instruments	(D)	282,367		36	
Additional Tier 1 Capital: Regulatory Adjustments					
Investments in Own Additional Tier 1 Instruments		—	¥ —	37	
Reciprocal Cross-Holdings in Additional Tier 1 Instruments		—	—	38	
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)		4,640	18,561	39	
Significant Investments in the Additional Tier 1 Instruments of Banking, Financial and Insurance Entities That are Outside the Scope of Regulatory Consolidation, Net of Eligible Short Positions		—	—	40	
Regulatory Adjustments Applied to Additional Tier 1 Subject to Transitional Arrangements		126,084			
of Which: Tier 1 Subject to Pre-Basel Ⅲ Treatment		126,084			
Regulatory Adjustments Applied to Additional Tier 1 Due to Insufficient Tier 2 to Cover Deductions		—		42	
Additional Tier 1 Capital: Regulatory Adjustments	(E)	130,725		43	
Additional Tier 1 Capital (ATI)					
Additional Tier 1 Capital	(F)=(D)–(E)	151,642		44	
Tier 1 Capital (TI = CETI + ATI)					
Tier 1 Capital	(G) =(C)+(F)	1,879,635		45	
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		—		46	
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		—			
Qualifying Tier 2 Instruments Issued by Special Purpose Vehicles		—			
Tier 2 Instruments Issued by Subsidiaries and Held by Third Parties (Amount Allowed in Group Tier 2)		2,096		48–49	
Eligible Tier 2 Capital Instruments Subject to Phase out from Tier 2		686,327		47+49	
of Which: Directly Issued and Issued by Special Purpose Vehicles		686,327		47	
of Which: Issued by Subsidiaries		—		49	
Provisions Allowed in Group Tier 2		509		50	
of Which: General Allowance for Credit Losses		509		50a	
of Which: Excess Amount of Eligible Provisions to Expected Losses		—		50b	
Amount Allowed in Group Tier 2 Subject to Transitional Arrangements		136,180			
of Which: Accumulated Other Comprehensive Income		136,180			
Tier 2 Capital: Instruments and Provisions	(H)	¥ 825,114		51	

Items		Millions of Yen, %		
			Amounts Excluded under Transitional Arrangements	Basel Ⅲ Template No.
Tier 2 Capital: Regulatory Adjustments				
Investments in Own Tier 2 Instruments		¥ —	¥ —	52
Reciprocal Cross-Holdings in Tier 2 Instruments		—	—	53
Investments in the Tier 2 Instruments of Banking, Financial and Insurance Entities That are Outside the Scope of Regulatory Consolidation, Net of Eligible Short Positions, Where the Bank Does not Own More than 10% of the Issued Common Share Capital of the Entity (Amount above 10% Threshold)		14,113	56,452	54
Significant Investments in the Tier 2 Instruments of Banking, Financial and Insurance Entities That are Outside of the Scope of Regulatory Consolidation, Net of Eligible Short Positions		1,140	4,560	55
Regulatory Adjustments Applied to Tier 2 Subject to Transitional Arrangements		52,947		
of Which: Tier 2 and Deductions Subject to Pre-Basel Ⅲ Treatment		52,947		
Tier 2 Capital: Regulatory Adjustments	(I)	68,200		57
Tier 2 Capital (TⅡ)				
Tier 2 Capital	(J)=(H)–(I)	756,913		58
Total Capital (TC = T1 + TⅡ)				
Total Capital	(K)=(G)+(J)	2,636,548		59
Total Risk Weighted Assets				
Risk Weighted Assets Subject to Transitional Arrangements		266,013		
of Which: Amount not Included in Tier 1 or Tier 2 or Deductions Subject to Pre-Basel Ⅲ Treatment		266,013		
Total Risk Weighted Assets	(L)	18,783,256		60
Capital Ratios (Consolidated)				
Common Equity Tier 1 Capital Ratio (C)/(L)		9.19%		61
Tier 1 Capital Ratio (G)/(L)		10.00%		62
Total Capital Ratio (K)/(L)		14.03%		63
Regulatory Adjustments (before Risk Weighting)				
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)		158,386		72
Significant Investments in the Common Stock of Banking, Financial and Insurance Entities (Amount below the Thresholds for Deduction)		43,486		73
Mortgage Servicing Rights (Amount below the Thresholds for Deduction)		—		74
Deferred Tax Assets Arising from Temporary Differences (Amount below the Thresholds for Deduction)		67,759		75
Provisions Included in Tier 2 Capital: Instruments and Provisions				
Provisions Eligible for Inclusion in Tier 2 in Respect of Exposures Subject to Standardized Approach (Prior to Applicable of Cap)		509		76
Cap on Inclusion of Provisions in Tier 2 under Standardized Approach		5,354		77
Provisions Eligible for Inclusion in Tier 2 in Respect of Exposures Subject to Internal Ratings-Based Approach (Prior to Applicable of Cap)		—		78
Cap on Inclusion of Provisions in Tier 2 under Internal Ratings-Based Approach		99,576		79
Capital Instruments Subject to Phase out Arrangements				
Current Cap on Additional Tier 1 Instruments Subject to Phase out Arrangements		311,200		82
Amount Excluded from Additional Tier 1 Due to Cap (Excess over Cap after Redemptions and Maturities)		—		83
Current Cap on Tier 2 Instruments Subject to Phase out Arrangements		686,327		84
Amount Excluded from Tier 2 Due to Cap (Excess over Cap after Redemptions and Maturities)		¥ 74,956		85

Note: SMTB received an external audit by KPMG AZSA LLC of the calculation of the consolidated BIS capital adequacy ratio as of March 31, 2014 in line with "Agreed Upon Methods for the Implementation of Capital Adequacy Ratio Audits" (Pronouncement 30 of the Japanese Institute of Certified Public Accountants, Bank Auditing Committee, May 13, 2014). The external audit is not part of the accounting audit of the consolidated financial statements but was conducted by the external auditor as part of the internal risk management framework concerning the calculation of the consolidated BIS capital adequacy ratio under agreed-upon examination procedures, which we considered it necessary, and is a report of the results presented to us. It thus does not represent an opinion by the external auditor regarding the consolidated BIS capital adequacy ratio itself or parts of internal risk management framework which concern the ratio.

Fiscal Year 2012

Items		Millions of Yen, %		
			Amounts Excluded under Transitional Arrangements	Basel Ⅲ Template No.
Common Equity Tier 1 Capital: Instruments and Reserves				
Directly Issued Qualifying Common Share Capital Plus Related Capital Surplus and Retained Earnings		¥ 1,651,768		1a+2–1c–26
of Which: Capital Stock and Capital Surplus		841,831		1a
of Which: Retained Earnings		844,517		2
of Which: Treasury Stock (Deduction)		—		1c
of Which: Earnings to be Distributed (Deduction)		34,580		26
of Which: Others		—		
Subscription Rights to Common Shares		—		1b
Accumulated Other Comprehensive Income		—	¥ 167,452	3
Common Share Capital Issued by Subsidiaries and Held by Third Parties (Amount Allowed in Group Common Equity Tier 1)		—		5
Amount Allowed in Group Common Equity Tier 1 Subject to Transitional Arrangements		12,599		
of Which: Common Share Capital Issued by Subsidiaries and Held by Third Parties		12,599		
Common Equity Tier 1 Capital: Instruments and Reserves	(A)	1,664,368		6
Common Equity Tier 1 Capital: Regulatory Adjustments				
Intangible Assets Other than Mortgage Servicing Rights (Net of Related Deferred Tax Liabilities)		—	172,466	8+9
of Which: Goodwill (Including Those Equivalent)		—	119,646	8
of Which: Other Intangible Assets		—	52,819	9
Deferred Tax Assets That Rely on Future Profitability Excluding Those Arising from Temporary Differences (Net of Related Deferred Tax Liabilities)		—	22,232	10
Deferred Gains or Losses on Derivatives under Hedge Accounting		—	(451)	11
Shortfall of Eligible Provisions to Expected Losses		—	107,274	12
Securitization Gain on Sale		—	13,150	13
Gains and Losses Due to Changes in Own Credit Risk on Fair Valued Liabilities		—	—	14
Defined-Benefit Pension Fund Net Assets (Net of Related Deferred Tax Liabilities)		—	147,812	15
Investments in Own Shares (Excluding Those Reported in the Net Assets Section)		—	129	16
Reciprocal Cross-Holdings in Common Equity		—	—	17
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)		—	46,506	18
Amount above the 10% Threshold on the Specified Items		—	9,532	19+20+21
of Which: Significant Investments in the Common Stock of Banking, Financial and Insurance Entities That are Outside the Scope of Regulatory Consolidation, Net of Eligible Short Positions		—	—	19
of Which: Mortgage Servicing Rights		—	—	20
of Which: Deferred Tax Assets Arising from Temporary Differences (Net of Related Deferred Tax Liabilities)		—	9,532	21
Amount Exceeding the 15% Threshold on the Specified Items		—	—	22
of Which: Significant Investments in the Common Stock of Banking, Financial and Insurance Entities That are Outside the Scope of Regulatory Consolidation, Net of Eligible Short Positions		—	—	23
of Which: Mortgage Servicing Rights		—	—	24
of Which: Deferred Tax Assets Arising from Temporary Differences (Net of Related Deferred Tax Liabilities)		—	—	25
Regulatory Adjustments Applied to Common Equity Tier 1 Due to Insufficient Additional Tier 1 and Tier 2 to Cover Deductions		—		27
Common Equity Tier 1 Capital: Regulatory Adjustments	(B)	—		28
Common Equity Tier 1 Capital (CETI)				
Common Equity Tier 1 Capital	(C) = (A)–(B)	¥ 1,664,368		29

Items		Millions of Yen, %	Amounts Excluded under Transitional Arrangements	Basel Ⅲ Template No.
Additional Tier 1 Capital: Instruments				
Directly Issued Qualifying Additional Tier 1 Instruments Plus Related Capital Surplus of Which Classified as Equity under Applicable Accounting Standards		¥ —		31a
Subscription Rights to Additional Tier 1 Instruments		—		31b
Directly Issued Qualifying Additional Tier 1 Instruments Plus Related Capital Surplus of Which Classified as Liabilities under Applicable Accounting Standards		—		32
Qualifying Additional Tier 1 Instruments Issued by Special Purpose Vehicles		—		
Additional Tier 1 Instruments Issued by Subsidiaries and Held by Third Parties (Amount Allowed in Group Additional Tier 1)		13,138		34–35
Eligible Tier 1 Capital Instruments Subject to Phase out from Additional Tier 1 Capital		350,100		33+35
of Which: Directly Issued and Issued by Special Purpose Vehicles		350,100		33
of Which: Issued by Subsidiaries		—		35
Amount Allowed in Group Additional Tier 1 Subject to Transitional Arrangements		(6,556)		
of Which: Accumulated Other Comprehensive Income		(6,556)		
Additional Tier 1 Capital: Instruments	(D)	356,682		36
Additional Tier 1 Capital: Regulatory Adjustments				
Investments in Own Additional Tier 1 Instruments		—	¥ —	37
Reciprocal Cross-Holdings in Additional Tier 1 Instruments		—	—	38
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)		—	30,285	39
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		—	7,222	40
Regulatory Adjustments Applied to Additional Tier 1 Subject to Transitional Arrangements		185,352		
of Which: Tier 1 Subject to Pre-Basel Ⅲ Treatment		185,352		
Regulatory Adjustments Applied to Additional Tier 1 Due to Insufficient Tier 2 to Cover Deductions		—		42
Additional Tier 1 Capital: Regulatory Adjustments	(E)	185,352		43
Additional Tier 1 Capital (ATI)				
Additional Tier 1 Capital	(F)=(D)–(E)	171,329		44
Tier 1 Capital (TI = CETI + ATI)				
Tier 1 Capital	(G) =(C)+(F)	1,835,697		45
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		—		46
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		—		
Qualifying Tier 2 Instruments Issued by Special Purpose Vehicles		—		
Tier 2 Instruments Issued by Subsidiaries and Held by Third Parties (Amount Allowed in Group Tier 2)		2,130		48–49
Eligible Tier 2 Capital Instruments Subject to Phase out from Tier 2		772,118		47+49
of Which: Directly Issued and Issued by Special Purpose Vehicles		772,118		47
of Which: Issued by Subsidiaries		—		49
Provisions Allowed in Group Tier 2		10,663		50
of Which: General Allowance for Credit Losses		10,663		50a
of Which: Excess Amount of Eligible Provisions to Expected Losses		—		50b
Amount Allowed in Group Tier 2 Subject to Transitional Arrangements		119,443		
of Which: Accumulated Other Comprehensive Income		119,443		
Tier 2 Capital: Instruments and Provisions	(H)	¥ 904,356		51

Items		Millions of Yen, %	Amounts Excluded under Transitional Arrangements	Basel Ⅲ Template No.
Tier 2 Capital: Regulatory Adjustments				
Investments in Own Tier 2 Instruments		¥ —	¥ —	52
Reciprocal Cross-Holdings in Tier 2 Instruments		—	—	53
Investments in the Tier 2 Instruments of Banking, Financial and Insurance Entities That are Outside the Scope of Regulatory Consolidation, Net of Eligible Short Positions, Where the Bank Does not Own More than 10% of the Issued Common Share Capital of the Entity (Amount above 10% Threshold)		—	112,294	54
Significant Investments in the Tier 2 Instruments of Banking, Financial and Insurance Entities That are Outside of the Scope of Regulatory Consolidation, Net of Eligible Short Positions		—	5,450	55
Regulatory Adjustments Applied to Tier 2 Subject to Transitional Arrangements		80,721		
of Which: Tier 2 and Deductions Subject to Pre-Basel Ⅲ Treatment		80,721		
Tier 2 Capital: Regulatory Adjustments	(I)	80,721		57
Tier 2 Capital (TⅡ)				
Tier 2 Capital	(J)=(H)–(I)	823,634		58
Total Capital (TC = T1 + TⅡ)				
Total Capital	(K)=(G)+(J)	2,659,332		59
Total Risk Weighted Assets				
Risk Weighted Assets Subject to Transitional Arrangements		500,883		
of Which: Amount not Included in Tier 1 or Tier 2 or Deductions Subject to Pre-Basel Ⅲ Treatment		500,883		
Total Risk Weighted Assets	(L)	19,328,245		60
Capital Ratios (Consolidated)				
Common Equity Tier 1 Capital Ratio (C)/(L)		8.61%		61
Tier 1 Capital Ratio (G)/(L)		9.49%		62
Total Capital Ratio (K)/(L)		13.75%		63
Regulatory Adjustments (before Risk Weighting)				
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)		135,657		72
Significant Investments in the Common Stock of Banking, Financial and Insurance Entities (Amount below the Thresholds for Deduction)		37,044		73
Mortgage Servicing Rights (Amount below the Thresholds for Deduction)		—		74
Deferred Tax Assets Arising from Temporary Differences (Amount below the Thresholds for Deduction)		131,007		75
Provisions Included in Tier 2 Capital: Instruments and Provisions				
Provisions Eligible for Inclusion in Tier 2 in Respect of Exposures Subject to Standardized Approach (Prior to Applicable of Cap)		10,663		76
Cap on Inclusion of Provisions in Tier 2 under Standardized Approach		15,067		77
Provisions Eligible for Inclusion in Tier 2 in Respect of Exposures Subject to Internal Ratings-Based Approach (Prior to Applicable of Cap)		—		78
Cap on Inclusion of Provisions in Tier 2 under Internal Ratings-Based Approach		93,956		79
Capital Instruments Subject to Phase out Arrangements				
Current Cap on Additional Tier 1 Instruments Subject to Phase out Arrangements		350,100		82
Amount Excluded from Additional Tier 1 Due to Cap (Excess over Cap after Redemptions and Maturities)		38,900		83
Current Cap on Tier 2 Instruments Subject to Phase out Arrangements		772,118		84
Amount Excluded from Tier 2 Due to Cap (Excess over Cap after Redemptions and Maturities)		¥ 85,790		85

Note: SMTB received an external audit by KPMG AZSA LLC of the calculation of the consolidated BIS capital adequacy ratio as of March 31, 2013 in line with "Agreed Upon Methods for the Implementation of Capital Adequacy Ratio Audits" (Pronouncement 30 of the Japanese Institute of Certified Public Accountants, Bank Auditing Committee, March 21, 2013). The external audit is not part of the accounting audit of the consolidated financial statements but was conducted by the external auditor as part of the internal risk management framework concerning the calculation of the consolidated BIS capital adequacy ratio under agreed-upon examination procedures, which we considered it necessary, and is a report of the results presented to us. It thus does not represent an opinion by the external auditor regarding the consolidated BIS capital adequacy ratio itself or parts of internal risk management framework which concern the ratio.

Outline and Details of Agreements Concerning Capital Funding Instruments Consolidated

Outline and Details of Agreements Concerning Capital Funding Instruments are available on our website (http://smth.jp/ir/basel/index.html).

Explanation on Reconciliation between Balance Sheet Items and Regulatory Capital Elements Consolidated

Fiscal Year 2013

Items	Consolidated Balance Sheet (*) Amount (Millions of Yen)	Ref. No. of Appendix	Basel Ⅲ Template No. under the Composition of Capital Disclosure
(Assets)			
Cash and Due from Banks	¥ 5,751,322		
Call Loans and Bills Bought	366,552		
Receivables under Resale Agreements	88,069		
Receivables under Securities Borrowing Transactions	289,377		
Monetary Claims Bought	936,435		
Trading Assets	537,029		
Money Held in Trust	13,344	6–a	
Securities	5,629,697	2–b, 6–b	
Loans and Bills Discounted	23,689,058	6–c	
Foreign Exchanges	12,114		
Lease Receivables and Investment Assets	540,273		
Other Assets	1,347,796	6–d	
Tangible Fixed Assets	237,265		
Buildings	73,522		
Land	136,846		
Lease Assets	1,561		
Construction in Progress	1,219		
Other	24,115		
Intangible Fixed Assets	195,131	2–a	
Software	89,469		
Goodwill	98,168		
Lease Assets	94		
Other	7,398		
Assets for Retirement Benefits	150,145	3	
Deferred Tax Assets	19,692	4–a	
Customers' Liabilities for Acceptances and Guarantees	485,384		
Allowance for Loan Losses	(110,260)		
Total Assets	¥ 40,178,429		

(*) The regulatory scope of consolidation is the same as the accounting scope of consolidation.

Items	Consolidated Balance Sheet (*) Amount (Millions of Yen)	Ref. No. of Appendix	Basel Ⅲ Template No. under the Composition of Capital Disclosure
(Liabilities)			
Deposits	¥ 24,094,545		
Negotiable Certificates of Deposit	5,203,179		
Call Money and Bills Sold	200,005		
Payables under Repurchase Agreements	1,291,641		
Trading Liabilities	214,104		
Borrowed Money	1,905,748		
Foreign Exchanges	124		
Short-term Bonds Payable	904,882		
Bonds Payable	1,055,826		
Borrowed Money from Trust Account	1,342,001		
Other Liabilities	1,128,130	6–e	
Provision for Bonuses	14,894		
Provision for Director's Bonuses	255		
Retirement Benefits Liabilities	10,480		
Provision for Reimbursement of Deposits	3,917		
Provision for Contingent Loss	8,800		
Deferred Tax Liabilities	32,062	4–b	
Deferred Tax Liabilities for Land Revaluation	3,954	4–c	
Acceptances and Guarantees	485,384		
Total Liabilities	37,899,940		
(Net Assets)			
Capital Stock	342,037	1–a	
Capital Surplus	601,259	1–b	
Retained Earnings	950,835	1–c	
Total Shareholders' Equity	1,894,132		
Valuation Difference on Available-for-Sale Securities	249,510		
Deferred Gains or Losses on Hedges	(11,151)	5	
Revaluation Reserve for Land	1,622		
Foreign Currency Translation Adjustment	5,228		
Remeasurements of Retirement Benefits	(50,156)		
Total Accumulated Other Comprehensive Income	195,052		3
Minority Interests	189,304	7	
Total Net Assets	2,278,489		
Total Liabilities and Net Assets	¥ 40,178,429		

(*) The regulatory scope of consolidation is the same as the accounting scope of consolidation.

(Appendix)

Note: Amounts in the "Composition of capital" are based on those before considering under transitional arrangements. Therefore, they include "Amounts excluded under transitional arrangements" disclosed in "Composition of capital disclosure" and exclude items for regulatory purpose under transitional arrangement from these tables.

