

2022 Financial Report

Year ended March 31, 2022

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

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How to Read the Financial Statements of Trust Banks (Unaudited)

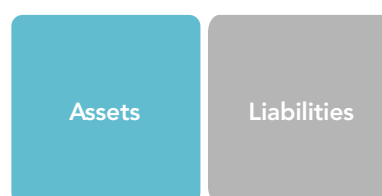
Balance Sheets of Trust Banks

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

Balance sheet of banking account



Statement of trust account



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

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

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

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

Statements of Income of Trust Banks

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

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

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

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

Fee Revenues

Trust Fees (excluding loan trusts & JOMTs)

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

Net Fees and Commissions

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

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

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

Independent Auditors' Report



Independent Auditor's Report

To the Board of Directors of
Sumitomo Mitsui Trust Bank, Limited:

Opinion

We have audited the accompanying consolidated financial statements of Sumitomo Mitsui Trust Bank, Limited ("the Company") and its consolidated subsidiaries (collectively referred to as "the Group"), which comprise the consolidated balance sheet as at March 31, 2022, the consolidated statement of income, statement of comprehensive income, statement of changes in net assets and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at March 31, 2022, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Due to the prolonged impact of COVID-19 and changes in economic environment resulting from the international situation surrounding Ukraine in the current fiscal year, calculating the "estimated amount of allowance for loan losses for corporate customers" involved estimation uncertainty and subjective management judgment. Accordingly, we continued to include this matter as a key audit matter for the current fiscal year, which was also a key audit matter for the previous fiscal year.

In addition, the following matters, which were key audit matters for the previous fiscal year, were excluded from the key audit matters for the current fiscal year for the reasons described below:

- Estimate of retirement benefit obligations considering the partial amendment to the retirement benefit plan and the change in the method of recognizing past service costs in earnings
 - There was no amendment to the retirement benefit plan with past service costs newly incurred in the current fiscal year.
 - The previous fiscal year's method of recognizing past service costs in earnings continued to be adopted in the current fiscal year.
- Change in the method of applying impairment accounting and the recognition of impairment losses on fixed assets
 - No impairment indicator, such as significant deterioration of the business environment, was

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identified in each operating business segment including the Retail Total Solution Services Business in the current fiscal year.

- The previous fiscal year's method of applying impairment accounting continued to be adopted in the current fiscal year.

During our audit for the current fiscal year, we communicated with the Audit Committee regarding matters related to the application of new accounting standards and accounting estimates other than the estimate of allowance for loan losses for corporate customers. However, we determined that none of these matters were subject to the key audit matters.

Estimated amount of allowance for loan losses for corporate customers	
The key audit matter	How the matter was addressed in our audit
<p>In the consolidated financial statements of Sumitomo Mitsui Trust Holdings, Inc. ("SuMi TRUST Holdings") and consolidated subsidiaries, "Allowance for Loan Losses" amounted to ¥163.3 billion, which was provided for against the total credit portfolios of ¥32,457.7 billion. "Loans and Bills Discounted" amounting to ¥30,876.5 billion represented the vast majority of the total credit portfolios and also accounted for a significant portion of the total assets of ¥64,633.2 billion.</p> <p>(1) Classification of borrowers</p> <p>As described in the Note on "Significant Accounting Policies and Practices, 4. Significant Accounting Policies, (5) Allowance for Loan Losses" and the Note on "Significant Accounting Estimates, 1. Estimates of Allowance for Loan Losses (2)" to the consolidated financial statements, Sumitomo Mitsui Trust Bank, Limited ("SuMi TRUST Bank"), a major consolidated subsidiary, performs the loan reviews and validates them, based on its internal criteria for self-assessment of asset quality, and records an allowance for loan losses in accordance with its policy for write-offs and provisions, according to the determined classification of each borrower.</p> <p>The vast majority of allowance for loan losses in the consolidated financial statements was for corporate customers of SuMi TRUST Bank. These corporate customers are classified primarily based on the credit rating assigned by the credit risk management system that takes into account quantitative information, such as the borrowers' financial information, as well as qualitative factors.</p> <p>Specifically, the process to determine the classification of borrowers includes examining the borrowers' solvency, based on their substantive financial condition, cash flow position, and earning capability, among others, and an overall assessment of their business sustainability and future profitability; ability to generate cash flows available</p>	<p>The primary procedures we performed to assess the reasonableness of the estimated amount of allowance for loan losses for corporate customers included the following:</p> <p>(1) Internal control testing</p> <p>In order to test the design and operating effectiveness of certain internal controls related to the estimate of allowance for loan losses, we performed the following procedures with the assistance of specialists in credit risk and those in IT within our firm:</p> <p>(SuMi TRUST Bank)</p> <ul style="list-style-type: none"> ● assessment of whether the internal regulations for the self-assessment and the write-offs and provisions were appropriately maintained; ● evaluation of controls to ensure that borrowers' financial information entered into the credit risk management system by branches is complete and accurate; ● evaluation of controls within the Risk Management Department relevant to the maintenance and operation of the credit rating determination model; ● evaluation of IT application controls relevant to determining credit ratings using quantitative information in the credit risk management system; and ● evaluation of controls within the Credit Supervision Department and the Risk Management Department that validate the results of the self-assessment and write-offs/provisions for compliance with the internal regulations. <p>(SuMi TRUST Bank and Sumitomo Mitsui Trust Panasonic Finance Co., Ltd.)</p> <ul style="list-style-type: none"> ● evaluation of controls in which the reasonableness of any adjustment to the



for debt repayment; the reasonableness and feasibility of their business improvement plans; and support from other financial institutions, in addition to their industry/sector specific characteristics. This determination involves subjective management judgment.

Although SuMi TRUST Bank has no significant credit exposure to Russia and Ukraine, it was necessary to determine the classification of corporate customers whose financial performance and cash flow position have been deteriorating in the current fiscal year due to the prolonged impact of COVID-19 and the recent changes in economic environment resulting from the international situation surrounding Ukraine, taking into account future as well as current potential impacts of those events. However, their impacts are complex and have a wide variety of implications, ranging from restrictions on movement of people and goods, supply chain disruption, change in the consumer behaviors to soaring resource prices, among others, and the estimation thereof involved a high degree of uncertainty. In addition, any changes in the classification of large borrowers (i.e. borrowers for whom material amount of allowance for loan losses may be recognized when their credit risk increases) may have a significant effect on the consolidated financial statements. Therefore, a higher level of management judgment was required in determining the classification of such borrowers.

(2) Adjustment of expected credit losses considering the future forecast

As described in the Note on "Significant Accounting Estimates, 1. Estimates of Allowance for Loan Losses (3)" to the consolidated financial statements, considering the effects of the recent changes in economic environment on borrowers' financial performance and cash flow position, SuMi TRUST Bank and Sumitomo Mitsui Trust Panasonic Finance Co., Ltd., which are consolidated subsidiaries, estimated the impact of the credit risks that had not yet been reflected in the borrowers' financial information and historical loan-loss ratios and recognized an additional allowance for loan losses of ¥21 billion (¥18.4 billion for the previous fiscal year) as a necessary adjustment to credit losses expected in the future. In the current fiscal year, SuMi TRUST Bank estimated the amount of the adjustment considering the impacts of the recent changes including soaring resource prices in addition to the prolonged spread of COVID-19, which was taken into account in the previous fiscal year.

allowance for loan losses is assessed based on the recent changes in economic environment and the future forecast at the meetings of top executives of each subsidiary.

(2) Classification of borrowers

In order to assess whether borrowers were appropriately classified, we selected certain individual corporate customers for our testing based on both quantitative and qualitative factors. Specifically, in the current fiscal year, in order to select large borrowers whose credit risk could possibly deteriorate due to the impact of the recent changes in economic environment such as soaring resource prices in addition to COVID-19, which was our main focus in the previous fiscal year, we took the following factors into account:

- quantitative factors: the possible effect on the amount of allowance for loan losses from inappropriate classification; and
- qualitative factors: the extent of the impact of recent changes in economic environment on the borrowers' financial performance and cash flow position, and their resilience to such impact.

In order to evaluate whether the corporate customers selected through the above process were classified appropriately, we performed the following procedures, among others, paying attention to the impact of the recent changes in economic environment:

- assessed whether the borrowers were classified in accordance with the internal regulations for the self-assessment by inspecting the results of an analysis on the borrowers' financial information, as well as other documents supporting the borrower classification using qualitative judgment; and
- inquired of personnel in the relevant departments (branches, the Credit Supervision Department, and the Risk Management Department) of SuMi TRUST Bank and assessed the borrowers using the relevant information we obtained independently.

(3) Adjustment of expected credit losses considering the future forecast

In assessing the impact of the recent changes in economic environment on allowance for loan losses of the group companies of Sumitomo Mitsui Trust Holdings (collectively, the "SuMi TRUST Group"), we inspected the materials for the meeting bodies at SuMi TRUST Group companies in which the additional allowance was discussed and the



of future deterioration in credit risks and the corresponding change in their credit rating. Moreover, in the current fiscal year, SuMi TRUST Bank adopted a new method to reflect quantitative and other information in the assumptions regarding the changes in the internal credit ratings.

As estimating the impact of changes in economic environment involved a high degree of estimation uncertainty and required subjective management judgment, there may be a material impact on the consolidated financial statements if the assumptions used for the estimate were not appropriate.

We, therefore, determined that our assessment of the reasonableness of the estimated amount of allowance for loan losses for corporate customers was of most significance in our audit of the consolidated financial statements for the current fiscal year, and accordingly, a key audit matter.

In addition, in order to assess the appropriateness of key assumptions used in adjusting the expected credit losses considering the future forecast, we performed the following procedures described below, among others. In the current fiscal year, we considered the impacts of the recent changes including soaring resource prices in addition to the prolonged spread of COVID-19 in assessing the appropriateness of assumptions regarding the identification of credit portfolios subject to adjustment and the extent of future deterioration in credit risks:

- inquired of personnel in the relevant departments (the Research Department, Credit Supervision Department, Financial Planning Department, and Risk Management Department) of SuMi TRUST Bank as well as the relevant departments (the Accounting Department and the Risk Management Department) of Sumitomo Mitsui Trust Panasonic Finance Co., Ltd.;
- inspected information from external sources, such as the results of impact studies published by third-party institutions and reports issued by external economists;
- assessed the consistency of key assumptions used in estimating the amount of allowance for loan losses with the result of an analysis and other information that formed the basis for measuring credit risks within the SuMi TRUST Bank's credit risk management; and
- retrospectively assessed the appropriateness of assumptions used in previous years.



Other Information

The other information comprises the information included in the Financial Report, but does not include the consolidated financial statements and our auditor's reports thereon. Management is responsible for the preparation and presentation of the other information. The audit and supervisory committee are responsible for overseeing the directors' performance of their duties with regard to the design, implementation and maintenance of the reporting process for the other information.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management and the Audit and Supervisory Committee for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The audit and supervisory committee are responsible for overseeing the directors' performance of their duties with regard to the design, implementation and maintenance of the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in Japan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of our audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the objective of the audit is not to express an opinion



on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether the presentation and disclosures in the consolidated financial statements are in accordance with accounting standards generally accepted in Japan, the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the audit and supervisory committee regarding, among other matters, the planned scope and timing of the audit, significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

From the matters communicated with the audit and supervisory committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



Convenience Translation

The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended March 31, 2022 are presented solely for convenience. Our audit also included the translation of yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made on the basis described in "Basis of Presentation of Financial Statements" to the consolidated financial statements.

Interest required to be disclosed by the Certified Public Accountants Act of Japan

We do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Yutaka Terasawa
Designated Engagement Partner
Certified Public Accountant

Tomomi Mase
Designated Engagement Partner
Certified Public Accountant

Yoichi Tanaka
Designated Engagement Partner
Certified Public Accountant

KPMG AZSA LLC
Tokyo Office, Japan
June 23, 2022

Notes to the Reader of Independent Auditor's Report:

This is a copy of the Independent Auditor's Report and the original copies are kept separately by the Company and KPMG AZSA LLC.

Five-Year Summary (Unaudited)

Sumitomo Mitsui Trust Bank, Limited and its Consolidated Subsidiaries
As of and for the fiscal years ended March 31

Consolidated Statements of Banking Account	Millions of Yen				
	2022	2021	2020	2019	2018
As of the Year-End					
Assets:					
Cash and Due from Banks	¥ 18,142,775	¥ 18,430,787	¥ 13,087,816	¥ 16,042,864	¥ 15,661,926
Securities	7,748,019	6,882,670	6,343,103	5,692,564	5,523,148
Loans and Bills Discounted	30,876,507	30,506,968	29,703,375	29,022,792	28,000,640
Lease Receivables and Investment Assets	688,141	695,172	673,880	653,447	677,238
Tangible Fixed Assets	231,770	235,430	220,936	219,309	221,961
Intangible Fixed Assets	100,109	85,397	100,915	152,896	178,131
Customers' Liabilities for Acceptances and Guarantees	541,228	511,782	518,811	557,007	508,930
Others	6,181,543	5,930,257	5,767,259	4,700,499	4,141,731
Allowance for Loan Losses	(163,369)	(129,223)	(127,205)	(99,770)	(102,903)
Total Assets	¥ 64,346,726	¥ 63,149,243	¥ 56,288,892	¥ 56,941,609	¥ 54,810,805
Liabilities:					
Deposits and Negotiable Certificates of Deposit	¥ 39,963,734	¥ 40,819,028	¥ 36,706,332	¥ 38,359,319	¥ 36,153,471
Acceptances and Guarantees	541,228	511,782	518,811	557,007	508,930
Others	21,493,253	19,476,937	16,851,259	15,525,403	15,430,814
Total Liabilities	¥ 61,998,216	¥ 60,807,748	¥ 54,076,402	¥ 54,441,730	¥ 52,093,216
Net Assets:					
Shareholders' Equity	¥ 2,114,764	¥ 2,024,588	¥ 1,948,981	¥ 2,041,013	¥ 2,064,444
Accumulated Other Comprehensive Income	205,045	289,269	236,738	424,472	509,704
Non-Controlling Interests	28,699	27,637	26,769	34,393	143,439
Total Net Assets	¥ 2,348,510	¥ 2,341,495	¥ 21,212,489	¥ 2,499,879	¥ 2,717,588
Total Liabilities and Net Assets	¥ 64,346,726	¥ 63,149,243	¥ 56,288,892	¥ 56,941,609	¥ 54,810,805
For the Year					
Income:					
Trust Fees	¥ 110,539	¥ 102,883	¥ 99,816	¥ 100,301	¥ 94,624
Interest Income	370,231	362,978	491,762	511,540	431,598
Fees and Commissions	300,637	270,406	313,804	383,437	380,132
Trading Income	13,453	76	102,189	27,926	10,035
Other Ordinary Income	335,885	405,800	348,650	357,080	306,724
Other Income	119,392	151,138	93,529	71,551	127,725
Total Income	¥ 1,250,140	¥ 1,293,283	¥ 1,449,753	¥ 1,451,837	¥ 1,350,842
Expenses:					
Interest Expenses	¥ 107,883	¥ 137,834	¥ 362,021	¥ 372,068	¥ 246,248
Fees and Commissions Payments	92,926	86,836	90,649	109,242	104,778
Trading Expenses	—	33,300	—	—	—
Other Ordinary Expenses	291,353	290,111	281,279	250,699	230,440
General and Administrative Expenses	361,104	365,801	385,180	407,483	419,102
Other Expenses	195,012	206,275	115,262	76,810	115,504
Total Expenses	¥ 1,048,281	¥ 1,120,161	¥ 1,234,394	¥ 1,216,303	¥ 1,116,073
Income before Income Taxes	¥ 201,858	¥ 173,121	¥ 215,358	¥ 235,533	¥ 234,768
Net Income	¥ 150,379	¥ 126,119	¥ 147,678	¥ 165,580	¥ 163,437
Per Share of Common Stock:					
Net Income per Share of Common Stock	¥ 89.11	¥ 74.86	¥ 87.89	¥ 96.47	¥ 93.08
Diluted Net Income per Share of Common Stock	—	—	—	—	—
Net Assets per Share of Common Stock	1,385.34	1,381.78	1,305.26	1,472.33	1,537.23

Five-Year Summary (Unaudited)

Sumitomo Mitsui Trust Bank, Limited
As of and for the fiscal years ended March 31

Non-Consolidated Statements of Banking Account	Millions of Yen				
	2022	2021	2020	2019	2018
As of the Year-End					
Assets:					
Cash and Due from Banks	¥ 17,925,030	¥ 18,216,321	¥ 12,916,014	¥ 15,831,242	¥ 15,408,170
Securities	7,951,169	7,090,335	6,625,035	6,091,898	5,972,337
Loans and Bills Discounted	30,916,363	30,691,618	29,953,513	29,404,142	28,259,093
Tangible Fixed Assets	184,334	186,717	189,926	195,414	198,328
Intangible Fixed Assets	77,756	58,880	70,937	65,607	66,969
Customers' Liabilities for Acceptances and Guarantees	426,405	383,537	359,757	385,467	398,773
Others	5,185,333	4,795,801	4,579,760	3,325,210	2,934,934
Allowance for Loan Losses	(136,300)	(100,846)	(98,191)	(75,211)	(77,169)
Total Assets	¥ 62,530,092	¥ 61,322,366	¥ 54,596,753	¥ 55,223,770	¥ 53,161,437
Liabilities:					
Deposits and Negotiable Certificates of Deposit	¥ 39,708,369	¥ 40,618,487	¥ 36,650,458	¥ 38,290,404	¥ 36,151,191
Acceptances and Guarantees	426,405	383,537	359,757	385,467	398,773
Others	20,344,012	18,270,801	15,569,113	14,276,060	14,239,205
Total Liabilities	¥ 60,478,786	¥ 59,272,826	¥ 52,579,329	¥ 52,951,932	¥ 50,789,170
Net Assets:					
Shareholders' Equity	¥ 1,807,041	¥ 1,752,055	¥ 1,705,866	¥ 1,829,610	¥ 1,865,959
Valuation and Translation Adjustments	244,263	297,484	311,558	442,227	506,307
Total Net Assets	¥ 2,051,305	¥ 2,049,539	¥ 2,017,424	¥ 2,271,838	¥ 2,372,266
Total Liabilities and Net Assets	¥ 62,530,092	¥ 61,322,366	¥ 54,596,753	¥ 55,223,770	¥ 53,161,437
For the Year					
Income:					
Trust Fees	¥ 110,539	¥ 102,883	¥ 99,816	¥ 100,972	¥ 94,870
Interest Income	360,361	345,877	474,575	520,790	409,528
Fees and Commissions	196,351	178,519	185,849	194,143	195,171
Trading Income	13,453	76	102,189	27,926	10,421
Other Ordinary Income	56,215	116,709	94,420	114,934	79,056
Other Income	102,866	139,243	82,349	60,606	100,469
Total Income	¥ 839,787	¥ 883,310	¥ 1,039,201	¥ 1,019,374	¥ 889,518
Expenses:					
Interest Expenses	¥ 104,274	¥ 133,693	¥ 356,435	¥ 366,989	¥ 246,207
Fees and Commissions Payments	106,900	99,698	95,322	89,832	86,499
Trading Expenses	—	33,300	—	—	—
Other Ordinary Expenses	35,082	25,388	51,868	34,608	29,490
General and Administrative Expenses	250,023	257,905	252,579	239,668	254,234
Other Expenses	194,377	203,658	105,475	83,466	108,431
Total Expenses	¥ 690,659	¥ 753,645	¥ 861,681	¥ 814,564	¥ 724,862
Income before Income Taxes	¥ 149,127	¥ 129,664	¥ 177,519	¥ 204,810	¥ 164,655
Net Income	¥ 113,343	¥ 95,941	¥ 124,706	¥ 148,661	¥ 117,980
Annual Dividends	¥ 49,850	¥ 49,867	¥ 201,461	¥ 121,320	¥ 55,360
Per Share of Common Stock:					
Net Income per Share of Common Stock	¥ 67.68	¥ 57.29	¥ 74.47	¥ 88.77	¥ 70.45
Diluted Net Income per Share of Common Stock	—	—	—	—	—
Net Assets per Share of Common Stock	1,224.99	1,223.94	1,204.76	1,356.69	1,416.67

Five-Year Summary (Unaudited)

Sumitomo Mitsui Trust Bank, Limited and its Consolidated Subsidiaries
As of and for the fiscal years ended March 31

Statements of Trust Account	Millions of Yen				
	2022	2021	2020	2019	2018
As of the Year-End					
Assets:					
Securities	¥ 859,127	¥ 857,610	¥ 1,075,184	¥ 1,253,465	¥ 1,834,427
Loans and Bills Discounted	2,131,254	1,804,393	1,543,160	1,445,195	1,306,319
Other	245,225,037	237,184,586	221,806,982	208,651,405	198,557,372
Total Assets	¥ 248,215,419	¥ 239,846,590	¥ 224,425,327	¥ 211,350,067	¥ 201,698,118
Liabilities:					
Money Trusts	¥ 36,216,311	¥ 34,196,939	¥ 33,415,451	¥ 32,877,994	¥ 31,416,663
Pension Trusts	14,525,120	13,107,254	13,023,778	13,113,501	13,720,536
Property Formation Benefit Trusts	18,820	18,954	19,060	18,865	17,930
Other Trusts	197,455,167	192,523,442	177,967,038	165,339,705	156,542,988
Total Liabilities	¥ 248,215,419	¥ 239,846,590	¥ 224,425,327	¥ 211,350,067	¥ 201,698,118

Total Employable Funds (Non-Consolidated)	Millions of Yen				
	2022	2021	2020	2019	2018
As of the Year-End					
Deposits	¥ 39,708,369	¥ 40,618,487	¥ 36,650,458	¥ 38,290,404	¥ 36,151,191
Money Trusts	36,216,311	34,196,939	33,415,451	32,877,994	31,416,663
Pension Trusts	14,525,120	13,107,254	13,023,778	13,113,501	13,720,536
Property Formation Benefit Trusts	18,820	18,954	19,060	18,865	17,930
Total Employable Funds*	¥ 90,468,620	¥ 87,941,635	¥ 83,108,748	¥ 84,300,766	¥ 81,306,322

* Total Employable Funds represents the total amount of the Deposits in the Banking Account and funds included under the Money Trusts, Pension Trusts, Property Formation Benefit Trusts and Loan Trusts in the Trust Account.

Consolidated Balance Sheet

Sumitomo Mitsui Trust Bank, Limited and its Consolidated Subsidiaries
As of March 31, 2022 and 2021

	Millions of Yen		Millions of U.S. Dollars
	2022	2021	2022
Assets:			
Cash and Due from Banks	¥ 18,142,775	¥ 18,430,787	\$ 148,250
Call Loans and Bills Bought	5,000	8,766	41
Receivables under Resale Agreements	150,741	160,268	1,232
Receivables under Securities Borrowing Transactions	652,534	727,689	5,332
Monetary Claims Bought	854,093	892,309	6,979
Trading Assets (Notes 1, 2 and 4)	967,565	962,849	7,906
Money Held in Trust	1,395	1,365	11
Securities (Notes 2 and 4)	7,748,019	6,882,670	63,311
Loans and Bills Discounted (Notes 3, 4 and 5)	30,876,507	30,506,968	252,300
Foreign Exchanges	29,494	25,396	241
Lease Receivables and Investment Assets (Note 4)	688,141	695,172	5,623
Other Assets (Notes 4, 8 and 14)	3,302,723	2,892,922	26,987
Tangible Fixed Assets (Note 6)	231,770	235,430	1,894
Intangible Fixed Assets (Note 7)	100,109	85,397	818
Assets for Retirement Benefits	192,204	231,145	1,571
Deferred Tax Assets	25,791	27,544	211
Customers' Liabilities for Acceptances and Guarantees	541,228	511,782	4,423
Allowance for Loan Losses	(163,369)	(129,223)	(1,335)
Total Assets	¥ 64,346,726	¥ 63,149,243	\$ 525,794
Liabilities:			
Deposits (Notes 4 and 9)	¥ 33,271,789	¥ 33,494,433	\$ 271,873
Negotiable Certificates of Deposit	6,691,944	7,324,594	54,682
Call Money and Bills Sold	799,524	60,675	6,533
Payables under Repurchase Agreements (Note 4)	1,485,033	1,628,440	12,135
Trading Liabilities (Note 1)	906,686	850,660	7,409
Borrowed Money (Notes 4 and 10)	7,783,498	6,392,602	63,601
Foreign Exchanges	1,275	577	10
Short-Term Bonds Payable	2,387,553	2,545,049	19,509
Bonds Payable (Note 11)	1,446,604	935,605	11,821
Borrowed Money from Trust Account (Note 12)	4,298,827	4,915,208	35,127
Other Liabilities (Notes 13 and 14)	2,279,211	2,005,525	18,624
Provision for Bonuses	12,668	12,025	104
Provision for Directors' Bonuses	98	103	1
Provision for Stocks Payment	569	417	5
Liabilities for Retirement Benefits	11,380	11,696	93
Provision for Reward Points Program	19,965	18,945	163
Provision for Reimbursement of Deposits	3,626	4,138	30
Provision for Contingent Losses	1,649	1,633	13
Deferred Tax Liabilities	52,690	91,243	431
Deferred Tax Liabilities for Land Revaluation (Note 6)	2,388	2,388	20
Acceptances and Guarantees	541,228	511,782	4,423
Total Liabilities	¥ 61,998,216	¥ 60,807,748	\$ 506,604
Net Assets:			
Total Shareholders' Equity:	¥ 2,114,764	¥ 2,024,588	\$ 17,280
Capital Stock	342,037	342,037	2,795
Capital Surplus	342,853	342,853	2,802
Retained Earnings	1,429,874	1,339,698	11,684
Total Accumulated Other Comprehensive Income:	205,045	289,269	1,675
Valuation Differences on Available-for-Sale Securities	290,154	345,053	2,371
Deferred Gains (Losses) on Hedges	(41,661)	(44,836)	(340)
Revaluation Reserve for Land (Note 6)	(4,456)	(4,016)	(36)
Foreign Currency Translation Adjustments	3,713	(2,452)	30
Remeasurements of Defined Benefit Plans	(42,703)	(4,477)	(349)
Non-Controlling Interests	28,699	27,637	235
Total Net Assets	¥ 2,348,510	¥ 2,341,495	\$ 19,190
Total Liabilities and Net Assets	¥ 64,346,726	¥ 63,149,243	\$ 525,794
	Yen		U.S. Dollars
Net Assets per Share of Common Stock	¥ 1,385.34	¥ 1,381.78	\$ 11.32

See accompanying notes.

The figures in U.S. dollars are converted from yen for the convenience of readers outside Japan at the rate of ¥122.38 to U.S. \$1.00, the exchange rate as of March 31, 2022.

Consolidated Statement of Income

Sumitomo Mitsui Trust Bank, Limited and its Consolidated Subsidiaries
For the fiscal years ended March 31, 2022 and 2021

	Millions of Yen		Millions of U.S. Dollars
	2022	2021	2022
Income:			
Trust Fees (Note1)	¥ 110,539	¥ 102,883	\$ 903
Interest Income:	370,231	362,978	3,025
Interest on Loans and Discounts	260,871	271,246	2,132
Interest and Dividends on Securities	92,296	75,202	754
Interest on Call Loans and Bills Bought	685	550	6
Interest on Receivables under Resale Agreements	—	20	—
Interest on Receivables under Securities Borrowing Transactions	—	0	—
Interest on Deposits with Banks	12,199	10,963	100
Other Interest Income (Note 2)	4,179	4,994	34
Fees and Commissions (Note1)	300,637	270,406	2,457
Trading Income (Note 3)	13,453	76	110
Other Ordinary Income (Note 4)	335,885	405,800	2,745
Other Income (Note 5)	119,392	151,138	976
Total Income	¥ 1,250,140	¥ 1,293,283	\$ 10,215
Expenses:			
Interest Expenses:	¥ 107,883	¥ 137,834	\$ 882
Interest on Deposits	29,848	45,221	244
Interest on Negotiable Certificates of Deposit	6,787	14,198	55
Interest on Call Money and Bills Sold	481	371	4
Interest on Payables under Repurchase Agreements	1,665	3,576	14
Interest on Borrowings	11,200	14,540	92
Interest on Short-Term Bonds	3,271	5,763	27
Interest on Bonds	9,971	5,593	81
Other Interest Expenses (Note 2)	44,658	48,570	365
Fees and Commissions Payments	92,926	86,836	759
Trading Expenses (Note 3)	—	33,300	—
Other Ordinary Expenses (Note 4)	291,353	290,111	2,381
General and Administrative Expenses (Note 6)	361,104	365,801	2,951
Other Expenses (Note 5)	195,012	206,275	1,593
Total Expenses	¥ 1,048,281	¥ 1,120,161	\$ 8,566
Income before Income Taxes	¥ 201,858	¥ 173,121	\$ 1,649
Income Taxes:	51,479	47,001	421
Current	48,285	41,955	395
Deferred	3,194	5,046	26
Net Income	¥ 150,379	¥ 126,119	\$ 1,229
Net Income Attributable to Non-Controlling Interests	1,155	760	9
Net Income Attributable to Owners of the Parent	¥ 149,223	¥ 125,358	\$ 1,219
	Yen		U.S. Dollars
Net Income per Share of Common Stock	¥ 89.11	¥ 74.86	\$ 0.73

See accompanying notes.

Consolidated Statement of Comprehensive Income

Sumitomo Mitsui Trust Bank, Limited and its Consolidated Subsidiaries
For the fiscal years ended March 31, 2022 and 2021

	Millions of Yen		Millions of U.S. Dollars
	2022	2021	2022
Net Income	¥ 150,379	¥ 126,119	\$ 1,229
Other Comprehensive Income (Loss):			
Valuation Differences on Available-for-Sale Securities	(50,031)	(23,241)	(409)
Deferred Gains (Losses) on Hedges	1,142	10,655	9
Foreign Currency Translation Adjustments	3,058	(46)	25
Remeasurements of Defined Benefit Plans	(38,219)	64,957	(312)
Share of Other Comprehensive Income of Equity-Method Affiliated Companies	515	457	4
Total Other Comprehensive Income (Loss) (Note)	¥ (83,534)	¥ 52,783	\$ (683)
Comprehensive Income:	¥ 66,845	¥ 178,902	\$ 546
Comprehensive Income Attributable to Owners of the Parent	65,439	178,005	535
Comprehensive Income Attributable to Non-Controlling Interests	1,405	897	11

See accompanying notes.

Consolidated Statement of Changes in Net Assets

Sumitomo Mitsui Trust Bank, Limited and its Consolidated Subsidiaries
For the fiscal years ended March 31, 2022 and 2021

From April 1, 2021 to March 31, 2022

	Millions of Yen			
	Shareholders' Equity			
	Capital Stock	Capital Surplus	Retained Earnings	Total Shareholders' Equity
Balance at the Beginning of the Year	¥ 342,037	¥ 342,853	¥ 1,339,698	¥ 2,024,588
Cumulative Effects of Changes in Accounting Policies			(9,636)	(9,636)
Restated Balance	342,037	342,853	1,330,061	2,014,951
Changes during the Year				
Cash Dividends			(49,850)	(49,850)
Net Income Attributable to Owners of the Parent			149,223	149,223
Reversal of Revaluation Reserve for Land			439	439
Net Changes of Items Other Than Shareholders' Equity				
Total Changes during the Year	—	—	99,812	99,812
Balance at the End of the Year	¥ 342,037	¥ 342,853	¥ 1,429,874	¥ 2,114,764

	Millions of Yen							
	Accumulated Other Comprehensive Income						Non-Controlling Interests	Total Net Assets
	Valuation Differences on Available-for-Sale Securities	Deferred Gains (Losses) on Hedges	Revaluation Reserve for Land	Foreign Currency Translation Adjustments	Remeasurements of Defined Benefit Plans	Total Accumulated Other Comprehensive Income		
Balance at the Beginning of the Year	¥ 345,053	¥ (44,836)	¥ (4,016)	¥ (2,452)	¥ (4,477)	¥ 289,269	¥ 27,637	¥ 2,341,495
Cumulative Effects of Changes in Accounting Policies							(0)	(9,636)
Restated Balance	345,053	(44,836)	(4,016)	(2,452)	(4,477)	289,269	27,636	2,331,858
Changes during the Year								
Cash Dividends								(49,850)
Net Income Attributable to Owners of the Parent								149,223
Reversal of Revaluation Reserve for Land								439
Net Changes of Items Other Than Shareholders' Equity	(54,899)	3,174	(439)	6,166	(38,225)	(84,224)	1,062	(83,161)
Total Changes during the Year	(54,899)	3,174	(439)	6,166	(38,225)	(84,224)	1,062	16,651
Balance at the End of the Year	¥ 290,154	¥ (41,661)	¥ (4,456)	¥ 3,713	¥ (42,703)	¥ 205,045	¥ 28,699	¥ 2,348,510

See accompanying notes.

From April 1, 2020 to March 31, 2021

	Millions of Yen			
	Shareholders' Equity			
	Capital Stock	Capital Surplus	Retained Earnings	Total Shareholders' Equity
Balance at the Beginning of the Year	¥ 342,037	¥ 342,853	¥ 1,264,091	¥ 1,948,981
Changes during the Year				
Cash Dividends			(49,867)	(49,867)
Net Income Attributable to Owners of the Parent			125,358	125,358
Reversal of Revaluation Reserve for Land			115	115
Net Changes of Items Other Than Shareholders' Equity				
Total Changes during the Year	—	—	75,606	75,606
Balance at the End of the Year	¥ 342,037	¥ 342,853	¥ 1,339,698	¥ 2,024,588

	Millions of Yen							
	Accumulated Other Comprehensive Income						Non-Controlling Interests	Total Net Assets
	Valuation Differences on Available-for-Sale Securities	Deferred Gains (Losses) on Hedges	Revaluation Reserve for Land	Foreign Currency Translation Adjustments	Remeasurements of Defined Benefit Plans	Total Accumulated Other Comprehensive Income		
Balance at the Beginning of the Year	¥ 369,924	¥ (57,389)	¥ (3,901)	¥ (2,493)	¥ (69,401)	¥ 236,738	¥ 26,769	¥ 2,212,489
Changes during the Year								
Cash Dividends								(49,867)
Net Income Attributable to Owners of the Parent								125,358
Reversal of Revaluation Reserve for Land								115
Net Changes of Items Other Than Shareholders' Equity	(24,870)	12,553	(115)	40	64,923	52,531	867	53,398
Total Changes during the Year	(24,870)	12,553	(115)	40	64,923	52,531	867	129,005
Balance at the End of the Year	¥ 345,053	¥ (44,836)	¥ (4,016)	¥ (2,452)	¥ (4,477)	¥ 289,269	¥ 27,637	¥ 2,341,495

See accompanying notes.

From April 1, 2021 to March 31, 2022

	Millions of U.S. Dollars			
	Shareholders' Equity			
	Capital Stock	Capital Surplus	Retained Earnings	Total Shareholders' Equity
Balance at the Beginning of the Year	\$ 2,795	\$ 2,802	\$ 10,947	\$ 16,543
Cumulative Effects of Changes in Accounting Policies			(79)	(79)
Restated Balance	2,795	2,802	10,868	16,465
Changes during the Year				
Cash Dividends			(407)	(407)
Net Income Attributable to Owners of the Parent			1,219	1,219
Reversal of Revaluation Reserve for Land			4	4
Net Changes of Items Other Than Shareholders' Equity				
Total Changes during the Year	—	—	816	816
Balance at the End of the Year	\$ 2,795	\$ 2,802	\$ 11,684	\$ 17,280

	Millions of U.S. Dollars							
	Accumulated Other Comprehensive Income						Non-Controlling Interests	Total Net Assets
	Valuation Differences on Available-for-Sale Securities	Deferred Gains (Losses) on Hedges	Revaluation Reserve for Land	Foreign Currency Translation Adjustments	Remeasurements of Defined Benefit Plans	Total Accumulated Other Comprehensive Income		
Balance at the Beginning of the Year	\$ 2,820	\$ (366)	\$ (33)	\$ (20)	\$ (37)	\$ 2,364	\$ 226	\$ 19,133
Cumulative Effects of Changes in Accounting Policies							(0)	(79)
Restated Balance	2,820	(366)	(33)	(20)	(37)	2,364	226	19,054
Changes during the Year								
Cash Dividends								(407)
Net Income Attributable to Owners of the Parent								1,219
Reversal of Revaluation Reserve for Land								4
Net Changes of Items Other Than Shareholders' Equity	(449)	26	(4)	50	(312)	(688)	9	(680)
Total Changes during the Year	(449)	26	(4)	50	(312)	(688)	9	136
Balance at the End of the Year	\$ 2,371	\$ (340)	\$ (36)	\$ 30	\$ (349)	\$ 1,675	\$ 235	\$ 19,190

See accompanying notes.

Consolidated Statement of Cash Flows

Sumitomo Mitsui Trust Bank, Limited and its Consolidated Subsidiaries
For the fiscal years ended March 31, 2022 and 2021

	Millions of Yen		Millions of U.S. Dollars
	2022	2021	2022
Cash Flows from Operating Activities:			
Income before Income Taxes	¥ 201,858	¥ 173,121	\$ 1,649
Depreciation and Amortization	29,209	33,333	239
Impairment Losses	1,468	20,786	12
Amortization of Goodwill	4,399	4,399	36
Equity in Losses (Earnings) of Affiliated Companies	(13,647)	(8,735)	(112)
Increase (Decrease) in Allowance for Loan Losses	34,145	2,018	279
Increase (Decrease) in Provision for Bonuses	643	(856)	5
Increase (Decrease) in Provision for Directors' Bonuses	(4)	28	(0)
Increase (Decrease) in Provision for Stocks Payment	152	197	1
Decrease (Increase) in Assets for Retirement Benefits	40,205	(131,674)	329
Increase (Decrease) in Liabilities for Retirement Benefits	(457)	(536)	(4)
Increase (Decrease) in Provision for Reward Points Program	1,019	2,056	8
Increase (Decrease) in Provision for Reimbursement of Deposits	(511)	(728)	(4)
Increase (Decrease) in Provision for Contingent Losses	15	193	0
Interest Income	(370,231)	(362,978)	(3,025)
Interest Expenses	107,883	137,834	882
Loss (Gain) Related to Securities	55,268	51,218	452
Loss (Gain) on Money Held in Trust	(74)	(69)	(1)
Foreign Exchange Losses (Gains)	(182,426)	(55,933)	(1,491)
Loss (Gain) on Disposal of Fixed Assets	336	558	3
Net Decrease (Increase) in Trading Assets	(11,844)	375,744	(97)
Net Increase (Decrease) in Trading Liabilities	57,088	(352,237)	466
Net Decrease (Increase) in Loans and Bills Discounted	(369,539)	(803,592)	(3,020)
Net Increase (Decrease) in Deposits	(222,643)	2,777,393	(1,819)
Net Increase (Decrease) in Negotiable Certificates of Deposit	(632,650)	1,335,302	(5,170)
Net Increase (Decrease) in Borrowed Money (Excluding Subordinated Borrowings)	1,415,895	(73,782)	11,570
Net Decrease (Increase) in Due from Banks (Excluding Due from the Bank of Japan)	(800,096)	491,550	(6,538)
Net Decrease (Increase) in Call Loans	51,543	1,230,261	421
Net Decrease (Increase) in Receivables under Securities Borrowing Transactions	75,155	12,968	614
Net Increase (Decrease) in Call Money	595,441	(12,776)	4,866
Net Decrease (Increase) in Foreign Exchange-Assets	(4,098)	11,556	(33)
Net Increase (Decrease) in Foreign Exchange-Liabilities	698	(2,636)	6
Net Decrease (Increase) in Lease Receivables and Investment Assets	7,031	(21,292)	57
Net Increase (Decrease) in Short-Term Bonds Payable	(157,495)	837,951	(1,287)
Increase (Decrease) in Straight Bonds-Issuance and Redemption	552,497	570,236	4,515
Net Increase (Decrease) in Borrowed Money from Trust Account	(616,380)	164,918	(5,037)
Interest Received	369,004	382,388	3,015
Interest Paid	(104,607)	(162,436)	(855)
Other, Net	(261,731)	(28,824)	(2,139)
Subtotal	¥ (147,481)	¥ 6,596,930	\$ (1,205)
Income Taxes (Paid) Refunded	(37,605)	(71,054)	(307)
Net Cash Provided by (Used in) Operating Activities	¥ (185,086)	¥ 6,525,876	\$ (1,512)

(Continued)

	Millions of Yen		Millions of U.S. Dollars
	2022	2021	2022
Cash Flows from Investing Activities:			
Purchase of Securities	¥ (9,168,630)	¥ (7,128,175)	\$ (74,919)
Proceeds from Sales of Securities	4,220,006	3,063,294	34,483
Proceeds from Redemption of Securities	4,158,323	3,650,794	33,979
Purchase of Tangible Fixed Assets	(8,447)	(27,223)	(69)
Proceeds from Sales of Tangible Fixed Assets	1,950	750	16
Purchase of Intangible Fixed Assets	(39,714)	(32,213)	(325)
Purchase of Shares of Affiliated Companies Accounted for Using the Equity Method	(8,606)	(49)	(70)
Proceeds from Sales of Shares of Affiliated Companies Accounted for Using the Equity Method	102	—	1
Net Cash Provided by (Used in) Investing Activities	¥ (845,015)	¥ (472,822)	\$ (6,905)
Cash Flows from Financing Activities:			
Proceeds from Subordinated Borrowings	¥ 25,000	¥ 40,000	\$ 204
Repayments of Subordinated Borrowings	(50,000)	(70,000)	(409)
Payments for Redemption of Subordinated Bonds and Bonds with Subscription Rights to Shares	(41,500)	(120,000)	(339)
Cash Dividends Paid	(49,850)	(49,867)	(407)
Cash Dividends Paid to Non-Controlling Interests	(342)	(29)	(3)
Net Cash Provided by (Used in) Financing Activities	¥ (116,693)	¥ (199,897)	\$ (954)
Effect of Exchange Rate Change on Cash and Cash Equivalents	¥ 58,686	¥ (18,633)	\$ 480
Net Increase (Decrease) in Cash and Cash Equivalents	¥ (1,088,109)	¥ 5,834,522	\$ (8,891)
Cash and Cash Equivalents at the Beginning of the Year	¥ 16,741,171	¥ 10,906,648	\$ 136,797
Cash and Cash Equivalents at the End of the Year (Note)	¥ 15,653,061	¥ 16,741,171	\$ 127,905

See accompanying notes.

Notes to Consolidated Financial Statements

Basis of Presentation of Financial Statements

The accompanying consolidated financial statements (banking account) have been prepared from the accounts maintained by Sumitomo Mitsui Trust Bank, Limited ("SuMi TRUST Bank") and its consolidated subsidiaries (together, "SuMi TRUST Bank Group") in accordance with the accounting principles generally accepted in Japan and certain accounting and disclosure rules under the Financial Instruments and Exchange Act of Japan and the Banking Act of Japan, which are different in certain respects as to application and disclosure requirements of International Financial Reporting Standards.

In preparing these consolidated financial statements, the consolidated financial statements of SuMi TRUST Bank issued in Japan have been reclassified and rearranged in order to present them in a form that is more familiar to readers outside Japan.

The consolidated financial statements are stated in Japanese yen, the currency of the country in which SuMi TRUST Bank is incorporated and operates. The translation of Japanese yen amounts into U.S. dollar amounts is included solely for the convenience of readers outside Japan. The translation has been made at the rate of ¥122.38 to U.S. \$1, the approximate rate of exchange as of March 31, 2022. Such translations should not be construed as representations that the Japanese yen amounts could be converted into U.S. dollars at that or any other rate.

Amounts less than one million Japanese yen have been rounded down and amounts less than one million U.S. dollars have been rounded off. As a result, total balances may not be equal to the sum of individual amounts.

Significant Accounting Policies and Practices

1. Scope of Consolidation

(1) Consolidated Subsidiaries as of March 31, 2022:

38 companies

Principal Companies:

Sumitomo Mitsui Trust Loan & Finance Co., Ltd.

Sumitomo Mitsui Trust Panasonic Finance Co., Ltd.

Sumitomo Mitsui Trust Realty Co., Ltd.

Sumitomo Mitsui Trust Guarantee Co., Ltd.

Sumitomo Mitsui Trust Club Co., Ltd.

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

Changes in the consolidated subsidiaries during the current fiscal year are as follows:

Arcadia Funding LLC and 1 other company are excluded from the scope of the consolidation, due to liquidation, from the fiscal year ended March 31, 2022.

(2) Unconsolidated Subsidiaries

Principal Companies:

Cattleya Co., Ltd.

ASIA GATEWAY I, L.P.

Cattleya Co., Ltd. and 10 other companies are excluded from the scope of consolidation in accordance with Article 5, Paragraph 1, Item 2 of the Consolidated Financial Statements Regulations, because they are operators engaged in leasing activities through silent partnership arrangements and their assets and profits/losses do not belong to the subsidiaries.

ASIA GATEWAY I, L.P. and other unconsolidated subsidiaries are excluded from the scope of consolidation, because they are immaterial to the extent that excluding such companies from consolidation would not prevent a reasonable assessment of the corporate group's financial position and financial results. Such materiality is determined based on the size of their assets, ordinary income, net income (amount corresponding to SuMi TRUST Bank's interest in subsidiaries), retained earnings (amount corresponding to SuMi TRUST Bank's interest in subsidiaries), accumulated other comprehensive income (amount corresponding to SuMi TRUST Bank's interest in subsidiaries), and other financial data.

2. Application of the Equity Method

(1) Unconsolidated Subsidiaries Accounted for by the Equity Method:
None

(2) Affiliated Companies Accounted for by the Equity Method:
22 companies

Principal Companies:

SBI Sumishin Net Bank, Ltd.

Changes in affiliated companies accounted for by the equity method during the current fiscal year are as follows:

SBI Card Co., Ltd. and one other company are excluded from the scope of the application of the equity method effective from the fiscal year ended March 31, 2022, due to liquidation and other factors.

(3) Unconsolidated Subsidiaries and Affiliated Companies that are Not Accounted for by the Equity Method:

Principal Companies:

Cattleya Co., Ltd.

ASIA GATEWAY I, L.P.

Cattleya Co., Ltd. and 10 other companies are excluded from the scope of application of the equity method in accordance with Article 10, Paragraph 1, Item 2 of the Consolidated Financial Statements Regulations because they are operators engaged in leasing activities through silent partnership arrangements, and their assets and profits/losses do not

belong to the subsidiaries.

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

3. Balance Sheet Dates of the Consolidated Subsidiaries

(1) Balance sheet dates of consolidated subsidiaries are as follows:

April 30:	2 companies
August 31:	1 company
September 30:	4 companies
November 30:	1 company
December 31:	5 companies
March 31:	25 companies

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

- Consolidated subsidiaries with a balance sheet date of April 30: Provisionally prepared financial statements as of January 31
- A consolidated subsidiary with a balance sheet date of August 31: Provisionally prepared financial statements as of February 28
- Consolidated subsidiaries with a balance sheet date of September 30: Provisionally prepared financial statements as of March 31
- A consolidated subsidiary with a balance sheet date of November 30: Provisionally prepared financial statements as of February 28
- The other consolidated subsidiaries: Financial statements as of their respective balance sheet dates.

Material transactions arising between the consolidated balance sheet date, March 31, 2022, and the above balance sheet dates of consolidated subsidiaries have been reflected in the consolidated financial statements.

4. Significant Accounting Policies

(1) Trading Assets/Liabilities and Income/Expenses

Trading account activities are conducted to seek profits by

taking advantage of short-term fluctuations in interest rates, currency rates, financial markets or other indicators, or inter-market differences (for trading purposes). The fluctuations in such items are presented as "Trading Assets" or "Trading Liabilities" in the consolidated balance sheet on a trade-date basis, and gains and losses from such transactions are presented as "Trading Income" or "Trading Expenses" in the consolidated statement of income.

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

Trading income and trading expenses include interest income or expenses, adjusting valuation differences of securities and monetary claims during the fiscal year and differences in resulting gains or losses from the settlement of financial derivatives assuming that the settlement was made in cash as of March 31, 2022 and 2021.

Regarding valuation of specific market risks and credit risks for derivative transactions, fair value is measured in groups of financial assets and financial liabilities with the basis of the net asset or liability after offsetting financial assets and financial liabilities.

(2) Securities

(a) Under the accounting standards for financial instruments in Japan, SuMi TRUST Bank is required to determine the purposes of holding each security and classify such security into (i) securities held for trading purposes ("Trading Securities"), (ii) debt securities intended to be held to maturity ("Held-to-Maturity Debt Securities"), (iii) equity securities issued by subsidiaries and affiliated companies, or (iv) all other securities that are not classified in any of the above categories ("Available-for-Sale Securities"). "Held-to-Maturity Debt Securities" are carried at amortized cost using the moving-average method (the straight-line method). Equity securities issued by unconsolidated subsidiaries and affiliated companies not accounted for by the equity method are stated at moving-average cost. "Available-for-Sale Securities" are valued at the market price (cost of securities sold is calculated using primarily the moving-average method). Equity securities with no market prices are carried at cost using the moving-average method.

Valuation differences on "Available-for-Sale Securities" are recorded as a separate component of net assets and reported in the consolidated balance sheet.

(b) Securities in money held in trust are classified and accounted for in the same manner as those described in 4. (1) and 4. (2) (a) above.

(3) Financial Derivatives

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

Regarding valuation of specific market risks and credit risks, fair value is measured in groups of financial assets and financial liabilities with the basis of the net asset or liability after offsetting financial assets and financial liabilities.

(4) Depreciation and Amortization Methods

(a) Tangible fixed assets other than lease assets

Tangible fixed assets are depreciated using primarily the straight-line method.

Useful lives of major asset categories:

Buildings: 3 to 60 years

Others: 2 to 20 years

(b) Intangible fixed assets

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

(c) Lease assets

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

(5) Allowance for Loan Losses

SuMi TRUST Bank records allowance for loan losses in accordance with internally established criteria for write-offs and allowance for loan losses.

For claims against borrowers that have initiated special liquidation proceedings or other bankruptcy proceedings ("bankrupt borrowers") and against borrowers that are in substantially similar adverse condition ("virtually bankrupt borrowers"), the allowance is provided based on the amount of claims, after the write-off stated below, net of the expected amount of recoveries from collateral and guarantees. For claims against borrowers that have not yet initiated bankruptcy proceedings, but are very likely to become bankrupt in the future ("possibly bankrupt borrowers"), an allowance is provided for the amount deemed necessary based on the overall assessment of the borrowers' solvency, after deducting the amount expected to be collected through the disposal of collateral or execution of guarantees from the claims.

For claims against large borrowers with certain credit risks and credit amounts that are classified as possibly bankrupt borrowers, restructured loan borrowers, or close-observation borrowers, if future cash flows from collection of the principal and interest can be reasonably estimated, the allowance is provided for the difference between the present value of expected future cash flows discounted at the contracted interest rate prior to the loan restructuring and the carrying amount of the claim (the "estimated cash flow method").

For claims that are classified as other than those above, the allowance is provided based on the estimated loan losses over the next one or three years, which are calculated based on the average historical loan-loss ratios during a certain period on the basis of historical loan losses over the past one or three years, then adjusted based on future forecast.

All claims are assessed at branches and credit supervision departments based on the criteria for self-assessment of asset quality. The Risk Management Department, which is independent from the operating sections, monitors the results of such assessments.

As for the consolidated subsidiaries, the allowance for loan losses for general claims is provided based on the historical loan-loss ratios, and the allowance for loan losses for specific claims, such as possible uncollectible claims, is provided based on the estimate of unrecoverable amount for each claim.

For claims against bankrupt borrowers or virtually bankrupt borrowers with collateral or guarantees, claims against borrowers in legal or virtually bankrupt borrowers, net of amounts expected to be collected through the disposal of collateral or through the execution of guarantees, are directly deducted from the original amount of claims. The deducted amount was ¥23,943 million (U.S. \$196 million) and ¥24,592 million as of March 31, 2022 and 2021, respectively.

(6) Provision for Bonuses

A provision for bonuses is provided for the estimated employee bonuses attributable to the current fiscal year.

(7) Provision for Directors' Bonuses

A provision for directors' bonuses is provided for the estimated directors' bonuses attributable to the current fiscal year.

(8) Provision for Stocks Payment

A provision for stocks payment is provided at SuMi TRUST Bank for the estimated stock-based payments to directors under a stock compensation system attributable to the current fiscal year.

(9) Provision for Reward Points Program

A provision for reward points program is provided for the use of points granted to holders of Diners Club Card and other credit cards in the amount deemed necessary based on the reasonable estimates of the points to be used in the future.