1. Shareholders' equity

(1) Consolidated balance sheet

Consolidated Balance Sheet Items	Amount (Millions of Yen)	Remarks	Ref. No.
Capital Stock	¥ 342,037		1–a
Capital Surplus	601,259		1–b
Retained Earnings	950,835		1–c
Total Shareholders' Equity	¥ 1,894,132		

(2) Composition of capital

Items in the Composition of Capital Disclosure	Amount (Millions of Yen)	Remarks	Basel Ⅲ Template No.
Directly Issued Qualifying Common Share Capital Plus Related Capital Surplus and Retained Earnings	¥ 1,785,132	Shareholders' Equity Attributable to Common Shares (before Adjusting National Specific Regulatory Adjustments (Earnings to be Distributed))	
of Which: Capital Stock and Capital Surplus	834,296		1a
of Which: Retained Earnings	950,835		2
of Which: Treasury Stock (Deduction)	—		1c
of Which: Others	—		
Directly Issued Qualifying Additional Tier 1 Instruments Plus Related Capital Surplus of Which Classified as Equity under Applicable Accounting Standards	—	Shareholders' Equity Attributable to Preferred Shares with a Loss Absorbency at the Point of Non-Viability	31a

2. Intangible fixed assets

(1) Consolidated balance sheet

Consolidated Balance Sheet Items	Amount (Millions of Yen)	Remarks	Ref. No.
Intangible Fixed Assets	¥ 195,131		2–a
Securities	5,629,697		2–b
of Which: Goodwill Arising on the Application of the Equity Method	4,201		
Associated Deferred Tax Liabilities	33,766		

(2) Composition of capital

Items in the Composition of Capital Disclosure	Amount (Millions of Yen)	Remarks	Basel Ⅲ Template No.
Goodwill (Net of Related Deferred Tax Liabilities, Including Those Equivalent)	¥ 102,369		8
Other Intangible Assets (Net of Related Deferred Tax Liabilities)	63,196	Excluding Goodwill, Mortgage Servicing Rights (Software, etc.)	9
Mortgage Servicing Rights (Net of Related Deferred Tax Liabilities)	—		
Amount above the 10% Threshold on the Specified Items	—		20
Amount exceeding the 15% Threshold on the Specified Items	—		24
Amount below the Thresholds for Deduction (before Risk Weighting)	—		74

3. Assets for Retirement Benefits

(1) Consolidated balance sheet

Consolidated Balance Sheet Items	Amount (Millions of Yen)	Remarks	Ref. No.
Assets for Retirement Benefits	¥ 150,145		3
Associated Deferred Tax Liabilities	53,513		

(2) Composition of capital

Items in the Composition of Capital Disclosure	Amount (Millions of Yen)	Remarks	Basel Ⅲ Template No.
Assets for Retirement Benefits	¥ 96,632		15

4. Deferred tax assets

(1) Consolidated balance sheet

Consolidated Balance Sheet Items	Amount (Millions of Yen)	Remarks	Ref. No.
Deferred Tax Assets	¥ 19,692		4–a
Deferred Tax Liabilities	32,062		4–b
Deferred Tax Liabilities for Land Revaluation	3,954		4–c
Associated Intangible Fixed Assets	33,766		
Associated Assets for Retirement Benefits	53,513		

(2) Composition of capital

Items in the Composition of Capital Disclosure	Amount (Millions of Yen)	Remarks	Basel Ⅲ Template No.
Deferred Tax Assets That Rely on Future Profitability excluding Those Arising from Temporary Differences (Net of Related Deferred Tax Liabilities)	¥ 3,219	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)	67,759	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)	67,759		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	¥ (11,151)		5

(2) Composition of capital

Items in the Composition of Capital Disclosure	Amount (Millions of Yen)	Remarks	Basel Ⅲ Template No.
Deferred Gains or Losses on Derivatives under Hedge Accounting	¥ (6,275)	Excluding those items whose valuation differences arising from hedged items are recognized as "Accumulated other comprehensive income"	11

6. Investments in the capital of financial entities

(1) Consolidated balance sheet

Consolidated Balance Sheet Items	Amount (Millions of Yen)	Remarks	Ref. No.
Money Held in Trust	¥ 13,344		6–a
Securities	5,629,697		6–b
Loans and Bills Discounted	23,689,058	Including subordinated loans	6–c
Other Assets	1,347,796	Including derivatives	6–d
Other Liabilities	¥ 1,128,130	Including derivatives	6–e

(2) Composition of capital

Items in the Composition of Capital Disclosure	Amount (Millions of Yen)	Remarks	Basel Ⅲ Template No.
Investments in Own Capital Instruments	¥ —		
Common Equity Tier 1 Capital	—		16
Additional Tier 1 Capital	—		37
Tier 2 Capital	—		52
Reciprocal Cross-Holdings in Capital Instruments	—		
Common Equity Tier 1 Capital	—		17
Additional Tier 1 Capital	—		38
Tier 2 Capital	—		53
Investments in the Instruments of Banking, Financial and Insurance Entities That are Outside the Scope of Regulatory Consolidation, Where the Bank Does not Own More than10% of the Issued Share Capital	286,143		
Common Equity Tier 1 Capital	33,989		18
Additional Tier 1 Capital	23,201		39
Tier 2 Capital	70,565		54
Amount below the Thresholds for Deduction (before Risk Weighting)	158,386		72
Significant Investments in the Common Stock of Banking, Financial and Insurance Entities That are Outside the Scope of Regulatory Consolidation, Net of Eligible Short Positions	49,186		
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	5,700		55
Amount below the Thresholds for Deduction (before Risk Weighting)	43,486		73

7. Minority interests

(1) Consolidated balance sheet

Consolidated Balance Sheet Items	Amount (Millions of Yen)	Remarks	Ref. No.
Minority Interests	¥ 189,304		7

(2) Composition of capital

Items in the Composition of Capital Disclosure	Amount (Millions of Yen)	Remarks	Basel Ⅲ Template No.
Common Share Capital Issued by Subsidiaries and Held by Third Parties (Amount Allowed in Group Common Equity Tier 1)	¥ —		5
Qualifying Additional Tier 1 Instruments Issued by Special Purpose Vehicles	—		30–31ab–32
Additional Tier 1 Instruments Issued by Subsidiaries and Held by Third Parties (Amount Allowed in Group Additional Tier 1)	9,184		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)	2,096		48–49

Fiscal Year 2012

Items	Consolidated Balance Sheet (*) Amount (Millions of Yen)	Ref. No. of Appendix	Basel Ⅲ Template No. under the Composition of Capital Disclosure
(Assets)			
Cash and Due from Banks	¥ 3,146,709		
Call Loans and Bills Bought	329,228		
Receivables under Resale Agreements	91,911		
Receivables under Securities Borrowing Transactions	207,494		
Monetary Claims Bought	491,571		
Trading Assets	716,594		
Money Held in Trust	19,014	6–a	
Securities	6,180,225	2–b, 6–b	
Loans and Bills Discounted	22,194,917	6–c	
Foreign Exchanges	59,570		
Lease Receivables and Investment Assets	553,657		
Other Assets	1,500,046	3, 6–d	
Tangible Fixed Assets	239,855		
Buildings	74,714		
Land	138,254		
Lease Assets	846		
Construction in Progress	609		
Other	25,429		
Intangible Fixed Assets	191,778	2–a	
Software	68,370		
Goodwill	112,789		
Lease Assets	112		
Other	10,506		
Deferred Tax Assets	59,347	4–a	
Customers' Liabilities for Acceptances and Guarantees	583,945		
Allowance for Loan Losses	(132,938)		
Total Assets	¥ 36,432,931		

(*) The regulatory scope of consolidation is the same as the accounting scope of consolidation.

Items	Consolidated Balance Sheet (*) Amount (Millions of Yen)	Ref. No. of Appendix	Basel Ⅲ Template No. under the Composition of Capital Disclosure
(Liabilities)			
Deposits	¥ 22,997,707		
Negotiable Certificates of Deposit	4,130,517		
Call Money and Bills Sold	168,355		
Payables under Repurchase Agreements	605,742		
Trading Liabilities	233,133		
Borrowed Money	1,167,576		
Foreign Exchanges	106		
Short-term Bonds Payable	940,067		
Bonds Payable	983,815		
Borrowed Money from Trust Account	1,281,038		
Other Liabilities	1,024,161	6–e	
Provision for Bonuses	14,008		
Provision for Director's Bonuses	187		
Provision for Retirement Benefits	11,291		
Provision for Reimbursement of Deposits	6,207		
Provision for Contingent Loss	9,720		
Deferred Tax Liabilities	501	4–b	
Deferred Tax Liabilities for Land Revaluation	4,122	4–c	
Acceptances and Guarantees	583,945		
Total Liabilities	34,162,206		
(Net Assets)			
Capital Stock	342,037	1–a	
Capital Surplus	608,794	1–b	
Retained Earnings	844,517	1–c	
Total Shareholders' Equity	1,795,349		
Valuation Difference on Available-for-Sale Securities	185,208		
Deferred Gains or Losses on Hedges	(14,063)	5	
Revaluation Reserve for Land	2,864		
Foreign Currency Translation Adjustment	(6,556)		
Total Accumulated Other Comprehensive Income	167,452		3
Minority Interests	307,922	7	
Total Net Assets	2,270,724		
Total Liabilities and Net Assets	¥ 36,432,931		

(*) The regulatory scope of consolidation is the same as the accounting scope of consolidation.

(Appendix)

Note: Amounts in the "Composition of capital" are based on those before considering under transitional arrangements. Therefore, they include "Amounts excluded under transitional arrangements" disclosed in "Composition of capital disclosure" and exclude items for regulatory purpose under transitional arrangement from these tables.

1. Shareholders' equity

(1) Consolidated balance sheet

Consolidated Balance Sheet Items	Amount (Millions of Yen)	Remarks	Ref. No.
Capital Stock	¥ 342,037		1–a
Capital Surplus	608,794		1–b
Retained Earnings	844,517		1–c
Total Shareholders' Equity	¥ 1,795,349		

(2) Composition of capital

Items in the Composition of Capital Disclosure	Amount (Millions of Yen)	Remarks	Basel Ⅲ Template No.
Directly Issued Qualifying Common Share Capital Plus Related Capital Surplus and Retained Earnings	¥ 1,686,349	Shareholders' Equity Attributable to Common Shares (before Adjusting National Specific Regulatory Adjustments (Earnings to be Distributed))	
of Which: Capital Stock and Capital Surplus	841,831		1a
of Which: Retained Earnings	844,517		2
of Which: Treasury Stock (Deduction)	—		1c
of Which: Others	—		
Directly Issued Qualifying Additional Tier 1 Instruments Plus Related Capital Surplus of Which Classified as Equity under Applicable Accounting Standards	—	Shareholders' Equity Attributable to Preferred Shares with a Loss Absorbency at the Point of Non-Viability	31a

2. Intangible fixed assets

(1) Consolidated balance sheet

Consolidated Balance Sheet Items	Amount (Millions of Yen)	Remarks	Ref. No.
Intangible Fixed Assets	¥ 191,778		2–a
Securities	6,180,225		2–b
of Which: Goodwill Arising on the Application of the Equity Method	6,857		
Associated Deferred Tax Liabilities	26,169		

(2) Composition of capital

Items in the Composition of Capital Disclosure	Amount (Millions of Yen)	Remarks	Basel Ⅲ Template No.
Goodwill (Net of Related Deferred Tax Liabilities, Including Those Equivalent)	¥ 119,646		8
Other Intangible Assets (Net of Related Deferred Tax Liabilities)	52,819	Excluding Goodwill, Mortgage Servicing Rights (Software, etc.)	9
Mortgage Servicing Rights (Net of Related Deferred Tax Liabilities)	—		
Amount above the 10% Threshold on the Specified Items	—		20
Amount exceeding the 15% Threshold on the Specified Items	—		24
Amount below the Thresholds for Deduction (before Risk Weighting)	—		74

3. Defined-benefit pension fund net assets (prepaid pension cost)

(1) Consolidated balance sheet

Consolidated Balance Sheet Items	Amount (Millions of Yen)	Remarks	Ref. No.
Other Assets	¥ 1,500,046		3
of Which: Prepaid Pension Cost	229,666		
Associated Deferred Tax Liabilities	81,854		

(2) Composition of capital

Items in the Composition of Capital Disclosure	Amount (Millions of Yen)	Remarks	Basel Ⅲ Template No.
Defined-Benefit Pension Fund Net Assets (Net of Related Deferred Tax Liabilities)	¥ 147,812		15

4. Deferred tax assets

(1) Consolidated balance sheet

Consolidated Balance Sheet Items	Amount (Millions of Yen)	Remarks	Ref. No.
Deferred Tax Assets	¥ 59,347		4–a
Deferred Tax Liabilities	501		4–b
Deferred Tax Liabilities for Land Revaluation	4,122		4–c
Associated Intangible Fixed Assets	26,169		
Associated Prepaid Pension Cost	81,854		

(2) Composition of capital

Items in the Composition of Capital Disclosure	Amount (Millions of Yen)	Remarks	Basel Ⅲ Template No.
Deferred Tax Assets That Rely on Future Profitability excluding Those Arising from Temporary Differences (Net of Related Deferred Tax Liabilities)	¥ 22,232	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)	140,539	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	9,532		21
Amount exceeding the 15% Threshold on the Specified Items	—		25
Amount below the Thresholds for Deduction (before Risk Weighting)	131,007		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	¥ (14,063)		5

(2) Composition of capital

Items in the Composition of Capital Disclosure	Amount (Millions of Yen)	Remarks	Basel Ⅲ Template No.
Deferred Gains or Losses on Derivatives under Hedge Accounting	¥ (451)	Excluding those items whose valuation differences arising from hedged items are recognized as "Accumulated other comprehensive income"	11

6. Investments in the capital of financial entities

(1) Consolidated balance sheet

Consolidated Balance Sheet Items	Amount (Millions of Yen)	Remarks	Ref. No.
Money Held in Trust	¥ 19,014		6–a
Securities	6,180,225		6–b
Loans and Bills Discounted	22,194,917	Including subordinated loans	6–c
Other Assets	1,500,046	Including derivatives	6–d
Other Liabilities	¥ 1,024,161	Including derivatives	6–e

(2) Composition of capital

Items in the Composition of Capital Disclosure	Amount (Millions of Yen)	Remarks	Basel Ⅲ Template No.
Investments in Own Capital Instruments	¥ 129		
Common Equity Tier 1 Capital	129		16
Additional Tier 1 Capital	—		37
Tier 2 Capital	—		52
Reciprocal Cross-Holdings in Capital Instruments	—		
Common Equity Tier 1 Capital	—		17
Additional Tier 1 Capital	—		38
Tier 2 Capital	—		53
Investments in the Instruments of Banking, Financial and Insurance Entities That are Outside the Scope of Regulatory Consolidation, Where the Bank Does not Own More than10% of the Issued Share Capital	324,744		
Common Equity Tier 1 Capital	46,506		18
Additional Tier 1 Capital	30,285		39
Tier 2 Capital	112,294		54
Amount below the Thresholds for Deduction (before Risk Weighting)	135,657		72
Significant Investments in the Common Stock of Banking, Financial and Insurance Entities That are Outside the Scope of Regulatory Consolidation, Net of Eligible Short Positions	49,716		
Amount above the 10% Threshold on the Specified Items	—		19
Amount exceeding the 15% Threshold on the Specified Items	—		23
Additional Tier 1 Capital	7,222		40
Tier 2 Capital	5,450		55
Amount below the Thresholds for Deduction (before Risk Weighting)	37,044		73

7. Minority interests

(1) Consolidated balance sheet

Consolidated Balance Sheet Items	Amount (Millions of Yen)	Remarks	Ref. No.
Minority Interests	¥ 307,922		7

(2) Composition of capital

Items in the Composition of Capital Disclosure	Amount (Millions of Yen)	Remarks	Basel Ⅲ Template No.
Common Share Capital Issued by Subsidiaries and Held by Third Parties (Amount Allowed in Group Common Equity Tier 1)	¥ —		5
Qualifying Additional Tier 1 Instruments Issued by Special Purpose Vehicles	—		30–31ab–32
Additional Tier 1 Instruments Issued by Subsidiaries and Held by Third Parties (Amount Allowed in Group Additional Tier 1)	13,138		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)	2,130		48–49

Capital Adequacy

Consolidated

Amounts of Required Capital

(1) Amounts of required capital against credit risk (excluding equity exposures to which the IRB Approach is applied and exposures held in funds)

As of March 31	Millions of Yen 2014	2013
Portfolios to Which the Standardized Approach is Applied	¥ **40,701**	¥ 108,816
Exposures to Business Units Set for Phased Roll-out Application	**—**	71,275
Exposures Excluded from Application	**40,701**	37,541
Portfolios to Which the IRB Approach is Applied and Breakdown by Portfolio	**1,314,398**	1,236,371
Corporate Exposures	**951,948**	934,276
Sovereign Exposures	**21,416**	16,729
Financial Institution Exposures	**47,906**	47,773
Residential Mortgage Exposures	**109,580**	93,006
Qualifying Revolving Retail Exposures	**2,673**	1,050
Other Retail Exposures	**28,464**	19,673
Other Exposures*1	**152,409**	123,861
Securitization Exposures	**16,933**	29,891

*1. Other exposures refer to the exposures below.
Purchased receivables, unsettled transactions, lease transactions, CVA risk, central counterparty-related, equities, etc., with 250% risk-weight applied and other assets
*2. The calculation method of the amounts of required capital ratio against credit risk is as follows:
Portfolios to which the Standardized Approach is applied: amount of credit risk-weighted assets x 8%
Portfolios to which the IRB Approach is applied: (amount of credit risk-weighted assets x 1.06) x 8% + expected loss amount
Securitization exposures: (amount of credit risk-weighted assets x 1.06) x 8% + expected loss amount
* 3. As of September 30, 2013, Sumitomo Mitsui Trust Loan & Finance Co., Ltd. (Finance Operation Division) and Sumitomo Mitsui Trust Panasonic Finance Group have switched from the Standardized Approach to the IRB Approach.

(2) Amounts of required capital against credit risk concerning equity exposures to which the IRB Approach is applied

	Millions of Yen	
As of March 31	2014	2013
Equity Exposures	¥ 142,308	¥ 141,782
PD/LGD Approach	38,563	41,174
Simple Risk-Weight Method of the Market-based Approach	21,423	21,027
Internal Model Method of the Market-based Approach	—	—
Transitional Measures*1	82,320	79,580

*1. The amount of credit risk-weighted assets is calculated with a risk-weight of 100%, pursuant to the Notification, Supplementary Rules Article 13.
*2. The calculation method of the amounts of required capital against credit risk concerning equity exposures to which the IRB Approach is applied is as follows
Those applicable to the PD/LGD approach: (amount of credit risk-weighted assets x 1.06) x 8% + expected loss amount
Those applicable to the simple risk-weight method of the market-based approach: (amount of credit risk-weighted assets x 1.06) x 8%
Those applicable to the transitional measures: (amount of credit risk-weighted assets x 1.06) x 8%

(3) Amounts of required capital against credit risk concerning exposures held in funds

	Millions of Yen	
As of March 31	2014	2013
Exposures Held in Funds*	¥ 120,648	¥ 143,250

* (Amount of credit risk-weighted assets x 1.06) x 8% + expected loss amount

(4) Amounts of required capital against market risk

	Millions of Yen	
As of March 31	2014	2013
Market Risk	¥ 29,569	¥ 42,264
Amounts of Required Capital by Category under the Standardized Approach	1,325	1,573
Interest Rate Risk	630	938
Equity Position Risk	—	—
Foreign Exchange Risk	694	635
Commodities Risk	—	—
Options Transactions	—	—
Internal Model Approach	28,244	40,690

(5) Amounts of required capital against operational risk

	Millions of Yen	
As of March 31	2014	2013
Operational Risk	¥ 64,143	¥ 88,379
Advanced Measurement Approach	59,206	—
Standardized Approach	—	88,379
Basic Indicator Approach	4,937	—

Note: Operational risk amounts are calculated based on the advanced measurement approach (some companies use the basic indicator approach) starting from March 31, 2014 in the place of the standardized approach used previously.

(6) Consolidated total required capital

	Millions of Yen	
As of March 31	2014	2013
Consolidated Total Required Capital*	¥ 1,502,660	¥ 1,546,259

* (Total amount of credit risk-weighted assets + market risk equivalents/8% + operational risk equivalents/8%) x 8%

Credit Risk

Consolidated

Balance of Exposures Related to Credit Risk and Breakdown by Primary Types

	Millions of Yen					
	2014					
	Credit Risk Exposures					Exposures Three Months or Longer Overdue or Exposures in Default
As of March 31		Loans, Call Loans, Deposits, etc.	Securities	Derivative Transactions	Other Off-balance Sheet Transactions	
Japan	¥ 33,153,739	¥ 26,913,959	¥ 3,611,006	¥ 266,666	¥ 2,362,107	¥ 273,423
Outside Japan	5,280,066	3,150,287	1,556,423	314,906	258,449	39,171
Total for Regions	¥ 38,433,806	¥ 30,064,246	¥ 5,167,429	¥ 581,572	¥ 2,620,556	¥ 312,595
Manufacturing	¥ 4,400,248	¥ 2,771,647	¥ 729,083	¥ 20,653	¥ 878,864	¥ 63,015
Agriculture and Forestry	3,030	2,634	328	66	—	—
Fisheries	97	4	92	—	—	—
Mining and Quarrying of Stones and Gravel	13,244	11,855	216	—	1,172	—
Construction	287,770	165,744	66,505	535	54,985	5,380
Electricity, Gas, Heat Supply and Water	975,381	867,733	37,658	2,079	67,909	69
Information and Communication	453,351	404,453	12,198	940	35,759	746
Transport and Postal Activities	1,449,425	1,152,225	203,134	13,163	80,901	1,150
Wholesale and Retail Trade	1,892,754	1,423,756	178,408	5,379	285,209	2,534
Finance and Insurance	2,638,026	2,043,483	302,485	199,949	92,108	69,182
Real Estate	3,076,729	2,528,533	241,627	11,476	295,092	41,165
Goods Rental and Leasing	664,586	585,739	16,415	817	61,613	279
Local Public Bodies	100,338	72,060	15,665	—	12,611	—
Individuals	7,835,027	7,651,744	—	—	183,282	61,556
Others	14,643,793	10,382,628	3,363,609	326,511	571,044	67,514
Total for Industry Sectors	¥ 38,433,806	¥ 30,064,246	¥ 5,167,429	¥ 581,572	¥ 2,620,556	¥ 312,595
One Year or Less	9,112,483	6,617,351	1,543,587	70,905	880,639	
Over One Year to Three Years	5,534,956	4,059,982	578,183	115,716	781,074	
Over Three Years to Five Years	9,391,573	8,458,389	443,145	140,528	349,510	
Over Five Years	14,394,792	10,928,523	2,602,513	254,422	609,332	
Total for All Durations	¥ 38,433,806	¥ 30,064,246	¥ 5,167,429	¥ 581,572	¥ 2,620,556	
Average Balance during the Period	¥ 36,277,270	¥ 27,824,641	¥ 5,257,719	¥ 625,265	¥ 2,569,644	

Notes: 1. Of exposures subject to the calculation of credit risk-weighted assets, the above lists corporate, retail, equities, etc., purchased receivables as well as lease transactions application exposures.
2. "Others" in the industry sectors include non-residents and state public services. Exposures for durations of over five years include those with no fixed maturities.
3. "Average Balance during the Period" is the average of the balance as of March 31, 2013, September 30, 2013 and March 31, 2014.
4. The above data represents amounts after credit risk mitigation effects of netting contracts allowed under the law and netting against the obligor's cash on deposit.