(10) Provision for Reimbursement of Deposits in Dormant Accounts

A provision for reimbursement of deposits in dormant accounts is provided for the deposits that were derecognized as liabilities under certain conditions. Such provision is provided against the estimated future reimbursement to be requested by customers based on the past reimbursement record.

(11) Provision for Contingent Losses

A provision for contingent losses is provided for contingent losses associated with off-balance sheet transactions or trust transactions in the amount deemed necessary based on the estimated possible future losses.

(12) Accounting for Retirement Benefits

In determining the retirement benefit obligations, projected benefits to the periods up to the year ended March 31, 2022, are attributed based on the plan's benefit formula.

Past service cost and actuarial gains or losses are expensed using the following methods:

Past service cost: In principle, the full amount of past service cost is charged to profit or loss in the fiscal year they occur.

Actuarial gains or losses: Actuarial differences are expensed using the straight-line method, primarily over 10 years within the employees' average remaining service period, commencing from the next fiscal year of incurrence.

Some consolidated subsidiaries adopt the simplified method in calculating liabilities for retirement benefits and retirement benefit expenses for lump-sum retirement benefit plans, recording liabilities at amounts that would be required for voluntary termination at the year-end.

(13) Basis for Recognition of Significant Revenues and Expenses

The SuMi TRUST Bank Group's main revenues from contracts with customers are "Trust Fees" and "Fees and Commissions" such as asset administration fees, stock transfer agency fees, real estate brokerage fees, and investment trust and insurance sales fees.

The timing of satisfying performance obligation in each transaction is determined based on the respective economic conditions as follows. The amount of consideration for

transactions is generally received within approximately six months after the satisfaction of performance obligations and does not include significant financing components.

Trust fees and asset administration fees are recorded mainly in the "Fiduciary Services," and "Retail Total Solutions Services." The SuMi TRUST Bank Group is obligated to perform asset administrative services in accordance with the terms of trust agreements and various contracts. The SuMi TRUST Bank Group recognizes revenues from these performance obligations over a period of time since the benefits are expensed by the customer as the daily services are provided.

Stock transfer agency fees are mainly recorded in the "Stock Transfer Agency Services." The SuMi TRUST Bank Group is obligated to perform shareholder registry management services in accordance with agreement on entrustment of management of shareholder registry. The SuMi TRUST Bank Group recognizes revenues from this performance obligation over a period of time since the benefits are expensed by the customer as the daily services are provided.

Real estate brokerage fees are recorded mainly in the "Real Estate." The SuMi TRUST Bank Group is obligated to perform real estate brokerage services based on real estate brokerage contracts. Revenues are recognized when the performance obligation is satisfied at the time when the real estate sales contract is executed or when the property is delivered. The timing of satisfying performance obligation is determined based on the significance of the duties after the execution of the real estate sales contract.

Fees on sales of investment trusts and insurance are mainly recorded in the "Retail Total Solutions Services." The SuMi TRUST Bank Group is obligated to provide product explanations and sales administrative services based on the terms and conditions of transactions and consignment agreements. Revenues are recognized when the performance obligation is satisfied at the time of product sale.

(14) Foreign Currency Translation

Assets and liabilities of SuMi TRUST Bank that are denominated in foreign currencies and overseas branch accounts are generally translated into yen at the exchange rates prevailing as of the consolidated balance sheet date, except for shares of stocks in affiliated companies translated into yen at the exchange rates prevailing at the acquisition dates.

Assets and liabilities of consolidated subsidiaries that are denominated in foreign currencies are translated into yen at the exchange rates prevailing at their respective balance sheet dates.

(15) Accounting for Leases

As for the consolidated subsidiaries in Japan, income and expenses arising from transactions of finance leases that do not transfer ownerships to lessees are recognized as sales and costs of sales when lease payments are collected.

(16) Hedge Accounting

(a) Interest-related risk hedge

SuMi TRUST Bank manages interest rate risk arising from various assets and liabilities by using financial derivatives transactions. Such transactions are generally treated as deferred hedges as specified in "Treatment for Accounting and Auditing of Application of Accounting Standard for Financial Instruments in Banking Industry" (Japanese Institute of Certified Public Accountants ("JICPA") Industry Committee Practical Guidance No. 24 of March 17, 2022, "Guidance No. 24"). To evaluate the effectiveness of hedges designed to offset market fluctuations, hedged items, such as deposits, loans and bills discounted, and hedging instruments, such as interest rate swaps, are grouped by duration to maturity. The effectiveness of hedges designed to fix cash flow is evaluated by verifying the correlation between the interest rate volatility factors for the hedged items and those for the hedging instruments.

(b) Currency-related risk hedge

SuMi TRUST Bank manages the foreign exchange risk arising from various assets and liabilities denominated in foreign currencies using financial derivatives transactions. Such transactions are generally treated as deferred hedges as specified in "Treatment for Accounting and Auditing of Application of Accounting Standard for Foreign Currency Transactions in Banking Industry" (JICPA Industry Committee Practical Guidance No. 25 of October 8, 2020, "Guidance No. 25"). The effectiveness of hedging instruments, such as cross-currency swaps and foreign exchange swaps, as a means of mitigating the foreign exchange risk arising from monetary claims and debts denominated in foreign currencies, is evaluated by verifying that the foreign currency positions of such hedging instruments are in amounts equivalent to the corresponding monetary claims and debts denominated in foreign currencies, which are the hedged items.

Additionally, transactions intended to hedge the foreign exchange risk associated with foreign-denominated securities (other than bonds) are treated as portfolio hedges. Fair value hedge accounting has been adopted to account for such transactions on the conditions that specific foreign-denominated securities are designated in advance as hedged items and that foreign currency payables of spot and forward

foreign exchange contracts exist in excess of the acquisition cost of such foreign-denominated securities on a foreign currency basis.

The foreign exchange risk associated with investment in the shares of stocks in foreign subsidiaries and affiliated companies is individually hedged using forward exchange contracts denominated in the same currency, and foreign currency translation adjustments arising from the hedging instruments are included in "Foreign Currency Translation Adjustments."

(c) Internal hedge transactions and others

Among derivatives transactions of SuMi TRUST Bank that take place between consolidated subsidiaries or that are made internally between designated trading accounts and some other accounts, those interest rate swaps and cross-currency swaps designated as hedging instruments are carried out in accordance with standards for cover deals with external parties, which eliminate discretion and enable strict management on hedges pursuant to Guidance No. 24 and Guidance No. 25. Accordingly, income or expenses arising from such interest rate swaps and cross-currency swaps are recognized as profits or losses, or deferred, rather than eliminated.

Deferred hedge accounting has been adopted for certain assets and liabilities by individual transactions.

Other consolidated subsidiaries account for such transactions as deferred hedges or exceptional treatment for interest rate swaps.

(17) Amortization of Goodwill

Goodwill is amortized over a period within 20 years that is reasonably determined for each case. Goodwill deemed immaterial, however, is expensed as incurred.

(18) Scope of Cash and Cash Equivalents in the Consolidated Statement of Cash Flows

For SuMi TRUST Bank, the balance of "Cash and Cash Equivalents" in the consolidated statement of cash flows is equivalent to the balance of cash and due from the Bank of Japan under "Cash and Due from Banks" presented in the consolidated balance sheet. For the consolidated subsidiaries, the balance of "Cash and Cash Equivalents" in the consolidated statement of cash flows is equivalent to the balance of "Cash and Due from Banks" presented in the consolidated balance sheet.

(19) Nondeductible Consumption Taxes Associated with Assets

Nondeductible consumption taxes and local consumption taxes associated with assets are recorded as expenses in the current fiscal year.

(20) Adoption of Consolidated Taxation System

SuMi TRUST Bank adopts the consolidated taxation system.

(21) Adoption of Tax Effect Accounting for the Transition from the Consolidated Taxation System to the Group Tax Sharing System

SuMi TRUST Bank and some of its consolidated subsidiaries in Japan will transfer from the consolidated taxation system to the group tax sharing system from the fiscal year ending March 31, 2023, but did not adopt Paragraph 44 of "Implementation Guidance on Tax Effect Accounting" (Accounting Standards Board of Japan (ASBJ) Guidance No. 28, February 16, 2018) in accordance with Paragraph 3 of "Treatment of Tax Effect Accounting for the Transition from the Consolidated Taxation System to the Group Tax Sharing System" (ASBJ Practical Issues Task Force (PITF) No.39, March 31, 2020) and account for deferred tax assets and deferred tax liabilities based on the tax regulations before the revision. Such treatment is adopted on items transitioned to group tax sharing system established under "The Law Revising a Portion of Income Tax Law" (Act No.8, 2020) and single taxation system items revised in conjunction with the transition to the group tax sharing system.

"Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System" (ASBJ Practical Issues Task Force (PITF) No.42, August 12, 2021), which specifies the treatment of accounting and disclosure of corporation taxes, local corporation taxes, and tax effect accounting under the group tax sharing system, will be adopted from the beginning of the fiscal year ended March 31, 2023.

Significant Accounting Estimates**1. Estimates of Allowance for Loan Losses**

(1) The Amounts Recorded in the Consolidated Financial Statements during the Fiscal Year Ended March 31, 2022 and 2021:

The amounts recorded in the consolidated financial statements during the fiscal year ended March 31, 2022 and 2021 were ¥163,369 million (U.S. \$1,335 million) and ¥129,223 million, respectively.

(2) Other Information that Assists Users of the Consolidated Financial Statements in Understanding the Nature of the Estimates

SuMi TRUST Bank assigns each borrower a "classification" in accordance with the borrower's solvency based on their financial conditions, funding stability, profitability, and others whenever there is disclosure of financial results or an

event with an impact on the borrower's creditworthiness. SuMi TRUST Bank measures allowance for loan losses based on the "classification" assigned and transaction conditions of collateral and other factors. When deriving the "classification," quantitative as well as qualitative factors are taken into consideration.

Definition of each classification is as follows:

Classification	Definitions
Normal borrowers	Borrowers with good earnings performances and no significant financial problems
Borrowers requiring caution	Close monitoring is required due to sluggish/unstable business, financial problems, or problems with meeting loan terms and conditions such as reduction of interest rate and suspended payments
Substandard borrowers	Obligors with loans that are more than three months past due or with restructured loans within the "Borrowers Requiring Caution" category
Possibly bankrupt borrowers	Experiencing business difficulties, making insufficient progress in restructuring and highly likely to go bankrupt
Virtually bankrupt borrowers	Though not yet legally or formally bankrupt, has serious business difficulties and rehabilitation is unlikely
Bankrupt borrowers	Legally or formally bankrupt

The standards for allowances for loan losses for each classification are as follows:

Classification	Standards for allowances for loan losses
Normal borrowers	The allowance for loan losses is provided based on the estimated loan loss ratio, which is calculated based on the average historical loan-loss ratios during a certain period on the basis of historical loan losses over the past one year.
Borrowers requiring caution and Substandard borrowers	The allowance for loan losses is provided based on the estimated loan loss ratio, which is calculated based on the average historical loan-loss ratios during a certain period on the basis of historical loan losses over the past three years. For some borrowers, if future cash flows from collection of the principal and interest can be reasonably estimated, the allowance is provided for the difference between the present value of expected future cash flows discounted at the contracted interest rate prior to the loan restructuring and the carrying amount of the claim (the "estimated cash flow method").

Possibly bankrupt borrowers	The allowance is provided for the amount deemed necessary based on the overall assessment of the borrowers' solvency, after deducting the amount expected to be collected through the disposal of collateral or execution of guarantees from the claims. For some borrowers, if future cash flows from collection of the principal and interest can be reasonably estimated, the allowance is provided for the difference between the present value of expected future cash flows discounted at the contracted interest rate prior to the loan restructuring and the carrying amount of the claim (the "estimated cash flow method").
Virtually bankrupt borrowers and Bankrupt borrowers	The allowance is provided based on the amount of claims, net of the expected amount of recoveries from collateral and guarantees. For claims against borrowers who are legally bankrupt or virtually bankrupt with collateral or guarantees, the amounts expected to be collected through the disposal of collateral or through the execution of guarantees, are directly deducted from the original amount of claims.

For normal borrowers, borrowers requiring caution, and substandard borrowers, changes in the loan loss ratio have an impact on the allowance for loan losses. For possibly bankrupt borrowers, virtually bankrupt borrowers, and bankrupt borrowers, changes in the amount expected to be collected through the disposal of collateral or execution of guarantees have a significant impact on the allowance for loan losses.

(3) Adjustments of Expected Credit Losses Considering the Future Forecast

The economic environment is undergoing significant changes due to the repetitive spread and lull of COVID-19 and the international situation surrounding Ukraine, which triggered a rise in resource prices and disruption in the global supply chain. The impact of these changes in the economic environment on the credit risk is reflected in the individual borrowers' classification and internal ratings to the extent that reasonable estimates can be made. However, there is a high level of uncertainty in the estimates because the impact is complex and diverse.

SuMi TRUST Bank and Sumitomo Mitsui Trust Panasonic Finance Co., Ltd. estimate the impact on credit risks that have not yet been reflected in the financial information and

historical loan-loss ratios of the borrowers and make necessary adjustments to expected future credit losses, considering the impact of the changes in the economic environment described above on the business performance and funding of borrowers.

In the fiscal year ended March 31, 2021, SuMi TRUST Bank and Sumitomo Mitsui Trust Panasonic Finance Co., Ltd. identified industries that may have been affected by downturn of business performance due to the spread of COVID-19 and assessed the degree of prospects for recovery after the end of pandemic, assuming that the spread and the lull of COVID-19 will continue to alternate, and it will take time to settle down. Additional allowance for loan losses ("special allowance") of ¥18,432 million is recognized for some credit in industries described above by estimating the credit losses expected in the future, assuming that internal ratings of certain credits of the industries would be downgraded to some extent depending on the degree of prospects for recovery after the end of pandemic.

In the fiscal year ended March 31, 2022, SuMi TRUST Bank re-evaluated special allowance based on the method considering future forecast about the impact of not only the COVID-19 but also the changes in the economic environment described above on credit losses. The specific methods of reevaluation are as follows.

(a) Re-evaluate the degree of prospects for the recovery in the future and the degree of impact on industries which may have been affected by downturn of business performance and funding due to the repetitive spread and lull of COVID-19 and the international situation surrounding Ukraine, which triggered a rise in resource prices and disruption in the global supply chain.

(b) Predict the transition of internal ratings based on quantitative information, assuming the degree of deterioration in future credit risk for each industry and internal rating based on the degree of impact on certain credits of the industries which may have been affected by downturn of business performance and funding.

(c) Recognize special allowance by estimating credit losses expected in the future, assuming the transition of internal rating as described above.

Sumitomo Mitsui Trust Panasonic Finance Co., Ltd. re-evaluated the special allowance based on the same method as of the fiscal year ended March 31, 2021. In the fiscal year ended March 31, 2022, SuMi TRUST Bank and Sumitomo Mitsui Trust Panasonic Finance Co., Ltd. recognized a special allowance of ¥21,022 million (U.S. \$172 million).

There is a high level of uncertainty about the assumptions used to recognize a special allowance, and the consolidated financial statements can be significantly affected if there is a change in the impact on the business performance and funding of borrowers due to the change in economic environment.

2. Estimates of Retirement Benefit Obligations

(1) The Amounts Recorded in the Consolidated Financial Statements during the Fiscal Year Ended March 31, 2022 and 2021:

The amounts recorded in the consolidated financial statements during the fiscal year ended March 31, 2022 and 2021 were ¥421,543 million (U.S. \$3,445 million) and ¥429,015, respectively.

The amounts of assets for retirement benefits and liabilities for retirement benefits recognized in the consolidated financial statements for the fiscal year ended March 31, 2022 were ¥192,204 million (U.S. \$1,571 million) and ¥11,380 million (U.S. \$93 million), respectively. The net amount of ¥180,823 million (U.S. \$1,478 million) was calculated by deducting plan assets of ¥602,366 million (U.S. \$4,922 million) from retirement benefit obligations of retirement benefit plans with and without plan assets of ¥410,162 million (U.S. \$3,352 million) and ¥11,380 million (U.S. \$93 million), respectively.

(2) Other Information that Assists Users of the Consolidated Financial Statements in Understanding the Nature of the Estimates

Retirement benefit obligations, plan assets, and retirement benefit expenses are calculated based on assumptions used in actuarial calculation. These assumptions include discount rate, expected long-term rate of return on plan assets, employee turnover rate, and mortality rate.

Major assumptions used in actuarial calculation are as follows:

Discount rate	Expected long-term rate of return on plan assets
Mainly 0.5%	3.5%

SuMi TRUST Bank, which accounts for 95.3% of asset retirement obligations of SuMi TRUST Bank Group, has set a discount rate based on the interest rates of high-quality domestic corporate bonds whose maturities are equal to the expected period up to the payment of salaries in the future. The expected long-term rate of return on plan assets is determined by evaluating the historical results of operation and the expected interest rate in the future. The expected long-term rate of return on plan assets is the weighted average

rate of expected long-term rates of return on plan assets by groups of investment assets such as stocks and bonds.

(3) Impact of Changes in Assumptions on the Consolidated Financial Statements

The assumptions described in (2) will have a significant impact on retirement benefit obligations and retirement benefit expenses. The impacts on the consolidated financial statements when each of the discount rate and the expected long-term rate of return on plan assets of SuMi TRUST Bank changes by 0.5% are as follows:

	Impact on retirement benefit expenses	Impact on retirement benefit obligations
Discount rate:		
0.5% decrease	¥2,536 million increase	¥33,056 million increase
0.5% increase	¥2,266 million decrease	¥29,304 million decrease
Expected long-term rate of return on plan assets:		
0.5% decrease	¥2,960 million increase	—
0.5% increase	¥2,960 million decrease	—

Changes in Accounting Policies

Application of Accounting Standard for Revenue Recognition etc.

SuMi TRUST Bank has applied the "Accounting Standard for Revenue Recognition" (ASBJ Statement No.29, March 31, 2020, "the Standard for Revenue Recognition") etc. from the beginning of the current fiscal year ended March 31, 2022. Once control of a promised good or service is transferred to the customer, SuMi TRUST Bank recognizes revenue at the amount that SuMi TRUST Bank expects to receive in exchange for the good or service.

Application of the Standard for Revenue Recognition etc. is in accordance with the transitional treatments specified in the proviso in Paragraph 84 of the Standard for Revenue Recognition. The cumulative effect of applying the new accounting policy retrospectively prior to the current fiscal year ended March 31, 2022 is added to or deducted from retained earnings as of the beginning of the current fiscal year, and the new accounting policy is applied to the balance at the beginning of the current fiscal year.

The effects of this change in the accounting policy on the consolidated financial statements are immaterial.

The notes to "Revenue Recognition" for the previous

fiscal year ended March 31, 2021, is not presented in accordance with the transitional treatments specified in Section 3 of Paragraph 89 of the Standard for Revenue Recognition.

Application of Accounting Standard for Fair Value Measurement etc.

SuMi TRUST Bank has applied the "Accounting Standard for Fair Value Measurement" (ASBJ Statement No.30, July 4, 2019, "the Standard for Fair Value Measurement") etc. from the beginning of the current fiscal year ended March 31, 2022. In accordance with Paragraph 8 of the Standard for Fair Value Measurement, the fair value adjustment method for the calculation of the fair value of derivative transactions has been revised to a method that maximizes the use of observable inputs estimated from derivatives traded in the market. Such revision is a result of the application of the Standard for Fair Value Measurement, etc. and the cumulative effect of applying the new accounting policy retrospectively prior to the current fiscal year ended March 31, 2022 is reflected to the balance of retained earnings at the beginning of the current fiscal year, in accordance with the transitional treatments specified in Paragraph 20 of the Standard for Fair Value Measurement.

As a result, trading assets decreased by ¥7,127 million (U.S. \$58 million), other assets decreased by ¥8,105 million (U.S. \$66 million), deferred tax assets increased by ¥3,948 million (U.S. \$32 million), trading liabilities decreased by ¥1,061 million (U.S. \$9 million), other liabilities decreased by ¥1,277 million (U.S. \$10 million), retained earnings decreased by ¥8,945 million (U.S. \$73 million), and net assets per share of common stock decreased by ¥5.34 (U.S. \$0.04) as of the beginning of the current consolidated fiscal year ended March 31, 2022.

In addition, in the notes to "Financial Instruments," the SuMi Trust Bank Group has disclosed the notes related to the breakdown of fair values of financial instruments by input level. However, in accordance with the transitional treatment prescribed in Section 7-4 in "Implementation Guidance on Disclosures about Fair Value of Financial Instruments" (ASBJ Guidance No. 19, July 4, 2019), the notes for the previous fiscal year ended March 31, 2021, are not included.

New Accounting Standards and Interpretations Not Yet Adopted

The following standard and guidance were issued but not yet adopted.

- Implementation Guidance on Accounting Standard for Fair Value Measurement (ASBJ Guidance No. 31, June 17, 2022)

(1) Overview

The above guidance provides the treatments on measurement and notes of fair values of investment trusts and notes of fair values of investments in partnerships recognized at net amount corresponding to equity holdings on the balance sheet.

(2) Effective date

Effective from the beginning of the fiscal year ending March 31, 2023.

(3) Effects of the application of the standards

SuMi TRUST Bank is currently in the process of determining the effects of the new guidance on the consolidated financial statements.

Changes in Presentation

Presentation of Financial Assets and Liabilities for Derivative Transactions based on Fair Value

Previously, derivative transactions included in "Trading Assets," "Trading Liabilities," "Other Assets," and "Other Liabilities" were presented on a net basis for transactions that met the requirements under the practical guidance for accounting for financial instruments. However, for the purpose of accurately presenting credit risks with and without collateral for derivative transactions, financial assets and liabilities for derivative transactions measured at fair value are now presented on a gross basis based on a principle from the current fiscal year ended March 31, 2022. To reflect this change in presentation, reclassifications have been made in the consolidated financial statements for the fiscal year ended March 31, 2021.

As a result, "Trading Assets" of ¥433,766 million, "Other Assets" of ¥2,217,308 million, "Trading Liabilities" of ¥321,576 million, and "Other Liabilities" of ¥1,329,910 million, presented in the consolidated balance sheets for the fiscal year ended March 31, 2021, changed to ¥962,849 million, ¥2,892,922 million, ¥850,660 million and ¥2,005,525 million, respectively.

Additionally, "Net Decrease (Increase) in Trading Assets" of ¥73,880 million and "Net Increase (Decrease) in Trading Liabilities" of ¥(50,373) million, presented in the consolidated statements of cash flows for the previous fiscal year ended March 31, 2021, changed to ¥375,744 million and ¥(352,237) million, respectively.

Notes to the Consolidated Balance Sheet

1. Trading Assets and Trading Liabilities

(1) Trading assets as of March 31, 2022 and 2021, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2022	2021	2022
Securities in Trading Account	¥ 5,018	¥ 39,520	\$ 41
Derivatives of Trading Securities	47	—	0
Derivatives of Securities Related to Trading Transactions	25	29	0
Trading-Related Financial Derivatives	954,675	918,298	7,801
Other Trading Assets	7,799	5,000	64
Total	¥ 967,565	¥ 962,849	\$ 7,906

(2) Trading liabilities as of March 31, 2022 and 2021, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2022	2021	2022
Derivatives of Trading Securities	¥ —	¥ 8	\$ —
Derivatives of Securities Related to Trading Transactions	617	983	5
Trading-Related Financial Derivatives	906,069	849,668	7,404
Total	¥ 906,686	¥ 850,660	\$ 7,409

2. Securities

Securities held as of March 31, 2022 and 2021, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2022	2021	2022
Government Bonds	¥ 2,839,688	¥ 1,760,490	\$ 23,204
Local Government Bonds	33,919	23,686	277
Corporate Bonds	730,020	699,775	5,965
Stocks	1,411,918	1,591,961	11,537
Other Securities	2,732,472	2,806,755	22,328
Total	¥ 7,748,019	¥ 6,882,670	\$ 63,311

“Securities” include stocks and equity investments in unconsolidated subsidiaries and affiliated companies as follows.

	Millions of Yen		Millions of U.S. Dollars
	2022	2021	2022
Stocks	¥ 133,672	¥ 112,069	\$ 1,092
Equity Investments	25,839	27,031	211

Securities borrowed under unsecured loan agreements and securities purchased under resale agreements or borrowed with cash collateral that SuMi TRUST Bank has a right to freely sell or repledge, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2022	2021	2022
Securities that are Further Collateralized	¥ 149,251	¥ 154,547	\$ 1,220
Securities that are Further Loaned	1,069,208	1,034,192	8,737
Securities Held without Selling or Repledging as of the End of the Fiscal Year	662	5,221	5

The bonds presented under “Securities” in the Consolidated Balance Sheet included guarantee obligations on corporate bonds that were placed through private securities offerings (Article 2, Paragraph 3 of the Financial Instruments and Exchange Act) amounting to ¥65,058 million (U.S. \$532 million) and ¥76,840 million as of March 31, 2022 and 2021, respectively.

3. Loans and Bills Discounted

Loans and bills discounted as of March 31, 2022 and 2021, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2022	2021	2022
Bills Discounted	¥ 451	¥ 763	\$ 4
Loans on Bills	170,626	146,219	1,394
Loans on Deeds	29,142,560	28,752,736	238,132
Overdrafts	1,562,868	1,607,249	12,771
Total	¥ 30,876,507	¥ 30,506,968	\$ 252,300

Bills discounted are treated as financial transactions in accordance with Guidance No. 24. SuMi TRUST Bank has a right to freely sell or (re)pledge such commercial bills.

Loans in accordance with the Banking Act and the Act on Emergency Measures for Revitalization of the Financial Functions are presented below. Loans include corporate bonds in “securities” (limited to those issued in private placement of securities prescribed in Section 3 of Paragraph

2 in the Financial Instruments and Exchange Act, and those with wholly or partially guaranteed redemption of the principal and payment of the interest), loans and bills discounted, foreign exchanges, interest receivables, suspense payments, and customers’ liabilities for acceptances and guarantees in “other assets” presented in the consolidated balance sheet, and securities loaned (limited to those under a loan for use or lease contract) provided in the notes, etc.

	Millions of Yen		Millions of U.S. Dollars
	2022	2021	2022
Bankrupt and Practically Bankrupt Loans	¥ 20,585	¥ 26,223	\$ 168
Doubtful Loans	130,069	58,172	1,063
Loans Past Due Three Months or More	—	3,042	—
Restructured Loans	69,474	49,176	568
Total	¥ 220,130	¥ 136,614	\$ 1,799

Bankrupt and practically bankrupt loans are those loans that have fallen into bankruptcy due to certain reasons, including initiation of bankruptcy proceedings, start of reorganization and quasi-loans.