As of March 31	Millions of Yen					
	2013					
	Credit Risk Exposures					Exposures Three Months or Longer Overdue or Exposures in Default
		Loans, Call Loans, Deposits, etc.	Securities	Derivative Transactions	Other Off-balance Sheet Transactions	
Japan	¥ 30,916,965	¥ 23,736,868	¥ 4,456,044	¥ 255,379	¥ 2,468,671	¥ 352,800
Outside Japan	3,924,717	2,252,183	1,065,270	412,226	195,036	7,100
Total for Regions	¥ 34,841,682	¥ 25,989,052	¥ 5,521,315	¥ 667,606	¥ 2,663,708	¥ 359,900
Manufacturing	¥ 4,434,435	¥ 2,796,055	¥ 650,070	¥ 32,375	¥ 955,934	¥ 73,302
Agriculture and Forestry	3,806	3,178	617	9	—	—
Fisheries	66	0	65	—	—	—
Mining and Quarrying of Stones and Gravel	13,821	12,319	996	—	505	61
Construction	299,053	159,270	71,809	923	67,050	6,682
Electricity, Gas, Heat Supply and Water	922,880	837,737	30,918	2,298	51,925	112
Information and Communication	376,279	300,961	13,974	1,151	60,191	4,754
Transport and Postal Activities	1,564,445	1,233,098	243,566	14,731	73,049	1,195
Wholesale and Retail Trade	1,982,360	1,369,213	226,935	4,939	381,272	4,023
Finance and Insurance	2,755,981	2,179,935	279,571	182,938	113,536	117,034
Real Estate	3,071,986	2,558,217	227,534	11,314	274,918	57,186
Goods Rental and Leasing	656,746	574,185	14,269	1,004	67,286	—
Local Public Bodies	111,231	75,773	20,925	—	14,533	—
Individuals	6,909,962	6,771,537	—	—	138,425	56,108
Others	11,738,625	7,117,566	3,740,059	415,919	465,079	39,437
Total for Industry Sectors	¥ 34,841,682	¥ 25,989,052	¥ 5,521,315	¥ 667,606	¥ 2,663,708	¥ 359,900
One Year or Less	8,944,593	5,690,281	2,146,905	108,983	998,423	
Over One Year to Three Years	5,886,316	4,030,909	955,762	93,294	806,350	
Over Three Years to Five Years	6,945,893	6,014,832	451,975	130,926	348,159	
Over Five Years	13,064,878	10,253,029	1,966,672	334,401	510,774	
Total for All Durations	¥ 34,841,682	¥ 25,989,052	¥ 5,521,315	¥ 667,606	¥ 2,663,708	
Average Balance during the Period	¥ 33,575,816	¥ 24,415,771	¥ 5,752,716	¥ 725,816	¥ 2,681,512	

Notes: 1. Of exposures subject to the calculation of credit risk-weighted assets, the above lists corporate, retail, equities, etc., purchased receivables and phased roll-out application exposures.
2. "Others" in the industry sectors include non-residents and state public services. Exposures for durations of over five years include those with no fixed maturities.
3. "Average Balance during the Period" is the average of the balance as of March 31, 2012, September 30, 2012 and March 31, 2013.
4. The above data represents amounts after credit risk mitigation effects of netting contracts allowed under the law and netting against the obligor's cash on deposit.

Balance and Changes of General Allowance for Loan Losses, Specific Allowance for Loan Losses, and Allowance for Loan Losses from Specified Foreign Country Borrowers

(1) General allowance for loan losses

As of March 31	Millions of Yen		
	2014	2013	Change
	Balance	Balance	
General Allowance for Loan Losses	**¥ 73,209**	¥ 72,892	¥ 316

(2) Specific allowance for loan losses (breakdown by region, industry sector)

As of March 31	Millions of Yen		
	2014	2013	Change
	Balance	Balance	
Japan	¥ 32,845	¥ 56,172	¥ (23,327)
Outside Japan	4,206	3,873	333
Total for Regions	¥ 37,051	¥ 60,045	¥ (22,994)
Manufacturing	2,548	10,643	(8,094)
Agriculture and Forestry	1	5	(4)
Fisheries	1	—	1
Mining and Quarrying of Stones and Gravel	1	—	1
Construction	301	752	(450)
Electricity, Gas, Heat Supply and Water	4	6	(1)
Information and Communication	30	817	(787)
Transport and Postal Activities	3,412	2,344	1,067
Wholesale and Retail Trade	934	1,167	(233)
Finance and Insurance	325	4,152	(3,826)
Real Estate	1,378	5,082	(3,704)
Goods Rental and Leasing	14	24	(9)
Local Public Bodies	—	—	—
Individuals	6,387	7,747	(1,360)
Others	21,708	27,300	(5,592)
Total for Industry Sectors	¥ 37,051	¥ 60,045	¥ (22,994)

Note: "Others" in the industry sectors include non-residents and state public services.

(3) Allowance for loan losses from specified foreign country borrowers

Not applicable as of the end of March 2014, and the end of March 2013.

Amounts of Written-off Loans by Industry Sector

Years Ended March 31	Millions of Yen	
	2014	2013
Manufacturing	¥ 93	¥ 184
Agriculture and Forestry	1	2
Fisheries	—	3
Mining and Quarrying of Stones and Gravel	—	0
Construction	57	102
Electricity, Gas, Heat Supply and Water	2	1
Information and Communication	3	43
Transport and Postal Activities	23	175
Wholesale and Retail Trade	71	674
Finance and Insurance	1	3
Real Estate	35	58
Goods Rental and Leasing	—	5
Local Public Bodies	—	2
Individuals	1,068	1,207
Others	319	740
Total for Industry Sectors	¥ 1,680	¥ 3,205

Note: "Others" in the industry sectors include non-residents and state public services.

Balance of Exposures to which the Standardized Approach is Applied by Risk-Weight Category

	Millions of Yen			
	2014		2013	
As of March 31		Subject to Rating		Subject to Rating
Balance of Exposures to which the Standardized Approach is Applied after Allowing for the Credit Risk Mitigation Effect by Risk-Weight Category	**¥ 853,003**	**¥ 636**	¥ 1,810,267	¥ 90,214
0%	**71,575**	**—**	156,897	—
10%	**—**	**—**	9,644	—
20%	**340,355**	**631**	303,020	5,031
35%	**—**	**—**	—	—
50%	**1,042**	**4**	62,822	55,502
75%	**—**	**—**	—	—
100%	**439,866**	**—**	1,275,811	29,427
150%	**161**	**—**	2,070	252
Amounts of exposures with 1,250% risk-weight applied	**—**		—	

Exposures to which the IRB Approach is Applied

		Millions of Yen	
As of March 31		2014	2013
Specialized Lending under the Slotting Criteria		**¥ 2,150,264**	¥ 1,960,959
High-Volatility Commercial Real Estate Exposures		**110,725**	208,755
Maturities of 2.5 Years or Longer		**84,621**	132,333
Strong	95%	**14,210**	22,409
Good	120%	**42,849**	76,150
Satisfactory	140%	**27,562**	26,464
Weak	250%	**—**	0
Default	0%	**—**	7,308
Maturities of Less than 2.5 Years		**26,103**	76,422
Strong	70%	**—**	—
Good	95%	**18,033**	15,403
Satisfactory	140%	**788**	57,135
Weak	250%	**—**	3,882
Default	0%	**7,281**	—
Other Exposures		**¥ 2,039,538**	¥ 1,752,203
Maturities of 2.5 Years or Longer		**1,756,418**	1,523,190
Strong	70%	**750,552**	574,846
Good	90%	**722,072**	641,225
Satisfactory	115%	**227,782**	229,269
Weak	250%	**44,412**	58,727
Default	0%	**11,599**	19,121
Maturities of Less than 2.5 Years		**283,120**	229,012
Strong	50%	**93,265**	45,999
Good	70%	**88,229**	129,885
Satisfactory	115%	**89,792**	52,051
Weak	250%	**11,624**	860
Default	0%	**207**	215
Equity Exposures to which the Simple Risk-Weight Method of the Market-based Approach is Applied		**¥ 73,871**	¥ 67,204
300%		**42,853**	20,845
400%		**31,018**	46,358

Portfolios to which the IRB Approach is Applied

(1) Corporate exposures

As of March 31	Millions of Yen 2014 Weighted Average of PD Value	Weighted Average of LGD Value	Risk-Weight Weighted Average	EAD Value On-balance Sheet Asset Items	EAD Value Off-balance Sheet Asset Items
Ordinary Assets (Seijo-Saki)	**0.36%**	**44.65%**	**49.89%**	**¥ 11,855,188**	**¥ 2,079,794**
Assets to Special Mention Debtors (Yo-Chui-Saki) (Not Including Assets to Substandard Debtors)	**8.93%**	**43.10%**	**183.59%**	**386,593**	**17,848**
Substandard Debtors (Yo-Kanri-Saki) or Worse	**100.00%**	**43.40%**		**213,333**	**24,441**
Total	**2.23%**	**44.58%**	**52.79%**	**¥ 12,455,115**	**¥ 2,122,084**

As of March 31	Millions of Yen 2013 Weighted Average of PD Value	Weighted Average of LGD Value	Risk-Weight Weighted Average	EAD Value On-balance Sheet Asset Items	EAD Value Off-balance Sheet Asset Items
Ordinary Assets (Seijo-Saki)	0.32%	44.76%	46.95%	¥ 11,230,979	¥ 2,063,668
Assets to Special Mention Debtors (Yo-Chui-Saki) (Not Including Assets to Substandard Debtors)	8.44%	44.62%	184.98%	458,168	63,692
Substandard Debtors (Yo-Kanri-Saki) or Worse	100.00%	43.05%		273,859	23,213
Total	2.72%	44.72%	51.07%	¥ 11,963,007	¥ 2,150,575

(2) Sovereign exposures

As of March 31	Millions of Yen 2014 Weighted Average of PD Value	Weighted Average of LGD Value	Risk-Weight Weighted Average	EAD Value On-balance Sheet Asset Items	EAD Value Off-balance Sheet Asset Items
Ordinary Assets (Seijo-Saki)	**0.01%**	**44.92%**	**2.90%**	**¥ 8,996,138**	**¥ 76,376**
Assets to Special Mention Debtors (Yo-Chui-Saki) (Not Including Assets to Substandard Debtors)	**8.39%**	**45.00%**	**173.02%**	**120**	**—**
Substandard Debtors (Yo-Kanri-Saki) or Worse	**—**	**—**		**—**	**—**
Total	**0.01%**	**44.92%**	**2.90%**	**¥ 8,996,258**	**¥ 76,376**

As of March 31	Millions of Yen 2013 Weighted Average of PD Value	Weighted Average of LGD Value	Risk-Weight Weighted Average	EAD Value On-balance Sheet Asset Items	EAD Value Off-balance Sheet Asset Items
Ordinary Assets (Seijo-Saki)	0.02%	44.90%	3.05%	¥ 6,592,066	¥ 36,297
Assets to Special Mention Debtors (Yo-Chui-Saki) (Not Including Assets to Substandard Debtors)	8.39%	45.00%	173.02%	520	—
Substandard Debtors (Yo-Kanri-Saki) or Worse	—	—		—	—
Total	0.02%	44.90%	3.07%	¥ 6,592,587	¥ 36,297

(3) Financial Institution exposures

As of March 31	Millions of Yen				
	2014				
	Weighted Average of PD Value	Weighted Average of LGD Value	Risk-Weight Weighted Average	EAD Value	
				On-balance Sheet Asset Items	Off-balance Sheet Asset Items
Ordinary Assets (Seijo-Saki)	**0.10%**	**44.61%**	**26.72%**	**¥ 1,665,009**	**¥ 530,415**
Assets to Special Mention Debtors (Yo-Chui-Saki) (Not Including Assets to Substandard Debtors)	—	—	—	—	—
Substandard Debtors (Yo-Kanri-Saki) or Worse	—	—		—	—
Total	**0.10%**	**44.61%**	**26.72%**	**¥ 1,665,009**	**¥ 530,415**

As of March 31	Millions of Yen				
	2013				
	Weighted Average of PD Value	Weighted Average of LGD Value	Risk-Weight Weighted Average	EAD Value	
				On-balance Sheet Asset Items	Off-balance Sheet Asset Items
Ordinary Assets (Seijo-Saki)	0.08%	45.36%	26.95%	¥ 1,499,866	¥ 665,033
Assets to Special Mention Debtors (Yo-Chui-Saki) (Not Including Assets to Substandard Debtors)	8.39%	45.00%	173.02%	715	827
Substandard Debtors (Yo-Kanri-Saki) or Worse	—	—		—	—
Total	0.09%	45.36%	27.06%	¥ 1,500,582	¥ 665,861

(4) Equity exposures under the PD/LGD Approach

As of March 31	Millions of Yen		
	2014		
	Weighted Average of PD Value	Risk-Weight Weighted Average	Balance
Ordinary Assets (Seijo-Saki)	**0.24%**	**146.33%**	**¥ 328,393**
Assets to Special Mention Debtors (Yo-Chui-Saki) (Not Including Assets to Substandard Debtors)	**6.48%**	**487.80%**	**128**
Substandard Debtors (Yo-Kanri-Saki) or Worse	**100.00%**	**1,192.50%**	**74**
Total	**0.27%**	**146.70%**	**¥ 328,596**

Note: Risk-weight weighted averages include the amounts obtained by multiplying the expected loss amounts by 1,250% risk-weight.

As of March 31	Millions of Yen		
	2013		
	Weighted Average of PD Value	Risk-Weight Weighted Average	Balance
Ordinary Assets (Seijo-Saki)	0.28%	146.40%	¥ 348,042
Assets to Special Mention Debtors (Yo-Chui-Saki) (Not Including Assets to Substandard Debtors)	8.27%	541.53%	778
Substandard Debtors (Yo-Kanri-Saki) or Worse	100.00%	1,192.50%	74
Total	0.32%	147.52%	¥ 348,896

Note: Risk-weight weighted averages include the amounts obtained by multiplying the expected loss amounts by 1,250% risk-weight.

(5) Residential mortgage exposures, qualifying revolving retail exposures, and other retail exposures

As of March 31	Millions of Yen 2014 Weighted Average of PD Value	Weighted Average of LGD Value	Risk-Weight Weighted Average	EAD Value On-balance Sheet Asset Items	EAD Value Off-balance Sheet Asset Items	Undrawn Commitment	CCF
Residential Mortgage							
Current	0.22%	30.62%	12.54%	¥ 6,812,881	¥ 47,251	¥ 4,460	100.00%
Overdue	23.06%	31.41%	176.97%	77,514	134	32	100.00%
Default	100.00%	33.15%	50.39%	43,848	79	10	100.00%
Qualifying Revolving Retail							
Current	0.54%	74.61%	16.93%	27,383	77,240	938,217	8.23%
Overdue	30.55%	69.26%	193.13%	373	169	858	19.69%
Default	100.00%	77.97%	22.73%	421	274	3,565	7.69%
Other Retail (consumer)							
Current	0.82%	54.31%	45.49%	148,823	51,321	169,074	30.10%
Overdue	28.83%	37.72%	93.48%	1,160	118	191	32.37%
Default	100.00%	42.30%	53.72%	2,921	551	247	32.13%
Other Retail (commercial)							
Current	1.42%	34.17%	30.30%	304,474	5,213	2,701	100.00%
Overdue	32.87%	32.35%	80.27%	5,092	431	287	100.00%
Default	100.00%	43.91%	36.55%	17,167	367	44	100.00%
Total	1.41%	32.06%	16.23%	¥ 7,442,063	¥ 183,154	¥ 1,119,690	12.17%

As of March 31	Millions of Yen 2013 Weighted Average of PD Value	Weighted Average of LGD Value	Risk-Weight Weighted Average	EAD Value On-balance Sheet Asset Items	EAD Value Off-balance Sheet Asset Items	Undrawn Commitment	CCF
Residential Mortgage							
Current	0.21%	29.63%	11.75%	¥ 6,292,607	¥ 55,390	¥ 5,239	100.00%
Overdue	22.74%	30.23%	168.62%	55,707	103	9	100.00%
Default	100.00%	32.01%	53.09%	43,136	115	—	—
Qualifying Revolving Retail							
Current	0.69%	70.06%	17.38%	9,587	16,391	56,137	29.20%
Overdue	27.79%	69.87%	203.76%	236	74	255	29.22%
Default	100.00%	79.37%	28.76%	499	36	125	29.22%
Other Retail (consumer)							
Current	1.05%	47.36%	46.23%	104,675	61,645	200,104	30.53%
Overdue	28.03%	37.09%	93.09%	714	78	88	34.38%
Default	100.00%	41.00%	58.46%	3,217	615	265	34.05%
Other Retail (commercial)							
Current	0.64%	30.26%	23.47%	233,878	3,568	168	100.00%
Overdue	25.17%	31.00%	71.48%	3,115	144	—	—
Default	100.00%	42.57%	29.10%	11,056	360	23	100.00%
Total	1.30%	30.28%	14.63%	¥ 6,758,432	¥ 138,527	¥ 262,417	31.68%

Actual Credit Losses in the Current Period and Year-on-Year Change for Portfolios to which the IRB Approach is Applied

Years Ended March 31	Millions of Yen				
	2014		2013		Change in Actual Credit Losses
	Actual Credit Losses	Reversals	Actual Credit Losses	Reversals	
Corporate Exposures	**¥ (7,351)**	**¥ (14,838)**	¥ (2,417)	¥ (20,857)	¥ (4,933)
Sovereign Exposures	**(4)**	**(4)**	(10)	(10)	6
Financial Institution Exposures	**(23)**	**(23)**	(1)	(12)	(21)
Retail Exposures	**905**	**(1,749)**	1,244	(1,166)	(338)

Note: Of total credit costs, only those that can be identified as stemming from specified asset classes are shown in the table.

Factor Analysis

Actual credit losses in FY2013 decreased by ¥5.2 billion year on year.

This was mainly due to the posting of new reversals of allowances for loan losses caused by the improved credit status of obligors and their repayments in addition to a limited amount of new non-performing loans.

Estimated Credit Losses and Comparable Actual Credit Losses for Portfolios to which the IRB Approach is Applied

Years Ended March 31	Millions of Yen	
	2014	2013
	Actual Credit Losses	Estimated Credit Losses
Corporate Exposures	**¥ (7,351)**	**¥ 203,334**
Sovereign Exposures	**(4)**	**473**
Financial Institution Exposures	**(23)**	**880**
Retail Exposures	**905**	**28,148**

Notes: 1. Estimated credit losses for fiscal year 2012 are the expected loss amount as of March 31, 2013.
2. Actual credit losses for fiscal year 2013 are the sum of losses for the year ended March 31, 2014.

Years Ended March 31	Millions of Yen	
	2013	2012
	Actual Credit Losses	Estimated Credit Losses
Corporate Exposures	¥ (2,417)	¥ 188,743
Sovereign Exposures	(10)	316
Financial Institution Exposures	(1)	1,033
Retail Exposures	1,244	34,400

Notes: 1. Estimated credit losses for fiscal year 2011 are the expected loss amount as of March 31, 2012.
2. Actual credit losses for fiscal year 2012 are the sum of losses for the year ended March 31, 2013.

Years Ended March 31	Millions of Yen	
	2012	2011
	Actual Credit Losses	Estimated Credit Losses
Corporate Exposures	¥ 16,832	¥ 195,979
Sovereign Exposures	4,749	230
Financial Institution Exposures	(135)	3,395
Retail Exposures	2,576	35,841

Notes: 1. Estimated credit losses for fiscal year 2010 are the expected loss amount as of March 31, 2011.
2. Actual credit losses for fiscal year 2011 are the sum of losses for the year ended March 31, 2012.

Credit Risk Mitigation Techniques

Consolidated

Amounts of Exposures to which Credit Risk Mitigation Techniques are Applied

As of March 31	Millions of Yen 2014 Eligible Financial Collateral	Other Eligible Collateral	Guarantees	Credit Derivatives
Portfolios to which the Standardized Approach is Applied	¥ 748,704	¥ —	¥ —	¥ —
Portfolios to which the IRB Approach is Applied	1,952,225	570,143	425,344	—
Corporate Exposures	453,236	559,847	225,918	—
Sovereign Exposures	16,892	10,296	199,426	—
Financial Institution Exposures	1,482,096	—	—	—
Retail Exposures	—	—	—	—

As of March 31	Millions of Yen 2013 Eligible Financial Collateral	Other Eligible Collateral	Guarantees	Credit Derivatives
Portfolios to which the Standardized Approach is Applied	¥ 504,240	¥ —	¥ —	¥ —
Portfolios to which the IRB Approach is Applied	1,218,010	512,101	456,561	—
Corporate Exposures	363,000	501,205	250,017	—
Sovereign Exposures	14,660	10,895	206,543	—
Financial Institution Exposures	840,348	—	—	—
Retail Exposures	—	—	—	—

Counterparty Risk in Derivative and Long-term Settlement Transactions

Consolidated

Derivative Transactions

As of March 31	Millions of Yen 2014	2013
Aggregate Sum of Amounts of Gross Reconstruction Costs (limited only to those not below zero)	¥ 1,941,120	¥ 2,749,474
Credit Equivalents Before Effect of Mitigation by Collateral under the Credit Risk Mitigation Technique	716,508	830,927
Foreign Exchange Related	564,204	545,031
Interest Rate Related	2,190,096	3,300,411
Credit Derivatives	7,215	431
Others	—	—
Effect of Mitigating Credit Equivalents Due to Close-out Netting Contracts (Deduction)	2,045,008	3,014,946
Amounts of Collateral	134,936	163,320
Deposits	107,898	45,387
Securities	27,037	117,932
Credit Equivalents After Effect of Mitigation by Collateral under the Credit Risk Mitigation Technique	581,572	667,606
Notional Principal Amounts of Credit Derivatives Subject to the Calculation of Credit Equivalents	67,006	4,000
Purchasing Protection by Credit Default Swaps	42,206	2,000
Providing Protection by Credit Default Swaps	24,800	2,000
Notional Principal Amounts of Credit Derivatives Used to Allow for the Effect of Credit Risk Mitigation Technique	—	—

Note: Credit equivalents are calculated with the current exposure approach.

Long-term Settlement Transactions

As of March 31	Millions of Yen 2014	2013
Aggregate Sum of Amounts of Gross Reconstruction Costs (limited only to those not below zero)	¥ —	¥ —
Credit Equivalents Before Effect of Mitigation by Collateral under the Credit Risk Mitigation Technique	196	—
Amounts of Collateral	—	—
Credit Equivalents After Effect of Mitigation by Collateral under the Credit Risk Mitigation Technique	196	—

Note: Credit equivalents are calculated with the current exposure approach.

Securitization Exposures

Consolidated

Securitization Exposures Originated by the SMTB Group

Fiscal Year 2013

Subject to the Calculation of Credit Risk-Weighted Assets

(1) Outline of securitizations during fiscal year 2013, type and status of principal underlying assets

Date of Securitization:		September 2013	February 2014
Type of Underlying Assets:		Residential Mortgage Loans	Residential Mortgage Loans
Type of Transaction:		Asset transfer-type securitization transaction	Asset transfer-type securitization transaction
Aggregate Sum of Underlying Assets:	at the time of securitization	¥ 44,938 million	¥ 33,596 million
	as of March 31, 2014	¥ 42,758 million	¥ 32,949 million
Initial Issue Amount:		¥ 44,938 million	¥ 33,596 million
Preferred Beneficiary Notes		¥ 40,000 million (AAA/R&I)	¥ 30,000 million (AAA/R&I)
Subordinated Beneficiary Notes		¥ 4,938 million (no rating)	¥ 3,596 million (no rating)
Date of Redemption:		April 2054	August 2054

The SMTB Group holds part of the exposures related to these securitization transactions, and quantitative data in (2)–(11) below include data related to these securitization transactions.