Doubtful loans are those loans with a strong likelihood that loan principals cannot be recovered and interest cannot be received according to the contract because of difficulties in the financial conditions and business performance of debtors who are not yet legally bankrupt, excluding those loans classified as bankrupt and practically bankrupt loans.

Loans past due three months or more are those loans for which principal or interest payments are more than three months past due (calculated from the day following the contractual payment date), excluding loans classified as bankrupt and practically bankrupt loans and doubtful loans.

Restructured loans are those loans whose terms have been modified by reducing or waiving interest, granting interest payment extensions, granting principal repayment

extensions, forgiving debt, or otherwise providing some arrangements favorable to the borrower in connection with the borrower's business restructuring or to otherwise provide support, excluding those loans classified as bankrupt and practically bankrupt loans, doubtful loans or loans past due three months or more.

The above loans are presented at the amounts prior to deduction of allowances for loan losses.

Change in Presentation

The classification of risk management loans and others based on the Banking Act are aligned with the classification of claims subject to disclosure in accordance with the Act on Emergency Measures for Revitalization of Financial Functions due to enforcement of the "Cabinet Office Ordinance of the Act of Partial Revision made in Ordinance for Enforcement of the Banking Act (Cabinet Office Ordinance No.3, January 24, 2020)," effective from March 31, 2022.

4. Assets Pledged

Assets pledged as collateral as of March 31, 2022 and 2021, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2022	2021	2022
Assets Pledged as Collateral:			
Trading Assets	¥ —	¥ 29,978	\$ —
Securities	3,365,225	2,325,240	27,498
Loans and Bills Discounted	4,728,724	5,012,590	38,640
Lease Receivables and Investment Assets	54,956	50,491	449
Other Assets	60,425	109,610	494
Total	¥ 8,209,331	¥ 7,527,910	\$ 67,081
Corresponding Liabilities to Assets Pledged as Collateral:			
Deposits	¥ 21,788	¥ 19,273	\$ 178
Payables under Repurchase Agreements	527,313	709,711	4,309
Borrowed Money	5,739,492	4,398,213	46,899

In addition to the foregoing, the following assets have been pledged as collateral for settlement of exchange and others, or as a substitution of margin of futures and others.

	Millions of Yen		Millions of U.S. Dollars
	2022	2021	2022
Securities	¥ 499,469	¥ 399,318	\$ 4,081

“Other Assets” include initial margins of futures, security deposits, cash collateral pledged for financial instruments, and cash collateral pledged for repurchase agreement transactions. Such amounts are as follows:

	Millions of Yen		Millions of U.S. Dollars
	2022	2021	2022
Initial Margins of Futures Markets	¥ 71,040	¥ 53,270	\$ 580
Security Deposits	26,767	25,660	219
Cash Collateral Pledged for Financial Instruments-Assets	1,025,240	785,742	8,378
Cash Collateral Pledged for Repurchase Agreement Transactions	—	3,198	—

5. Overdraft Facility Agreements and Commitment Lines of Credit

Overdraft facility agreements and commitment lines of credit are agreements to extend a certain amount of credit at the customer's request as long as the terms of the agreement have not been violated. The amounts of unused credit under such agreements were ¥12,762,371 million (U.S. \$104,285 million) and ¥14,042,261 million, of which ¥8,563,906 million (U.S. \$69,978 million) and ¥8,776,924 million were attributable to agreements expiring within one year or which may be unconditionally canceled at any time, as of March 31, 2022 and 2021, respectively.

The balance of unused credit will not necessarily affect the future cash flows of SuMi TRUST Bank and its consolidated

subsidiaries because most of these agreements expire without credit being extended. Most of these agreements contain clauses allowing SuMi TRUST Bank and its consolidated subsidiaries to reject requests for credit outright or reduce the credit limits due to changed financial circumstances, the need to preserve claims, or other reasonable causes. Besides requesting collateral, such as real estate or securities, as necessary at the time of entering into the agreement, SuMi TRUST Bank has also adopted other measures to keep its credit sound, such as periodically assessing the condition of customers' businesses following the internal procedures and revising agreements, as necessary.

6. Tangible Fixed Assets

Tangible fixed assets as of March 31, 2022 and 2021, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2022	2021	2022
Land	¥ 139,303	¥ 139,523	\$ 1,138
Buildings	72,062	73,283	589
Lease Assets	4,772	5,015	39
Construction in Progress	110	108	1
Other	15,520	17,500	127
Total	¥ 231,770	¥ 235,430	\$ 1,894

Accumulated depreciation amounted to ¥179,823 million (U.S. \$1,469 million) and ¥177,540 million, and advance depreciation amounted to ¥27,780 million (U.S. \$227 million) and ¥27,792 million as of March 31, 2022 and 2021, respectively.

In accordance with the Act on Revaluation of Land (Act No. 34, promulgated on March 31, 1998), land for commercial use of SuMi TRUST Bank was revalued, and the amount equivalent to the taxes on the resulting valuation difference was recorded as a "Deferred Tax Liabilities for Land Revaluation" in liabilities, and the amount net of such difference was recorded as a "Revaluation Reserve for Land" in net assets.

Revaluation date: March 31, 1998 and March 31, 1999

Revaluation method prescribed by Paragraph 3 of Article 3 of the Act:

The revaluation was calculated by reasonably adjusting the value of land based on the following prices: the posted prices for benchmark properties as prescribed by Item 1 of Article 2 of the "Order for Enforcement of the Act on Revaluation of Land" (Cabinet Order No. 119, promulgated on March 31, 1998); the standard prices for benchmark properties as prescribed by Item 2 of Article 2, the registered prices in tax lists for such land for commercial use as prescribed by Item 3 of Article 2; and the land assessments under Item 4 of Article 2 of the same Order.

7. Intangible Fixed Assets

Intangible fixed assets as of March 31, 2022 and 2021, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2022	2021	2022
Software	¥ 83,911	¥ 64,813	\$ 686
Goodwill	12,478	16,877	102
Other	3,719	3,706	30
Total	¥100,109	¥ 85,397	\$ 818

8. Other Assets

Other assets as of March 31, 2022 and 2021, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2022	2021	2022
Domestic Exchange Settlement Account, Debit	¥ 1,029	¥ 1,177	\$ 8
Prepaid Expenses	6,535	5,566	53
Accrued Income	122,573	110,652	1,002
Initial Margins of Futures Markets	71,040	53,270	580
Variation Margins of Futures Markets	—	2,150	—
Financial Derivatives Other Than Trading Assets	1,500,702	1,296,874	12,263
Receivables for Securities Transactions	85,353	143,708	697
Cash Collateral Pledged for Financial Instruments-Assets	1,025,240	785,742	8,378
Other	490,248	493,778	4,006
Total	¥ 3,302,723	¥ 2,892,922	\$ 26,987

9. Deposits

Deposits as of March 31, 2022 and 2021, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2022	2021	2022
Current Deposits, Ordinary Deposits, Saving Deposits and Deposits at Notice	¥ 9,517,128	¥ 9,457,729	\$ 77,767
Time Deposits	22,959,755	23,071,332	187,610
Other	794,906	965,371	6,495
Total	¥ 33,271,789	¥ 33,494,433	\$ 271,873

(Unaudited information) In the event of receivership, winding up proceedings or equivalent proceedings of the bank, Japanese law does not require our bank to confer lower priority to depositors of the foreign offices of our bank, vis-à-vis our home country depositors in the repayment of deposits.

10. Borrowed Money

Borrowed money as of March 31, 2022 and 2021, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2022	2021	2022
Subordinated Borrowings	¥ 645,000	¥ 670,000	\$ 5,270
Other Borrowed Money	7,138,498	5,722,602	58,331
Total	¥ 7,783,498	¥ 6,392,602	\$ 63,601

Weighted average interest rates on borrowed money were 0.18% and 0.20% for the fiscal years ended March 31, 2022 and 2021, respectively.

Annual maturities of borrowed money as of March 31, 2022, for the next five years are as follows:

Fiscal Year Ending March 31	Millions of Yen	Millions of U.S. Dollars
	2022	2022
2023	¥ 1,872,544	\$ 15,301
2024	865,222	7,070
2025	2,466,476	20,154
2026	1,252,434	10,234
2027	86,143	704
Total	¥ 6,542,822	\$ 53,463

11. Bonds Payable

Bonds payable as of March 31, 2022 and 2021, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2022	2021	2022
Perpetual Subordinated Bonds	¥ 16,100	¥ 16,100	\$ 132
Subordinated Bonds	112,996	154,495	923
Other Bonds Payable	1,317,508	765,010	10,766
Total	¥ 1,446,604	¥ 935,605	\$ 11,821

Annual maturities of bonds payable as of March 31, 2022, for the next five years are as follows:

Fiscal Year Ending March 31	Millions of Yen	Millions of U.S. Dollars
	2022	2022
2023	¥ 2,458,495	\$ 20,089
2024	467,735	3,822
2025	259,760	2,123
2026	197,380	1,613
2027	315,975	2,582
Total	¥ 3,699,345	\$ 30,228

12. Borrowed Money from Trust Account

Borrowed money from trust account represents surplus funds in the trust accounts loaned to the banking account and utilized.

13. Other Liabilities

Other liabilities as of March 31, 2022 and 2021, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2022	2021	2022
Domestic Exchange Settlement Account, Credit	¥ 841	¥ 963	\$ 7
Income Taxes Payable	10,268	7,024	84
Accrued Expenses	63,724	60,164	521
Unearned Income	90,857	84,646	742
Variation Margins of Futures Markets	7,414	2,111	61
Financial Derivatives Other Than Trading Liabilities	1,571,382	1,339,876	12,840
Lease Obligations	12,606	12,218	103
Asset Retirement Obligations	3,727	4,059	30
Payables for Securities Transactions	65,626	144,357	536
Provision for Loss on Interest Repayment	39	39	0
Cash Collateral Accepted for Financial Instruments-Liabilities	240,455	155,739	1,965
Other	212,267	194,322	1,734
Total	¥ 2,279,211	¥ 2,005,525	\$ 18,624

14. Other Assets and Liabilities related to Revenue Recognition

The amounts of receivables from contracts with customers and the amounts of contract liabilities recognized in other assets and other liabilities, respectively, are presented in "Revenue Recognition, 2. Information Related to Contract Balance."

Notes to the Consolidated Statement of Income

1. Revenue from Contracts with Customers

Income is not classified into revenues from contracts with customers and other revenue. The amount of revenues from contracts with customers is presented in "Revenue Recognition, 1. Information Related to Disaggregation of Revenue from Contracts with Customers for the Current Fiscal Year Ended March 31, 2022."

2. Other Interest Income and Expenses

(1) Other interest income for the fiscal years ended March 31, 2022 and 2021, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2022	2021	2022
Interest on Monetary Claims Bought	¥ 2,438	¥ 2,778	\$ 20
Others	1,741	2,216	14
Total	¥ 4,179	¥ 4,994	\$ 34

(2) Other interest expenses for the fiscal years ended March 31, 2022 and 2021, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2022	2021	2022
Interest on Interest Rate Swaps	¥ 22,553	¥ 27,641	\$ 184
Others	22,105	20,928	181
Total	¥ 44,658	¥ 48,570	\$ 365

3. Trading Income and Expenses

(1) Trading income for the fiscal years ended March 31, 2022 and 2021, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2022	2021	2022
Net Income from Trading Securities and Derivatives	¥ 268	¥ —	\$ 2
Net Income from Trading Transactions	812	—	7
Net Income from Trading-Related Financial Derivatives Transactions	12,315	—	101
Other Trading Income	57	76	0
Total	¥ 13,453	¥ 76	\$ 110

(2) Trading expenses for the fiscal years ended March 31, 2022 and 2021, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2022	2021	2022
Net Expenses on Trading Securities and Derivatives	¥ —	¥ 391	\$ —
Net Expenses on Trading Transactions	—	2,097	—
Net Expenses on Trading-Related Financial Derivatives Transactions	—	30,812	—
Total	¥ —	¥ 33,300	\$ —

4. Other Ordinary Income and Expenses

(1) Other ordinary income for the fiscal years ended March 31, 2022 and 2021, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2022	2021	2022
Net Gains on Foreign Exchange Transactions	¥ 22,476	¥ 79,401	\$ 184
Gains on Sales and Redemption of Bonds	14,757	14,833	121
Net Income from Derivatives Other Than for Trading or Hedging	19,091	22,407	156
Others	279,559	289,158	2,284
Total	¥ 335,885	¥ 405,800	\$ 2,745

(2) Other ordinary expenses for the fiscal years ended March 31, 2022 and 2021, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2022	2021	2022
Losses on Sales and Redemption of Bonds	¥ 32,574	¥ 22,678	\$ 266
Others	258,779	267,432	2,115
Total	¥ 291,353	¥ 290,111	\$ 2,381

5. Other Income and Expenses

(1) Other income for the fiscal years ended March 31, 2022 and 2021, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2022	2021	2022
Gains on Sales of Stocks and Other Securities	¥ 94,956	¥ 99,114	\$ 776
Gains on Money Held in Trust	74	69	1
Recoveries of Written-Off Claims	1,633	809	13
Equity in Earnings of Affiliated Companies	13,647	8,735	112
Gains on Disposal of Fixed Assets	444	150	4
Others (Note)	8,635	42,260	71
Total	¥ 119,392	¥ 151,138	\$ 976

(Note) In the fiscal year ended March 31, 2021, other extraordinary income was recognized as SuMi TRUST Bank charged the full amount of past service costs for retirement benefits to profit or loss in the fiscal year they occur.

(2) Other expenses for the fiscal years ended March 31, 2022 and 2021, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2022	2021	2022
Provision for Allowance for Loan Losses	¥ 37,688	¥ 3,277	\$ 308
Losses on Sales of Loans	5	—	0
Write-Off of Loans	5,461	4,272	45
Losses on Sales of Stocks and Other Securities	130,580	141,995	1,067
Losses on Impairment of Stocks and Other Securities	1,827	491	15
Losses on Disposal of Fixed Assets	780	708	6
Losses on Impairment of Fixed Assets (Note)	1,468	20,786	12
Losses on Investment in Partnerships	4,770	3,853	39
Others	12,429	30,889	102
Total	¥ 195,012	¥ 206,275	\$ 1,593

(Note)

SuMi TRUST Bank Group has revised the cost restructure reform and the strategies at branches considering the new normal as a result of the change in business environment due to the spread of the novel coronavirus disease. In addition, SuMi TRUST Bank Group has continuously implemented initiatives to enhance management accounting. The application method of asset impairment accounting for fixed assets has been revised to apply these initiatives. In particular, SuMi TRUST Bank switched the asset group under the asset impairment accounting from a branch or other asset groups to six operating segments. In addition, SuMi TRUST Bank now allocates corporate assets to each operating segment based on a reasonable method such as the number of personnel in each segment.

As a result of these revisions, impairment losses were

recognized as a portion of the investment of business assets for the Retail Total Solution Services was determined to be unrecoverable.

The impairment losses recognized due to the revision of the application method of asset impairment accounting described above were ¥19,976 million, which include impairment losses of tangible fixed assets of ¥1,655 million and those of software of ¥18,320 million. The entire impairment losses including those due to the revision were ¥20,786 million, which include impairment losses of tangible fixed assets of ¥1,893 million and those of software of ¥18,892 million.

The recoverable amounts of the asset groups described above are measured by value in use, which is calculated by discounting future cash flows measured in the business plan and others by the discount rate of 6.9%.

6. General and Administrative Expenses

General and administrative expenses for the fiscal years ended March 31, 2022 and 2021, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2022	2021	2022
Taxes other than Income Taxes	¥ 12,852	¥ 15,906	\$ 105
Personnel Expenses	165,469	170,750	1,352
Others	182,782	179,144	1,494
Total	¥ 361,104	¥ 365,801	\$ 2,951

Note to the Consolidated Statement of Comprehensive Income

Reclassification Adjustments and the Related Tax Effects Concerning Other Comprehensive Income

Reclassification adjustments and the related tax effects concerning other comprehensive income for the fiscal years ended March 31, 2022 and 2021, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2022	2021	2022
Valuation Difference on Available-for-Sale Securities:			
Changes during the Period	¥ (126,145)	¥ (85,688)	\$ (1,194)
Reclassification Adjustments	56,774	51,441	627
Before Tax Effects	(69,371)	(34,246)	(567)
Tax Effects	19,340	11,005	158
Valuation Difference on Available-for-Sale Securities	(50,031)	(23,241)	(409)
Deferred Gains (Losses) on Hedges:			
Changes during the Period	(20,914)	(9,705)	(171)
Reclassification Adjustments	22,553	27,641	184
Before Tax Effects	1,639	17,936	13
Tax Effects	(496)	(7,280)	(4)
Deferred Gains (Losses) on Hedges	1,142	10,655	9
Foreign Currency Translation Adjustments:			
Changes during the Period	3,224	(46)	26
Reclassification Adjustments	(165)	—	(1)
Before Tax Effects	3,058	(46)	25
Tax Effects	—	—	—
Foreign Currency Translation Adjustments	3,058	(46)	25
Remeasurements of Defined Benefit Plans:			
Changes during the Period	(55,834)	81,240	(456)
Reclassification Adjustments	1,077	12,342	9
Before Tax Effects	(54,757)	93,583	(447)
Tax Effects	16,537	(28,625)	135
Remeasurements of Defined Benefit Plans	(38,219)	64,957	(312)
Share of Other Comprehensive Income of Equity-Method Affiliated Companies:			
Changes during the Period	542	234	4
Reclassification Adjustments	(27)	222	(0)
Share of Other Comprehensive Income of Equity-Method Affiliated Companies	515	457	4
Total Other Comprehensive Income (Loss)	¥ (83,534)	¥ 52,783	\$ (683)

Notes to the Consolidated Statement of Changes in Net Assets

1. Class and the Number of Issued Shares of Common Stock

Classes and the number of issued shares of common stock for the fiscal years ended March 31, 2022 and 2021, consisted of the following:

	Thousands of Shares				
	Authorized	Number of Shares Outstanding at the Beginning of the Fiscal Year	Increase	Decrease	Number of Shares Outstanding at the End of the Fiscal Year
March 31, 2022					
Number of Issued Shares:					
Common Share	3,000,000	1,674,537	—	—	1,674,537

	Thousands of Shares				
	Authorized	Number of Shares Outstanding at the Beginning of the Fiscal Year	Increase	Decrease	Number of Shares Outstanding at the End of the Fiscal Year
March 31, 2021					
Number of Issued Shares:					
Common Share	3,000,000	1,674,537	—	—	1,674,537

2. Subscription Rights to Shares

There were no subscription rights to shares for the fiscal years ended March 31, 2022 and 2021.

3. Dividends

Dividends paid for the fiscal years ended March 31, 2022 and 2021, consisted of the following:

As for the fiscal year ended March 31, 2022:

Resolution	Type of Shares	Cash Dividends Declared	Dividend Resources	Cash Dividends per Share	Record Date	Effective Date
		Millions of Yen (Millions of U.S. Dollars)		Yen (U.S. Dollars)		
June 23, 2021						
Ordinary General Meeting of Shareholders	Common Share	¥ 19,843 (\$162)	Retained Earnings	¥ 11.85 (\$0.10)	March 31, 2021	June 24, 2021

Resolution	Type of Shares	Cash Dividends Declared	Dividend Resources	Cash Dividends per Share	Record Date	Effective Date
		Millions of Yen (Millions of U.S. Dollars)		Yen (U.S. Dollars)		
November 11, 2021						
Board of Directors' Meeting	Common Share	¥ 30,007 (\$245)	Retained Earnings	¥ 17.92 (\$0.15)	September 30, 2021	December 1, 2021

Dividends with a record date during the current fiscal year ended March 31, 2022, but whose effective date is after March 31, 2022, are as follows:

Resolution	Type of Shares	Cash Dividends Declared	Dividend Resources	Cash Dividends per Share	Record Date	Effective Date
		Millions of Yen (Millions of U.S. Dollars)		Yen (U.S. Dollars)		
June 23, 2022						
Ordinary General Meeting of Shareholders	Common Share	¥ 23,594 (\$193)	Retained Earnings	¥ 14.09 (\$0.12)	March 31, 2022	June 24, 2022

As for the fiscal year ended March 31, 2021:

Resolution	Type of Shares	Cash Dividends Declared Millions of Yen	Dividend Resources	Cash Dividends per Share Yen	Record Date	Effective Date
June 26, 2020						
Ordinary General Meeting of Shareholders	Common Share	¥ 21,735	Retained Earnings	¥ 12.98	March 31, 2020	June 29, 2020

Resolution	Type of Shares	Cash Dividends Declared Millions of Yen	Dividend Resources	Cash Dividends per Share Yen	Record Date	Effective Date
November 12, 2020						
Board of Directors' Meeting	Common Share	¥ 28,132	Retained Earnings	¥ 16.80	September 30, 2020	December 1, 2020

Dividends with a record date during the fiscal year ended March 31, 2021, but whose effective date is after March 31, 2021 are as follows:

Resolution	Type of Shares	Cash Dividends Declared Millions of Yen	Dividend Resources	Cash Dividends per Share Yen	Record Date	Effective Date
June 23, 2021						
Ordinary General Meeting of Shareholders	Common Share	¥ 19,843	Retained Earnings	¥ 11.85	March 31, 2021	June 24, 2021

Note to the Consolidated Statement of Cash Flows

Reconciliation of Cash and Cash Equivalents

The following table reconciles cash and cash equivalents in the consolidated statement of cash flows and cash and due from banks in the consolidated balance sheet as of March 31, 2022 and 2021.

	Millions of Yen		Millions of U.S. Dollars
	2022	2021	2022
Cash and Due from Banks	¥ 18,142,775	¥ 18,430,787	\$ 148,250
Due from Banks (Excluding Due from the Bank of Japan)	(2,489,713)	(1,689,616)	(20,344)
Cash and Cash Equivalents	¥ 15,653,061	¥ 16,741,171	\$ 127,905

Leases

1. Finance Leases

As a lessee:

Finance leases that do not transfer ownership of the lease assets to lessees

1) Description of lease assets

i) Tangible fixed assets

Mainly branch buildings and office equipment

ii) Intangible fixed assets

Software

2) Method for amortizing lease assets

Refer to “(4) Depreciation and Amortization Methods” of “4. Significant Accounting Policies” in the Significant Accounting Policies and Practices.

2. Operating Leases

As a lessee:

Total future lease payments under non-cancelable operating leases as of March 31, 2022 and 2021, were as follows:

	Millions of Yen		Millions of U.S. Dollars
	2022	2021	2022
Due in One Year or Less	¥ 2,608	¥ 2,574	\$ 21
Due in More Than One Year	9,618	11,551	79
Total	¥ 12,226	¥ 14,125	\$ 100

As a lessor:

Total future lease payments under non-cancelable operating leases as of March 31, 2022 and 2021, were as follows:

	Millions of Yen		Millions of U.S. Dollars
	2022	2021	2022
Due in One Year or Less	¥ 4,612	¥ 6,492	\$ 38
Due in More Than One Year	31,904	49,946	261
Total	¥ 36,517	¥ 56,439	\$ 298

Financial Instruments

1. Circumstances of Financial Instruments

(1) Policy on Financial Instruments

SuMi TRUST Bank Group is engaged in a variety of financial service businesses, primarily trust banking business operated by SuMi TRUST Bank. To facilitate these businesses, SuMi TRUST Bank Group raises funds through deposits from individual and corporate customers, borrowed money, and issuance of corporate bonds, and manages such funds as loans to individual and corporate customers, and securities on the investment side.

Each group company determines policies as well as measures for investing and funding financial assets and financial liabilities under its annual plan.

SuMi TRUST Holdings monitors risks associated with the group-wide financial assets and liabilities.

SuMi TRUST Bank monitors its respective risks while implementing comprehensive Asset-Liability Management (ALM). Meanwhile, SuMi TRUST Bank conducts derivatives transactions to control the market risk and other risks arising from its assets and liabilities within the level commensurate with its financial capacity. SuMi TRUST Bank is also engaged in trading securities and derivatives through trading accounts ("Trading Accounts") that are segregated from other accounts ("Banking Accounts") in accordance with Article 13-6-3 of the Ordinance for Enforcement of the Banking Act. Some consolidated subsidiaries are also engaged in trading securities.

(2) Description and Risks of Financial Instruments

1) Trading accounts

SuMi TRUST Bank Group deals with over-the-counter (OTC) and listed derivatives transactions related to interest rates, exchange rates, bonds, credits, and commodities as well as trading securities. These derivatives transactions are exposed to risks associated with fluctuation in interest rates, exchange rates, prices, credit risks, and other risks.

2) Banking accounts

Financial assets of SuMi TRUST Bank Group are primarily loans to corporations and individuals in Japan and such assets are exposed to credit risks arising from default on contracts by customers.

Securities mainly consist of stocks and bonds that are held to maturity, as strategic investments, and for business development. These securities are exposed to issuers' credit risks, and risks associated with fluctuation in interest rates and market prices.

Deposits from individuals and corporations, borrowed money, and bonds payable are exposed to liquidity risks as becoming insolvent at their maturities, such as being out of markets under certain circumstances.

SuMi TRUST Bank Group deals with OTC and listed derivatives transactions related to interest rates, exchange rates, stocks, bonds, and credits for avoiding market risks.

To reduce interest rate risk, a major risk, SuMi TRUST Bank Group comprehensively manages various financial assets and liabilities, such as loans and bills discounted and deposits, by categorizing them based on characteristics of their interest rate risks, and applies hedge accounting to hedge such risk using interest rate swaps designated as hedging instruments. The hedge accounting is applied to some assets and liabilities by individual transaction.

To mitigate the exchange rate risk arising from various financial assets and liabilities of SuMi TRUST Bank denominated in foreign currencies, hedge accounting is applied to the exchange rate risk of foreign currency assets and liabilities designated as hedged items, using currency swaps and foreign exchange swaps designated as hedging instruments.

The details of hedge accounting are described in "Significant Accounting Policies and Practices."

(3) Risk Management for Financial Instruments

SuMi TRUST Bank Group considers that the basis of group-wide risk management is to ensure the effectiveness of PDCA (Plan, Do, Check, Action) cycles for each risk category according to the "Risk Management Policy" established by the board of directors.

The risk management framework of each risk category is as follows:

1) Credit risk management

Credit risk is the risk of financial loss of SuMi TRUST Bank Group when a customer or counterparty fails to meet its contractual obligations, and such risk is generated from claims, mainly loans, bills discounted, and securities. Credit risk is the most basic financial risk related to a credit creating function. SuMi TRUST Bank Group continuously diversifies its credit portfolios and builds up a stronger customer base by expanding its credit risk management framework further, and by meeting a new and sound demand for credit.