(2) Amounts of securitization exposures held and breakdown of main principal underlying assets by type

As of March 31	Millions of Yen 2014 Exposure Amounts: On-balance Sheet Transactions	Exposure Amounts: Off-balance Sheet Transactions	Aggregate Sum of Underlying Assets	Aggregate Sum of Underlying Assets: Asset Transfer-Type Securitization Transactions	Aggregate Sum of Underlying Assets: Synthetic Securitization Transaction
Securitization Exposures except Resecuritization Exposures	¥ 100,677	¥ —	¥ 393,566	¥ 393,566	¥ —
Residential Mortgage Loans	100,677	—	393,566	393,566	—
Others	—	—	—	—	—
Resecuritization Exposures	—	—	—	—	—
Total	¥ 100,677	¥ —	¥ 393,566	¥ 393,566	¥ —

(3) Cumulative total of underlying assets overdue for three months or longer or in default related to securitization exposures held, cumulative total of losses, and breakdown by type of main principal underlying assets

	Millions of Yen	
	2014	
Years Ended March 31	Cumulative Total of Underlying Assets Overdue for Three Months or Longer or in Default	Cumulative Total Losses
Residential Mortgage Loans	¥ 2,796	¥ 197
Others	—	—
Total	¥ 2,796	¥ 197

(4) Amounts of assets held for the purpose of securitization transactions and breakdown of principal assets by type

Not applicable.

(5) Balance and amounts of required capital of securitization exposures held by risk-weight category

	Millions of Yen			
	2014			
	Balance		Required Capital	
As of March 31	On-balance Sheet Transactions	Off-balance Sheet Transactions	On-balance Sheet Transactions	Off-balance Sheet Transactions
Securitization Exposures except Resecuritization Exposures (IRB Approach)	¥ 100,677	¥ —	¥ 9,446	¥ —
Less than 20%	—	—	—	—
20% to Less than 50%	9,784	—	342	—
50% to Less than 100%	82,264	—	3,852	—
100% to Less than 350%	4,403	—	773	—
350% to Less than 1,250%	—	—	—	—
1,250%	4,224	—	4,478	—
Resecuritization Exposures (IRB Approach)	—	—	—	—
Less than 20%	—	—	—	—
20% to Less than 50%	—	—	—	—
50% to Less than 100%	—	—	—	—
100% to Less than 350%	—	—	—	—
350% to Less than 1,250%	—	—	—	—
1,250%	—	—	—	—
Total	¥ 100,677	¥ —	¥ 9,446	¥ —

(6) Amounts equivalent to the increase in capital following securitization and breakdown by type of principal underlying assets

	Millions of Yen
As of March 31	2014
Residential Mortgage Loans	¥ 7,444
Others	—
Total	¥ 7,444

(7) Amounts of securitization exposures by type of principal underlying assets risk-weighted at 1,250% under provisions of the Notification, Article 247

As of March 31	Millions of Yen 2014
Residential Mortgage Loans	¥ 4,224
Others	—
Total	¥ 4,224

(8) Items by type of principal underlying assets of securitization exposures with early redemption clauses

Not applicable.

(9) Application of credit risk mitigation techniques to resecuritization exposures held

Not applicable.

(10) Amounts of gains/losses on sale following securitization transactions recognized during fiscal year 2013 and breakdown by type of principal underlying assets

Not applicable.

(11) Amounts of credit risk-weighted assets calculated with the application of transitional measures with respect to securitization exposures

Not applicable.

Subject to the Calculation of Market Risk Assets

Not applicable.

Fiscal Year 2012

Subject to the Calculation of Credit Risk-Weighted Assets

(1) Outline of securitizations during fiscal year 2012, type and status of main principal underlying assets

Not applicable.

(2) Amounts of securitization exposures held and breakdown of main principal underlying assets by type

As of March 31	Millions of Yen 2013 Exposure Amounts: On-balance Sheet Transactions	Exposure Amounts: Off-balance Sheet Transactions	Aggregate Sum of Underlying Assets	Aggregate Sum of Underlying Assets: Asset Transfer-Type Securitization Transactions	Aggregate Sum of Underlying Assets: Synthetic Securitization Transaction
Securitization Exposures except Resecuritization Exposures	¥ 209,752	¥ —	¥ 545,071	¥ 545,071	¥ —
Residential Mortgage Loans	209,752	—	545,071	545,071	—
Others	—	—	—	—	—
Resecuritization Exposures	—	—	—	—	—
Total	¥ 209,752	¥ —	¥ 545,071	¥ 545,071	¥ —

(3) Cumulative total of underlying assets overdue for three months or longer or in default related to securitization exposures held, cumulative total of losses, and breakdown by type of main principal underlying assets

	Millions of Yen	
	2013	
Year Ended March 31	Cumulative Total of Underlying Assets Overdue for Three Months or Longer or in Default	Cumulative Total Losses
Residential Mortgage Loans	¥ 2,196	¥ 246
Others	—	—
Total	¥ 2,196	¥ 246

(4) Amounts of assets held for the purpose of securitization transactions and breakdown of main principal assets by type

Not applicable.

(5) Balance and amounts of required capital of securitization exposures held by risk-weight category

	Millions of Yen			
	2013			
	Balance		Required Capital	
As of March 31	On-balance Sheet Transactions	Off-balance Sheet Transactions	On-balance Sheet Transactions	Off-balance Sheet Transactions
Securitization Exposures except Resecuritization Exposures (IRB Approach)	¥ 209,752	¥ —	¥ 12,592	¥ —
Less than 20%	—	—	—	—
20% to Less than 50%	179,734	—	5,981	—
50% to Less than 100%	20,936	—	1,172	—
100% to Less than 350%	4,664	—	758	—
350% to Less than 1,250%	—	—	—	—
1,250%	4,415	—	4,680	—
Resecuritization Exposures (IRB Approach)	—	—	—	—
Less than 20%	—	—	—	—
20% to Less than 50%	—	—	—	—
50% to Less than 100%	—	—	—	—
100% to Less than 350%	—	—	—	—
350% to Less than 1,250%	—	—	—	—
1,250%	—	—	—	—
Total	¥ 209,752	¥ —	¥ 12,592	¥ —

(6) Amounts equivalent to the increase in capital following securitization and breakdown by type of main principal underlying assets

	Millions of Yen
As of March 31	2013
Residential Mortgage Loans	¥ 13,150
Others	—
Total	¥ 13,150

(7) Amounts of securitization exposures by type of principal underlying assets risk-weighted at 1,250% under provisions of the Notification, Article 247

	Millions of Yen
As of March 31	2013
Residential Mortgage Loans	¥ 4,415
Others	—
Total	¥ 4,415

(8) Items by type of principal underlying assets of securitization exposures with early redemption clauses

Not applicable.

(9) Application of credit risk mitigation techniques to resecuritization exposures held

Not applicable.

(10) Amounts of gains/losses on sale following securitization transactions recognized during fiscal year 2012 and breakdown by type of principal underlying assets

Not applicable.

(11) Amounts of credit risk-weighted assets calculated with the application of transitional measures with respect to securitization exposures

Not applicable.

Subject to the Calculation of Market Risk Assets

Not applicable.

Securitization Exposures Purchased by the SMTB Group

Fiscal Year 2013

Subject to the Calculation of Credit Risk-Weighted Assets

(1) Amounts of securitization exposures held and breakdown of main principal underlying assets by type

As of March 31	Millions of Yen	
	2014	
	Exposure Amounts	
	On-balance Sheet Transactions	Off-balance Sheet Transactions
Securitization Exposures except Resecuritization Exposures	¥ 319,060	¥ 57,835
Residential Mortgage Loans	115,785	749
Credit Card Loans	3,373	—
Claims on Lease Payments, Installment Receivables	32,603	45,951
Commercial Real Estate-Secured Loans	—	2,450
Other Claims on Corporates	167,298	8,684
Resecuritization Exposures	29,448	—
Securitization Exposures to Residential Mortgage Loans and Residential Mortgage Loans as Underlying Assets	9,138	—
Securitization Exposures to Commercial Real Estate Secured Loans and Commercial Real Estate Secured Loans as Underlying Assets	—	—
Securitization Exposures to Other Claims on Corporates and Other Claims on Corporates as Underlying Assets	20,309	—
Total	¥ 348,508	¥ 57,835

(2) Balance and amounts of required capital of securitization exposures held by risk-weight category

As of March 31	Millions of Yen			
	2014			
	Balance		Required Capital	
	On-balance Sheet Transactions	Off-balance Sheet Transactions	On-balance Sheet Transactions	Off-balance Sheet Transactions
Securitization Exposures except Resecuritization Exposures (IRB Approach)	¥ 319,060	¥ 57,835	¥ 4,736	¥ 1,461
Less than 20%	297,285	45,951	1,973	272
20% to Less than 50%	4,550	3,049	77	65
50% to Less than 100%	12,452	—	610	—
100% to Less than 350%	2,130	8,684	289	964
350% to Less than 1,250%	1,449	—	522	—
1,250%	1,192	150	1,263	159
Resecuritization Exposures (IRB Approach)	29,448	—	630	—
Less than 20%	—	—	—	—
20% to Less than 50%	27,969	—	531	—
50% to Less than 100%	621	—	26	—
100% to Less than 350%	857	—	72	—
350% to Less than 1,250%	—	—	—	—
1,250%	—	—	—	—
Total	¥ 348,508	¥ 57,835	¥ 5,367	¥ 1,461

(3) Amounts of securitization exposures by type of underlying assets risk-weighted at 1,250% under provisions of the Notification, Article 247

As of March 31	Millions of Yen 2014
Residential Mortgage Loans	¥ —
Credit Card Loans	—
Claims on Lease Payments, Installment Receivables	—
Commercial Real Estate-Secured Loans	150
Other Claims on Corporates	1,192
Total	¥ 1,342

(4) Application of credit risk mitigation techniques to resecuritization exposures held

Not applicable.

(5) Amounts of credit risk-weighted assets calculated with the application of transitional measures with respect to securitization exposures

Not applicable.

Subject to the Calculation of Market Risk Assets

Not applicable.

Fiscal Year 2012

Subject to the Calculation of Credit Risk-Weighted Assets

(1) Amounts of securitization exposures held and breakdown of principal underlying assets by type

As of March 31	Millions of Yen 2013 Exposure Amounts On-balance Sheet Transactions	Off-balance Sheet Transactions
Securitization Exposures except Resecuritization Exposures	¥ 259,421	¥ 39,369
Residential Mortgage Loans	158,350	749
Credit Card Loans	8,575	—
Claims on Lease Payments, Installment Receivables	29,099	34,071
Commercial Real Estate-Secured Loans	2,777	2,450
Other Claims on Corporates	60,618	2,098
Resecuritization Exposures	77,071	—
Securitization Exposures to Residential Mortgage Loans and Residential Mortgage Loans as Underlying Assets	13,541	—
Securitization Exposures to Commercial Real Estate Secured Loans and Commercial Real Estate Secured Loans as Underlying Assets	—	—
Securitization Exposures to Other Claims on Corporates and Other Claims on Corporates as Underlying Assets	63,530	—
Total	¥ 336,493	¥ 39,369

(2) Balance and amounts of required capital of securitization exposures held by risk-weight category

As of March 31	Millions of Yen 2013 Balance On-balance Sheet Transactions	Balance Off-balance Sheet Transactions	Required Capital On-balance Sheet Transactions	Required Capital Off-balance Sheet Transactions
Securitization Exposures except Resecuritization Exposures (IRB Approach)	¥ 259,421	¥ 39,369	¥ 9,165	¥ 284
Less than 20%	228,836	36,169	1,504	214
20% to Less than 50%	6,660	3,199	129	69
50% to Less than 100%	16,425	—	992	—
100% to Less than 350%	431	—	36	—
350% to Less than 1,250%	884	—	318	—
1,250%	6,183	—	6,183	—
Resecuritization Exposures (IRB Approach)	77,071	—	6,044	—
Less than 20%	—	—	—	—
20% to Less than 50%	71,354	—	1,427	—
50% to Less than 100%	494	—	20	—
100% to Less than 350%	684	—	58	—
350% to Less than 1,250%	—	—	—	—
1,250%	4,537	—	4,537	—
Total	¥ 336,493	¥ 39,369	¥ 15,209	¥ 284

(3) Amounts of securitization exposures by type of underlying assets risk-weighted at 1,250% under provisions of the Notification, Article 247

As of March 31	Millions of Yen 2013
Residential Mortgage Loans	¥ —
Credit Card Loans	—
Claims on Lease Payments, Installment Receivables	—
Commercial Real Estate-Secured Loans	—
Other Claims on Corporates	10,720
Total	¥ 10,720

(4) Application of credit risk mitigation techniques to resecuritization exposures held

Not applicable.

(5) Amounts of credit risk-weighted assets calculated with the application of transitional measures with respect to securitization exposures

Not applicable.

Subject to the Calculation of Market Risk Assets

Not applicable.

Market Risk

Consolidated

(1) Value at Risk (VaR) as of the end of period and maximum, mean, and minimum VaR for the period

	Billions of Yen							
	As of March 31, 2014	Fiscal Year 2013			As of March 31, 2013	Fiscal Year 2012		
		Maximum	Minimum	Mean		Maximum	Minimum	Mean
VaR in Banking Account	¥ 783.1	¥ 920.9	¥ 766.9	¥ 840.3	¥ 767.5	¥ 806.9	¥ 596.6	¥ 666.5
VaR in Trading Account	2.9	5.0	1.4	3.1	2.6	6.7	1.8	2.9

VaR Measurement Standards

Banking account Confidence interval: one-tailed 99% Holding period: 21 business days to 1 year Observation period: 1 year
Trading account Confidence interval: one-tailed 99% Holding period: 10 business days Observation period: 1 year

(2) Term-end Stressed Value at Risk and maximum, mean and minimum of Stressed Value at Risk for the period

	Billions of Yen							
	As of March 31, 2014	Fiscal Year 2013			As of March 31, 2013	Fiscal Year 2012		
		Maximum	Minimum	Mean		Maximum	Minimum	Mean
Stressed VaR in Trading Account	¥ 6.9 [2.2]	¥ 14.7 [4.7]	¥ 2.7 [0.8]	¥ 5.9 [1.8]	¥ 5.6 [1.7]	¥ 14.7 [4.6]	¥ 3.1 [0.9]	¥ 6.3 [1.9]

Stressed VaR Measurement Standards

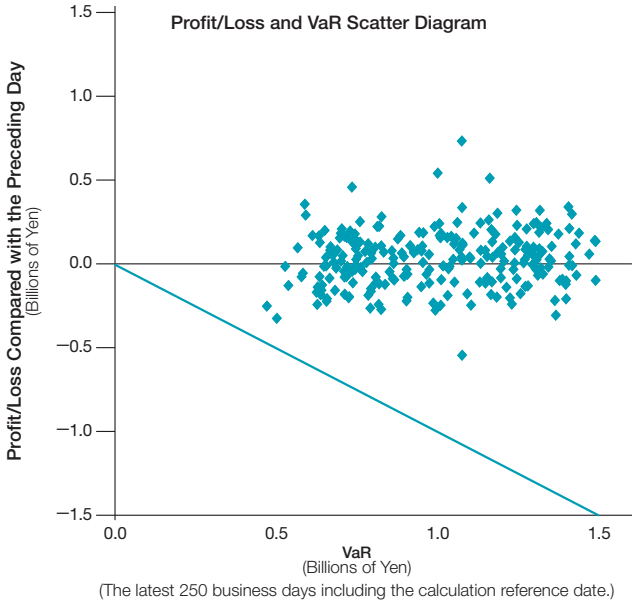
Trading account Confidence interval: one-tailed 99% Holding period: 10 business days Observation period: 1 year
The figures inside the square brackets above denote stress VAR in a case where the holding period is one business day.

(3) The amounts of required capital related to term-end incremental risk and comprehensive risk, and maximum, mean and minimum amounts of required capital related to incremental risk and comprehensive risk for the period

Not applicable in the fiscal year ended March 31, 2013, and in the fiscal year ended March 31, 2014.

(4) Results of back testing and reasons for large downward deviations between actual losses and VaR

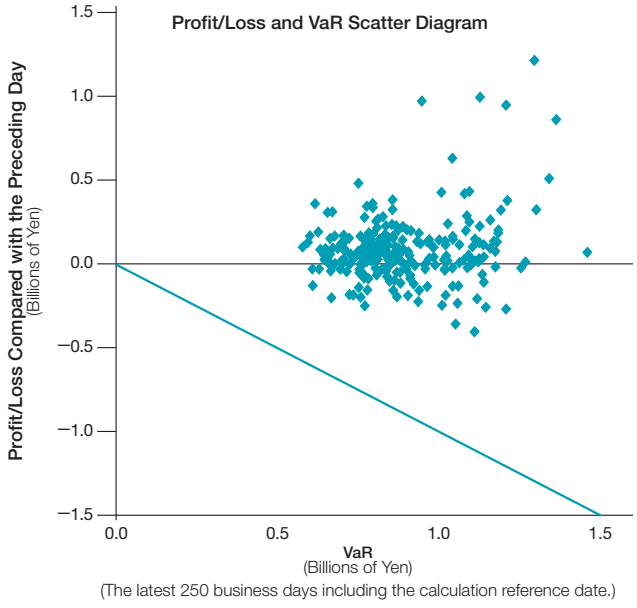
• Back testing of the trading account
Fiscal Year 2013



(The latest 250 business days including the calculation reference date.)

Note: As shown above, for fiscal year 2013 back testing of the trading accounts shows zero instances of losses in excess of VaR.

• Back testing of the trading account
Fiscal Year 2012



(The latest 250 business days including the calculation reference date.)

Note: As shown above, for fiscal year 2012 back testing of the trading accounts shows zero instances of losses in excess of VaR.

Capital Subscriptions or Equity Exposures in the Banking Account — Consolidated

	Millions of Yen							
	2014				2013			
As of March 31	Book Value		Fair Value		Book Value		Fair Value	
Consolidated Book and Fair Values*1								
Listed Shares Exposures	¥ 1,110,064		¥ 1,110,064		¥ 1,042,404		¥ 1,042,404	
Capital Subscriptions or Equity Exposures Other than Above	101,575		101,575		115,414		115,414	
Amounts of Gains/Losses on Sales and Write-offs	Gains/Losses	Gains	Losses	Write-offs	Gains/Losses	Gains	Losses	Write-offs
of Capital Subscriptions or Equity Exposures*2	3,136	57,367	52,524	1,705	(4,459)	24,882	19,152	10,188
Amounts of Unrealized Gains/Losses Recognized in the Consolidated Balance Sheets and not Recognized in the Consolidated Statements of Income			409,032				290,714	
Amounts of Unrealized Gains/Losses not Recognized in the Consolidated Balance Sheets and Statements of Income			Not applicable				Not applicable	

*1. Figures for available-for-sale securities include only Japanese and foreign stocks.
*2. Consolidated statements of income show gains/losses on stockholdings and related write-offs.

As of March 31	Millions of Yen	
	2014	2013
Amounts by Portfolio Category	¥ 1,373,204	¥ 1,354,513
Transitional Measures	970,736	938,413
Portfolios Adopting the Market-based Approach	73,871	67,204
Portfolios Adopting the PD/LGD Approach	328,596	348,896

Note: Amounts by portfolio category show exposures subject to the calculation of credit risk-weighted assets.

Exposures Held in Funds as Credit Risk-Weighted Assets Consolidated

As of March 31	Millions of Yen	
	2014	2013
Aggregate Sum of Exposures Held in Funds	¥ 1,017,069	¥ 792,980
Look-through Approach	915,488	732,498
Simple Majority Formula	42,499	43,627
Investment Criteria Formula	35,483	—
Internal Model Approach	—	—
Probability Approach	22,877	16,099
Others	720	755

Note: Exposures subject to the calculation of credit risk-weighted assets are shown.

Gains/Losses and Changes in Economic Value Due to Interest Rate Shocks under Internal Control Management Used by the SMTB Group Regarding Interest Rate Risk in the Banking Account Consolidated

• Outlier ratios

As of March 31	Millions of Yen	
	2014	2013
Overall Amounts of Interest Rate Risk	¥ 156,528	¥ 12,813
Japanese Yen Interest Rates	43,097	—
U.S. Dollar Interest Rates	109,664	8,015
Other Interest Rates	3,765	4,797
Outlier Ratios	5.9%	0.5%

Note: The above table indicates figures calculated by individual banks in accordance with the outlier standard specified by the "Comprehensive Guidelines for Supervision of Major Banks, etc." and based on the following assumptions:
- Risk measurement method: Interest rate sensitivity approach
- Interest rate fluctuation scenario: An interest rate shock consisting of the 1st and 99th percentile of the fluctuation of interest rates measured for the one-year holding period and a minimum observation period of five years.
- Definition of the core deposits: The lowest of the following three is the upper limit on the core deposit amount (No.3 is adopted) and the maturity is five years (an average remaining term of 2.5 years): 1) The lowest balance of deposits in the past five years, 2) the balance left after deducting the maximum annual outflow of deposits in the past five years from the current balance of deposits, or 3) the amount equivalent to 50% of the current balance of deposits.

Composition of Capital (Non-consolidated BIS capital adequacy ratio)

Non-consolidated

Fiscal Year 2013

Items		Millions of Yen, %		
			Amounts Excluded under Transitional Arrangements	Basel Ⅲ Template No.
Common Equity Tier 1 Capital: Instruments and Reserves				
Directly Issued Qualifying Common Share Capital Plus Related Capital Surplus and Retained Earnings		¥ 1,648,729		1a+2–1c–26
of Which: Capital Stock and Capital Surplus		834,296		1a
of Which: Retained Earnings		845,004		2
of Which: Treasury Stock (Deduction)		—		1c
of Which: Earnings to be Distributed (Deduction)		30,571		26
of Which: Others		—		
Subscription Rights to Common Shares		—		1b
Valuation and Translation Adjustments, and Other Disclosed Reserves		48,598	¥ 194,393	3
Amount Allowed in Group Common Equity Tier 1 Subject to Transitional Arrangements		—		
Common Equity Tier 1 Capital: Instruments and Reserves	(A)	1,697,328		6
Common Equity Tier 1 Capital: Regulatory Adjustments				
Intangible Assets Other than Mortgage Servicing Rights (Net of Related Deferred Tax Liabilities)		11,651	46,604	8+9
of Which: Goodwill		—	—	8
of Which: Other Intangible Assets		11,651	46,604	9
Deferred Tax Assets That Rely on Future Profitability Excluding Those Arising from Temporary Differences (Net of Related Deferred Tax Liabilities)		304	1,217	10
Deferred Gains or Losses on Derivatives under Hedge Accounting		(311)	(1,247)	11
Shortfall of Eligible Provisions to Expected Losses		20,390	81,561	12
Securitization Gain on Sale		1,523	6,094	13
Gains and Losses Due to Changes in Own Credit Risk on Fair Valued Liabilities		—	—	14
Defined-Benefit Pension Fund Net Assets (Net of Related Deferred Tax Liabilities)		29,241	116,967	15
Investments in Own Shares (Excluding Those Reported in the Net Assets Section)		—	—	16
Reciprocal Cross-Holdings in Common Equity		—	—	17
Investments in the Common Stock of Banking, Financial and Insurance Entities That are Outside the Scope of Regulatory Consolidation, Net of Eligible Short Positions, Where the Bank Does Not Own More than 10% of the Issued Share Capital (Amount above 10% Threshold)		6,292	25,168	18
Amount above the 10% Threshold on the Specified Items		—	—	19+20+21
of Which: Significant Investments in the Common Stock of Banking, Financial and Insurance Entities That are Outside the Scope of Regulatory Consolidation, Net of Eligible Short Positions		—	—	19
of Which: Mortgage Servicing Rights		—	—	20
of Which: Deferred Tax Assets Arising from Temporary Differences (Net of Related Deferred Tax Liabilities)		—	—	21
Amount Exceeding the 15% Threshold on the Specified Items		—	—	22
of Which: Significant Investments in the Common Stock of Banking, Financial and Insurance Entities That are Outside the Scope of Regulatory Consolidation, Net of Eligible Short Positions		—	—	23
of Which: Mortgage Servicing Rights		—	—	24
of Which: Deferred Tax Assets Arising from Temporary Differences (Net of Related Deferred Tax Liabilities)		—	—	25
Regulatory Adjustments Applied to Common Equity Tier 1 Due to Insufficient Additional Tier 1 and Tier 2 to Cover Deductions		—		27
Common Equity Tier 1 Capital: Regulatory Adjustments	(B)	69,091		28
Common Equity Tier 1 Capital (CETI)				
Common Equity Tier 1 Capital	(C) = (A)–(B)	¥ 1,628,236		29

Items		Millions of Yen, %	Amounts Excluded under Transitional Arrangements	Basel Ⅲ Template No.
Additional Tier 1 Capital: Instruments				
Directly Issued Qualifying Additional Tier 1 Instruments Plus Related Capital Surplus of Which Classified as Equity under Applicable Accounting Standards		¥ —		31a
Subscription Rights to Additional Tier 1 Instruments		—		31b
Directly Issued Qualifying Additional Tier 1 Instruments Plus Related Capital Surplus of Which Classified as Liabilities under Applicable Accounting Standards		—		32
Qualifying Additional Tier 1 Instruments Issued by Special Purpose Vehicles		—		
Eligible Tier 1 Capital Instruments Subject to Phase out from Additional Tier 1 Capital		269,000		33+35
Amount Allowed in Group Additional Tier 1 Subject to Transitional Arrangements		(0)		
of Which, Valuation and Translation Adjustments, and Other Disclosed Reserves		(0)		
Additional Tier 1 Capital: Instruments	(D)	268,999		36
Additional Tier 1 Capital: Regulatory Adjustments				
Investments in Own Additional Tier 1 Instruments		—	¥ —	37
Reciprocal Cross-Holdings in Additional Tier 1 Instruments		—	—	38
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)		4,564	18,256	39
Significant Investments in the Additional Tier 1 Instruments of Banking, Financial and Insurance Entities That are Outside the Scope of Regulatory Consolidation, Net of Eligible Short Positions		—	—	40
Regulatory Adjustments Applied to Additional Tier 1 Subject to Transitional Arrangements		46,875		
of Which: Tier 1 Subject to Pre-Basel Ⅲ Treatment		46,875		
Regulatory Adjustments Applied to Additional Tier 1 Due to Insufficient Tier 2 to Cover Deductions		—		42
Additional Tier 1 Capital: Regulatory Adjustments	(E)	51,439		43
Additional Tier 1 Capital (ATI)				
Additional Tier 1 Capital	(F)=(D)–(E)	217,560		44
Tier 1 Capital (TI = CETI + ATI)				
Tier 1 Capital	(G) =(C)+(F)	1,845,796		45
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		—		46
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		—		
Qualifying Tier 2 Instruments Issued by Special Purpose Vehicles		—		
Eligible Tier 2 Capital Instruments Subject to Phase out from Tier 2		686,327		47+49
Provisions Allowed in Group Tier 2		—		50
of Which: General Allowance for Credit Losses		—		50a
of Which: Excess Amount of Eligible Provisions to Expected Losses		—		50b
Amount Allowed in Group Tier 2 Subject to Transitional Arrangements		134,739		
of which, valuation and translation adjustments, and other disclosed reserves		134,739		
Tier 2 Capital: Instruments and Provisions	(H)	¥ 821,066		51

Items		Millions of Yen, %		
			Amounts Excluded under Transitional Arrangements	Basel Ⅲ Template No.
Tier 2 Capital: Regulatory Adjustments				
Investments in Own Tier 2 Instruments		¥ —	¥ —	52
Reciprocal Cross-Holdings in Tier 2 Instruments		—	—	53
Investments in the Tier 2 Instruments of Banking, Financial and Insurance Entities That are Outside the Scope of Regulatory Consolidation, Net of Eligible Short Positions, Where the Bank Does not Own More than 10% of the Issued Common Share Capital of the Entity (Amount above 10% Threshold)		13,856	55,427	54
Significant Investments in the Tier 2 Instruments of Banking, Financial and Insurance Entities That are Outside of the Scope of Regulatory Consolidation, Net of Eligible Short Positions		1,140	4,560	55
Regulatory Adjustments Applied to Tier 2 Subject to Transitional Arrangements		50,563		
of Which: Tier 2 and Deductions Subject to Pre-Basel Ⅲ Treatment		50,563		
Tier 2 Capital: Regulatory Adjustments	(I)	65,560		57
Tier 2 Capital (TⅡ)				
Tier 2 Capital	(J)=(H)–(I)	755,506		58
Total Capital (TC = T1 + TⅡ)				
Total Capital	(K)=(G)+(J)	2,601,302		59
Total Risk Weighted Assets				
Risk Weighted Assets Subject to Transitional Arrangements		297,906		
of Which: Amount not Included in Tier 1 or Tier 2 or Deductions Subject to Pre-Basel Ⅲ Treatment		297,906		
Total Risk Weighted Assets	(L)	18,614,784		60
Capital Ratios				
Common Equity Tier 1 Capital Ratio (C)/(L)		8.74%		61
Tier 1 Capital Ratio (G)/(L)		9.91%		62
Total Capital Ratio (K)/(L)		13.97%		63
Regulatory Adjustments (before Risk Weighting)				
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)		157,770		72
Significant Investments in the Common Stock of Banking, Financial and Insurance Entities (Amount below the Thresholds for Deduction)		34,977		73
Mortgage Servicing Rights (Amount below the Thresholds for Deduction)		—		74
Deferred Tax Assets Arising from Temporary Differences (Amount below the Thresholds for Deduction)		45,954		75
Provisions Included in Tier 2 Capital: Instruments and Provisions				
Provisions Eligible for Inclusion in Tier 2 in Respect of Exposures Subject to Standardized Approach (Prior to Applicable of Cap)		—		76
Cap on Inclusion of Provisions in Tier 2 under Standardized Approach		3,539		77
Provisions Eligible for Inclusion in Tier 2 in Respect of Exposures Subject to Internal Ratings-Based Approach (Prior to Applicable of Cap)		—		78
Cap on Inclusion of Provisions in Tier 2 under Internal Ratings-Based Approach		100,199		79
Capital Instruments Subject to Phase out Arrangements				
Current Cap on Additional Tier 1 Instruments Subject to Phase out Arrangements		311,200		82
Amount Excluded from Additional Tier 1 Due to Cap (Excess over Cap after Redemptions and Maturities)		—		83
Current Cap on Tier 2 Instruments Subject to Phase out Arrangements		686,327		84
Amount Excluded from Tier 2 Due to Cap (Excess over Cap after Redemptions and Maturities)		¥ 74,956		85

Note: SMTB received an external audit by KPMG AZSA LLC of the calculation of the non-consolidated BIS capital adequacy ratio as of March 31, 2014 in line with "Agreed Upon Methods for the Implementation of Capital Adequacy Ratio Audits" (Pronouncement 30 of the Japanese Institute of Certified Public Accountants, Bank Auditing Committee, May 13, 2014). The external audit is not part of the accounting audit of the non-consolidated financial statements but was conducted by the external auditor as part of the internal risk management framework concerning the calculation of the non-consolidated BIS capital adequacy ratio under agreed-upon examination procedures, which we considered it necessary, and is a report of the results presented to us. It thus does not represent an opinion by the external auditor regarding the non-consolidated BIS capital adequacy ratio itself or parts of internal risk management framework which concern the ratio.

Fiscal Year 2012

Items		Millions of Yen, %	Amounts Excluded under Transitional Arrangements	Basel Ⅲ Template No.
Common Equity Tier 1 Capital: Instruments and Reserves				
Directly Issued Qualifying Common Share Capital Plus Related Capital Surplus and Retained Earnings		¥ 1,564,503		1a+2–1c–26
of Which: Capital Stock and Capital Surplus		841,831		1a
of Which: Retained Earnings		757,252		2
of Which: Treasury Stock (Deduction)		—		1c
of Which: Earnings to be Distributed (Deduction)		34,580		26
of Which: Others		—		
Subscription Rights to Common Shares		—		1b
Valuation and Translation Adjustments, and Other Disclosed Reserves		—	¥ 176,896	3
Amount Allowed in Group Common Equity Tier 1 Subject to Transitional Arrangements		—		
Common Equity Tier 1 Capital: Instruments and Reserves	(A)	1,564,503		6
Common Equity Tier 1 Capital: Regulatory Adjustments				
Intangible Assets Other than Mortgage Servicing Rights (Net of Related Deferred Tax Liabilities)		—	44,574	8+9
of Which: Goodwill		—	—	8
of Which: Other Intangible Assets		—	44,574	9
Deferred Tax Assets That Rely on Future Profitability Excluding Those Arising from Temporary Differences (Net of Related Deferred Tax Liabilities)		—	20,649	10
Deferred Gains or Losses on Derivatives under Hedge Accounting		—	6,002	11
Shortfall of Eligible Provisions to Expected Losses		—	116,989	12
Securitization Gain on Sale		—	12,591	13
Gains and Losses Due to Changes in Own Credit Risk on Fair Valued Liabilities		—	—	14
Defined-Benefit Pension Fund Net Assets (Net of Related Deferred Tax Liabilities)		—	147,585	15
Investments in Own Shares (Excluding Those Reported in the Net Assets Section)		—	129	16
Reciprocal Cross-Holdings in Common Equity		—	—	17
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)		—	42,532	18
Amount above the 10% Threshold on the Specified Items		—	—	19+20+21
of Which: Significant Investments in the Common Stock of Banking, Financial and Insurance Entities That are Outside the Scope of Regulatory Consolidation, Net of Eligible Short Positions		—	—	19
of Which: Mortgage Servicing Rights		—	—	20
of Which: Deferred Tax Assets Arising from Temporary Differences (Net of Related Deferred Tax Liabilities)		—	—	21
Amount Exceeding the 15% Threshold on the Specified Items		—	—	22
of Which: Significant Investments in the Common Stock of Banking, Financial and Insurance Entities That are Outside the Scope of Regulatory Consolidation, Net of Eligible Short Positions		—	—	23
of Which: Mortgage Servicing Rights		—	—	24
of Which: Deferred Tax Assets Arising from Temporary Differences (Net of Related Deferred Tax Liabilities)		—	—	25
Regulatory Adjustments Applied to Common Equity Tier 1 Due to Insufficient Additional Tier 1 and Tier 2 to Cover Deductions		—		27
Common Equity Tier 1 Capital: Regulatory Adjustments	(B)	—		28
Common Equity Tier 1 Capital (CETI)				
Common Equity Tier 1 Capital	(C) = (A)–(B)	¥ 1,564,503		29

Items		Millions of Yen, %	Amounts Excluded under Transitional Arrangements	Basel Ⅲ Template No.
Additional Tier 1 Capital: Instruments				
Directly Issued Qualifying Additional Tier 1 Instruments Plus Related Capital Surplus of Which Classified as Equity under Applicable Accounting Standards		¥ —		31a
Subscription Rights to Additional Tier 1 Instruments		—		31b
Directly Issued Qualifying Additional Tier 1 Instruments Plus Related Capital Surplus of Which Classified as Liabilities under Applicable Accounting Standards		—		32
Qualifying Additional Tier 1 Instruments Issued by Special Purpose Vehicles		—		30
Eligible Tier 1 Capital Instruments Subject to Phase out from Additional Tier 1 Capital		350,100		33+35
Amount Allowed in Group Additional Tier 1 Subject to Transitional Arrangements		(0)		
of Which, Valuation and Translation Adjustments, and Other Disclosed Reserves		(0)		
Additional Tier 1 Capital: Instruments	(D)	350,099		36
Additional Tier 1 Capital: Regulatory Adjustments				
Investments in Own Additional Tier 1 Instruments		—	¥ —	37
Reciprocal Cross-Holdings in Additional Tier 1 Instruments		—	—	38
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)		—	29,370	39
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		—	7,222	40
Regulatory Adjustments Applied to Additional Tier 1 Subject to Transitional Arrangements		71,085		
of Which: Tier 1 Subject to Pre-Basel Ⅲ Treatment		71,085		
Regulatory Adjustments Applied to Additional Tier 1 Due to Insufficient Tier 2 to Cover Deductions		—		42
Additional Tier 1 Capital: Regulatory Adjustments	(E)	71,085		43
Additional Tier 1 Capital (ATI)				
Additional Tier 1 Capital	(F)=(D)–(E)	279,013		44
Tier 1 Capital (TI = CETI + ATI)				
Tier 1 Capital	(G) =(C)+(F)	1,843,517		45
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		—		46
Directly Issued Qualifying Tier 2 Instruments Plus Related Capital Surplus of Which Classified as Liabilities under Applicable Accounting Standards		—		
Qualifying Tier 2 Instruments Issued by Special Purpose Vehicles		—		
Eligible Tier 2 Capital Instruments Subject to Phase out from Tier 2		772,118		47+49
Provisions Allowed in Group Tier 2		—		50
of Which: General Allowance for Credit Losses		—		50a
of Which: Excess Amount of Eligible Provisions to Expected Losses		—		50b
Amount Allowed in Group Tier 2 Subject to Transitional Arrangements		117,433		
of which, valuation and translation adjustments, and other disclosed reserves		117,433		
Tier 2 Capital: Instruments and Provisions	(H)	¥ 889,552		51

Items		Millions of Yen, %		
			Amounts Excluded under Transitional Arrangements	Basel Ⅲ Template No.
Tier 2 Capital: Regulatory Adjustments				
Investments in Own Tier 2 Instruments		¥ —	¥ —	52
Reciprocal Cross-Holdings in Tier 2 Instruments		—	—	53
Investments in the Tier 2 Instruments of Banking, Financial and Insurance Entities That are Outside the Scope of Regulatory Consolidation, Net of Eligible Short Positions, Where the Bank Does not Own More than 10% of the Issued Common Share Capital of the Entity (Amount above 10% Threshold)		—	108,808	54
Significant Investments in the Tier 2 Instruments of Banking, Financial and Insurance Entities That are Outside of the Scope of Regulatory Consolidation, Net of Eligible Short Positions		—	5,450	55
Regulatory Adjustments Applied to Tier 2 Subject to Transitional Arrangements		78,369		
of Which: Tier 2 and Deductions Subject to Pre-Basel Ⅲ Treatment		78,369		
Tier 2 Capital: Regulatory Adjustments	(I)	78,369		57
Tier 2 Capital (TⅡ)				
Tier 2 Capital	(J)=(H)–(I)	811,182		58
Total Capital (TC = T1 + TⅡ)				
Total Capital	(K)=(G)+(J)	2,654,699		59
Total Risk Weighted Assets				
Risk Weighted Assets Subject to Transitional Arrangements		475,785		
of Which: Amount not Included in Tier 1 or Tier 2 or Deductions Subject to Pre-Basel Ⅲ Treatment		475,785		
Total Risk Weighted Assets	(L)	18,618,206		60
Capital Ratios				
Common Equity Tier 1 Capital Ratio (C)/(L)		8.40%		61
Tier 1 Capital Ratio (G)/(L)		9.90%		62
Total Capital Ratio (K)/(L)		14.25%		63
Regulatory Adjustments (before Risk Weighting)				
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)		139,284		72
Significant Investments in the Common Stock of Banking, Financial and Insurance Entities (Amount below the Thresholds for Deduction)		33,454		73
Mortgage Servicing Rights (Amount below the Thresholds for Deduction)		—		74
Deferred Tax Assets Arising from Temporary Differences (Amount below the Thresholds for Deduction)		117,191		75
Provisions Included in Tier 2 Capital: Instruments and Provisions				
Provisions Eligible for Inclusion in Tier 2 in Respect of Exposures Subject to Standardized Approach (Prior to Applicable of Cap)		—		76
Cap on Inclusion of Provisions in Tier 2 under Standardized Approach		2,433		77
Provisions Eligible for Inclusion in Tier 2 in Respect of Exposures Subject to Internal Ratings-Based Approach (Prior to Applicable of Cap)		—		78
Cap on Inclusion of Provisions in Tier 2 under Internal Ratings-Based Approach		97,634		79
Capital Instruments Subject to Phase out Arrangements				
Current Cap on Additional Tier 1 Instruments Subject to Phase out Arrangements		350,100		82
Amount Excluded from Additional Tier 1 Due to Cap (Excess over Cap after Redemptions and Maturities)		38,900		83
Current Cap on Tier 2 Instruments Subject to Phase out Arrangements		772,118		84
Amount Excluded from Tier 2 Due to Cap (Excess over Cap after Redemptions and Maturities)		¥ 85,790		85

Note: SMTB received an external audit by KPMG AZSA LLC of the calculation of the non-consolidated BIS capital adequacy ratio as of March 31, 2013 in line with "Agreed Upon Methods for the Implementation of Capital Adequacy Ratio Audits" (Pronouncement 30 of the Japanese Institute of Certified Public Accountants, Bank Auditing Committee, March 21, 2013). The external audit is not part of the accounting audit of the non-consolidated financial statements but was conducted by the external auditor as part of the internal risk management framework concerning the calculation of the non-consolidated BIS capital adequacy ratio under agreed-upon examination procedures, which we considered it necessary, and is a report of the results presented to us. It thus does not represent an opinion by the external auditor regarding the non-consolidated BIS capital adequacy ratio itself or parts of internal risk management framework which concern the ratio.

Explanation on Reconciliation between Balance Sheet Items and Regulatory Capital Elements Non-consolidated

Fiscal Year 2013

Items	Non-consolidated Balance Sheet Amount (Millions of Yen)	Ref. No. of Appendix	Basel Ⅲ Template No. under the Composition of Capital Disclosure
(Assets)			
Cash and Due from Banks	¥ 5,614,828		
Call Loans	366,552		
Receivables under Resale Agreements	88,069		
Receivables under Securities Borrowing Transactions	289,377		
Monetary Claims Bought	258,311		
Trading Assets	585,467		
Money Held in Trust	12,000	6–a	
Securities	5,971,283	6–b	
Loans and Bills Discounted	24,034,244	6–c	
Foreign Exchanges	12,114		
Other Assets	1,136,155	6–d	
Tangible Fixed Assets	203,326		
Buildings	64,914		
Land	114,586		
Lease Assets	1,488		
Construction in Progress	767		
Other	21,570		
Intangible Fixed Assets	90,515	2	
Software	86,264		
Lease Assets	64		
Other	4,186		
Prepaid Pension Cost	227,175	3	
Customers' Liabilities for Acceptances and Guarantees	317,332		
Allowance for Loan Losses	(84,089)		
Total Assets	¥ 39,122,664		

Items	Non-consolidated Balance Sheet Amount (Millions of Yen)	Ref. No. of Appendix	Basel Ⅲ Template No. under the Composition of Capital Disclosure
(Liabilities)			
Deposits	¥ 24,072,972		
Negotiable Certificates of Deposit	5,304,179		
Call Money	251,455		
Payables under Repurchase Agreements	1,291,641		
Trading Liabilities	214,138		
Borrowed Money	1,574,581		
Foreign Exchanges	228		
Short-term Bonds Payable	667,403		
Bonds Payable	995,826		
Borrowed Money from Trust Account	1,342,001		
Other Liabilities	971,748	6–e	
Provision for Bonuses	8,787		
Provision for Director's Bonuses	105		
Provision for Retirement Benefits	628		
Provision for Reimbursement of Deposits	3,917		
Provision for Contingent Loss	8,800		
Deferred Tax Liabilities	61,793	4–a	
Deferred Tax Liabilities for Land Revaluation	3,954	4–b	
Acceptances and Guarantees	317,332		
Total Liabilities	37,091,495		
(Net Assets)			
Capital Stock	342,037	1–a	
Capital Surplus	601,259	1–b	
Retained Earnings	844,879	1–c	
Total Shareholders' Equity	1,788,176		
Valuation Difference on Available-for-Sale Securities	247,804		
Deferred Gains or Losses on Hedges	(6,434)	5	
Revaluation Reserve for Land	1,622		
Total Valuation and Translation Adjustments	242,992		3
Total Net Assets	2,031,168		
Total Liabilities and Net Assets	¥ 39,122,664		

Note: Credit includes subordinate debt, and in disclosure of the constituents of capital, this item is included in the calculation of the amounts included in core element amounts pertaining to additional Tier 1 capital out of the amounts of eligible Tier 1 capital instruments subject to phase-out arrangements.

(Appendix)

Note: Amounts in the "Composition of capital" are based on those before considering under transitional arrangements. Therefore, they include "Amounts excluded under transitional arrangements" disclosed in "Composition of capital disclosure" and exclude items for regulatory purpose under transitional arrangement from these tables.