(a) Risk management policy on credit risk

The basic policy of SuMi TRUST Bank Group on credit risk management calls for "a diversified credit portfolio" and "strict management for individual credits."

For the former, SuMi TRUST Bank Group manages credit exposures of each customer based on its limited credit

amount, and periodically reviews impacts of identified risks to large customers and concentration in industry sectors, including the measurement of the credit risk. SuMi TRUST Bank Group makes efforts to mitigate credit concentration risk on a country-by-country basis by managing the diversification of the overall credit portfolio.

For the latter, SuMi TRUST Bank Group manages individual credits through processes such as credit screening, self-assessment, and internal credit ratings. Credit ratings indicate the credit status of customers and the possibility of defaults on a scale, and provide the basis for credit screening of individual transactions and credit portfolio management. SuMi TRUST Bank Group continuously evaluates solvency and collectability of credits based on the analysis, for instance the customer's financial condition, cash flows, and earning capacity through the self-assessment.

(b) Risk management framework for credit risk

In SuMi TRUST Bank, the board of directors decides on important matters related to credit risk management when developing management plans. The board of directors also decides on credit strategy and economic capital allocation plans, and approves the "Self-Assessment Rules" based on reports on credit risk management, including asset-assessment management, to ensure the soundness of the assets. As for screening and credit management of each case, the Global Credit Supervision Department is segregated from branches as part of a check-and-balance system. Furthermore, the Research Department evaluates credit risks by implementing internal credit ratings based on industry research and credit analysis of individual companies along with performing quantitative analysis from a neutral standpoint. SuMi TRUST Bank periodically holds a meeting of the Executive Committee and Credit Risk Committee to deliberate on material matters of controlling and managing credit risks. SuMi TRUST Bank has built up an appropriate management framework for risk management through the check-and-balance function, the committees' discussions, and the validation of the credit risk management and operation by the Risk Management Department.

2) Market risk management

Market risk is the risk of financial loss of SuMi TRUST Bank Group through changes in income and value of assets and liabilities held, including off-balance items, due to fluctuations in various market risk factors, such as interest rates, exchange rates, equity prices, commodity prices, and credit spreads.

(a) Risk management policy on market risk

In managing market risk, SuMi TRUST Bank Group ensures

the soundness of its business by appropriately controlling risks, and strives to secure reasonable profits which correspond to strategic goals, the scale and nature of its operations, and risk profiles through an advanced risk management framework.

(b) Risk management framework for market risk

With regard to market risk, SuMi TRUST Bank Group maintains a basic policy for setting and controlling various risk limits and segregation of organizations related to market risk under its Rules for Risk Management. The practical application of the basic policy is stated in the Rules for Market Risk Management. Divisions that execute transactions (the front office) are clearly segregated from divisions that process transactions (the back office) for independent check purposes, and the Risk Management Department, which is independent from both of the front and back offices, centrally manages market risk. This department identifies and analyzes group-wide risk, tracks adherence to risk limits, and reports to respective directors in charge on a daily basis and to the board of directors periodically.

In SuMi TRUST Bank, the board of directors resolves ALM basic plans and risk management plans as important matters related to market risk under management plans. The ALM Committee resolves basic matters of ALM basic plans and risk management plans related to market risk regarding company-wide comprehensive risk management for assets and liabilities.

In SuMi TRUST Bank, the Risk Management Department is responsible for planning and implementing market risk management. The role of the Risk Management Department includes measuring risk levels and profits or losses and monitoring the status of market risk managed under ALM basic plans and the status of compliance with risk limits. The department reports its findings to the members of the ALM Committee on a daily basis, and to the ALM Committee as well as the board of directors periodically.

(c) Market risk management approach

SuMi TRUST Bank Group uses Value at Risk ("VaR") to measure market risk exposures. VaR uses historical market fluctuation to statistically predict the maximum expected losses under specific conditions. Based on an internal model developed by SuMi TRUST Bank Group, SuMi TRUST Bank manages market risks by measuring VaR, calculating various risk management indicators, and carrying out various simulations.

VaR based on the internally developed model is calculated basically using the historical simulation method. Market risk can be classified into categories, such as interest rate risk, stock price risk, exchange rate risk, and others according to

its characteristics. SuMi TRUST Bank calculates market risk by simply adding up the risks of all categories without considering the correlation among these categories.

(d) Quantitative information related to market risk

(i) Trading accounts

SuMi TRUST Bank Group uses VaR for managing risks associated with trading securities and some currency and interest-related derivatives transactions held in the Trading Accounts. The VaR model used is primarily based on the historical simulation method (with a holding period of 10 business days, confidence interval of 99%, and observation period of 1,300 business days).

As of March 31, 2022, the total amount of market risk (estimated potential loss) of financial instruments held by SuMi TRUST Bank Group in the Trading Accounts was ¥8.6 billion (U.S. \$70 million).

SuMi TRUST Bank Group performs back testing that compares the results of VaR calculations based on its internal model with actual profits or losses. The back testing for the fiscal year ended March 31, 2022, resulted in zero instances where actual losses were in excess of VaR; therefore, SuMi TRUST Bank Group considers that the measurement model properly captures market risk with sufficient accuracy. However, as VaR measures the amount of market risk under certain probabilities statistically calculated based on the past volatility, it may not properly capture those risks under extreme market movements.

(ii) Banking accounts

SuMi TRUST Bank Group uses VaR for managing risks associated with financial assets and liabilities held in the Banking Accounts. The historical simulation method is the primary measurement method (with a holding period of a maximum of one year according to a position; confidence interval of 99%; and observation period of 1,300 business days).

As of March 31, 2022, the total amount of market risk (estimated potential loss) of financial instruments held by SuMi TRUST Bank Group in the Banking Account was ¥736.4 billion (U.S. \$6,017 million).

SuMi TRUST Bank Group performs back testing on certain positions held in the "Banking Accounts" that compares the results of VaR calculations based on its internal model with actual profits or losses regarding financial assets and liabilities subject to measurement. SuMi TRUST Bank Group considers that the measurement model properly captures market risk with sufficient accuracy. However, as VaR measures the amount of market risk under certain probabilities statistically calculated based on past volatility in the market, it may not properly capture those risks under extreme market movements.

3) Funding liquidity risk management

Funding liquidity risk is the risks of financial loss to SuMi TRUST Bank Group when the Group fails to raise necessary funds or is forced to raise funds at significantly higher rates.

(a) Funding liquidity risk management policy

With regard to funding liquidity risk, SuMi TRUST Bank Group designs and implements a policy to build up a risk management framework for funding liquidity risk, recognizing that financial difficulties due to exposure to such risks could possibly lead SuMi TRUST Bank Group directly to bankruptcy under certain circumstances.

(b) Funding liquidity risk management framework and methods

Funding liquidity risk management departments determine the extent of SuMi TRUST Bank Group's cash crunch appropriately in cooperation with the liquidity management departments, while gathering and analyzing information related to both the internal environment, such as SuMi TRUST Bank Group's risk profiles, and external environment, such as economic circumstances or market conditions, based on the risk management plan approved by the board of directors semiannually.

To reduce funding liquidity risks, the liquidity management departments manage cash flow within the predetermined appropriate limits, and the liquidity management departments monitor its compliance.

(4) Supplementary Explanation Concerning Fair Value of Financial Instruments

Fair value of financial instruments is based on quoted prices in markets. If a quoted price is not available, a reasonably calculated amount is used as fair value. Calculation of such amounts involves certain assumptions and may vary when different assumptions are employed.

2. Fair Values of Financial Instruments and Breakdown by Input Level

The carrying amounts on the consolidated balance sheets, fair values of financial instruments as well as the differences between the carrying amounts on the consolidated balance sheets and fair values, and fair values by input level are presented below.

The amounts shown in the following table do not include investment trusts for which transitional treatments are applied in accordance with Paragraph 26 of "Implementation Guidance on Accounting Standard for Fair Value Measurement" (ASBJ Guidance No.31, July 4, 2019, "Guidance for Application of Fair Value Measurement"), equity securities with no market prices, and investments in partnerships for which transitional

treatments are applied in accordance with Paragraph 27 of Guidance for Application of Fair Value Measurement (See (1) (*1) and Note 3).

The fair values of financial instruments are classified into the following three levels depending on the observability and significance of the input used in the fair value measurement.

Level 1: Fair value determined based on the (unadjusted) quoted price in an active market for the same asset or liability

Level 2: Fair value determined based on directly or indirectly observable inputs other than Level 1 inputs

Level 3: Fair value determined based on significant unobservable inputs

If multiple inputs with a significant impact are used for the fair value measurement of a financial instrument, the financial instrument is classified to the lowest priority level of fair value measurement in which each input belongs to.

(1) Financial assets and liabilities at fair value on the consolidated balance sheets

	Millions of Yen				Millions of U.S. Dollars			
	Mar. 31, 2022				Mar. 31, 2022			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Monetary Claims Bought	¥ —	¥ 128,794	¥ —	¥ 128,794	\$ —	\$ 1,052	\$ —	\$ 1,052
Trading Assets								
Trading Securities	4,908	7,909	—	12,817	40	65	—	105
Money Held in Trust	1,295	—	—	1,295	11	—	—	11
Securities								
Available-for-Sale Securities	4,493,704	1,789,540	2,130	6,285,375	36,719	14,623	17	51,359
Stocks	1,209,310	—	—	1,209,310	9,882	—	—	9,882
Bonds	2,722,035	747,409	2,130	3,471,575	22,242	6,107	17	28,367
Government Bonds	2,722,035	—	—	2,722,035	22,242	—	—	22,242
Local Government Bonds	—	33,919	—	33,919	—	277	—	277
Short-Term Bonds Payable	—	—	—	—	—	—	—	—
Corporate Bonds	—	713,489	2,130	715,620	—	5,830	17	5,848
Other Securities	562,358	1,042,130	—	1,604,489	4,595	8,516	—	13,111
Foreign Stocks	4,793	—	—	4,793	39	—	—	39
Foreign Bonds	556,467	1,042,130	—	1,598,598	4,547	8,516	—	13,063
Others	1,097	—	—	1,097	9	—	—	9
Total Assets	¥ 4,499,908	¥ 1,926,244	¥ 2,130	¥ 6,428,283	\$ 36,770	\$ 15,740	\$ 17	\$ 52,527
Derivative Transactions (*2)(*3)(*4)								
Interest Rate Related Transactions	¥ 828	¥ (83,990)	¥ 1,173	¥ (81,988)	\$ 7	\$ (686)	\$ 10	\$ (670)
Currency Related Transactions	—	56,484	—	56,484	—	462	—	462
Stock Related Transactions	(1,098)	—	—	(1,098)	(9)	—	—	(9)
Bond-Related Transactions	6,256	47	—	6,303	51	0	—	52
Credit and Derivative Transactions	—	(2,319)	—	(2,319)	—	(19)	—	(19)
Total Derivative Transactions	¥ 5,985	¥ (29,778)	¥ 1,173	¥ (22,619)	\$ 49	\$ (243)	\$ 10	\$ (185)

(*1) The amounts of investment trusts for which transitional treatments are applied in accordance with Paragraph 26 of the Guidance for Application of Fair Value Measurement are not included in the table above. The amount of such investment trusts on the consolidated balance sheets includes financial assets of ¥855,840 million (U.S. \$6,993 million) as of March 31, 2022.

(*2) Derivative transactions recorded in Trading Assets and Trading Liabilities or in Other Assets and Other Liabilities are presented collectively. Receivables and payables arising from derivative transactions are presented on a net basis. Negative figures represent a liability balance after netting.

(*3) As for derivative transactions applying hedge accounting, ¥(173,870) million (U.S. \$(1,421) million) is recorded on the consolidated balance sheets as of March 31, 2022.

(*4) Derivative transactions qualifying for hedge accounting include interest rate swaps designated as hedging instruments to fix cash flows of hedged items such as loans and bills discounted, and deferred hedges have been adopted, in principle. In addition, "Practical Solution on the Treatment of Hedge Accounting for Financial Instruments that Reference LIBOR" (ASBJ PITF No. 40, March 17, 2022) has been adopted to these hedge transactions.

	Millions of Yen
	Mar. 31, 2021
	Consolidated Balance Sheet Amount
Monetary Claims Bought	¥ 115,222
Trading Assets	
Trading Securities	44,521
Money Held in Trust	1,265
Securities	
Available-for-Sale Securities	5,345,226
Total Assets	¥ 5,506,236
Derivative Transactions (*2)(*3)(*4)	
Interest Rate Related Transactions	(53,835)
Currency Related Transactions	79,351
Stock Related Transactions	(20)
Bond-Related Transactions	(359)
Credit and Derivative Transactions	(469)
Total Derivative Transactions	¥ 24,666

(*1) The amounts of investment trusts for which transitional treatments are applied in accordance with Paragraph 26 of the Guidance for Application of Fair Value Measurement are not included in the table above. The amount of such investment trusts on the consolidated balance sheets includes financial assets of ¥934,770 million as of March 31, 2021.

(*2) Derivative transactions recorded in Trading Assets and Trading Liabilities or in Other Assets and Other Liabilities are presented collectively. Receivables and payables arising from derivative transactions are presented on a net basis. Negative figures represent a liability balance after netting.

(*3) As for derivative transactions applying hedge accounting, ¥(126,094) million is recorded on the consolidated balance sheets as of March 31, 2021.

(*4) Derivative transactions qualifying for hedge accounting include interest rate swaps designated as hedging instruments to fix cash flows of hedged items such as loans and bills discounted, and deferred hedges have been adopted, in principle. In addition, "Practical Solution on the Treatment of Hedge Accounting for Financial Instruments that Reference LIBOR" (ASBJ PITF No. 40, March 17, 2022) has been adopted to these hedge transactions.

(2) Financial assets and liabilities which are not stated at fair value on the consolidated balance sheets

Cash and Due from Banks, Call Loans and Bills Bought, Receivables under Resale Agreements and Receivables under Securities Borrowing Transactions, Foreign Exchanges, Call Money and Bills Sold, Payables under Repurchase Agreements, Short-Term Bonds Payables, and Borrowed Money from Trust Account are not included in the following tables because most of such transactions have short contractual terms (one year or less) and the carrying amounts approximate fair value.

	Millions of Yen						
	Mar. 31, 2022						
	Level 1	Level 2	Level 3	Total	Consolidated balance sheet amount	Difference	
Monetary Claims Bought (*)	¥ —	¥ 46,091	¥ 679,295	¥ 725,386	¥ 724,950	¥ 436	
Securities							
Held-to-Maturity Securities	130,800	74,210	—	205,011	191,999	13,012	
Government Bonds	130,800	—	—	130,800	117,652	13,148	
Local Government Bonds	—	—	—	—	—	—	
Short-Term Bonds Payable	—	—	—	—	—	—	
Corporate Bonds	—	14,674	—	14,674	14,400	274	
Other Securities	—	59,536	—	59,536	59,947	(410)	
Foreign Bonds	—	59,536	—	59,536	59,947	(410)	
Others	—	—	—	—	—	—	
Loans and Bills Discounted					30,876,507		
Allowance for Loan Losses (*)					(147,884)		
	—	—	30,940,603	30,940,603	30,728,623	211,980	
Lease Receivables and Investment Assets (*)	—	—	696,544	696,544	681,554	14,990	
Total Assets	¥ 130,800	¥ 120,302	¥ 32,316,443	¥ 32,567,547	¥ 32,327,128	¥ 240,419	
Deposits	¥ —	¥ 33,286,909	¥ —	¥ 33,286,909	¥ 33,271,789	¥ 15,119	
Negotiable Certificates of Deposit	—	6,691,944	—	6,691,944	6,691,944	—	
Borrowed Money	—	7,763,328	—	7,763,328	7,783,498	(20,169)	
Bonds Payable	—	1,412,698	—	1,412,698	1,446,604	(33,905)	
Total Liabilities	¥ —	¥ 49,154,881	¥ —	¥ 49,154,881	¥ 49,193,836	¥ (38,955)	

(*) General allowances and specific allowances for loan losses are deducted from Loans and Bills Discounted. The allowance for credit losses on Monetary Claims Bought, and Lease Receivables and Investment Assets is directly deducted from the carrying amounts on the consolidated balance sheets, because the balance of the allowance is immaterial.

	Millions of Yen			
	Mar. 31, 2021			
	Consolidated Balance Sheet Amount	Fair Value	Difference	
Monetary Claims Bought(*)	¥ 776,439	¥ 777,239	¥ 800	
Securities				
Held-to-Maturity Securities	275,820	292,071	16,250	
Loans and Bills Discounted	30,506,968			
Allowance for Loan Losses (*)	(115,198)			
	30,391,769	30,702,437	310,668	
Lease Receivables and Investment Assets(*)	689,262	699,669	10,406	
Total Assets	¥ 32,133,292	¥ 32,471,417	¥ 338,125	
Deposits	33,494,433	33,513,238	18,804	
Negotiable Certificates of Deposit	7,324,594	7,324,594	—	
Borrowed Money	6,392,602	6,401,948	9,346	
Bonds Payable	935,605	943,894	8,288	
Total Liabilities	¥ 48,147,237	¥ 48,183,676	¥ 36,439	

(*) General allowances and specific allowances for loan losses are deducted from Loans and Bills Discounted. The allowance for credit losses on Monetary Claims Bought, and Lease Receivables and Investment Assets is directly deducted from the carrying amounts on the consolidated balance sheets, because the balance of the allowance is immaterial.

	Millions of U.S. Dollars					
	Mar. 31, 2022					
	Level 1	Level 2	Level 3	Total	Consolidated balance sheet amount	Difference
Monetary Claims Bought (*)	\$ —	\$ 377	\$ 5,551	\$ 5,927	\$ 5,924	\$ 4
Securities						
Held-to-Maturity Securities	1,069	606	—	1,675	1,569	106
Government Bonds	1,069	—	—	1,069	961	107
Local Government Bonds	—	—	—	—	—	—
Short-Term Bonds Payable	—	—	—	—	—	—
Corporate Bonds	—	120	—	120	118	2
Other Securities	—	486	—	486	490	(3)
Foreign Bonds	—	486	—	486	490	(3)
Others	—	—	—	—	—	—
Loans and Bills Discounted					252,300	
Allowance for Loan Losses (*)					(1,208)	
	—	—	252,824	252,824	251,092	1,732
Lease Receivables and Investment Assets (*)	—	—	5,692	5,692	5,569	122
Total Assets	\$ 1,069	\$ 983	\$ 264,066	\$ 266,118	\$ 264,154	\$ 1,965
Deposits	\$ —	\$ 271,996	\$ —	\$ 271,996	\$ 271,873	\$ 124
Negotiable Certificates of Deposit	—	54,682	—	54,682	54,682	—
Borrowed Money	—	63,436	—	63,436	63,601	(165)
Bonds Payable	—	11,544	—	11,544	11,821	(277)
Total Liabilities	\$ —	\$ 401,658	\$ —	\$ 401,658	\$ 401,976	\$ (318)

(*) General allowances and specific allowances for loan losses are deducted from Loans and Bills Discounted. The allowance for credit losses on Monetary Claims Bought, and Lease Receivables and Investment Assets is directly deducted from the carrying amounts on the consolidated balance sheets, because the balance of the allowance is immaterial.

(Note 1) Description of the Valuation techniques and inputs used to measure fair values

Monetary Claims Bought

Among monetary claims bought, securitized products are stated at reasonably calculated prices, which are equivalent to market prices, such as counterparties' quoted prices or dealer/broker-quoted prices, and are classified into Level 3 if those prices are comprised of significant unobservable inputs, and classified into Level 2 otherwise. Fair values for all other monetary claims bought are principally calculated in the same manner as Loans and Bills Discounted and mainly classified into Level 3.

Trading Assets

Bonds and other securities held for trading purposes whose fair values are stated at dealer association prices or counterparties' quoted prices are classified into Level 1 or Level 2 depending on the level of market activity. Others whose fair values are calculated by discounting future cash flows to their present values using observable inputs, are classified into Level 2.

Money Held in Trust

Securities managed as trust assets in money held in trust, which are individually managed with the principal objective of securities portfolio management, are stated at quoted market prices or dealer/broker-quoted prices and mainly classified into Level 1 depending on the level of the components.

Notes regarding money held in trust by holding purpose are presented under the "Money Held in Trust" section.

Securities

Listed stocks are stated at quoted market prices and mainly classified into Level 1 depending on the level of market activity.

Bonds are stated at quoted market prices announced in exchange traded transactions, over-the-counter transactions, and others, and classified into Level 1 if they are traded in an active market. If the market is not active, even though bonds are stated at quoted market prices, they are classified into Level 2. Bonds stated at prices obtained from a third party, such as pricing services and dealers/brokers, are

classified into Level 3 if those prices are comprised of significant unobservable inputs, and classified into Level 2 otherwise. Fair values of certain bonds are calculated by classifying them according to their internal ratings and maturities, and discounting the aggregate principal and interest by the discount rate which takes into account risk factors, including credit risks. If the discount rate is a significant unobservable input, the fair values of the bonds are classified into Level 3, otherwise Level 2.

Loans and Bills Discounted

Fair values of loans and bills discounted are calculated by grouping loans according to loan terms, internal ratings, and maturities; and discounting the aggregate principal and interest by the discount rate which takes into account risk factors, including credit risks. However, floating-rate loans for which their carrying amounts are deemed to approximate fair value, due to the nature of the loan or the borrower's credit situation subsequent to the execution of the loans, are stated at their carrying amounts. For claims executed to borrowers who went into legal bankruptcy, virtual bankruptcy, and possible bankruptcy, estimated loan losses are calculated based on the present value of estimated future cash flows or the expected recoverable amounts from collateral or guarantees. Therefore, fair values for these claims are stated at the amounts by deducting the allowance for loan losses from the amounts in the consolidated balance sheets at the consolidated balance sheet date, because such deducted amounts approximate fair value. Loans without stated maturities (as the amount of credit is limited to the value of the collateral or due to some other special characteristics) are stated at their carrying amounts as the carrying amounts are deemed to approximate the fair value because of the expected repayment periods and the interest terms. These fair values are classified into Level 3.

Lease Receivables and Investment Assets

Fair values of lease receivables and investment assets are calculated by grouping these assets according to the types of receivables, internal ratings, maturities, and others, and discounting the aggregate principal and interest by the discount rate which takes into account risk factors, including credit risks. These fair values are classified into Level 3.

Deposits and Negotiable Certificates of Deposit

Demand deposits are stated at the amount that would have to be paid on demand at the consolidated balance sheet date (carrying amount). Time deposits with a fixed rate are grouped by product type and stated at the present value of their future cash flows discounted by the rates that would be newly used on the same type of deposits. Floating-rate time deposits and fixed-rate time deposits with short maturities (one year or less) are stated at their carrying amounts because the carrying amounts approximate the fair value. These fair values are classified into Level 2.

Borrowed Money

Borrowed money at floating rates is stated at their carrying amounts. The carrying amounts are deemed to approximate fair value because such amounts reflect short-term market interest rates, and there have been no significant changes in credit condition subsequent to undertaking the borrowed money. Fair values of borrowed money at fixed rates are calculated by discounting their future cash flows by the assumed interest rate on similar borrowings. Fair values for obligations with short maturities (one year or less) are stated at their carrying amounts because they approximate fair value. These fair values are classified into Level 2.

Bonds Payable

Bonds issued by SuMi TRUST Bank and its consolidated subsidiaries are stated at market prices, if such prices are

available. Fair values for other bonds are calculated by discounting future cash flows to their present values by the assumed interest rate on issuance of similar bonds. These fair values are classified into Level 2.

Derivative transactions

The fair values of listed derivatives, including interest rates, bonds, currencies, and stocks, are classified into Level 1 as these amounts are measured using the liquidation price quoted by exchanges, given that the liquidation price represents the latest transaction price, and the unadjusted quoted price in an active market can be used.

The fair values of over-the-counter derivative transactions, including embedded derivatives separated from the host contract and accounted for as a derivative, in other words, derivatives other than listed derivatives, are, in principle, measured by a valuation method, including the following: the present value of the estimated future cash flows and the option valuation model, which use inputs such as observable interest rate and exchange rate. The fair values of these transactions take into account credit risks of the counterparties and SuMi TRUST Bank. The valuation models applied in certain transactions utilize unobservable inputs in markets, such as correlations in the past. Over-the-counter derivative transactions are classified into Level 2 if observable inputs are used or the impact of unobservable inputs to the fair values is not significant. If the impact of unobservable inputs to the fair values is significant, they are classified into Level 3.

(Note 2) Quantitative information about financial assets and liabilities measured and stated on the consolidated balance sheets at fair value and classified into Level 3

(1) Quantitative information on significant unobservable inputs

	Valuation technique	Significant unobservable inputs	Range
Securities			
Corporate Bonds	Discounted present value method	Discount Rate	1.2%
Derivative Transactions			
Interest Rate Related Transactions	Option valuation model	Correlation between interest rate and foreign exchange rate	(47.4)% - (9.3)%
		Correlation between interest rates	10.3%

(2) Reconciliation between the beginning and ending balances, and net unrealized gains (losses) recognized in the profit or loss in the year

Reconciliation between the beginning and ending balances, and net unrealized gains (losses) recognized in the profit or loss in the fiscal year ended March 31, 2022, are as follows:

	Millions of Yen							
	Mar. 31, 2022							
	Beginning balance	Profit or losses for the period (*1)	Other comprehensive income (*2)	Net amount of purchase, issuance, sale, and settlement	Transfer to Level 3 (*3)	Transfer from Level 3 (*3)	Ending balance	Net unrealized gains (losses) on financial assets and liabilities held at consolidated balance sheet date recognized in profit or losses of the period (*1)
Securities	¥ 813	¥ —	¥ (12)	¥ (52)	¥ 1,381	¥ —	¥ 2,130	¥ —
Derivative Transactions (Interest Rate Related Transactions) (*4)	(273)	1,449	—	(1)	—	—	1,173	1,249

	Millions of U.S. Dollars							
	Mar. 31, 2022							
	Beginning balance	Profit or losses for the period (*1)	Other comprehensive income (*2)	Net amount of purchase, issuance, sale, and settlement	Transfer to Level 3 (*3)	Transfer from Level 3 (*3)	Ending balance	Net unrealized gains (losses) on financial assets and liabilities held at consolidated balance sheet date recognized in profit or losses of the period (*1)
Securities	\$ 7	\$ —	\$ (0)	\$ (0)	\$ 11	\$ —	\$ 17	\$ —
Derivative Transactions (Interest Rate Related Transactions) (*4)	(2)	12	—	(0)	—	—	10	10

(*1) The amounts shown in the table above are included in "Trading Income" in the consolidated statements of income.

(*2) The amounts shown in the table above are included in "Valuation Differences on Available-for-Sale Securities" under "Other Comprehensive Income (Loss)" in the consolidated statements of comprehensive income.

(*3) The amounts of transfer from or to Level 3 are relevant to the changes in the observability of the inputs. The transfer was made at the end of the fiscal year.

(*4) Derivative transactions recorded in "Trading Assets" and "Trading Liabilities" or in "Other Assets" and "Other Liabilities" are presented collectively. Receivables and payables arising from derivative transactions are presented on a net basis. Negative figures represent a liability balance after netting.

(3) Description of the fair value valuation process

At the SuMi TRUST Bank Group, the middle division creates policies and procedures for the calculation of fair values and procedures for the use of fair value valuation models, and based on them, the front and middle divisions collaboratively establish the fair value valuation model. In addition, the middle and other divisions verify the reasonableness of the valuation methods and the inputs used, and the appropriateness of the classification of the fair value level.

For the calculation of the fair value, the valuation model,

which represents the nature, characteristics, and risks of each asset in the most appropriate manner, is utilized. Moreover, if quoted prices obtained from third parties are used, those prices are verified using an appropriate method, such as the review of the valuation method and the inputs used and comparison with the fair values of similar financial instruments.

(4) Description of the sensitivity of the fair value to changes in significant unobservable inputs

Discount Rate

The discount rate is determined for each financial asset and calculated based on the risk-free rate that incorporates other risk factors such as credit risk. A significant increase (decrease) in the discount rate would generally result in a significant decrease (increase) in the fair value.

Correlation

Correlation is an indicator of the relation of changes between variables such as interest rate and exchange rate. Correlation is used in the valuation technique of complex derivatives, and estimated based on historical results. A significant change in correlation would generally result in a significant increase or decrease in a fair value according to the nature and contractual terms and conditions of the financial instrument.

(Note 3) Consolidated balance sheet amounts of equity securities with no market prices, etc. and investments in partnership, etc. are as follows. These amounts are not included in "Securities" stated on the tables disclosed in "Fair Values of Financial Instruments and Breakdown by Input Level."

	Millions of Yen	Millions of Yen	Millions of U.S. Dollars
	Mar. 31, 2022	Mar. 31, 2021	Mar. 31, 2022
Equity Securities with No Market Prices, etc. (*1)(*3)	¥ 79,506	¥ 64,237	\$ 710
Investments in Partnership, etc. (*2)	174,373	123,514	1,558

(*1) Unlisted stocks are included in "Equity securities with no market prices, etc." and their fair values are not disclosed in accordance with Paragraph 5 of "Implementation Guidance on Disclosures about Fair Value of Financial Instruments" (ASBJ Guidance No.19, March 31, 2020).

(*2) "Investments in partnership, etc." mainly include silent partnerships and investment partnerships. These fair values are not disclosed in accordance with Paragraph 27 of Guidance for Application of Fair Value Measurement.

(*3) Impairment losses of ¥334 million (U.S. \$3 million) and ¥352 million were recognized against Unlisted Stocks and others as of March 31, 2022 and 2021, respectively.

(Note4) Redemption Schedule of Monetary Claims and Securities with Maturity after March 31, 2022 and 2021

	Millions of Yen					
March 31, 2022	Within 1 Year	1 to 3 Years	3 to 5 Years	5 to 7 Years	7 to 10 Years	More Than 10 Years
Due from Banks	¥ 18,066,966	¥ —	¥ —	¥ —	¥ —	¥ —
Call Loans and Bills Bought	5,000	—	—	—	—	—
Receivables under Resale Agreements	150,741	—	—	—	—	—
Receivables under Securities Borrowing Transactions	652,534	—	—	—	—	—
Monetary Claims Bought (*1)	708,547	29,605	6,268	1,668	1,439	106,099
Money Held in Trust	—	1,395	—	—	—	—
Securities	2,456,707	1,088,284	907,993	351,704	403,077	796,255
Held-to-Maturity Debt Securities	—	60	5,488	40,000	67,342	76,516
Government Bonds	—	60	—	40,000	60,000	15,000
Corporate Bonds	—	—	—	—	—	14,400
Available-for-Sale Securities with Maturity	2,456,707	1,088,224	902,505	311,704	335,734	719,739
Government Bonds	1,724,226	326,810	470,000	—	—	215,000
Local Government Bonds	1,200	4,546	10,630	1,136	16,619	—
Corporate Bonds	82,432	169,628	266,125	101,575	50,954	43,485
Loans and Bills Discounted (*2)	4,668,279	6,302,563	4,367,845	2,571,144	2,374,408	8,087,545
Lease Receivables and Investment Assets (*3)	166,497	243,502	146,501	53,097	45,085	10,713
Total	¥ 26,875,275	¥ 7,665,352	¥ 5,428,609	¥ 2,977,614	¥ 2,824,011	¥ 9,000,615

March 31, 2021	Millions of Yen					
	Within 1 Year	1 to 3 Years	3 to 5 Years	5 to 7 Years	7 to 10 Years	More Than 10 Years
Due from Banks	¥ 18,356,807	¥ 650	¥ —	¥ —	¥ —	¥ —
Call Loans and Bills Bought	8,766	—	—	—	—	—
Receivables under Resale Agreements	160,268	—	—	—	—	—
Receivables under Securities Borrowing Transactions	727,689	—	—	—	—	—
Monetary Claims Bought (*1)	717,328	68,538	15,193	3,921	1,867	84,853
Money Held in Trust	—	1,265	100	—	—	—
Securities	1,396,910	951,154	1,003,626	541,985	288,731	848,057
Held-to-Maturity Debt Securities	—	—	5,051	20,000	60,000	187,738
Government Bonds	—	—	—	20,000	60,000	35,000
Corporate Bonds	—	—	—	—	—	23,400
Available-for-Sale Securities with Maturity	1,396,910	951,154	998,574	521,985	228,731	660,318
Government Bonds	927,273	200,000	380,000	—	—	135,000
Local Government Bonds	—	1,675	8,008	3,496	10,521	—
Corporate Bonds	31,639	218,289	218,724	110,577	30,485	64,084
Loans and Bills Discounted (*2)	4,636,130	5,814,658	4,667,574	2,613,581	2,485,048	7,811,836
Lease Receivables and Investment Assets (*3)	163,457	243,838	154,218	54,721	47,522	11,172
Total	¥ 26,167,359	¥ 7,080,106	¥ 5,840,713	¥ 3,214,208	¥ 2,823,169	¥ 8,755,919

March 31, 2022	Millions of U.S. Dollars					
	Within 1 Year	1 to 3 Years	3 to 5 Years	5 to 7 Years	7 to 10 Years	More Than 10 Years
Due from Banks	\$ 147,630	\$ —	\$ —	\$ —	\$ —	\$ —
Call Loans and Bills Bought	41	—	—	—	—	—
Receivables under Resale Agreements	1,232	—	—	—	—	—
Receivables under Securities Borrowing Transactions	5,332	—	—	—	—	—
Monetary Claims Bought (*1)	5,790	242	51	14	12	867
Money Held in Trust	—	11	—	—	—	—
Securities	20,074	8,893	7,419	2,874	3,294	6,506
Held-to-Maturity Debt Securities	—	0	45	327	550	625
Government Bonds	—	0	—	327	490	123
Corporate Bonds	—	—	—	—	—	118
Available-for-Sale Securities with Maturity	20,074	8,892	7,375	2,547	2,743	5,881
Government Bonds	14,089	2,670	3,840	—	—	1,757
Local Government Bonds	10	37	87	9	136	—
Corporate Bonds	674	1,386	2,175	830	416	355
Loans and Bills Discounted (*2)	38,146	51,500	35,691	21,010	19,402	66,086
Lease Receivables and Investment Assets (*3)	1,360	1,990	1,197	434	368	88
Total	\$ 219,605	\$ 62,636	\$ 44,359	\$ 24,331	\$ 23,076	\$ 73,546

(*1) The balances exclude Monetary Claims Bought for borrowers who went into legal bankruptcy, virtual bankruptcy, and possible bankruptcy that are not expected to be collected, amounting to ¥24 million (U.S. \$0.2 million) and ¥58 million as of March 31, 2022 and 2021, respectively.

(*2) The balances exclude Loans and Bills Discounted for borrowers who went into legal bankruptcy, virtual bankruptcy, and possible bankruptcy that are not expected to be collected, amounting to ¥142,058 million (U.S. \$1,161 million) and ¥76,509 million, and those without maturity, amounting to ¥2,362,662 million (U.S. \$19,306 million) and ¥2,401,629 million as of March 31, 2022 and 2021, respectively.

(*3) The balances exclude Lease Receivables and Investment Assets for borrowers who went into legal bankruptcy, virtual bankruptcy, and possible bankruptcy that are not expected to be collected, amounting to ¥678 million (U.S. \$6 million) and ¥549 million, and the sum of guaranteed residual values by lessee and estimated salvage values, amounting to ¥22,065 million (U.S. \$180 million) and ¥19,691 million as of March 31, 2022 and 2021, respectively.

(Note 5) Repayment Schedule of Bonds, Borrowed Money, and Other Interest-Bearing Liabilities after March 31, 2022 and 2021

March 31, 2022	Millions of Yen					
	Within 1 Year	1 to 3 Years	3 to 5 Years	5 to 7 Years	7 to 10 Years	More Than 10 Years
Deposits (*1)	¥ 25,394,331	¥ 5,699,782	¥ 2,175,496	¥ 2,128	¥ 50	¥ —
Negotiable Certificates of Deposit	6,636,944	55,000	—	—	—	—
Call Money and Bills Sold	799,524	—	—	—	—	—
Payables under Repurchase Agreements	1,485,033	—	—	—	—	—
Borrowed Money (*2)	1,872,544	3,331,699	1,338,578	412,356	185,253	373,065
Short-Term Bonds Payable	2,388,495	—	—	—	—	—
Bonds Payable (*3)	70,000	727,495	513,355	120,000	—	—
Borrowed Money from Trust Account	4,298,827	—	—	—	—	—
Total	¥ 42,945,701	¥ 9,813,976	¥ 4,027,430	¥ 534,484	¥ 185,304	¥ 373,065

March 31, 2021	Millions of Yen					
	Within 1 Year	1 to 3 Years	3 to 5 Years	5 to 7 Years	7 to 10 Years	More Than 10 Years
Deposits (*1)	¥ 25,297,271	¥ 5,400,861	¥ 2,795,112	¥ 921	¥ 266	¥ —
Negotiable Certificates of Deposit	7,209,594	115,000	—	—	—	—
Call Money and Bills Sold	60,675	—	—	—	—	—
Payables under Repurchase Agreements	1,628,440	—	—	—	—	—
Borrowed Money (*2)	1,669,700	1,013,609	2,545,241	302,169	207,652	384,228
Short-Term Bonds Payable	2,545,546	—	—	—	—	—
Bonds Payable (*3)	50,000	479,612	207,150	173,000	10,000	—
Borrowed Money from Trust Account	4,915,208	—	—	—	—	—
Total	¥ 43,376,438	¥ 7,009,083	¥ 5,547,504	¥ 476,091	¥ 217,918	¥ 384,228

March 31, 2022	Millions of U.S. Dollars					
	Within 1 Year	1 to 3 Years	3 to 5 Years	5 to 7 Years	7 to 10 Years	More Than 10 Years
Deposits (*1)	\$ 207,504	\$ 46,574	\$ 17,777	\$ 17	\$ 0	\$ —
Negotiable Certificates of Deposit	54,232	449	—	—	—	—
Call Money and Bills Sold	6,533	—	—	—	—	—
Payables under Repurchase Agreements	12,135	—	—	—	—	—
Borrowed Money (*2)	15,301	27,224	10,938	3,369	1,514	3,048
Short-Term Bonds Payable	19,517	—	—	—	—	—
Bonds Payable (*3)	572	5,945	4,195	981	—	—
Borrowed Money from Trust Account	35,127	—	—	—	—	—
Total	\$ 350,921	\$ 80,193	\$ 32,909	\$ 4,367	\$ 1,514	\$ 3,048

(*1) The balance of demand deposits is included in "Within 1 Year." Deposits include balances of current accounts.

(*2) The balances exclude perpetual subordinated debts without maturity, amounting to ¥270,000 million (U.S. \$2,206 million) and ¥270,000 million as of March 31, 2022 and 2021, respectively.

(*3) The balances exclude perpetual subordinated bonds without maturity, amounting to ¥16,100 million (U.S. \$132 million) and ¥16,100 million as of March 31, 2022 and 2021, respectively.

Securities

In addition to the “Securities” presented in the consolidated balance sheet, the following information includes securities in trading account and short-term corporate bonds under “Trading Assets” and loan-backed trust deeds reported under “Monetary Claims Bought.”

1. Trading Securities

	Valuation Difference Reflected in the Statements of Income		
	Millions of Yen		Millions of U.S. Dollars
	2022	2021	2022
Trading Securities	¥ (33)	¥ (326)	\$ (0)

2. Held-to-Maturity Securities with Fair Value

March 31, 2022	Millions of Yen		
	Carrying Amount	Fair Value	Difference
Securities for which Fair Value Exceeds Carrying Amount			
Government Bonds	¥ 117,652	¥ 130,800	¥ 13,148
Local Government Bonds	—	—	—
Short-Term Corporate Bonds	—	—	—
Corporate Bonds	14,400	14,674	274
Other Bonds	51,464	51,586	122
Foreign Bonds	5,488	5,495	7
Others	45,976	46,091	114
Subtotal	183,517	197,061	13,544
Securities for which Fair Value Does Not Exceed Carrying Amount			
Government Bonds	¥ —	¥ —	¥ —
Local Government Bonds	—	—	—
Short-Term Corporate Bonds	—	—	—
Corporate Bonds	—	—	—
Other Bonds	54,459	54,041	(417)
Foreign Bonds	54,459	54,041	(417)
Others	—	—	—
Subtotal	54,459	54,041	(417)
Total	¥ 237,976	¥ 251,103	¥ 13,127

March 31, 2021	Millions of Yen		
	Carrying Amount	Fair Value	Difference
Securities for which Fair Value Exceeds Carrying Amount			
Government Bonds	¥ 118,030	¥ 133,748	¥ 15,717
Local Government Bonds	—	—	—
Short-Term Corporate Bonds	—	—	—
Corporate Bonds	23,400	23,788	388
Other Bonds	154,267	154,528	261
Foreign Bonds	101,870	102,016	146
Others	52,396	52,511	115
Subtotal	295,697	312,064	16,367
Securities for which Fair Value Does Not Exceed Carrying Amount			
Government Bonds	¥ —	¥ —	¥ —
Local Government Bonds	—	—	—
Short-Term Corporate Bonds	—	—	—
Corporate Bonds	—	—	—
Other Bonds	32,520	32,518	(1)
Foreign Bonds	32,520	32,518	(1)
Others	—	—	—
Subtotal	32,520	32,518	(1)
Total	¥ 328,217	¥ 344,582	¥ 16,365

March 31, 2022	Millions of U.S. Dollars		
	Carrying Amount	Fair Value	Difference
Securities for which Fair Value Exceeds Carrying Amount			
Government Bonds	\$ 961	\$ 1,069	\$ 107
Local Government Bonds	—	—	—
Short-Term Corporate Bonds	—	—	—
Corporate Bonds	118	120	2
Other Bonds	421	422	1
Foreign Bonds	45	45	0
Others	376	377	1
Subtotal	1,500	1,610	111
Securities for which Fair Value Does Not Exceed Carrying Amount			
Government Bonds	\$ —	\$ —	\$ —
Local Government Bonds	—	—	—
Short-Term Corporate Bonds	—	—	—
Corporate Bonds	—	—	—
Other Bonds	445	442	(3)
Foreign Bonds	445	442	(3)
Others	—	—	—
Subtotal	445	442	(3)
Total	\$ 1,945	\$ 2,052	\$ 107

3. Available-for-Sale Securities

March 31, 2022	Millions of Yen		
	Carrying Amount	Acquisition Cost	Difference
Securities for which Carrying Amount Exceeds Acquisition Cost			
Stocks	¥ 1,147,241	¥ 448,916	¥ 698,324
Bonds	1,583,022	1,580,317	2,704
Government Bonds	1,091,138	1,090,948	190
Local Government Bonds	3,141	3,126	15
Short-Term Corporate Bonds	—	—	—
Corporate Bonds	488,741	486,243	2,498
Other Securities	599,341	582,649	16,692
Foreign Stocks	3,971	211	3,760
Foreign Bonds	426,787	422,930	3,857
Others	168,582	159,507	9,074
Subtotal	3,329,605	2,611,884	717,720
Securities for which Carrying Amount Does Not Exceed Acquisition Cost			
Stocks	¥ 62,069	¥ 74,530	¥ (12,461)
Bonds	1,888,553	1,904,676	(16,123)
Government Bonds	1,630,897	1,645,706	(14,809)
Local Government Bonds	30,777	31,005	(227)
Short-Term Corporate Bonds	—	—	—
Corporate Bonds	226,878	227,964	(1,086)
Other Securities	1,937,534	2,206,591	(269,056)
Foreign Stocks	821	1,472	(650)
Foreign Bonds	1,171,810	1,194,570	(22,759)
Others	764,902	1,010,548	(245,646)
Subtotal	3,888,157	4,185,798	(297,640)
Total	¥ 7,217,762	¥ 6,797,682	¥ 420,079

March 31, 2021	Millions of Yen		
	Carrying Amount	Acquisition Cost	Difference
Securities for which Carrying Amount Exceeds Acquisition Cost			
Stocks	¥ 1,372,949	¥ 515,578	¥ 857,371
Bonds	1,789,475	1,785,319	4,156
Government Bonds	1,302,059	1,301,155	904
Local Government Bonds	6,410	6,379	31
Short-Term Corporate Bonds	—	—	—
Corporate Bonds	481,004	477,784	3,220
Other Securities	945,061	921,143	23,917
Foreign Stocks	3,305	191	3,114
Foreign Bonds	751,018	737,897	13,120
Others	190,737	183,055	7,682
Subtotal	4,107,486	3,222,040	885,445
Securities for which Carrying Amount Does Not Exceed Acquisition Cost			
Stocks	¥ 48,364	¥ 61,062	¥ (12,698)
Bonds	553,048	556,444	(3,396)
Government Bonds	340,400	343,106	(2,705)
Local Government Bonds	17,276	17,321	(44)
Short-Term Corporate Bonds	—	—	—
Corporate Bonds	195,370	196,016	(645)
Other Securities	1,641,761	2,021,443	(379,681)
Foreign Stocks	899	1,340	(440)
Foreign Bonds	822,472	826,123	(3,651)
Others	818,390	1,193,980	(375,589)
Subtotal	2,243,174	2,638,950	(395,776)
Total	¥ 6,350,660	¥ 5,860,991	¥ 489,669

March 31, 2022	Millions of U.S. Dollars		
	Carrying Amount	Acquisition Cost	Difference
Securities for which Carrying Amount Exceeds Acquisition Cost			
Stocks	\$ 9,374	\$ 3,668	\$ 5,706
Bonds	12,935	12,913	22
Government Bonds	8,916	8,914	2
Local Government Bonds	26	26	0
Short-Term Corporate Bonds	—	—	—
Corporate Bonds	3,994	3,973	20
Other Securities	4,897	4,761	136
Foreign Stocks	32	2	31
Foreign Bonds	3,487	3,456	32
Others	1,378	1,303	74
Subtotal	27,207	21,342	5,865
Securities for which Carrying Amount Does Not Exceed Acquisition Cost			
Stocks	\$ 507	\$ 609	\$ (102)
Bonds	15,432	15,564	(132)
Government Bonds	13,327	13,448	(121)
Local Government Bonds	251	253	(2)
Short-Term Corporate Bonds	—	—	—
Corporate Bonds	1,854	1,863	(9)
Other Securities	15,832	18,031	(2,199)
Foreign Stocks	7	12	(5)
Foreign Bonds	9,575	9,761	(186)
Others	6,250	8,257	(2,007)
Subtotal	31,771	34,203	(2,432)
Total	\$ 58,978	\$ 55,546	\$ 3,433

4. Held-to-Maturity Securities Sold during the Fiscal Year

There were no held-to-maturity securities sold for the fiscal years ended March 31, 2022 and 2021.

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

Year Ended March 31, 2022	Millions of Yen		
	Amount Sold	Gain	Loss
Stocks	¥ 142,168	¥ 92,105	¥ 2,388
Bonds	1,005,440	1,397	1,609
Government Bonds	979,797	1,282	1,541
Local Government Bonds	—	—	—
Short-Term Corporate Bonds	—	—	—
Corporate Bonds	25,643	115	67
Other Securities	3,013,050	16,205	159,156
Foreign Stocks	675	19	67
Foreign Bonds	2,595,705	13,353	30,964
Others	416,669	2,831	128,125
Total	¥ 4,160,660	¥ 109,708	¥ 163,154

Year Ended March 31, 2021	Millions of Yen		
	Amount Sold	Gain	Loss
Stocks	¥ 128,882	¥ 93,608	¥ 544
Bonds	653,415	275	1,593
Government Bonds	644,846	221	1,593
Local Government Bonds	—	—	—
Short-Term Corporate Bonds	—	—	—
Corporate Bonds	8,568	53	—
Other Securities	2,231,003	20,052	162,535
Foreign Stocks	2,003	7	88
Foreign Bonds	1,710,775	14,542	20,794
Others	518,224	5,502	141,652
Total	¥ 3,013,301	¥ 113,936	¥ 164,674

Year Ended March 31, 2022	Millions of U.S. Dollars		
	Amount Sold	Gain	Loss
Stocks	\$ 1,162	\$ 753	\$ 20
Bonds	8,216	11	13
Government Bonds	8,006	10	13
Local Government Bonds	—	—	—
Short-Term Corporate Bonds	—	—	—
Corporate Bonds	210	1	1
Other Securities	24,620	132	1,301
Foreign Stocks	6	0	1
Foreign Bonds	21,210	109	253
Others	3,405	23	1,047
Total	\$ 33,998	\$ 896	\$ 1,333

(Note) The above figures include equity securities with no market prices and investments in partnerships.

6. Securities Reclassified due to the Change of the Holding Purpose

There were no securities reclassified due to the change of the holding purpose during the fiscal years ended March 31, 2022 and 2021.

7. Impairment of Securities

Securities other than equity securities with no market price, etc. and investments in partnerships, etc., or those deemed to be trading securities, are treated as impaired when their fair values have declined significantly from the acquisition cost and it is deemed unlikely to recover to the acquisition cost. Such securities are recorded at their fair values in the consolidated balance sheet. The difference between the acquisition cost and the fair values is recognized as an impairment loss.

Impairment losses on Stocks recognized during the fiscal

years ended March 31, 2022 and 2021, were ¥1,232 million (U.S. \$10 million) and ¥139 million, respectively. Impairment losses on Others recognized during the fiscal year ended March 31, 2022 was ¥260 million (U.S. \$2 million).

The criteria for determining whether the fair values of securities have significantly declined are as follows:

For securities whose issuers are classified as “normal” under the asset self-assessment, a decline of 50% or more in the fair values compared with the acquisition cost; for securities whose issuers are classified as “close-observation borrowers,” a decline of 30% or more in the fair values compared with the acquisition cost. In addition, the fair values of some securities are deemed unrecoverable and impairment losses are recognized when their fair values have declined more than 30%, but less than 50% from acquisition cost and the fair values have continued to decline over a certain period.

Money Held in Trust

1. Money Held in Trust for Trading Purposes

There was no money held in trust for trading purposes for the fiscal years ended March 31, 2022 and 2021.

2. Held-to-Maturity Money Held in Trust

There was no held-to-maturity money held in trust for the fiscal years ended March 31, 2022 and 2021.

3. Other Money Held in Trust (other than those held for trading purposes or held-to-maturity)

March 31, 2022	Millions of Yen				
	Carrying Amount	Acquisition Cost	Difference	Positive Difference	Negative Difference
Other Money Held in Trust	¥ 1,395	¥ 989	¥ 406	¥ 406	¥ —

March 31, 2021	Millions of Yen				
	Carrying Amount	Acquisition Cost	Difference	Positive Difference	Negative Difference
Other Money Held in Trust	¥ 1,365	¥ 985	¥ 380	¥ 380	¥ —

March 31, 2022	Millions of U.S. Dollars				
	Carrying Amount	Acquisition Cost	Difference	Positive Difference	Negative Difference
Other Money Held in Trust	\$ 11	\$ 8	\$ 3	\$ 3	\$ —

(Note) The amount of “Difference” is net of “Positive Difference” and “Negative Difference.”

Valuation Differences on Available-for-Sale Securities

The following table shows components of Valuation Differences on Available-for-Sale Securities in the consolidated balance sheet.

March 31	Millions of Yen		Millions of U.S. Dollars
	2022	2021	2022
Valuation Differences			
Available-for-Sale Securities	¥ 423,182	¥ 492,061	\$ 3,458
Other Money Held in Trust	406	380	3
Total Valuation Differences	423,588	492,441	3,461
Amount Equivalent to Deferred Tax Assets (Liabilities)	(130,316)	(149,138)	(1,065)
Total (Before Adjustment for Non-Controlling Interests and Parent Company's Portions in Available-for-Sale Securities Owned by its Affiliated Companies)	293,271	343,303	2,396
Non-Controlling Interests	(244)	(159)	(2)
Parent Company's Portions in Available-for-Sale Securities Owned by its Affiliated Companies	(2,872)	1,910	(23)
Valuation Differences on Available-for-Sale Securities	¥ 290,154	¥ 345,053	\$ 2,371

(Notes)

1) Foreign currency translation adjustments on equity securities with no market prices, etc. denominated in foreign currencies, are included in the "Available-for-Sale Securities" under "Valuation Differences."

2) The valuation differences of ¥3,086 million (U.S. \$25 million) and ¥2,288 million on available-for-sale securities composing assets held by associated companies as of March 31, 2022 and 2021, respectively, are included in "Available-for-Sale Securities" under "Valuation Differences."

Derivatives

1. Derivatives Transactions Not Qualifying for Hedge Accounting

Derivatives transactions not qualifying for hedge accounting are grouped by type of underlying transactions. The notional amounts (or the amount equivalent to the principal specified in the contracts), the fair values, and the valuation differences as of the consolidated balance sheet date are presented below. The notional amounts do not reflect the market risk associated with the derivatives.