1. Shareholders' equity

(1) Balance sheet

Non-consolidated Balance Sheet Items	Amount (Millions of Yen)	Remarks	Ref. No.
Capital Stock	¥ 342,037		1–a
Capital Surplus	601,259		1–b
Retained Earnings	844,879		1–c
Total Shareholders' Equity	¥ 1,788,176		

(2) Composition of capital

Items in the Composition of Capital Disclosure	Amount (Millions of Yen)	Remarks	Basel Ⅲ Template No.
Directly Issued Qualifying Common Share Capital Plus Related Capital Surplus and Retained Earnings	¥ 1,679,301	Shareholders' Equity Attributable to Common Shares (before Adjusting National Specific Regulatory Adjustments (Earnings to be Distributed))	
of Which: Capital Stock and Capital Surplus	834,296		1a
of Which: Retained Earnings	845,004		2
of Which: Treasury Stock (Deduction)	—		1c
of Which: Others	—		
Directly Issued Qualifying Additional Tier 1 Instruments Plus Related Capital Surplus of Which Classified as Equity under Applicable Accounting Standards	—	Shareholders' Equity Attributable to Preferred Shares with a Loss Absorbency at the Point of Non-Viability	31a

2. Intangible fixed assets

(1) Balance sheet

Non-consolidated Balance Sheet Items	Amount (Millions of Yen)	Remarks	Ref. No.
Intangible Fixed Assets	¥ 90,515		2
Associated Deferred Tax Liabilities	32,259		

(2) Composition of capital

Items in the Composition of Capital Disclosure	Amount (Millions of Yen)	Remarks	Basel Ⅲ Template No.
Goodwill (Net of Related Deferred Tax Liabilities, Including Those Equivalent)	¥ —		8
Other Intangible Assets (Net of Related Deferred Tax Liabilities)	58,256	Excluding Goodwill, Mortgage Servicing Rights (Software, etc.)	9
Mortgage Servicing Rights (Net of Related Deferred Tax Liabilities)	—		
Amount above the 10% Threshold on the Specified Items	—		20
Amount exceeding the 15% Threshold on the Specified Items	—		24
Amount below the Thresholds for Deduction (before Risk Weighting)	—		74

3. Defined-benefit pension fund net assets (prepaid pension cost)

(1) Balance sheet

Non-consolidated Balance Sheet Items	Amount (Millions of Yen)	Remarks	Ref. No.
Prepaid Pension Cost	¥ 227,175		3
Associated Deferred Tax Liabilities	80,965		

(2) Composition of capital

Items in the Composition of Capital Disclosure	Amount (Millions of Yen)	Remarks	Basel Ⅲ Template No.
Defined-Benefit Pension Fund Net Assets (Net of Related Deferred Tax Liabilities)	¥ 146,209		15

4. Deferred tax assets

(1) Balance sheet

Non-consolidated Balance Sheet Items	Amount (Millions of Yen)	Remarks	Ref. No.
Deferred Tax Assets	¥ 61,793		4–a
Deferred Tax Liabilities for Land Revaluation	3,954		4–b
Associated Intangible Fixed Assets	32,259		
Associated Prepaid Pension Cost	80,965		

(2) Composition of capital

Items in the Composition of Capital Disclosure	Amount (Millions of Yen)	Remarks	Basel Ⅲ Template No.
Deferred Tax Assets That Rely on Future Profitability excluding Those Arising from Temporary Differences (Net of Related Deferred Tax Liabilities)	¥ 1,522	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)	45,954	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)	45,954		75

5. Deferred gains or losses on hedges

(1) Balance sheet

Non-consolidated Balance Sheet Items	Amount (Millions of Yen)	Remarks	Ref. No.
Deferred Gains or Losses on Hedges	¥ (6,434)		5

(2) Composition of capital

Items in the Composition of Capital Disclosure	Amount (Millions of Yen)	Remarks	Basel Ⅲ Template No.
Deferred Gains or Losses on Derivatives under Hedge Accounting	¥ (1,559)	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) Balance sheet

Non-consolidated Balance Sheet Items	Amount (Millions of Yen)	Remarks	Ref. No.
Money Held in Trust	¥ 12,000		6–a
Securities	5,971,283		6–b
Loans and Bills Discounted	24,034,244	Including subordinated loans	6–c
Other Assets	1,136,155	Including derivatives	6–d
Other Liabilities	¥ 971,748	Including derivatives	6–e

(2) Composition of capital

Items in the Composition of Capital Disclosure	Amount (Millions of Yen)	Remarks	Basel Ⅲ Template No.
Investments in Own Capital Instruments	¥ —		
Common Equity Tier 1 Capital	—		16
Additional Tier 1 Capital	—		37
Tier 2 Capital	—		52
Reciprocal Cross-Holdings in Capital Instruments	—		
Common Equity Tier 1 Capital	—		17
Additional Tier 1 Capital	—		38
Tier 2 Capital	—		53
Investments in the Instruments of Banking, Financial and Insurance Entities That are Outside the Scope of Regulatory Consolidation, Where the Bank Does not Own More than10% of the Issued Share Capital	281,336		
Common Equity Tier 1 Capital	31,460		18
Additional Tier 1 Capital	22,820		39
Tier 2 Capital	69,284		54
Amount below the Thresholds for Deduction (before Risk Weighting)	157,770		72
Significant Investments in the Common Stock of Banking, Financial and Insurance Entities That are Outside the Scope of Regulatory Consolidation, Net of Eligible Short Positions	40,677		
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	5,700		55
Amount below the Thresholds for Deduction (before Risk Weighting)	¥ 34,977		73

Fiscal Year 2012

Items	Non-consolidated Balance Sheet Amount (Millions of Yen)	Ref. No. of Appendix	Basel Ⅲ Template No. under the Composition of Capital Disclosure
(Assets)			
Cash and Due from Banks	¥ 2,953,549		
Call Loans	329,228		
Receivables under Resale Agreements	91,911		
Receivables under Securities Borrowing Transactions	207,494		
Monetary Claims Bought	177,857		
Trading Assets	752,901		
Money Held in Trust	17,016	6–a	
Securities	6,531,276	6–b	
Loans and Bills Discounted	22,349,067	6–c	
Foreign Exchanges	59,570		
Other Assets	1,264,511	3, 6–d	
Tangible Fixed Assets	205,891		
Buildings	65,816		
Land	115,782		
Lease Assets	767		
Construction in Progress	609		
Other	22,915		
Intangible Fixed Assets	69,257	2	
Software	64,968		
Lease Assets	84		
Other	4,205		
Deferred Tax Assets	35,570	4–a	
Customers' Liabilities for Acceptances and Guarantees	352,932		
Allowance for Loan Losses	(103,069)		
Total Assets	¥ 35,294,966		

Items	Non-consolidated Balance Sheet Amount (Millions of Yen)	Ref. No. of Appendix	Basel Ⅲ Template No. under the Composition of Capital Disclosure
(Liabilities)			
Deposits	¥ 22,885,737		
Negotiable Certificates of Deposit	4,222,975		
Call Money	215,350		
Payables under Repurchase Agreements	605,742		
Trading Liabilities	233,141		
Borrowed Money	1,065,212		
Foreign Exchanges	106		
Short-term Bonds Payable	753,302		
Bonds Payable	880,913		
Borrowed Money from Trust Account	1,281,038		
Other Liabilities	884,420	6–e	
Provision for Bonuses	8,533		
Provision for Director's Bonuses	107		
Provision for Retirement Benefits	689		
Provision for Reimbursement of Deposits	6,207		
Provision for Contingent Loss	9,720		
Deferred Tax Liabilities for Land Revaluation	4,122	4–b	
Acceptances and Guarantees	352,932		
Total Liabilities	33,410,252		
(Net Assets)			
Capital Stock	342,037	1–a	
Capital Surplus	608,794	1–b	
Retained Earnings	756,985	1–c	
Total Shareholders' Equity	1,707,817		
Valuation Difference on Available-for-Sale Securities	181,641		
Deferred Gains or Losses on Hedges	(7,609)	5	
Revaluation Reserve for Land	2,864		
Total Valuation and Translation Adjustments	176,896		3
Total Net Assets	1,884,714		
Total Liabilities and Net Assets	¥ 35,294,966		

Note: Credit includes subordinate debt, and in disclosure of the constituents of capital, this item is included in the calculation of totals of the amounts included in core element amounts pertaining to other Tier 1 capital via transitional measures.

(Appendix)

Note: Amounts in the "Composition of capital" are based on those before considering under transitional arrangements. Therefore, they include "Amounts excluded under transitional arrangements" disclosed in "Composition of capital disclosure" and exclude items for regulatory purpose under transitional arrangement from these tables.

1. Shareholders' equity

(1) Balance sheet

Non-consolidated Balance Sheet Items	Amount (Millions of Yen)	Remarks	Ref. No.
Capital Stock	¥ 342,037		1–a
Capital Surplus	608,794		1–b
Retained Earnings	756,985		1–c
Total Shareholders' Equity	¥ 1,707,817		

(2) Composition of capital

Items in the Composition of Capital Disclosure	Amount (Millions of Yen)	Remarks	Basel Ⅲ Template No.
Directly Issued Qualifying Common Share Capital Plus Related Capital Surplus and Retained Earnings	¥ 1,599,084	Shareholders' Equity Attributable to Common Shares (before Adjusting National Specific Regulatory Adjustments (Earnings to be Distributed))	
of Which: Capital Stock and Capital Surplus	841,831		1a
of Which: Retained Earnings	757,252		2
of Which: Treasury Stock (Deduction)	—		1c
of Which: Others	—		
Directly Issued Qualifying Additional Tier 1 Instruments Plus Related Capital Surplus of Which Classified as Equity under Applicable Accounting Standards	—	Shareholders' Equity Attributable to Preferred Shares with a Loss Absorbency at the Point of Non-Viability	31a

2. Intangible fixed assets

(1) Balance sheet

Non-consolidated Balance Sheet Items	Amount (Millions of Yen)	Remarks	Ref. No.
Intangible Fixed Assets	¥ 69,257		2
Associated Deferred Tax Liabilities	24,683		

(2) Composition of capital

Items in the Composition of Capital Disclosure	Amount (Millions of Yen)	Remarks	Basel Ⅲ Template No.
Goodwill (Net of Related Deferred Tax Liabilities, Including Those Equivalent)	¥ —		8
Other Intangible Assets (Net of Related Deferred Tax Liabilities)	44,574	Excluding Goodwill, Mortgage Servicing Rights (Software, etc.)	9
Mortgage Servicing Rights (Net of Related Deferred Tax Liabilities)	—		
Amount above the 10% Threshold on the Specified Items	—		20
Amount exceeding the 15% Threshold on the Specified Items	—		24
Amount below the Thresholds for Deduction (before Risk Weighting)	—		74

3. Defined-benefit pension fund net assets (prepaid pension cost)

(1) Balance sheet

Non-consolidated Balance Sheet Items	Amount (Millions of Yen)	Remarks	Ref. No.
Other Assets	¥ 1,264,511		3
of Which: Prepaid Pension Cost	229,312		
Associated Deferred Tax Liabilities	81,726		

(2) Composition of capital

Items in the Composition of Capital Disclosure	Amount (Millions of Yen)	Remarks	Basel Ⅲ Template No.
Defined-Benefit Pension Fund Net Assets (Net of Related Deferred Tax Liabilities)	¥ 147,585		15

4. Deferred tax assets

(1) Balance sheet

Non-consolidated Balance Sheet Items	Amount (Millions of Yen)	Remarks	Ref. No.
Deferred Tax Assets	¥ 35,570		4–a
Deferred Tax Liabilities for Land Revaluation	4,122		4–b
Associated Intangible Fixed Assets	24,683		
Associated Prepaid Pension Cost	81,726		

(2) Composition of capital

Items in the Composition of Capital Disclosure	Amount (Millions of Yen)	Remarks	Basel Ⅲ Template No.
Deferred Tax Assets That Rely on Future Profitability excluding Those Arising from Temporary Differences (Net of Related Deferred Tax Liabilities)	¥ 20,649	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)	117,191	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)	117,191		75

5. Deferred gains or losses on hedges

(1) Balance sheet

Non-consolidated Balance Sheet Items	Amount (Millions of Yen)	Remarks	Ref. No.
Deferred Gains or Losses on Hedges	¥ (7,609)		5

(2) Composition of capital

Items in the Composition of Capital Disclosure	Amount (Millions of Yen)	Remarks	Basel Ⅲ Template No.
Deferred Gains or Losses on Derivatives under Hedge Accounting	¥ 6,002	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) Balance sheet

Non-consolidated Balance Sheet Items	Amount (Millions of Yen)	Remarks	Ref. No.
Money Held in Trust	¥ 17,016		6–a
Securities	6,531,276		6–b
Loans and Bills Discounted	22,349,067	Including subordinated loans	6–c
Other Assets	1,264,511	Including derivatives	6–d
Other Liabilities	¥ 884,420	Including derivatives	6–e

(2) Composition of capital

Items in the Composition of Capital Disclosure	Amount (Millions of Yen)	Remarks	Basel Ⅲ Template No.
Investments in Own Capital Instruments	¥ 129		
Common Equity Tier 1 Capital	129		16
Additional Tier 1 Capital	—		37
Tier 2 Capital	—		52
Reciprocal Cross-Holdings in Capital Instruments	—		
Common Equity Tier 1 Capital	—		17
Additional Tier 1 Capital	—		38
Tier 2 Capital	—		53
Investments in the Instruments of Banking, Financial and Insurance Entities That are Outside the Scope of Regulatory Consolidation, Where the Bank Does not Own More than10% of the Issued Share Capital	319,995		
Common Equity Tier 1 Capital	42,532		18
Additional Tier 1 Capital	29,370		39
Tier 2 Capital	108,808		54
Amount below the Thresholds for Deduction (before Risk Weighting)	139,284		72
Significant Investments in the Common Stock of Banking, Financial and Insurance Entities That are Outside the Scope of Regulatory Consolidation, Net of Eligible Short Positions	46,126		
Amount above the 10% Threshold on the Specified Items	—		19
Amount exceeding the 15% Threshold on the Specified Items	—		23
Additional Tier 1 Capital	7,222		40
Tier 2 Capital	5,450		55
Amount below the Thresholds for Deduction (before Risk Weighting)	¥ 33,454		73

Capital Adequacy

Non-consolidated

Amounts of Required Capital

(1) Amounts of required capital against credit risk (excluding equity exposures to which the IRB Approach is applied and exposures held in funds)

As of March 31	Millions of Yen 2014	2013
Portfolios to Which the Standardized Approach is Applied	¥ 32,009	¥ 27,383
Exposures to Business Units Set for Phased Roll-out Application	—	—
Exposures Excluded from Application	32,009	27,383
Portfolios to Which the IRB Approach is Applied and Breakdown by Portfolio	1,295,064	1,281,348
Corporate Exposures	926,954	932,882
Sovereign Exposures	21,339	16,714
Financial Institution Exposures	47,861	47,767
Residential Mortgage Exposures	101,941	86,277
Qualifying Revolving Retail Exposures	670	741
Other Retail Exposures	13,586	14,362
Other Exposures*1	182,711	182,602
Securitization Exposures	14,786	27,664

*1. Other exposures refer to the exposures below.
Purchased receivables, unsettled transactions, lease transactions, CVA risk, central counterparty-related, equities, etc., with 250% risk-weight applied and other assets
*2. The calculation method of the amounts of required capital ratio against credit risk is as follows:
Portfolios to which the Standardized Approach is applied: amount of credit risk-weighted assets x 8%
Portfolios to which the IRB Approach is applied: (amount of credit risk-weighted assets x 1.06) x 8% + expected loss amount
Securitization exposures: (amount of credit risk-weighted assets x 1.06) x 8% + expected loss amount

(2) Amounts of required capital against credit risk concerning equity exposures to which the IRB Approach is applied

As of March 31	Millions of Yen 2014	2013
Equity Exposures	¥ 140,660	¥ 140,483
PD/LGD Approach	38,394	41,050
Simple Risk-Weight Method of the Market-based Approach	20,329	20,365
Internal Model Method of the Market-based Approach	—	—
Transitional Measures*1	81,935	79,068

*1. The amount of credit risk-weighted assets is calculated with a risk-weight of 100%, pursuant to the Notification, Supplementary Rules Article 13.
*2. The calculation method of the amounts of required capital against credit risk concerning equity exposures to which the IRB Approach is applied is as follows
Those applicable to the PD/LGD approach: (amount of credit risk-weighted assets x 1.06) x 8% + expected loss amount
Those applicable to the simple risk-weight method of the market-based approach: (amount of credit risk-weighted assets x 1.06) x 8%
Those applicable to the transitional measures: (amount of credit risk-weighted assets x 1.06) x 8%

(3) Amounts of required capital against credit risk concerning exposures held in funds

As of March 31	Millions of Yen 2014	2013
Exposures Held in Funds*	¥ 120,532	¥ 143,250

* (Amount of credit risk-weighted assets x 1.06) x 8% + expected loss amount

(4) Amounts of required capital against market risk

As of March 31	Millions of Yen	
	2014	2013
Market Risk	**¥ 28,875**	¥ 41,629
Amounts of Required Capital by Category under the Standardized Approach	**630**	938
Interest Rate Risk	**630**	938
Equity Position Risk	**—**	—
Foreign Exchange Risk	**—**	—
Commodities Risk	**—**	—
Options Transactions	**—**	—
Internal Model Approach	**28,244**	40,690

(5) Amounts of required capital against operational risk

As of March 31	Millions of Yen	
	2014	2013
Operational Risk	**¥ 52,145**	¥ 66,036
Advanced Measurement Approach	**52,145**	—
Standardized Approach	**—**	66,036
Basic Indicator Approach	**—**	—

Note: Operational risk amounts are calculated based on the advanced measurement approach starting from March 31, 2014 in the place of the standardized approach used previously.

(6) Total required capital

As of March 31	Millions of Yen	
	2014	2013
Total Required Capital*	**¥ 1,489,182**	¥ 1,489,456

* (Total amount of credit risk-weighted assets + market risk equivalents/8% + operational risk equivalents/8%) x 8%

Credit Risk

Non-consolidated

Balance of Exposures Related to Credit Risk and Breakdown by Primary Types

	Millions of Yen					
	2014					
	Credit Risk Exposures					Exposures Three Months or Longer Overdue or Exposures in Default
As of March 31		Loans, Call Loans, Deposits, etc.	Securities	Derivative Transactions	Other Off-balance Sheet Transactions	
Japan	¥ 31,388,454	¥ 25,266,211	¥ 3,597,433	¥ 266,078	¥ 2,258,731	¥ 245,025
Outside Japan	5,168,306	3,038,518	1,556,432	314,906	258,449	18,599
Total for Regions	¥ 36,556,760	¥ 28,304,730	¥ 5,153,865	¥ 580,984	¥ 2,517,180	¥ 263,625
Manufacturing	4,215,939	2,587,338	729,083	20,653	878,864	63,014
Agriculture and Forestry	3,026	2,631	328	66	—	—
Fisheries	93	0	92	—	—	—
Mining and Quarrying of Stones and Gravel	13,238	11,849	216	—	1,172	—
Construction	279,613	157,587	66,505	535	54,985	5,380
Electricity, Gas, Heat Supply and Water	975,266	867,618	37,658	2,079	67,909	69
Information and Communication	405,465	356,691	12,074	940	35,759	746
Transport and Postal Activities	1,426,662	1,129,462	203,134	13,163	80,901	1,150
Wholesale and Retail Trade	1,705,142	1,236,145	178,408	5,379	285,209	2,480
Finance and Insurance	2,605,757	2,011,893	302,394	199,361	92,108	69,182
Real Estate	3,037,400	2,489,204	241,627	11,476	295,092	41,165
Goods Rental and Leasing	662,314	585,113	14,770	817	61,613	279
Local Public Bodies	100,338	72,060	15,665	—	12,611	—
Individuals	7,115,028	7,035,123	—	—	79,905	48,272
Others	14,011,473	9,762,010	3,351,906	326,511	571,044	31,883
Total for Industry Sectors	¥ 36,556,760	¥ 28,304,730	¥ 5,153,865	¥ 580,984	¥ 2,517,180	¥ 263,625
One Year or Less	7,995,103	5,600,734	1,543,587	70,905	779,876	
Over One Year to Three Years	5,393,675	3,919,176	578,183	115,408	780,906	
Over Three Years to Five Years	9,174,917	8,244,074	441,447	140,247	349,147	
Over Five Years	13,993,064	10,540,744	2,590,647	254,422	607,249	
Total for All Durations	¥ 36,556,760	¥ 28,304,730	¥ 5,153,865	¥ 580,984	¥ 2,517,180	
Average Balance during the Period	¥ 35,256,752	¥ 26,903,722	¥ 5,243,596	¥ 625,265	¥ 2,484,167	

Notes: 1. Of exposures subject to the calculation of credit risk-weighted assets, the above lists corporate, retail, equities, etc., and purchased receivables.
2. "Others" in the industry sectors include non-residents and state public services. Exposures for durations of over five years include those with no fixed maturities.
3. "Average Balance during the Period" is the average of the balance as of March 31, 2013, September 30, 2013 and March 31, 2014.
4. The above data represents amounts after credit risk mitigation effects of netting contracts allowed under the law and netting against the obligor's cash on deposit.

As of March 31	Millions of Yen					
	2013					
	Credit Risk Exposures					Exposures Three Months or Longer Overdue or Exposures in Default
		Loans, Call Loans, Deposits, etc.	Securities	Derivative Transactions	Other Off-balance Sheet Transactions	
Japan	¥ 29,499,177	¥ 22,389,618	¥ 4,447,847	¥ 254,821	¥ 2,406,890	¥ 341,648
Outside Japan	3,838,847	2,167,002	1,064,581	412,226	195,036	7,100
Total for Regions	¥ 33,338,025	¥ 24,556,621	¥ 5,512,428	¥ 667,047	¥ 2,601,927	¥ 348,748
Manufacturing	4,407,576	2,769,202	650,065	32,375	955,934	73,301
Agriculture and Forestry	3,798	3,170	617	9	—	—
Fisheries	66	0	65	—	—	—
Mining and Quarrying of Stones and Gravel	13,802	12,299	996	—	505	61
Construction	293,669	153,885	71,809	923	67,050	6,678
Electricity, Gas, Heat Supply and Water	922,797	837,654	30,918	2,298	51,925	112
Information and Communication	327,250	251,962	13,944	1,151	60,191	4,754
Transport and Postal Activities	1,537,927	1,206,581	243,566	14,731	73,049	1,195
Wholesale and Retail Trade	1,886,169	1,273,022	226,935	4,939	381,272	3,530
Finance and Insurance	2,720,304	2,144,803	279,584	182,380	113,536	117,034
Real Estate	3,037,058	2,523,289	227,534	11,314	274,918	57,186
Goods Rental and Leasing	656,288	573,727	14,269	1,004	67,286	—
Local Public Bodies	111,231	75,773	20,925	—	14,533	—
Individuals	6,622,166	6,530,564	—	—	91,601	47,343
Others	10,797,916	6,200,680	3,731,194	415,919	450,122	37,549
Total for Industry Sectors	¥ 33,338,025	¥ 24,556,621	¥ 5,512,428	¥ 667,047	¥ 2,601,927	¥ 348,748
One Year or Less	8,563,689	5,356,889	2,146,905	108,983	950,910	
Over One Year to Three Years	5,715,491	3,860,489	955,762	92,900	806,339	
Over Three Years to Five Years	6,563,981	5,645,421	451,975	130,761	335,823	
Over Five Years	12,494,862	9,693,820	1,957,785	334,401	508,854	
Total for All Durations	¥ 33,338,025	¥ 24,556,621	¥ 5,512,428	¥ 667,047	¥ 2,601,927	
Average Balance during the Period	¥ 32,130,336	¥ 23,012,240	¥ 5,762,278	¥ 725,287	¥ 2,630,529	

Notes: 1. Of exposures subject to the calculation of credit risk-weighted assets, the above lists corporate, retail, equities, etc., and purchased receivables.
2. "Others" in the industry sectors include non-residents and state public services. Exposures for durations of over five years include those with no fixed maturities.
3. "Average Balance during the Period" is the average of the balance as of March 31, 2012, September 30, 2012 and March 31, 2013.
4. The above data represents amounts after credit risk mitigation effects of netting contracts allowed under the law and netting against the obligor's cash on deposit.

Balance and Changes of General Allowance for Loan Losses, Specific Allowance for Loan Losses, and Allowance for Loan Losses from Specified Foreign Country Borrowers

(1) General allowance for loan losses

As of March 31	Millions of Yen		
	2014	2013	Change
	Balance	Balance	
General Allowance for Loan Losses	**¥ 56,055**	¥ 53,060	¥ 2,994

(2) Specific allowance for loan losses (breakdown by region, industry sector)

As of March 31	Millions of Yen		
	2014	2013	Change
	Balance	Balance	
Japan	¥ 23,828	¥ 46,135	¥ (22,306)
Outside Japan	4,206	3,873	333
Total for Regions	¥ 28,034	¥ 50,008	¥ (21,973)
Manufacturing	2,144	10,227	(8,082)
Agriculture and Forestry	—	—	—
Fisheries	—	—	—
Mining and Quarrying of Stones and Gravel	—	—	—
Construction	172	637	(465)
Electricity, Gas, Heat Supply and Water	—	—	—
Information and Communication	27	807	(780)
Transport and Postal Activities	184	202	(18)
Wholesale and Retail Trade	584	689	(105)
Finance and Insurance	324	4,150	(3,825)
Real Estate	1,112	4,474	(3,362)
Goods Rental and Leasing	—	—	—
Local Public Bodies	—	—	—
Individuals	2,057	2,813	(755)
Others	21,426	26,005	(4,578)
Total for Industry Sectors	¥ 28,034	¥ 50,008	¥ (21,973)

Note: "Others" in the industry sectors include non-residents and state public services.

(3) Allowance for loan losses from specified foreign country borrowers

Not applicable as of the end of March 2013, and the end of March 2014.

Amounts of Written-off Loans by Industry Sector

Years Ended March 31	Millions of Yen	
	2014	2013
Manufacturing	¥ 4	¥ 53
Agriculture and Forestry	—	—
Fisheries	—	—
Mining and Quarrying of Stones and Gravel	—	—
Construction	3	28
Electricity, Gas, Heat Supply and Water	—	—
Information and Communication	—	41
Transport and Postal Activities	2	134
Wholesale and Retail Trade	13	574
Finance and Insurance	—	—
Real Estate	4	26
Goods Rental and Leasing	—	5
Local Public Bodies	—	—
Individuals	4	79
Others	183	486
Total for Industry Sectors	¥ 215	¥ 1,430

Note: "Others" in the industry sectors include non-residents and state public services.

Balance of Exposures to which the Standardized Approach is Applied by Risk-Weight Category

	Millions of Yen			
	2014		2013	
As of March 31		Subject to Rating		Subject to Rating
Balance of Exposures to which the Standardized Approach is Applied after Allowing for the Credit Risk Mitigation Effect by Risk-Weight Category	**¥ 404,363**	**¥ —**	¥ 353,244	¥ —
0%	**—**	**—**	—	—
10%	**—**	**—**	—	—
20%	**5,503**	**—**	13,682	—
35%	**—**	**—**	—	—
50%	**—**	**—**	—	—
75%	**—**	**—**	—	—
100%	**398,859**	**—**	339,561	—
150%	**—**	**—**	—	—
Amounts of exposures with 1,250% risk-weight applied	**—**		—	

Exposures to which the IRB Approach is Applied

		Millions of Yen	
As of March 31		2014	2013
Specialized Lending under the Slotting Criteria		**¥ 2,149,860**	¥ 1,960,959
High-Volatility Commercial Real Estate Exposures		**110,725**	208,755
Maturities of 2.5 Years or Longer		**84,621**	132,333
Strong	95%	**14,210**	22,409
Good	120%	**42,849**	76,150
Satisfactory	140%	**27,562**	26,464
Weak	250%	**—**	0
Default	0%	**—**	7,308
Maturities of Less than 2.5 Years		**26,103**	76,422
Strong	70%	**—**	—
Good	95%	**18,033**	15,403
Satisfactory	140%	**788**	57,135
Weak	250%	**—**	3,882
Default	0%	**7,281**	—
Other Exposures		**¥ 2,039,135**	¥ 1,752,203
Maturities of 2.5 Years or Longer		**1,756,015**	1,523,190
Strong	70%	**750,552**	574,846
Good	90%	**721,668**	641,225
Satisfactory	115%	**227,782**	229,269
Weak	250%	**44,412**	58,727
Default	0%	**11,599**	19,121
Maturities of Less than 2.5 Years		**283,120**	229,012
Strong	50%	**93,265**	45,999
Good	70%	**88,229**	129,885
Satisfactory	115%	**89,792**	52,051
Weak	250%	**11,624**	860
Default	0%	**207**	215
Equity Exposures to which the Simple Risk-Weight Method of the Market-based Approach is Applied		**70,033**	65,150
300%		**40,392**	20,442
400%		**¥ 29,640**	¥ 44,707

Portfolios to which the IRB Approach is Applied

(1) Corporate exposures

As of March 31	Millions of Yen 2014 Weighted Average of PD Value	Weighted Average of LGD Value	Risk-Weight Weighted Average	EAD Value On-balance Sheet Asset Items	EAD Value Off-balance Sheet Asset Items
Ordinary Assets (Seijo-Saki)	**0.36%**	**44.65%**	**49.64%**	**¥ 11,707,749**	**¥ 2,079,794**
Assets to Special Mention Debtors (Yo-Chui-Saki) (Not Including Assets to Substandard Debtors)	**8.87%**	**43.13%**	**184.14%**	**364,097**	**17,848**
Substandard Debtors (Yo-Kanri-Saki) or Worse	**100.00%**	**43.44%**		**186,348**	**24,441**
Total	**2.04%**	**44.59%**	**52.48%**	**¥ 12,258,196**	**¥ 2,122,084**

As of March 31	Millions of Yen 2013 Weighted Average of PD Value	Weighted Average of LGD Value	Risk-Weight Weighted Average	EAD Value On-balance Sheet Asset Items	EAD Value Off-balance Sheet Asset Items
Ordinary Assets (Seijo-Saki)	0.32%	44.76%	46.92%	¥ 11,223,785	¥ 2,063,668
Assets to Special Mention Debtors (Yo-Chui-Saki) (Not Including Assets to Substandard Debtors)	8.44%	44.62%	184.75%	454,961	63,692
Substandard Debtors (Yo-Kanri-Saki) or Worse	100.00%	43.05%		273,859	23,213
Total	2.72%	44.72%	51.00%	¥ 11,952,607	¥ 2,150,575

(2) Sovereign exposures

As of March 31	Millions of Yen 2014 Weighted Average of PD Value	Weighted Average of LGD Value	Risk-Weight Weighted Average	EAD Value On-balance Sheet Asset Items	EAD Value Off-balance Sheet Asset Items
Ordinary Assets (Seijo-Saki)	**0.01%**	**44.91%**	**2.89%**	**¥ 8,982,579**	**¥ 76,376**
Assets to Special Mention Debtors (Yo-Chui-Saki) (Not Including Assets to Substandard Debtors)	**8.39%**	**45.00%**	**173.02%**	**120**	**—**
Substandard Debtors (Yo-Kanri-Saki) or Worse	**—**	**—**		**—**	**—**
Total	**0.01%**	**44.91%**	**2.90%**	**¥ 8,982,699**	**¥ 76,376**

As of March 31	Millions of Yen 2013 Weighted Average of PD Value	Weighted Average of LGD Value	Risk-Weight Weighted Average	EAD Value On-balance Sheet Asset Items	EAD Value Off-balance Sheet Asset Items
Ordinary Assets (Seijo-Saki)	0.02%	44.90%	3.05%	¥ 6,590,068	¥ 36,297
Assets to Special Mention Debtors (Yo-Chui-Saki) (Not Including Assets to Substandard Debtors)	8.39%	45.00%	173.02%	520	—
Substandard Debtors (Yo-Kanri-Saki) or Worse	—	—		—	—
Total	0.02%	44.90%	3.06%	¥ 6,590,588	¥ 36,297

(3) Financial Institution exposures

As of March 31	Millions of Yen				
	2014				
	Weighted Average of PD Value	Weighted Average of LGD Value	Risk-Weight Weighted Average	EAD Value	
				On-balance Sheet Asset Items	Off-balance Sheet Asset Items
Ordinary Assets (Seijo-Saki)	**0.10%**	**44.61%**	**26.72%**	**¥ 1,663,344**	**¥ 529,827**
Assets to Special Mention Debtors (Yo-Chui-Saki) (Not Including Assets to Substandard Debtors)	—	—	—	—	—
Substandard Debtors (Yo-Kanri-Saki) or Worse	—	—		—	—
Total	**0.10%**	**44.61%**	**26.72%**	**¥ 1,663,344**	**¥ 529,827**

As of March 31	Millions of Yen				
	2013				
	Weighted Average of PD Value	Weighted Average of LGD Value	Risk-Weight Weighted Average	EAD Value	
				On-balance Sheet Asset Items	Off-balance Sheet Asset Items
Ordinary Assets (Seijo-Saki)	0.08%	45.36%	26.96%	¥ 1,498,817	¥ 665,033
Assets to Special Mention Debtors (Yo-Chui-Saki) (Not Including Assets to Substandard Debtors)	8.39%	45.00%	173.02%	715	827
Substandard Debtors (Yo-Kanri-Saki) or Worse	—	—		—	—
Total	0.09%	45.36%	27.06%	¥ 1,499,533	¥ 665,861

(4) Equity exposures under the PD/LGD Approach

As of March 31	Millions of Yen		
	2014		
	Weighted Average of PD Value	Risk-Weight Weighted Average	Balance
Ordinary Assets (Seijo-Saki)	**0.24%**	**145.92%**	**¥ 327,872**
Assets to Special Mention Debtors (Yo-Chui-Saki) (Not Including Assets to Substandard Debtors)	**6.48%**	**487.80%**	**128**
Substandard Debtors (Yo-Kanri-Saki) or Worse	**100.00%**	**1,192.50%**	**74**
Total	**0.26%**	**146.29%**	**¥ 328,075**

Note: Risk-weight weighted averages include the amounts obtained by multiplying the expected loss amounts by 1,250% risk-weight.

As of March 31	Millions of Yen		
	2013		
	Weighted Average of PD Value	Risk-Weight Weighted Average	Balance
Ordinary Assets (Seijo-Saki)	0.28%	146.21%	¥ 347,457
Assets to Special Mention Debtors (Yo-Chui-Saki) (Not Including Assets to Substandard Debtors)	8.27%	541.53%	778
Substandard Debtors (Yo-Kanri-Saki) or Worse	100.00%	1,192.50%	74
Total	0.31%	147.32%	¥ 348,311

Note: Risk-weight weighted averages include the amounts obtained by multiplying the expected loss amounts by 1,250% risk-weight.

(5) Residential mortgage exposures, qualifying revolving retail exposures, and other retail exposures

As of March 31	Millions of Yen 2014 Weighted Average of PD Value	Weighted Average of LGD Value	Risk-Weight Weighted Average	EAD Value On-balance Sheet Asset Items	EAD Value Off-balance Sheet Asset Items	Undrawn Commitment	CCF
Residential Mortgage							
Current	0.21%	30.56%	12.09%	¥ 6,665,815	¥ 45,405	¥ 2,614	100.00%
Overdue	22.93%	31.30%	176.05%	74,495	134	32	100.00%
Default	100.00%	32.29%	57.07%	37,588	79	10	100.00%
Qualifying Revolving Retail							
Current	0.64%	68.98%	16.01%	8,025	14,877	51,115	29.11%
Overdue	27.03%	68.77%	198.88%	365	143	492	29.11%
Default	100.00%	68.88%	40.58%	81	31	107	29.11%
Other Retail (consumer)							
Current	1.03%	35.75%	33.95%	77,820	15,211	45,012	32.86%
Overdue	27.46%	36.29%	90.55%	1,107	118	191	32.37%
Default	100.00%	34.89%	61.82%	2,183	551	247	32.13%
Other Retail (commercial)							
Current	0.66%	30.44%	25.41%	165,288	2,733	220	100.00%
Overdue	22.99%	30.44%	71.63%	2,231	144	—	—
Default	100.00%	46.70%	49.04%	10,564	346	22	100.00%
Total	1.20%	30.80%	14.78%	¥ 7,045,567	¥ 79,777	¥ 100,066	32.86%

As of March 31	Millions of Yen 2013 Weighted Average of PD Value	Weighted Average of LGD Value	Risk-Weight Weighted Average	EAD Value On-balance Sheet Asset Items	EAD Value Off-balance Sheet Asset Items	Undrawn Commitment	CCF
Residential Mortgage							
Current	0.20%	29.63%	11.36%	¥ 6,162,852	¥ 52,833	¥ 2,682	100.00%
Overdue	22.49%	30.27%	168.45%	52,910	103	9	100.00%
Default	100.00%	31.24%	61.94%	36,294	115	—	—
Qualifying Revolving Retail							
Current	0.69%	70.06%	17.38%	9,587	16,391	56,137	29.20%
Overdue	27.79%	69.87%	203.76%	236	74	255	29.22%
Default	100.00%	69.92%	28.09%	130	36	125	29.22%
Other Retail (consumer)							
Current	1.11%	36.58%	35.73%	94,742	17,379	48,673	34.55%
Overdue	28.03%	37.09%	93.09%	714	78	88	34.38%
Default	100.00%	35.50%	59.79%	2,579	615	265	34.05%
Other Retail (commercial)							
Current	0.75%	30.32%	25.63%	168,293	3,568	168	100.00%
Overdue	25.27%	31.08%	71.45%	2,852	144	—	—
Default	100.00%	43.34%	28.34%	10,139	360	23	100.00%
Total	1.18%	29.97%	13.80%	¥ 6,541,335	¥ 91,703	¥ 108,429	33.50%

Actual Credit Losses in the Current Period and Year-on-Year Change for Portfolios to which the IRB Approach is Applied

Years Ended March 31	Millions of Yen				
	2014		2013		Change in Actual Credit Losses
	Actual Credit Losses	Reversals	Actual Credit Losses	Reversals	
Corporate Exposures	**¥ (7,351)**	**¥ (14,838)**	¥ (2,417)	¥ (20,857)	¥ (4,933)
Sovereign Exposures	**(4)**	**(4)**	(10)	(10)	6
Financial Institution Exposures	**(23)**	**(23)**	(1)	(12)	(21)
Retail Exposures	**414**	**(483)**	146	(499)	267

Note: Of total credit costs, only those that can be identified as stemming from specified asset classes are shown in the table.

Factor Analysis

Actual credit losses in FY2013 decreased by ¥4.6 billion year on year.

This was mainly due to the posting of new reversals of allowances for loan losses caused by the improved credit status of obligors and their repayments in addition to a limited amount of new non-performing loans.

Estimated Credit Losses and Comparable Actual Credit Losses for Portfolios to which the IRB Approach is Applied

Years Ended March 31	Millions of Yen	
	2014	2013
	Actual Credit Losses	Estimated Credit Losses
Corporate Exposures	**¥ (7,351)**	**¥ 203,236**
Sovereign Exposures	**(4)**	**473**
Financial Institution Exposures	**(23)**	**813**
Retail Exposures	**414**	**23,764**

Notes: 1. Estimated credit losses for fiscal year 2012 are the expected loss amount as of March 31, 2013.
2. Actual credit losses for fiscal year 2013 are the sum of losses for the year ended March 31, 2014.

Years Ended March 31	Millions of Yen	
	2013	2012
	Actual Credit Losses	Estimated Credit Losses
Corporate Exposures	¥ (2,417)	¥ 188,708
Sovereign Exposures	(10)	316
Financial Institution Exposures	(1)	1,032
Retail Exposures	146	29,918

Notes: 1. Estimated credit losses for fiscal year 2011 are the expected loss amount as of March 31, 2012.
2. Actual credit losses for fiscal year 2012 are the sum of losses for the year ended March 31, 2013.

Years Ended March 31	Millions of Yen	
	2012	2011
	Actual Credit Losses	Estimated Credit Losses
Corporate Exposures	¥ 16,662	¥ 194,561
Sovereign Exposures	4,749	230
Financial Institution Exposures	(135)	3,395
Retail Exposures	1,354	31,264

Notes: 1. Estimated credit losses for fiscal year 2010 are the expected loss amount as of March 31, 2011.
2. Actual credit losses for fiscal year 2011 are the sum of losses for the year ended March 31, 2012.

Credit Risk Mitigation Techniques

Non-consolidated

Amounts of Exposures to which Credit Risk Mitigation Techniques are Applied

As of March 31	Millions of Yen 2014 Eligible Financial Collateral	Other Eligible Collateral	Guarantees	Credit Derivatives
Portfolios to which the Standardized Approach is Applied	¥ —	¥ —	¥ —	¥ —
Portfolios to which the IRB Approach is Applied	1,952,225	548,979	425,344	—
Corporate Exposures	453,236	538,682	225,918	—
Sovereign Exposures	16,892	10,296	199,426	—
Financial Institution Exposures	1,482,096	—	—	—
Retail Exposures	—	—	—	—

As of March 31	Millions of Yen 2013 Eligible Financial Collateral	Other Eligible Collateral	Guarantees	Credit Derivatives
Portfolios to which the Standardized Approach is Applied	¥ —	¥ —	¥ —	¥ —
Portfolios to which the IRB Approach is Applied	1,218,010	512,101	456,561	—
Corporate Exposures	363,000	501,205	250,017	—
Sovereign Exposures	14,660	10,895	206,543	—
Financial Institution Exposures	840,348	—	—	—
Retail Exposures	—	—	—	—

Counterparty Risk in Derivative and Long-term Settlement Transactions

Non-consolidated

Derivative Transactions

As of March 31	Millions of Yen 2014	2013
Aggregate Sum of Amounts of Gross Reconstruction Costs (limited only to those not below zero)	¥ 1,945,847	¥ 2,755,087
Credit Equivalents Before Effect of Mitigation by Collateral under the Credit Risk Mitigation Technique	721,841	836,907
Foreign Exchange Related	564,239	545,039
Interest Rate Related	2,195,394	3,306,383
Credit Derivatives	7,215	431
Others	—	—
Effect of Mitigating Credit Equivalents Due to Close-out Netting Contracts (Deduction)	2,045,008	3,014,946
Amounts of Collateral	134,936	163,320
Deposits	107,898	45,387
Securities	27,037	117,932
Credit Equivalents After Effect of Mitigation by Collateral under the Credit Risk Mitigation Technique	586,904	673,586
Notional Principal Amounts of Credit Derivatives Subject to the Calculation of Credit Equivalents	67,006	4,000
Purchasing Protection by Credit Default Swaps	42,206	2,000
Providing Protection by Credit Default Swaps	24,800	2,000
Notional Principal Amounts of Credit Derivatives Used to Allow for the Effect of Credit Risk Mitigation Technique	—	—

Note: Credit equivalents are calculated with the current exposure approach.

Long-term Settlement Transactions

As of March 31	Millions of Yen 2014	2013
Aggregate Sum of Amounts of Gross Reconstruction Costs (limited only to those not below zero)	¥ —	¥ —
Credit Equivalents Before Effect of Mitigation by Collateral under the Credit Risk Mitigation Technique	196	—
Amounts of Collateral	—	—
Credit Equivalents After Effect of Mitigation by Collateral under the Credit Risk Mitigation Technique	196	—

Note: Credit equivalents are calculated with the current exposure approach.

Securitization Exposures — Non-consolidated

Securitization Exposures Originated by SMTB

Fiscal Year 2013

Subject to the Calculation of Credit Risk-Weighted Assets

(1) Outline of securitizations during fiscal year 2013, type and status of principal underlying assets

Date of Securitization:		September 2013	February 2014
Type of Underlying Assets:		Residential Mortgage Loans	Residential Mortgage Loans
Type of Transaction:		Asset transfer-type securitization transaction	Asset transfer-type securitization transaction
Aggregate Sum of Underlying Assets:	at the time of securitization	¥ 44,938 million	¥ 33,596 million
	as of March 31, 2014	¥ 42,758 million	¥ 32,949 million
Initial Issue Amount:		¥ 44,938 million	¥ 33,596 million
Preferred Beneficiary Notes		¥ 40,000 million (AAA/R&I)	¥ 30,000 million (AAA/R&I)
Subordinated Beneficiary Notes		¥ 4,938 million (no rating)	¥ 3,596 million (no rating)
Date of Redemption:		April 2054	August 2054

SMTB holds part of the exposures related to these securitization transactions, and quantitative data in (2)–(11) below include data related to these securitization transactions.

(2) Amounts of securitization exposures held and breakdown of main principal underlying assets by type

As of March 31	Millions of Yen 2014 Exposure Amounts: On-balance Sheet Transactions	Exposure Amounts: Off-balance Sheet Transactions	Aggregate Sum of Underlying Assets	Aggregate Sum of Underlying Assets: Asset Transfer-Type Securitization Transactions	Aggregate Sum of Underlying Assets: Synthetic Securitization Transaction
Securitization Exposures except Resecuritization Exposures	¥ 96,273	¥ —	¥ 374,188	¥ 374,188	¥ —
Residential Mortgage Loans	96,273	—	374,188	374,188	—
Others	—	—	—	—	—
Resecuritization Exposures	—	—	—	—	—
Total	¥ 96,273	¥ —	¥ 374,188	¥ 374,188	¥ —

(3) Cumulative total of underlying assets overdue for three months or longer or in default related to securitization exposures held, cumulative total of losses, and breakdown by type of main principal underlying assets

	Millions of Yen	
	2014	
Years Ended March 31	Cumulative Total of Underlying Assets Overdue for Three Months or Longer or in Default	Cumulative Total Losses
Residential Mortgage Loans	¥ 2,781	¥ 141
Others	—	—
Total	¥ 2,781	¥ 141

(4) Amounts of assets held for the purpose of securitization transactions and breakdown of principal assets by type

Not applicable.