(1) Interest-Related Transactions

Interest-related transactions not qualifying for hedge accounting as of March 31, 2022 and 2021, consist of the following:

	Millions of Yen				Millions of U.S. Dollars			
	2022				2022			
	Notional Amount		Fair Value	Valuation Difference	Notional Amount		Fair Value	Valuation Difference
Total	Over One Year	Total			Over One Year			
Listed								
Interest Futures								
Sold	¥ 17,325,091	¥ 8,676,986	¥ 74,776	¥ 74,776	\$ 141,568	\$ 70,902	\$ 611	\$ 611
Purchased	16,430,494	8,676,986	(73,948)	(73,948)	134,258	70,902	(604)	(604)
Interest Options								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
OTC								
Forward Rate Agreements								
Sold	¥ —	¥ —	¥ —	¥ —	\$ —	\$ —	\$ —	\$ —
Purchased	—	—	—	—	—	—	—	—
Interest Rate Swaps								
Fixed Interest Rate Receivable/ Floating Interest Rate Payable	46,565,435	40,034,339	(274,059)	(274,059)	380,499	327,131	(2,239)	(2,239)
Floating Interest Rate Receivable/ Fixed Interest Rate Payable	40,152,154	35,263,350	241,623	241,623	328,094	288,146	1,974	1,974
Floating Interest Rate Receivable/ Floating Interest Rate Payable	33,764,109	13,413,149	(6,670)	(6,670)	275,896	109,602	(55)	(55)
Interest Options								
Sold	9,558,634	9,548,395	(42,455)	(35,522)	78,106	78,023	(347)	(290)
Purchased	7,006,095	6,965,830	33,369	30,634	57,249	56,920	273	250
Others								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Total			¥ (47,364)	¥ (43,167)			\$ (387)	\$ (353)

	Millions of Yen			
	2021			
	Notional Amount		Fair Value	Valuation Difference
	Total	Over One Year		
Listed				
Interest Futures				
Sold	¥ 16,259,100	¥ 8,204,867	¥ (12,132)	¥ (12,132)
Purchased	16,382,636	8,740,344	9,956	9,956
Interest Options				
Sold	760,290	—	(85)	(26)
Purchased	680,474	—	108	29
OTC				
Forward Rate Agreements				
Sold	¥ —	¥ —	¥ —	¥ —
Purchased	—	—	—	—
Interest Rate Swaps				
Fixed Interest Rate Receivable/ Floating Interest Rate Payable	45,212,322	35,442,523	1,042,944	1,042,944
Floating Interest Rate Receivable/ Fixed Interest Rate Payable	37,529,904	30,758,857	(1,072,591)	(1,072,591)
Floating Interest Rate Receivable/ Floating Interest Rate Payable	23,205,620	19,522,140	474	474
Interest Options				
Sold	9,282,788	9,266,363	18,087	27,782
Purchased	6,255,661	6,239,584	(3,461)	(7,879)
Others				
Sold	—	—	—	—
Purchased	—	—	—	—
Total			¥ (16,697)	¥ (11,442)

(Note) The above transactions are stated at their fair values and valuation differences are recorded in the consolidated statement of income.

(2) Currency-Related Transactions

Currency-related transactions not qualifying for hedge accounting as of March 31, 2022 and 2021, consist of the following:

	Millions of Yen								Millions of U.S. Dollars							
	2022								2022							
	Notional Amount				Fair Value	Valuation Difference	Notional Amount				Fair Value	Valuation Difference				
	Total	Over One Year					Total	Over One Year								
Listed																
Currency Futures																
Sold	¥	—	¥	—	¥	—	¥	—	\$	—	\$	—	\$	—	\$	—
Purchased		—		—		—		—		—		—		—		—
Currency Options																
Sold		—		—		—		—		—		—		—		—
Purchased		—		—		—		—		—		—		—		—
OTC																
Currency Swaps	¥	7,163,682	¥	6,540,039	¥	89,974	¥	89,974	\$	58,536	\$	53,440	\$	735	\$	735
Forward Exchange Contracts																
Sold		15,666,803		1,617,487		(575,926)		(575,926)		128,018		13,217		(4,706)		(4,706)
Purchased		18,844,572		283,636		690,736		690,736		153,984		2,318		5,644		5,644
Currency Options																
Sold		1,412,814		718,432		(75,527)		(7,637)		11,544		5,871		(617)		(62)
Purchased		1,027,966		558,220		66,483		14,041		8,400		4,561		543		115
Others																
Sold		—		—		—		—		—		—		—		—
Purchased		—		—		—		—		—		—		—		—
Total					¥	195,739	¥	211,187					\$	1,599	\$	1,726

	Millions of Yen							
	2021							
	Notional Amount				Fair Value	Valuation Difference		
	Total		Over One Year					
Listed								
Currency Futures								
Sold	¥	—	¥	—	¥	—	¥	—
Purchased		—		—		—		—
Currency Options								
Sold		—		—		—		—
Purchased		—		—		—		—
OTC								
Currency Swaps	¥	7,182,667	¥	5,771,209	¥	53,639	¥	53,639
Forward Exchange Contracts								
Sold		15,330,082		993,767		(297,395)		(297,395)
Purchased		20,910,556		364,335		422,703		422,703
Currency Options								
Sold		1,128,393		676,694		(50,297)		6,515
Purchased		794,918		473,197		39,658		(5,507)
Others								
Sold		—		—		—		—
Purchased		—		—		—		—
Total						¥ 168,309		¥ 179,956

(Note) The above transactions are stated at their fair values and valuation differences are recorded in the consolidated statement of income.

(3) Stock-Related Transactions

Stock-related transactions not qualifying for hedge accounting as of March 31, 2022 and 2021, consist of the following:

	Millions of Yen				Millions of U.S. Dollars			
	2022				2022			
	Notional Amount		Fair Value	Valuation Difference	Notional Amount		Fair Value	Valuation Difference
	Total	Over One Year			Total	Over One Year		
Listed								
Stock Index Futures								
Sold	¥ 53,183	¥ —	¥ (3,054)	¥ (3,054)	\$ 435	\$ —	\$ (25)	\$ (25)
Purchased	45,631	—	1,918	1,918	373	—	16	16
Stock Index Options								
Sold	14,474	—	(130)	29	118	—	(1)	0
Purchased	18,081	—	166	(225)	148	—	1	(2)
OTC								
OTC Stock Options								
Sold	¥ —	¥ —	¥ —	¥ —	\$ —	\$ —	\$ —	\$ —
Purchased	—	—	—	—	—	—	—	—
OTC Stock Swaps								
Volatility of Stock Price and Other Receivable/ Short-Term Floating Interest Rate Payable	—	—	—	—	—	—	—	—
Short-Term Floating Interest Rate Receivable/ Volatility of Stock Price and Other Payable	—	—	—	—	—	—	—	—
Others								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Total			¥ (1,098)	¥ (1,331)			\$ (9)	\$ (11)

	Millions of Yen			
	2021		Fair Value	Valuation Difference
	Notional Amount			
	Total	Over One Year		
Listed				
Stock Index Futures				
Sold	¥165,306	¥ —	¥ (1,458)	¥ (1,458)
Purchased	123,854	—	1,903	1,903
Stock Index Options				
Sold	67,159	—	(806)	(87)
Purchased	108,307	—	339	(284)
OTC				
OTC Stock Options				
Sold	¥ —	¥ —	¥ —	¥ —
Purchased	—	—	—	—
OTC Stock Swaps				
Volatility of Stock Price and Other Receivable/ Short-Term Floating Interest Rate Payable	—	—	—	—
Short-Term Floating Interest Rate Receivable/ Volatility of Stock Price and Other Payable	—	—	—	—
Others				
Sold	—	—	—	—
Purchased	—	—	—	—
Total			¥ (20)	¥ 73

(Note) The above transactions are stated at their fair values and valuation differences are recorded in the consolidated statement of income.

(4) Bond-Related Transactions

Bond-related transactions not qualifying for hedge accounting as of March 31, 2022 and 2021, consist of the following:

	Millions of Yen				Millions of U.S. Dollars				
	2022				2022				
	Notional Amount		Fair Value	Valuation Difference	Notional Amount		Fair Value	Valuation Difference	
	Total	Over One Year			Total	Over One Year			
Listed									
Bond Futures									
Sold	¥ 1,058,961	¥ —	¥ 18,999	¥ 18,999	\$ 8,653	\$ —	\$ 155	\$ 155	
Purchased	902,988	—	(12,922)	(12,922)	7,379	—	(106)	(106)	
Bond Future Options									
Sold	23,507	—	(159)	(42)	192	—	(1)	(0)	
Purchased	26,654	—	339	154	218	—	3	1	
OTC									
Bond Forward Contracts									
Sold	¥ —	¥ —	¥ —	¥ —	\$ —	\$ —	\$ —	\$ —	
Purchased	—	—	—	—	—	—	—	—	
Bond Options									
Sold	—	—	—	—	—	—	—	—	
Purchased	994	994	47	15	8	8	0	0	
Others									
Sold	—	—	—	—	—	—	—	—	
Purchased	—	—	—	—	—	—	—	—	
Total			¥ 6,303	¥ 6,204			\$ 52	\$ 51	

	Millions of Yen			
	2021			Valuation Difference
	Notional Amount		Fair Value	
	Total	Over One Year		
Listed				
Bond Futures				
Sold	¥ 1,710,794	¥ —	¥ 25,127	¥ 25,127
Purchased	1,668,659	—	(23,317)	(23,317)
Bond Future Options				
Sold	711,176	—	(3,295)	75
Purchased	347,961	—	1,072	(198)
OTC				
Bond Forward Contracts				
Sold	¥ 44,260	¥ —	¥ 230	¥ 230
Purchased	55,657	—	(177)	(177)
Bond Options				
Sold	—	—	—	—
Purchased	—	—	—	—
Others				
Sold	—	—	—	—
Purchased	—	—	—	—
Total			¥ (359)	¥ 1,738

(Note) The above transactions are stated at their fair values and valuation differences are recorded in the consolidated statement of income.

(5) Commodity-Related Transactions

There were no commodity-related transactions not qualifying for hedge accounting as of March 31, 2022 and 2021.

(6) Credit Derivatives Transactions

Credit derivatives transactions not qualifying for hedge accounting as of March 31, 2022 and 2021, consist of the following:

	Millions of Yen				Millions of U.S. Dollars			
	2022				2022			
	Notional Amount		Fair Value	Valuation Difference	Notional Amount		Fair Value	Valuation Difference
	Total	Over One Year			Total	Over One Year		
OTC								
Credit Default Swaps								
Sold	¥ 29,000	¥ 18,000	¥ 611	¥ 611	\$ 237	\$ 147	\$ 5	\$ 5
Purchased	66,392	55,392	(2,930)	(2,930)	543	453	(24)	(24)
Others								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Total			¥ (2,319)	¥ (2,319)			\$ (19)	\$ (19)

	Millions of Yen			
	2021			
	Notional Amount		Fair Value	Valuation Difference
	Total	Over One Year		
OTC				
Credit Default Swaps				
Sold	¥ 40,500	¥ 29,000	¥ 903	¥ 903
Purchased	46,032	34,532	(1,373)	(1,373)
Others				
Sold	—	—	—	—
Purchased	—	—	—	—
Total			¥ (469)	¥ (469)

(Notes)

1) The above transactions are stated at their fair values and valuation differences are recorded in the consolidated statement of income.

2) "Sold" represents transactions under which the credit risk has been assumed, and "Purchased" represents transactions under which the credit risk has been transferred to another party.

2. Derivatives Transactions Qualifying for Hedge Accounting

Derivatives transactions qualifying for hedge accounting are grouped by type of underlying transactions. The notional amounts (or the amount equivalent to the principal specified in the contracts) and the fair values as of the consolidated balance sheet date are presented below. The notional amounts do not reflect the market risk associated with the derivatives.

(1) Interest-Related Transactions

Interest-related transactions qualifying for hedge accounting as of March 31, 2022 and 2021, consist of the following:

	Major Hedged Item	Millions of Yen			Millions of U.S. Dollars		
		2022			2022		
		Notional Amount		Fair Value	Notional Amount		Fair Value
		Total	Over One Year		Total	Over One Year	
Deferral Method							
Interest Rate Swaps							
Fixed Interest Rate Receivable/ Floating Interest Rate Payable		¥ 1,150,748	¥ 1,118,912	¥ (53,298)	\$ 9,403	\$ 9,143	\$ (436)
Floating Interest Rate Receivable/ Fixed Interest Rate Payable	Financial Assets/ Liabilities such as Loans and Bills Discounted, Available-for-Sale Securities (Bonds), Deposits, and Bonds Payable	1,779,306	1,351,050	18,674	14,539	11,040	153
Interest Futures							
Sold		—	—	—	—	—	—
Purchased		—	—	—	—	—	—
Interest Options							
Sold		—	—	—	—	—	—
Purchased		—	—	—	—	—	—
Others							
Sold		—	—	—	—	—	—
Purchased		—	—	—	—	—	—
Exceptional Treatment for Interest Rate Swaps							
Interest Rate Swaps							
Fixed Interest Rate Receivable/ Floating Interest Rate Payable		—	—		—	—	
Floating Interest Rate Receivable/ Fixed Interest Rate Payable		—	—		—	—	
Total				¥ (34,624)	\$ (283)		

		Millions of Yen		
		2021		Fair Value
		Notional Amount		
	Major Hedged Item	Total	Over One Year	
Deferral Method				
Interest Rate Swaps				
Fixed Interest Rate Receivable/ Floating Interest Rate Payable		¥ 712,507	¥ 652,507	¥ (2,402)
Floating Interest Rate Receivable/ Fixed Interest Rate Payable	Financial Assets/ Liabilities such as Loans and Bills Discounted, Available-for-Sale Securities (Bonds), Deposits, and Bonds Payable	1,566,967	1,414,632	(34,735)
Interest Futures				
Sold		—	—	—
Purchased		—	—	—
Interest Options				
Sold		—	—	—
Purchased		—	—	—
Others				
Sold		—	—	—
Purchased		—	—	—
Exceptional Treatment for Interest Rate Swaps				
Interest Rate Swaps				
Fixed Interest Rate Receivable/ Floating Interest Rate Payable		—	—	
Floating Interest Rate Receivable/ Fixed Interest Rate Payable		—	—	
Total				¥ (37,137)

(Note) Deferred hedge accounting stipulated in Guidance No.24 is applied, in principle.

(2) Currency-Related Transactions

Currency-related transactions qualifying for hedge accounting as of March 31, 2022 and 2021, consist of the following:

Major Hedged Item		Millions of Yen			Millions of U.S. Dollars		
		2022			2022		
		Notional Amount		Fair Value	Notional Amount		Fair Value
		Total	Over One Year		Total	Over One Year	
Deferral Method							
Currency Swaps		¥ 2,212,027	¥ 896,828	¥ (135,622)	\$ 18,075	\$ 7,328	\$ (1,108)
Forward Exchange Contracts							
Sold	Loans and Bills Discounted and Securities Denominated in Foreign Currencies	1,560	—	(3)	13	—	(0)
Purchased		90,437	—	1,259	739	—	10
Others							
Sold		—	—	—	—	—	—
Purchased		—	—	—	—	—	—
Method of Including Foreign Currency Translation Adjustments Arising from the Hedging Instruments in “Foreign Currency Translation Adjustments”							
Forward Exchange Contracts	Investment in the Shares of Subsidiaries and Affiliated Companies						
Sold		¥ 98,890	¥ —	¥ (4,879)	\$ 808	\$ —	\$ (40)
Purchased		—	—	—	—	—	—
Total		¥ (139,245)			\$ (1,138)		

Major Hedged Item		Millions of Yen		
		2021		
		Notional Amount		Fair Value
		Total	Over One Year	
Deferral Method				
Currency Swaps		¥ 2,489,799	¥ 1,109,499	¥ (89,194)
Forward Exchange Contracts				
Sold	Loans and Bills Discounted	1,231	—	0
Purchased	and Securities Denominated in Foreign Currencies	83,706	—	2,678
Others				
Sold		—	—	—
Purchased		—	—	—
Method of Including Foreign Currency Translation Adjustments Arising from the Hedging Instruments in “Foreign Currency Translation Adjustments”				
Forward Exchange Contracts	Investment in the Shares of Subsidiaries and Affiliated Companies			
Sold		¥ 92,950	¥ —	¥ (2,441)
Purchased		—	—	—
Total				¥ (88,957)

(Note) Deferred hedge accounting stipulated in Guidance No.25 is applied, in principle.

(3) Stock-Related Transactions

There were no stock-related transactions qualifying for hedge accounting as of March 31, 2022 and 2021.

(4) Bond-Related Transactions

There were no bond-related transactions qualifying for hedge accounting as of March 31, 2022 and 2021.

Retirement and Pension Plans

1. Outline of the Retirement Benefit Plans Adopted by SuMi TRUST Bank

SuMi TRUST Bank has defined benefit plans (a corporate pension fund plan and a lump-sum retirement benefit plan). Additionally, a lump-sum retirement benefit plan is offered to contract employees according to internal rules. SuMi TRUST Bank also has a defined contribution pension plan and may provide extra retirement payments to retiring employees in some cases. SuMi TRUST Bank sets up employee retirement benefit trusts as part of its pension plan assets.

SuMi TRUST Bank partially revised defined benefit corporate pension plans in April 2021.

Consolidated subsidiaries have lump-sum retirement benefit plans, defined benefit corporate pension plans, and defined contribution pension plans. Some consolidated subsidiaries also participate in multiple employer pension plan.

Some consolidated subsidiaries adopt the computational shortcut method in calculating liabilities for retirement benefits and retirement benefit expenses for their defined benefit corporate pension plans and lump-sum retirement benefit plans.

2. Defined Benefit Plans

(1) Reconciliation of Retirement Benefit Obligations

	Millions of Yen		Millions of U.S. Dollars
	2022	2021	2022
Retirement Benefit Obligations (opening balance)	¥ 429,015	¥ 460,872	\$ 3,506
Service Cost-Benefits Earned during the Fiscal Year	10,466	12,559	86
Interest Cost on Projected Benefit Obligations	2,301	2,276	19
Actuarial Gains and Losses that Arose during the Fiscal Year	3,534	8,985	29
Retirement Benefits Paid	(18,089)	(17,945)	(148)
Past Service Cost that Arose during the Fiscal Year	—	(37,734)	—
Other (Note)	(5,685)	—	(46)
Retirement Benefit Obligations (closing balance)	¥ 421,543	¥ 429,015	\$ 3,445

(Note) "Other" recognized in the current fiscal year was reversal due to the termination of the defined benefit plans for one of the consolidated subsidiaries.

(2) Reconciliation of Plan Assets

	Millions of Yen		Millions of U.S. Dollars
	2022	2021	2022
Plan Assets (opening balance)	¥ 648,464	¥ 535,869	\$ 5,299
Expected Return on Plan Assets	22,606	24,765	185
Actuarial Gains and Losses that Arose during the Fiscal Year	(52,299)	90,226	(427)
Contributions by the Employer	4,922	13,783	40
Retirement Benefits Paid	(16,019)	(16,180)	(131)
Other (Note)	(5,307)	—	(43)
Plan Assets (closing balance)	¥ 602,366	¥ 648,464	\$ 4,922

(Note) "Other" recognized in the current fiscal year was reversal due to the termination of the defined benefit plans for one of the consolidated subsidiaries.

(3) Reconciliation between Closing Balances of Retirement Benefit Obligations and Plan Assets, and Liabilities and Assets for Retirement Benefits Recorded in the Consolidated Balance Sheet

	Millions of Yen		Millions of U.S. Dollars
	2022	2021	2022
Retirement Benefit Obligations of Retirement Benefit Plans with Plan Assets	¥ 410,162	¥ 417,826	\$ 3,352
Plan Assets	(602,366)	(648,464)	(4,922)
	(192,204)	(230,637)	(1,571)
Retirement Benefit Obligations of Retirement Benefit Plans without Plan Assets	11,380	11,188	93
Net of Liabilities and Assets Recorded in the Consolidated Balance Sheet	¥ (180,823)	¥ (219,449)	\$ (1,478)

	Millions of Yen		Millions of U.S. Dollars
	2022	2021	2022
Liabilities for Retirement Benefits	¥ 11,380	¥ 11,696	\$ 93
Assets for Retirement Benefits	(192,204)	(231,145)	(1,571)
Net of Liabilities and Assets Recorded in the Consolidated Balance Sheet	¥ (180,823)	¥ (219,449)	\$ (1,478)

(4) Breakdown of Retirement Benefit Expenses

	Millions of Yen		Millions of U.S. Dollars
	2022	2021	2022
Service Cost-Benefits Earned during the Fiscal Year	¥ 10,466	¥ 12,559	\$ 86
Interest Cost on Projected Benefit Obligations	2,301	2,276	19
Expected Return on Plan Assets	(22,606)	(24,765)	(185)
Amortization of Actuarial Differences	1,142	12,241	9
Amortization of Past Service Cost (Note)	(65)	(37,632)	(1)
Other	217	292	2
Retirement Benefit Expenses for Defined Benefit Obligations	¥ (8,544)	¥ (35,028)	\$ (70)

(Note) ¥37,580 million of amortization of past service cost is recognized as extraordinary income for the fiscal year ended March 31, 2021.

(5) Remeasurements of Defined Benefit Plans

The breakdown of remeasurements of defined benefit plans (before tax effect) is as follows:

	Millions of Yen		Millions of U.S. Dollars
	2022	2021	2022
Past Service Cost	¥ (65)	¥ 101	\$ (1)
Actuarial Differences	(54,691)	93,481	(447)
Total	¥ (54,757)	¥ 93,583	\$ (447)

(6) Accumulated Remeasurements of Defined Benefit Plans

The breakdown of accumulated remeasurements of defined benefit plans (before tax effect) is as follows:

	Millions of Yen		Millions of U.S. Dollars
	2022	2021	2022
Unrecognized Past Service Cost	¥ (102)	¥ (295)	\$ (1)
Unrecognized Actuarial Differences	61,612	6,759	503
Total	¥ 61,509	¥ 6,463	\$ 503

(7) Plan Assets

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

	Proportion (%)	
	2022	2021
Debt Securities	25	24
Equity Securities	59	62
Cash and Due from Banks	4	3
Other	12	11
Total	100	100

(Note) The total plan asset includes the retirement benefit trusts set up for a corporate pension plan and a lump-sum retirement benefit plan. They account for 55% and 59% of the total plan asset for the fiscal years ended March 31, 2022 and 2021, respectively.

2) Expected long-term rate of return on plan assets

In order to determine the expected long-term rate of return on plan assets, SuMi TRUST Bank considers the current and projected plan asset allocation, as well as the current and expected long-term rate of return on assets composing plan assets.

(8) Assumptions Used

Major assumptions used in actuarial calculation for the fiscal years ended March 31, 2022 and 2021, are as follows:

	2022	2021
Discount Rate	Mainly 0.5%	Mainly 0.5%
Expected Long-Term Rate of Return on Plan Assets	3.5%	4.6%

3. Defined Contribution Pension Plans

Contributions by SuMi TRUST Bank and its consolidated subsidiaries to the defined contribution pension plans were ¥1,890 million (U.S. \$15million) and ¥1,784 million for the years ended March 31, 2022 and 2021, respectively.

Income Taxes

1. Breakdown of Major Factors Giving Rise to Deferred Tax Assets and Liabilities

Year Ended March 31	Millions of Yen		Millions of U.S. Dollars
	2022	2021	2022
Deferred Tax Assets:			
Impairment of Securities	¥ 17,976	¥ 18,982	\$ 147
Allowance for Loan Losses (Including Direct Write-Offs of Loans with Guarantees or Collateral)	55,080	46,756	450
Deferred Gains (Losses) on Hedges	17,885	18,381	146
Remeasurements of Defined Benefit Plans	18,945	2,196	155
Other	64,273	64,617	525
Subtotal	174,160	150,933	1,423
Valuation Allowance	(13,869)	(16,384)	(113)
Deferred Tax Assets	¥ 160,291	¥ 134,549	\$ 1,310
Deferred Tax Liabilities:			
Retirement Benefits	¥ (46,424)	¥ (39,223)	\$ (379)
Valuation Differences on Available-for-Sale Securities	(129,915)	(149,206)	(1,062)
Other	(10,849)	(9,818)	(89)
Deferred Tax Liabilities	¥ (187,190)	¥ (198,249)	\$ (1,530)
Net Deferred Tax Assets (Liabilities)	¥ (26,898)	¥ (63,699)	\$ (220)

2. Breakdown of Major Causes of Significant Differences Arising Between the Statutory Tax Rate and the Effective Tax Rate after Application of Tax Effect Accounting for Companies Submitting the Consolidated Financial Statements

Year Ended March 31	2022	2021
Effective Statutory Tax Rate	30.62%	30.62%
Adjustments:		
Changes in Valuation Allowance	(1.25)	(0.26)
Amortization of Goodwill	0.67	0.78
Share of Profit of Equity-Method Affiliated Companies	(2.07)	(1.55)
Permanent Differences (e.g., Cash Dividends Received)	(0.97)	(1.06)
Others	(1.50)	(1.38)
Effective Income Tax Rate	25.50%	27.15%

Revenue Recognition

1. Information Related to Disaggregation of Revenue from Contracts with Customers for the Current Fiscal Year Ended March 31, 2022

Year Ended March 31, 2022	Millions of Yen										
	SuMi Trust Bank							Subsidiaries	Total	Income other than those disaggregated revenue	Total
	Retail Total Solution Services	Wholesale Financial Services	Stock Transfer Agency Services	Real Estate	Fiduciary Services	Global Markets	Others				
Trust Fees	¥ 6,738	¥ 16,960	¥ —	¥ 3,513	¥ 83,326	¥ —	¥ —	¥ —	¥ 110,539	¥ —	¥ 110,539
Fees and Commissions	57,881	1,141	34,688	35,760	16,798	343	—	78,493	225,106	75,530	300,637
Total Income from Contracts with Customers	¥ 64,620	¥ 18,101	¥ 34,688	¥ 39,274	¥ 100,124	¥ 343	¥ —	¥ 78,493	¥ 335,646		

Year Ended March 31, 2022	Millions of U.S. Dollars										
	SuMi Trust Bank							Subsidiaries	Total	Income other than those disaggregated revenue	Total
	Retail Total Solution Services	Wholesale Financial Services	Stock Transfer Agency Services	Real Estate	Fiduciary Services	Global Markets	Others				
Trust Fees	\$ 55	\$ 139	\$ —	\$ 29	\$ 681	\$ —	\$ —	\$ —	\$ 903	\$ —	\$ 903
Fees and Commissions	473	9	283	292	137	3	—	641	1,839	617	2,457
Total Income from Contracts with Customers	\$ 528	\$ 148	\$ 283	\$ 321	\$ 818	\$ 3	\$ —	\$ 641	\$ 2,743		

(Note) "Others" includes elimination of internal transactions.