(5) Balance and amounts of required capital of securitization exposures held by risk-weight category

	Millions of Yen			
	2014			
	Balance		Required Capital	
As of March 31	On-balance Sheet Transactions	Off-balance Sheet Transactions	On-balance Sheet Transactions	Off-balance Sheet Transactions
Securitization Exposures except Resecuritization Exposures (IRB Approach)	¥ 96,273	¥ —	¥ 8,673	¥ —
Less than 20%	—	—	—	—
20% to Less than 50%	9,784	—	342	—
50% to Less than 100%	82,264	—	3,852	—
100% to Less than 350%	—	—	—	—
350% to Less than 1,250%	—	—	—	—
1,250%	4,224	—	4,478	—
Resecuritization Exposures (IRB Approach)	—	—	—	—
Less than 20%	—	—	—	—
20% to Less than 50%	—	—	—	—
50% to Less than 100%	—	—	—	—
100% to Less than 350%	—	—	—	—
350% to Less than 1,250%	—	—	—	—
1,250%	—	—	—	—
Total	¥ 96,273	¥ —	¥ 8,673	¥ —

(6) Amounts equivalent to the increase in capital following securitization and breakdown by type of principal underlying assets

	Millions of Yen
As of March 31	2014
Residential Mortgage Loans	¥ 7,618
Others	—
Total	¥ 7,618

(7) Amounts of securitization exposures by type of principal underlying assets risk-weighted at 1,250% under provisions of the Notification, Article 247

	Millions of Yen
As of March 31	2014
Residential Mortgage Loans	¥ 4,224
Others	—
Total	¥ 4,224

(8) Items by type of principal underlying assets of securitization exposures with early redemption clauses

Not applicable.

(9) Application of credit risk mitigation techniques to resecuritization exposures held

Not applicable.

(10) Amounts of gains/losses on sale following securitization transactions recognized during fiscal year 2013 and breakdown by type of principal underlying assets

	Millions of Yen
As of March 31	2014
Residential Mortgage Loans	¥ 935
Others	—
Total	¥ 935

(11) Amounts of credit risk-weighted assets calculated with the application of transitional measures with respect to securitization exposures

Not applicable.

Subject to the Calculation of Market Risk Assets

Not applicable.

Fiscal Year 2012

Subject to the Calculation of Credit Risk-Weighted Assets

(1) Outline of securitizations during fiscal year 2012, type and status of main principal underlying assets

Not applicable.

(2) Amounts of securitization exposures held and breakdown of main principal underlying assets by type

	Millions of Yen				
	2013				
	Exposure Amounts		Aggregate Sum of Underlying Assets		
As of March 31	On-balance Sheet Transactions	Off-balance Sheet Transactions		Asset Transfer-Type Securitization Transactions	Synthetic Securitization Transaction
Securitization Exposures except Resecuritization Exposures	¥ 205,087	¥ —	¥ 523,217	¥ 523,217	¥ —
Residential Mortgage Loans	205,087	—	523,217	523,217	—
Others	—	—	—	—	—
Resecuritization Exposures	—	—	—	—	—
Total	¥ 205,087	¥ —	¥ 523,217	¥ 523,217	¥ —

(3) Cumulative total of underlying assets overdue for three months or longer or in default related to securitization exposures held, cumulative total of losses, and breakdown by type of main principal underlying assets

	Millions of Yen	
	2013	
Year Ended March 31	Cumulative Total of Underlying Assets Overdue for Three Months or Longer or in Default	Cumulative Total Losses
Residential Mortgage Loans	¥ 2,155	¥ 270
Others	—	—
Total	¥ 2,155	¥ 270

(4) Amounts of assets held for the purpose of securitization transactions and breakdown of main principal assets by type

Not applicable.

(5) Balance and amounts of required capital of securitization exposures held by risk-weight category

As of March 31	Millions of Yen			
	2013			
	Balance		Required Capital	
	On-balance Sheet Transactions	Off-balance Sheet Transactions	On-balance Sheet Transactions	Off-balance Sheet Transactions
Securitization Exposures except Resecuritization Exposures (IRB Approach)	¥ 205,087	¥ —	¥ 11,834	¥ —
Less than 20%	—	—	—	—
20% to Less than 50%	179,734	—	5,981	—
50% to Less than 100%	20,936	—	1,172	—
100% to Less than 350%	—	—	—	—
350% to Less than 1,250%	—	—	—	—
1,250%	4,415	—	4,680	—
Resecuritization Exposures (IRB Approach)	—	—	—	—
Less than 20%	—	—	—	—
20% to Less than 50%	—	—	—	—
50% to Less than 100%	—	—	—	—
100% to Less than 350%	—	—	—	—
350% to Less than 1,250%	—	—	—	—
1,250%	—	—	—	—
Total	¥ 205,087	¥ —	¥ 11,834	¥ —

(6) Amounts equivalent to the increase in capital following securitization and breakdown by type of main principal underlying assets

As of March 31	Millions of Yen
	2013
Residential Mortgage Loans	¥ 12,591
Others	—
Total	¥ 12,591

(7) Amounts of securitization exposures by type of underlying assets risk-weighted at 1,250% under provisions of the Notification, Article 247

	Millions of Yen
As of March 31	2013
Residential Mortgage Loans	¥ 4,415
Others	—
Total	¥ 4,415

(8) Items by type of principal underlying assets of securitization exposures with early redemption clauses

Not applicable.

(9) Application of credit risk mitigation techniques to resecuritization exposures held

Not applicable.

(10) Amounts of gains/losses on sale following securitization transactions recognized during fiscal year 2012 and breakdown by type of principal underlying assets

Not applicable.

(11) Amounts of credit risk-weighted assets calculated with the application of transitional measures with respect to securitization exposures

Not applicable.

Subject to the Calculation of Market Risk Assets

Not applicable.

Securitization Exposures Purchased by SMTB

Fiscal Year 2013

Subject to the Calculation of Credit Risk-Weighted Assets

(1) Amounts of securitization exposures held and breakdown of main principal underlying assets by type

As of March 31	Millions of Yen	
	2014	
	Exposure Amounts	
	On-balance Sheet Transactions	Off-balance Sheet Transactions
Securitization Exposures except Resecuritization Exposures	¥ 297,031	¥ 57,835
Residential Mortgage Loans	115,785	749
Credit Card Loans	3,373	—
Claims on Lease Payments, Installment Receivables	16,035	45,951
Commercial Real Estate-Secured Loans	—	2,450
Other Claims on Corporates	161,837	8,684
Resecuritization Exposures	29,448	—
Securitization Exposures to Residential Mortgage Loans and Residential Mortgage Loans as Underlying Assets	9,138	—
Securitization Exposures to Commercial Real Estate Secured Loans and Commercial Real Estate Secured Loans as Underlying Assets	—	—
Securitization Exposures to Other Claims on Corporates and Other Claims on Corporates as Underlying Assets	20,309	—
Total	¥ 326,479	¥ 57,835

(2) Balance and amounts of required capital of securitization exposures held by risk-weight category

As of March 31	Millions of Yen			
	2014			
	Balance		Required Capital	
	On-balance Sheet Transactions	Off-balance Sheet Transactions	On-balance Sheet Transactions	Off-balance Sheet Transactions
Securitization Exposures except Resecuritization Exposures (IRB Approach)	¥ 297,031	¥ 57,835	¥ 3,363	¥ 1,461
Less than 20%	276,434	45,951	1,849	272
20% to Less than 50%	4,550	3,049	77	65
50% to Less than 100%	12,452	—	610	—
100% to Less than 350%	2,130	8,684	289	964
350% to Less than 1,250%	1,449	—	522	—
1,250%	13	150	14	159
Resecuritization Exposures (IRB Approach)	29,448	—	630	—
Less than 20%	—	—	—	—
20% to Less than 50%	27,969	—	531	—
50% to Less than 100%	621	—	26	—
100% to Less than 350%	857	—	72	—
350% to Less than 1,250%	—	—	—	—
1,250%	—	—	—	—
Total	¥ 326,479	¥ 57,835	¥ 3,994	¥ 1,461

(3) Amounts of securitization exposures by type of underlying assets risk-weighted at 1,250% under provisions of the Notification, Article 247

As of March 31	Millions of Yen 2014
Residential Mortgage Loans	¥ —
Credit Card Loans	—
Claims on Lease Payments, Installment Receivables	—
Commercial Real Estate-Secured Loans	150
Other Claims on Corporates	13
Total	¥ 163

(4) Application of credit risk mitigation techniques to resecuritization exposures held

Not applicable.

(5) Amounts of credit risk-weighted assets calculated with the application of transitional measures with respect to securitization exposures

Not applicable.

Subject to the Calculation of Market Risk Assets

Not applicable.

Fiscal Year 2012

Subject to the Calculation of Credit Risk-Weighted Assets

(1) Amounts of securitization exposures held and breakdown of principal underlying assets by type

As of March 31	Millions of Yen 2013 Exposure Amounts On-balance Sheet Transactions	Off-balance Sheet Transactions
Securitization Exposures except Resecuritization Exposures	¥ 258,013	¥ 39,369
Residential Mortgage Loans	158,350	749
Credit Card Loans	8,575	—
Claims on Lease Payments, Installment Receivables	29,099	34,071
Commercial Real Estate-Secured Loans	2,777	2,450
Other Claims on Corporates	59,210	2,098
Resecuritization Exposures	77,071	—
Securitization Exposures to Residential Mortgage Loans and Residential Mortgage Loans as Underlying Assets	13,541	—
Securitization Exposures to Commercial Real Estate Secured Loans and Commercial Real Estate Secured Loans as Underlying Assets	—	—
Securitization Exposures to Other Claims on Corporates and Other Claims on Corporates as Underlying Assets	63,530	—
Total	¥ 335,084	¥ 39,369

(2) Balance and amounts of required capital of securitization exposures held by risk-weight category

As of March 31	Millions of Yen			
	2013			
	Balance		Required Capital	
	On-balance Sheet Transactions	Off-balance Sheet Transactions	On-balance Sheet Transactions	Off-balance Sheet Transactions
Securitization Exposures except Resecuritization Exposures (IRB Approach)	¥ 258,013	¥ 39,369	¥ 7,757	¥ 284
Less than 20%	228,836	36,169	1,504	214
20% to Less than 50%	6,660	3,199	129	69
50% to Less than 100%	16,425	—	992	—
100% to Less than 350%	431	—	36	—
350% to Less than 1,250%	884	—	318	—
1,250%	4,775	—	4,775	—
Resecuritization Exposures (IRB Approach)	77,071	—	6,044	—
Less than 20%	—	—	—	—
20% to Less than 50%	71,354	—	1,427	—
50% to Less than 100%	494	—	20	—
100% to Less than 350%	684	—	58	—
350% to Less than 1,250%	—	—	—	—
1,250%	4,537	—	4,537	—
Total	¥ 335,084	¥ 39,369	¥ 13,801	¥ 284

(3) Amounts of securitization exposures by type of underlying assets risk-weighted at 1,250% under provisions of the Notification, Article 247

As of March 31	Millions of Yen
	2013
Residential Mortgage Loans	¥ —
Credit Card Loans	—
Claims on Lease Payments, Installment Receivables	—
Commercial Real Estate-Secured Loans	—
Other Claims on Corporates	9,312
Total	¥ 9,312

(4) Application of credit risk mitigation techniques to resecuritization exposures held

Not applicable.

(5) Amounts of credit risk-weighted assets calculated with the application of transitional measures with respect to securitization exposures

Not applicable.

Subject to the Calculation of Market Risk Assets

Not applicable.

Market Risk

Non-consolidated

(1) Value at Risk (VaR) as of the end of period and maximum, mean, and minimum VaR for the period

	Billions of Yen							
	As of March 31, 2014	Fiscal Year 2013			As of March 31, 2013	Fiscal Year 2012		
		Maximum	Minimum	Mean		Maximum	Minimum	Mean
VaR in Banking Account	¥ 777.6	¥ 914.5	¥ 760.6	¥ 833.9	¥ 763.0	¥ 802.0	¥ 594.0	¥ 663.1
VaR in Trading Account	2.9	5.0	1.4	3.1	2.6	6.7	1.8	2.9

VaR Measurement Standards

Banking account	Confidence interval: one-tailed 99%	Holding period: 21 business days to 1 year	Observation period: 1 year
Trading account	Confidence interval: one-tailed 99%	Holding period: 10 business days	Observation period: 1 year

(2) Term-end Stressed Value at Risk and maximum, mean and minimum of Stressed Value at Risk for the period

	Billions of Yen							
	As of March 31, 2014	Fiscal Year 2013			As of March 31, 2013	Fiscal Year 2012		
		Maximum	Minimum	Mean		Maximum	Minimum	Mean
Stressed VaR in Trading Account	¥ 6.9 [2.2]	¥ 14.7 [4.7]	¥ 2.7 [0.8]	¥ 5.9 [1.8]	¥ 5.6 [1.7]	¥ 14.7 [4.6]	¥ 3.1 [0.9]	¥ 6.3 [1.9]

Stressed VaR Measurement Standards

Trading account Confidence interval: one-tailed 99% Holding period: 10 business days Observation period: 1 year

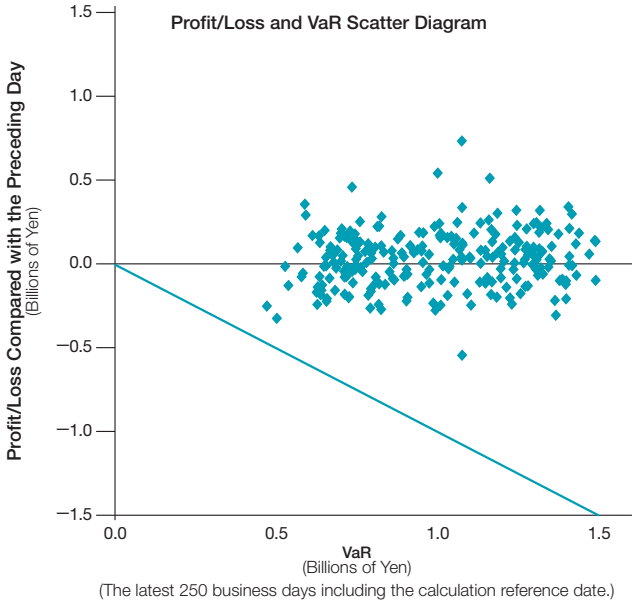
The figures inside the square brackets above denote stress VAR in a case where the holding period is one business day.

(3) The amounts of required capital related to term-end incremental risk and comprehensive risk, and maximum, mean and minimum amounts of required capital related to incremental risk and comprehensive risk for the period

Not applicable in the fiscal year ended March 31, 2013, and in the fiscal year ended March 31, 2014.

(4) Results of back testing and reasons for large downward deviations between actual losses and VaR

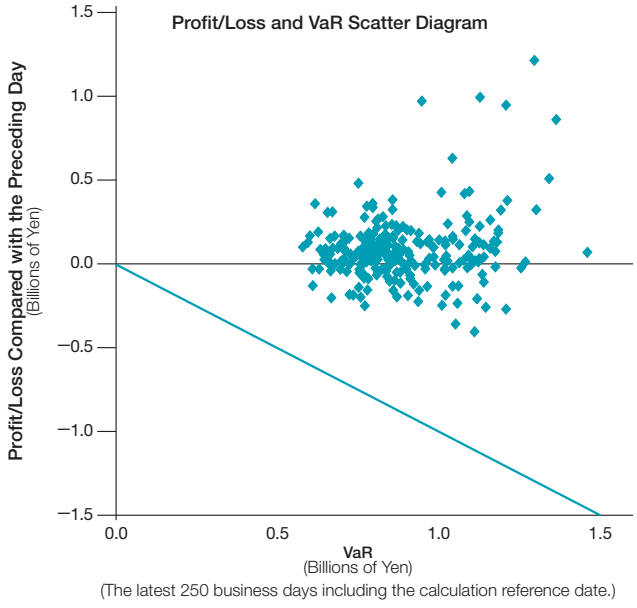
• Back testing of the trading account
Fiscal Year 2013



(The latest 250 business days including the calculation reference date.)

Note: As shown above, for fiscal year 2013 back testing of the trading accounts shows zero instances of losses in excess of VaR.

• Back testing of the trading account
Fiscal Year 2012



(The latest 250 business days including the calculation reference date.)

Note: As shown above, for fiscal year 2012 back testing of the trading accounts shows zero instances of losses in excess of VaR.

Capital Subscriptions or Equity Exposures in the Banking Account

Non-consolidated

	Millions of Yen							
	2014				2013			
As of March 31	Book Value		Fair Value		Book Value		Fair Value	
Book and Fair Values*1								
Listed Shares Exposures	¥ 1,106,756		¥ 1,106,756		¥ 1,038,927		¥ 1,038,927	
Capital Subscriptions or Equity Exposures Other than Above	98,711		98,711		112,501		112,501	
Amounts of Gains/Losses on Sales and Write-offs	Gains/Losses	Gains	Losses	Write-offs	Gains/Losses	Gains	Losses	Write-offs
of Capital Subscriptions or Equity Exposures*2	(2,203)	57,056	52,524	6,735	(5,397)	24,617	19,101	10,913
Amounts of Unrealized Gains/Losses Recognized in the Balance Sheets and not Recognized in the Statements of Income	407,020				288,883			
Amounts of Unrealized Gains/Losses not Recognized in the Balance Sheets and Statements of Income	Not applicable				Not applicable			

*1. Figures for available-for-sale securities include only Japanese and foreign stocks.
*2. Statements of income show gains/losses on stockholdings and related write-offs.

As of March 31	Millions of Yen 2014	2013
Amounts by Portfolio Category	¥ 1,364,300	¥ 1,345,837
Transitional Measures	966,192	932,376
Portfolios Adopting the Market-based Approach	70,033	65,150
Portfolios Adopting the PD/LGD Approach	328,075	348,311

Note: Amounts by portfolio category show exposures subject to the calculation of credit risk-weighted assets.

Exposures Held in Funds as Credit Risk-Weighted Assets

Non-consolidated

As of March 31	Millions of Yen 2014	2013
Aggregate Sum of Exposures Held in Funds	¥ 1,016,713	¥ 792,980
Look-through Approach	915,229	732,498
Simple Majority Formula	42,502	43,627
Investment Criteria Formula	35,388	—
Internal Model Approach	—	—
Probability Approach	22,873	16,099
Others	720	755

Note: Exposures subject to the calculation of credit risk-weighted assets are shown.

Gains/Losses and Changes in Economic Value Due to Interest Rate Shocks under Internal Control Management Used by SMTB Regarding Interest Rate Risk in the Banking Account

Non-consolidated

• Outlier ratios

As of March 31	Millions of Yen 2014	2013
Overall Amounts of Interest Rate Risk	¥ 161,457	¥ 12,813
Japanese Yen Interest Rates	48,026	—
U.S. Dollar Interest Rates	109,664	8,015
Other Interest Rates	3,765	4,797
Outlier Ratios	6.2%	0.5%

Note: The above table indicates figures calculated by individual banks in accordance with the outlier standard specified by the "Comprehensive Guidelines for Supervision of Major Banks, etc." and based on the following assumptions:
- Risk measurement method: Interest rate sensitivity approach
- Interest rate fluctuation scenario: An interest rate shock consisting of the 1st and 99th percentile of the fluctuation of interest rates measured for the one-year holding period and a minimum observation period of five years.
- Definition of the core deposits: The lowest of the following three is the upper limit on the core deposit amount (No.3 is adopted) and the maturity is five years (an average remaining term of 2.5 years): 1) The lowest balance of deposits in the past five years, 2) the balance left after deducting the maximum annual outflow of deposits in the past five years from the current balance of deposits, or 3) the amount equivalent to 50% of the current balance of deposits.

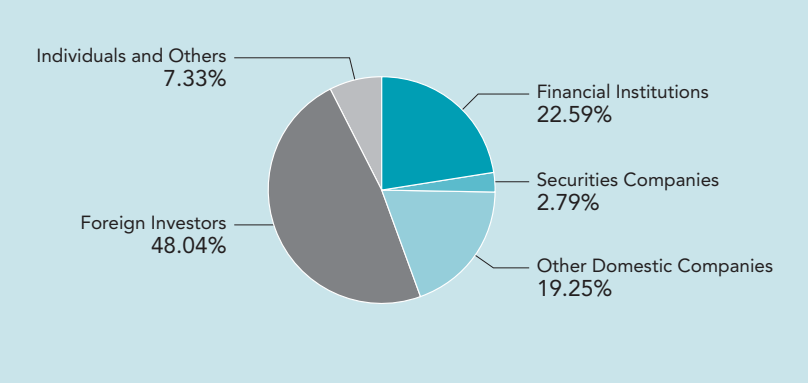
Stock Information (as of March 31, 2014)

Major Shareholders (Common Shares)

	Shareholder Name	Number of Shares Held (Shares)	Shareholding Ratio (%)
1	The Bank of New York Mellon SA/NV 10	156,127,951	4.00
2	State Street Bank and Trust Company	154,407,749	3.95
3	Japan Trustee Services Bank, Ltd. (Trust Account)	147,281,000	3.77
4	The Master Trust Bank of Japan, Ltd. (Trust Account)	141,159,000	3.61
5	State Street Bank and Trust Company 505225	63,517,450	1.62
6	The Bank of New York Mellon as Depositary Bank for Deposit Receipt Holders	59,482,286	1.52
7	The Chase Manhattan Bank, N.A. London Secs Lending Omnibus Account	58,009,980	1.48
8	Japan Trustee Services Bank, Ltd. (Trust Account 9)	51,662,000	1.32
9	State Street Bank West Client – Treaty	40,620,952	1.04
10	Japan Trustee Services Bank, Ltd. (Trust Account 6)	40,431,000	1.03

(Note) The shareholding ratio is calculated by excluding the treasury stock and rounded down to second decimal places.

Composition of Shareholders (Common Shares)



ADR (American Depositary Receipt) Information

ADR:	Underlying Share Ratio 1:1
Exchange:	OTC (Over-the-Counter)
Symbol:	SUTNY
CUSIP:	86562X106
Level of Program:	Level I
Depositary:	The Bank of New York Mellon Depositary Receipts Division 101 Barclay Street, 22nd Floor, New York, NY 10286, U.S.A. Telephone: 1 (201) 680-6825 U.S. toll free: 888-269-2377 (888-BNY-ADRS) Facsimile: 1 (212) 571-3050/3051/3052 http://www.adrbnymellon.com

Other Data

Authorized Shares:	
Common Shares:	8,500,000,000 Shares
Preferred Shares:	509,000,000 Shares
Number of Shares issued:	
Common Shares:	3,903,486,408 Shares
Preferred Shares:	109,000,000 Shares
Number of Shareholders:	
Common Shares:	77,317
Preferred Shares:	25

Disclosure Policy

Sumitomo Mitsui Trust Holdings, Inc. 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 our corporate 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 our corporate 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 the Group's information in accordance with the above disclosure policy.

Corporate Information (as of March 31, 2014)

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

Rating Information (as of June 30, 2014)

Sumitomo Mitsui Trust Holdings, Inc. has not obtained a credit rating. The credit ratings of subsidiary Sumitomo Mitsui Trust Bank are shown below.

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

* Viability Rating

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e-mail: ir@smth.jp
URL: http://www.smth.jp/en/ir/index.html

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