2. Information Related to Contract Balance

	Millions of Yen		Millions of U.S. Dollars
	March 31, 2022	April 1, 2021	March 31, 2022
Receivables from Contracts with Customers	¥ 67,676	¥ 62,108	\$ 553
Contract Liabilities	1,767	1,443	14

The receivables from contracts with customers and contract liabilities are included in "Other Assets" and "Other Liabilities", respectively in the consolidated balance sheets. Contract liabilities retained at the beginning of the current fiscal year are mainly recognized as revenue for the current

fiscal year ended March 31, 2022.

The amount of revenue from performance obligation satisfied or partially satisfied in the past year and recognized in the current fiscal year is immaterial.

3. Information Related to Transaction Prices Allocated to Residual Performance Obligations

The amount of revenue expected to be recognized from existing contracts after the fiscal year ended March 31, 2022 is immaterial. Contracts with their initial expected period of less than one year and with revenue recognized in the amount that SuMi TRUST Bank Group is entitled to claim are not included in the notes.

Segment Information

1. Reportable Segment Information

The SuMi TRUST Bank Group's reportable segments are defined as operating segments for which discrete financial information is available. The Board of Directors and the Executive Committee periodically receive reporting on the operating results and other relevant information of the reportable segments to make decisions about the allocation of management resources and to assess performance.

The reportable segments of SuMi TRUST Bank Group comprises services of SuMi TRUST Bank on a non-consolidated basis and are presented below:

The main activities of the reportable segment are presented below:

Retail Total Solution Services:

Provision of services to individual customers

Wholesale Financial Services (Wholesale Total Solution Services Business and Wholesale Asset Management Business):

Provision of services to corporate customers

Stock Transfer Agency Services:

Undertaking of stock-related services on behalf of customers

Real Estate:

Provision of services related to the real estate business

Fiduciary Services:

Provision of services related to the pension business and the asset administration business

Global Markets:

Marketing operations, market-making operations, investment operations, and financial management operations

2. Method for Calculating Gross Business Profit and Net Business Profit by Each Reportable Segment

Segment information is prepared based on internal management reports and the accounting policies used for the reportable segments are generally the same as those presented under "Significant Accounting Policies and Practices"; however, the reportable segments are accounted for in accordance with the rules for the internal management.

Additionally, income earned from inter-segment and

cross-segment transactions is calculated by applying the criteria (market prices) specified in the rules for internal management.

"Fixed Assets" disclosed in the assets by reportable segments are the total amount of tangible fixed assets and intangible fixed asset. The assets owned by SuMi TRUST Bank are allocated to each segment.

3. Profit or Loss and Fixed Assets by Reportable Segment

	Millions of Yen							
	Retail Total Solution Services	Wholesale Financial Services	Stock Transfer Agency Services	Real Estate	Fiduciary Services	Global Markets	Others	Total
Year Ended March 31, 2022								
Gross Business Profit	¥ 131,317	¥ 150,003	¥ 23,819	¥ 39,274	¥ 59,802	¥ 52,303	¥ 34,141	¥ 490,663
General and Administrative Expenses	(117,612)	(47,178)	(4,059)	(9,924)	(23,715)	(15,704)	(30,377)	(248,572)
Net Business Profit	¥ 13,705	¥ 102,824	¥ 19,759	¥ 29,349	¥ 36,087	¥ 36,599	¥ 3,764	¥ 242,090
Fixed Assets	¥ 71,016	¥ 45,530	¥ 1,976	¥ 9,318	¥ 16,870	¥ 19,165	¥ 98,212	¥ 262,090

	Millions of Yen							
	Retail Total Solution Services	Wholesale Financial Services	Stock Transfer Agency Services	Real Estate	Fiduciary Services	Global Markets	Others	Total
Year Ended March 31, 2021								
Gross Business Profit	¥ 122,773	¥ 148,846	¥ 23,542	¥ 31,199	¥ 54,870	¥ 69,761	¥ 992	¥ 451,985
General and Administrative Expenses	(123,994)	(46,453)	(3,800)	(9,825)	(23,948)	(15,350)	(22,077)	(245,451)
Net Business Profit	¥ (1,221)	¥ 102,392	¥ 19,741	¥ 21,374	¥ 30,921	¥ 54,410	¥ (21,085)	¥ 206,534
Fixed Assets	¥ 67,111	¥ 33,172	¥ 2,157	¥ 8,855	¥ 16,699	¥ 19,618	¥ 97,982	¥ 245,598

	Millions of U.S. Dollars							
	Retail Total Solution Services	Wholesale Financial Services	Stock Transfer Agency Services	Real Estate	Fiduciary Services	Global Markets	Others	Total
Year Ended March 31, 2022								
Gross Business Profit	\$ 1,073	\$ 1,226	\$ 195	\$ 321	\$ 489	\$ 427	\$ 279	\$ 4,009
General and Administrative Expenses	(961)	(386)	(33)	(81)	(194)	(128)	(248)	(2,031)
Net Business Profit	\$ 112	\$ 840	\$ 161	\$ 240	\$ 295	\$ 299	\$ 31	\$ 1,978
Fixed Assets	\$ 580	\$ 372	\$ 16	\$ 76	\$ 138	\$ 157	\$ 803	\$ 2,142

(Notes)

- 1) The figures represent "Gross Business Profit" in substitution for net sales to be presented by companies in other industries.
- 2) The amounts of "Gross Business Profit" include net trust fees, net interest income, net fees and commissions, net trading income, and net other ordinary income and expenses.
- 3) "General and Administrative Expenses" include personnel expenses and non-personnel expenses.

- 4) "Others" include costs of capital funding, dividends for shares for cross-shareholdings, and general and administrative expenses of headquarters.
- 5) "Others" within "Fixed Assets" include corporate assets not allocated to any segment. For fixed assets not allocated to each segment, some of related expenses are allocated to each segment based on a reasonable allocation method.

4. Reconciliation Between Total Amount for Reportable Segments and the Carrying Amounts in the Consolidated Financial Statement

(1) Total Profit or Loss for Reportable Segments and Income before Income Taxes in the Consolidated Statement of Income

	Millions of Yen		Millions of U.S. Dollars
	2022	2021	2022
Total Profit or Loss for Reportable Segments (Net Business Profit)	¥ 242,090	¥ 206,534	\$ 1,978
Net Business Profit of Consolidated Subsidiaries that are Excluded from the Reportable Segments (Note)	60,566	55,891	495
Other Income	119,392	151,138	976
Other Expenses	(195,012)	(206,275)	(1,593)
Other Adjustments	(25,177)	(34,166)	(206)
Income before Income Taxes	¥ 201,858	¥ 173,121	\$ 1,649

(Note) The amounts include elimination of internal transactions.

(2) Total Fixed Assets for Reportable Segments and Fixed Assets in the Consolidated Balance Sheet

	Millions of Yen		Millions of U.S. Dollars
	2022	2021	2022
Total Fixed Assets for Reportable Segments	¥ 262,090	¥ 245,598	\$ 2,142
Fixed Assets of Consolidated Subsidiaries that are Excluded from the Reportable Segments	67,194	69,336	549
Consolidated Adjustments	2,594	5,892	21
Fixed Assets	¥ 331,879	¥ 320,827	\$ 2,712

Related Information

1. Information by Services

Disclosure of information by services is omitted as similar disclosure is included in the “3. Profit or Loss and Fixed Assets by Reportable Segment” in the “Segment Information” section.

2. Geographic Information

(1) Income

Income by geographical area for the fiscal years ended March 31, 2022 and 2021, consists of the following:

Year Ended March 31, 2022	Millions of Yen				
	Japan	Americas	Europe	Asia and Oceania	Total
	¥ 1,092,463	¥ 66,702	¥ 41,446	¥ 49,527	¥ 1,250,140

Year Ended March 31, 2021	Millions of Yen				
	Japan	Americas	Europe	Asia and Oceania	Total
	¥ 1,144,306	¥ 70,189	¥ 34,235	¥ 44,552	¥ 1,293,283

Year Ended March 31, 2022	Millions of U.S. Dollars				
	Japan	Americas	Europe	Asia and Oceania	Total
	\$ 8,927	\$ 545	\$ 339	\$ 405	\$ 10,215

(Notes)

1) The figures represent Income in substitution for net sales to be presented by companies in other industries.

2) Income related to transactions by SuMi TRUST Bank (excluding overseas branches) and other domestic consolidated subsidiaries are presented under “Japan.” Income

related to transactions by overseas branches of SuMi TRUST Bank and foreign consolidated subsidiaries are presented under “Americas,” “Europe,” or “Asia and Oceania” based on the location of each overseas branch and subsidiary, reflecting their geographical proximity.

(2) Tangible Fixed Assets

More than 90% of SuMi TRUST Bank Group’s tangible fixed assets on the consolidated balance sheet as of March 31, 2022 and 2021, are located in Japan; accordingly, tangible fixed assets by geographical area are not presented.

3. Information by Major Customer

Due to highly diversified income-generating transactions between SuMi TRUST Bank Group and a significantly large number of SuMi TRUST Bank Group’s customers, transactions are not classified by major counterparty; accordingly, information by major customer is not presented.

Information Related to Losses on Impairment of Fixed Assets by Reportable Segment

Losses on impairment of fixed assets recognized during the fiscal year ended March 31, 2022 and 2021 were as follows:

	Millions of Yen							Total
	Retail Total Solutions Services	Wholesale Financial Services	Stock Transfer Agency Services	Real Estate	Fiduciary Services	Global Markets	Others	
Year Ended March 31, 2022								
Losses on Impairment of Fixed Assets	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ 1,409	¥ 1,409

	Millions of Yen							Total
	Retail Total Solutions Services	Wholesale Financial Services	Stock Transfer Agency Services	Real Estate	Fiduciary Services	Global Markets	Others	
Year Ended March 31, 2021								
Losses on Impairment of Fixed Assets	¥ 19,976	¥ —	¥ —	¥ —	¥ —	¥ —	¥ 1,436	¥ 21,412

	Millions of U.S. Dollars							Total
	Retail Total Solutions Services	Wholesale Financial Services	Stock Transfer Agency Services	Real Estate	Fiduciary Services	Global Markets	Others	
Year Ended March 31, 2022								
Losses on Impairment of Fixed Assets	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 12	\$ 12

Losses on impairment of fixed assets recognized during the fiscal years ended March 31, 2022, and 2021, were ¥59 million (U.S. \$0.5 million) and ¥(626) million, respectively.

Information Related to Amortization of Goodwill and Unamortized Balance of Goodwill by Reportable Segment

Amortization of goodwill and unamortized balance of goodwill are not allocated to the reportable segments.

Amortization of goodwill recognized during the fiscal years ended March 31, 2022 and 2021, were 4,399 million (U.S. \$35 million) and ¥4,399 million, respectively. Unamortized balance of goodwill as of March 31, 2022 and 2021, were ¥12,478 million (U.S. \$102 million) and ¥16,877 million, respectively.

Information Related to Gain on Negative Goodwill by Reportable Segment

There were no gains on negative goodwill by reportable segment during the fiscal years ended March 31, 2022 and 2021.

Related-Party Information

1. Related-Party Transactions

Transactions of the SuMi TRUST Bank with its parent company for the fiscal year ended March 31, 2022 and 2021, are as follows:

Year Ended March 31, 2022

Type	Company Name	Company Location	Capital	Type of Business	Share of Voting Rights Held (%)	Business Relationship	Transaction Details	Transaction Amounts	Accounts	Ending Balances
			Millions of Yen (Millions of U.S. Dollars)					Millions of Yen (Millions of U.S. Dollars)		Millions of Yen (Millions of U.S. Dollars)
Parent company	Sumitomo Mitsui Trust Holdings, Inc.	Chiyoda-ku, Tokyo	¥ 261,608 (\$2,138)	Bank holding company	Direct 100	Money lending transaction	Borrowing of funds ^(Note)	¥ 25,000 (\$204)	Bonds payable ^(Note)	¥ 645,000 (\$5,270)
							Payment of interest ^(Note)	¥ 6,641 (\$54)	Accrued Expenses	¥ 1,923 (\$16)

Year Ended March 31, 2021

Type	Company Name	Company Location	Capital	Type of Business	Share of Voting Rights Held (%)	Business Relationship	Transaction Details	Transaction Amounts	Accounts	Ending Balances
			Millions of Yen					Millions of Yen		Millions of Yen
Parent company	Sumitomo Mitsui Trust Holdings, Inc.	Chiyoda-ku, Tokyo	¥ 261,608	Bank holding company	Direct 100	Money lending transaction	Borrowing of funds ^(Note)	¥ 40,000	Bonds payable ^(Note)	¥ 620,000
							Repayment of funds ^(Note)	¥ 70,000		
							Payment of interest ^(Note)	¥ 7,705	Accrued Expenses	¥ 1,901

Terms and conditions of transactions and policies applied in deciding the terms and conditions
(Note) Loans are all subordinated borrowings with a debt relief clause at the contractual point of non-variability. The interest rates of the loans are determined reasonably based on the market interest rates and other rates.

2. Notes to the Parent Company or Significant Affiliated Companies

(1) Parent Company

Sumitomo Mitsui Trust Holdings, Inc. (listed on the Tokyo Stock Exchange and the Nagoya Stock Exchange)

(2) Condensed Financial Information of Significant Affiliated Companies

There were no significant affiliated companies to be disclosed for the fiscal year ended March 31, 2022

Per Share of Common Stock Information

	Yen		U.S. Dollars
	2022	2021	2022
Net Assets per Share of Common Stock	¥ 1,385.34	¥ 1,381.78	\$ 11.32
Net Income per Share of Common Stock	89.11	74.86	0.73

(Note)

1) Net assets per share of common stock and basis for calculation are as follows:

	Millions of Yen		Millions of U.S. Dollars
	As of March 31, 2022	As of March 31, 2021	As of March 31, 2022
Net Assets as Reported	¥ 2,348,510	¥ 2,341,495	\$ 19,190
Less:	28,699	27,637	235
Non-Controlling Interests	28,699	27,637	235
Net Assets Attributable to Common Shareholders	2,319,810	2,313,858	18,956
The Number of Shares of Common Stock Outstanding (Thousands of Shares)	1,674,537	1,674,537	1,674,537

(Note) The effect of the application of the Standard for Revenue Recognition etc. and the Standard for Fair Value Measurement etc. on the total amount of net assets and net assets per share is described in "Changes in Accounting Policies."

2) Net income per share of common stock and basis for calculation are as follows:

	Millions of Yen		Millions of U.S. Dollars
	Year Ended March 31, 2022	Year Ended March 31, 2021	Year Ended March 31, 2022
Net Income per Share of Common Stock			
Net Income Attributable to Owners of the Parent	¥ 149,223	¥ 125,358	\$ 1,219
Net Income Not Attributable to Common Shareholders	—	—	—
Net Income Related to Common Stock that is Attributable to Owners of the Parent	149,223	125,358	1,219
Average Number of Shares of Common Stock Outstanding (Thousands of Shares)	1,674,537	1,674,537	1,674,537

3) Diluted net income per share of common stock for the fiscal years ended March 31, 2022 and 2021 is not presented because there were no potential shares.

Significant Subsequent Event

Change in Reportable Segment

SuMi TRUST Group aims to promote and lead a virtuous circle of funds, assets, and capital by various stakeholders through provision of high value-added products and services and investments to create new values. Effective as of April 1, 2022, reorganization of SuMi TRUST Bank, Limited has been implemented.

Reportable segments of SuMi TRUST Bank Group were previously divided into "Retail Total Solution Services," "Wholesale Financial Services (Wholesale Total Solution Services Business and Wholesale Asset Management

Business)," "Stock Transfer Agency Services," "Real Estate," "Fiduciary Services," and "Global Markets." As a result of the above, from the consolidated fiscal year ending March 31, 2023, the Group will reclassify them into the following segments: "Retail (former Retail Total Solution Services)," "Wholesale (former Wholesale Total Solution Services Business and former Stock Transfer Agency Services)," "Investor Services (former Wholesale Asset Management Business and former Fiduciary Services)," "Real Estate," and "Global Markets."

Information regarding the amounts of Gross Business Profit, General and Administrative Expenses, and Net Business Profit by reportable segment for the fiscal year ended March 31, 2022, based on the new reportable segment classifications, are as follows:

	Millions of Yen						
	Retail Total Solution Services	Wholesale Financial Services	Stock Transfer Agency Services	Real Estate	Global Markets	Others	Total
Gross Business Profit	¥ 131,317	¥ 140,620	¥ 93,005	¥ 39,274	¥ 52,303	¥ 34,141	¥ 490,663
General and Administrative Expenses	(117,612)	(41,403)	(33,549)	(9,924)	(15,704)	(30,377)	(248,572)
Net Business Profit	¥ 13,705	¥ 99,216	¥ 59,455	¥ 29,349	¥ 36,599	¥ 3,764	¥ 242,090

	Millions of U.S. Dollars						
	Retail Total Solution Services	Wholesale Financial Services	Stock Transfer Agency Services	Real Estate	Global Markets	Others	Total
Gross Business Profit	\$ 1,073	\$ 1,149	\$ 760	\$ 321	\$ 427	\$ 279	\$ 4,009
General and Administrative Expenses	(961)	(338)	(274)	(81)	(128)	(248)	(2,031)
Net Business Profit	\$ 112	\$ 811	\$ 486	\$ 240	\$ 299	\$ 31	\$ 1,978

(Notes)

1) The figures represent "Gross Business Profit" in substitution for net sales to be presented by companies in other industries.

2) The amounts of "Gross Business Profit" include net trust fees, net interest income, net fees and commissions, net trading income, and net other ordinary income and expenses.

3) "General and Administrative Expenses" include personnel expenses and non-personnel expenses.

4) "Others" include costs of capital funding, dividends for shares for strategic shareholdings, and general and administrative expenses of headquarters.

5) Information regarding "Fixed Assets" by reportable segment after the change is currently being calculated.

The information related to disaggregation of revenue from contracts with customers based on the new reportable segment classification in the fiscal year ended March 31, 2022 is currently being calculated.

Non-Consolidated Balance Sheets (Unaudited)

Sumitomo Mitsui Trust Bank, Limited
As of March 31, 2022 and 2021

	Millions of Yen		Millions of U.S. Dollars
	2022	2021	2022
Assets:			
Cash and Due from Banks:	¥ 17,925,030	¥ 18,216,321	\$ 146,470
Cash	75,795	73,315	619
Due from Banks	17,849,235	18,143,006	145,851
Call Loans	5,000	8,766	41
Receivables under Resale Agreements	150,741	160,268	1,232
Receivables under Securities Borrowing Transactions	652,534	727,689	5,332
Monetary Claims Bought	123,567	105,830	1,010
Trading Assets:	1,048,258	1,042,356	8,566
Trading Account Securities	5,018	39,520	41
Derivatives of Trading Securities	47	—	0
Derivatives of Securities Related to Trading Transactions	25	29	0
Trading-Related Financial Derivatives	954,675	918,298	7,801
Other Trading Assets	88,492	84,508	723
Money Held in Trust	99	99	1
Securities:	7,951,169	7,090,335	64,971
Government Bonds	2,839,628	1,760,430	23,203
Local Government Bonds	33,919	23,686	277
Corporate Bonds	730,020	699,775	5,965
Stocks	1,516,253	1,717,801	12,390
Other Securities	2,831,348	2,888,640	23,136
Loans and Bills Discounted:	30,916,363	30,691,618	252,626
Bills Discounted	451	763	4
Loans on Bills	190,138	181,012	1,554
Loans on Deeds	28,443,342	28,190,037	232,418
Overdrafts	2,282,430	2,319,805	18,650
Foreign Exchanges:	29,494	25,396	241
Due from Foreign Banks	29,494	25,396	241
Other Assets:	2,922,768	2,488,201	23,883
Domestic Exchange Settlement Account, Debit	1,029	1,177	8
Prepaid Expenses	2,285	2,116	19
Accrued Income	111,101	99,986	908
Initial Margins of Futures Markets	71,040	53,270	580
Variation Margin of Futures Markets	—	2,150	—
Derivatives Other Than for Trading	1,499,100	1,294,048	12,250
Cash Collateral Pledged for Financial Instruments	1,025,240	785,742	8,378
Receivables for Securities Transactions	85,353	143,708	697
Other Assets	127,617	106,000	1,043
Tangible Fixed Assets:	184,334	186,717	1,506
Buildings	62,426	63,319	510
Land	104,329	104,535	853
Lease Assets	3,843	3,675	31
Construction in Progress	110	63	1
Other	13,623	15,123	111
Intangible Fixed Assets:	77,756	58,880	635
Software	74,152	55,278	606
Other	3,603	3,601	29
Prepaid Pension Expenses	252,869	237,191	2,066
Customers' Liabilities for Acceptances and Guarantees	426,405	383,537	3,484
Allowance for Loan Losses	(136,300)	(100,846)	(1,114)
Total Assets	¥ 62,530,092	¥ 61,322,366	\$ 510,950

The figures in U.S. dollars are converted from yen for the convenience of readers outside Japan at the rate of ¥122.38 to U.S. \$1.00, the exchange rate as of March 31, 2022.

	Millions of Yen		Millions of U.S. Dollars
	2022	2021	2022
Liabilities:			
Deposits:	¥ 32,898,724	¥ 33,174,292	\$ 268,824
Current Deposits	1,639,928	2,006,030	13,400
Ordinary Deposits	7,749,739	7,353,317	63,325
Saving Deposits	1,885	1,828	15
Deposits at Notice	88,529	77,690	723
Time Deposits	22,623,620	22,769,916	184,864
Other Deposits	795,020	965,509	6,496
Negotiable Certificates of Deposit	6,809,644	7,444,194	55,643
Call Money	932,640	180,886	7,621
Payables under Repurchase Agreements	1,485,033	1,628,440	12,135
Trading Liabilities:	906,686	850,660	7,409
Derivatives of Trading Securities	—	8	—
Derivatives of Securities Related to Trading Transactions	617	983	5
Trading-Related Financial Derivatives	906,069	849,668	7,404
Borrowed Money:	7,335,261	5,883,091	59,938
Borrowing from Other Banks	7,335,261	5,883,091	59,938
Foreign Exchanges:	15,362	16,631	126
Due to Foreign Banks	15,082	16,425	123
Foreign Bills Payable	280	206	2
Short-Term Bonds Payable	1,845,782	2,013,793	15,082
Bonds Payable	1,371,604	865,605	11,208
Borrowed Money from Trust Account	4,298,827	4,915,208	35,127
Other Liabilities:	2,066,310	1,806,666	16,884
Domestic Exchange Settlement Account, Credit	841	963	7
Income Taxes Payable	4,981	2,661	41
Accrued Expenses	58,719	55,272	480
Unearned Revenue	34,547	26,629	282
Variation Margin of Futures Markets	7,414	2,111	61
Trading Account Securities Borrowed	662	5,211	5
Derivatives Other Than for Trading	1,570,467	1,338,109	12,833
Cash Collateral Accepted For Financial Instruments	240,455	155,739	1,965
Lease Obligations	5,772	5,526	47
Asset Retirement Obligations	3,127	3,329	26
Payables for Securities Transactions	65,626	144,357	536
Other	73,694	66,753	602
Provision for Bonuses	9,599	9,009	78
Provision for Directors' Bonuses	98	103	1
Provision for Stocks Payment	569	417	5
Provision for Retirement Benefits	940	783	8
Provision for Reimbursement of Deposits	3,626	4,138	30
Provision for Contingent Losses	1,649	1,633	13
Deferred Tax Liabilities	67,628	91,342	553
Deferred Tax Liabilities for Land Revaluation	2,388	2,388	20
Acceptances and Guarantees	426,405	383,537	3,484
Total Liabilities	¥ 60,478,786	¥ 59,272,826	\$ 494,188
Net Assets:			
Total Shareholders' Equity:	¥ 1,807,041	¥ 1,752,055	\$ 14,766
Capital Stock	342,037	342,037	2,795
Capital Surplus:	343,066	343,066	2,803
Legal Capital Surplus	273,016	273,016	2,231
Other Capital Surplus	70,049	70,049	572
Retained Earnings:	1,121,938	1,066,952	9,168
Legal Retained Earnings	69,020	69,020	564
Other Retained Earnings:	1,052,917	997,931	8,604
Other Voluntary Reserves	371,870	371,870	3,039
Retained Earnings Brought Forward	681,047	626,061	5,565
Total Valuation and Translation Adjustments:	244,263	297,484	1,996
Valuation Difference on Available-for-Sale Securities	291,152	340,796	2,379
Deferred Gains (Losses) on Hedges	(42,431)	(39,295)	(347)
Revaluation Reserve for Land	(4,456)	(4,016)	(36)
Total Net Assets	¥ 2,051,305	¥ 2,049,539	\$ 16,762
Total Liabilities and Net Assets	¥ 62,530,092	¥ 61,322,366	\$ 510,950

Non-Consolidated Statements of Income (Unaudited)

Sumitomo Mitsui Trust Bank, Limited
For the fiscal years ended March 31, 2022 and 2021

	Millions of Yen		Millions of U.S. Dollars
	2022	2021	2022
Income:			
Trust Fees	¥ 110,539	¥ 102,883	\$ 903
Interest Income:	360,361	345,877	2,945
Interest on Loans and Discounts	241,182	251,337	1,971
Interest and Dividends on Securities	106,126	83,278	867
Interest on Call Loans and Bills Bought	423	334	3
Interest on Receivables under Resale Agreements	—	20	—
Interest on Receivables under Securities Borrowing Transactions	—	0	—
Interest on Due from Banks	11,551	9,825	94
Other Interest Income	1,077	1,080	9
Fees and Commissions:	196,351	178,519	1,604
Fees and Commissions on Domestic and Foreign Exchanges	1,345	1,630	11
Other Fees and Commissions	195,005	176,888	1,593
Trading Income:	13,453	76	110
Gains on Trading Account Securities Transactions	268	—	2
Income from Securities and Derivatives Related to Trading Transactions	812	—	7
Income from Trading-Related Financial Derivatives Transactions	12,315	—	101
Other Trading Income	57	76	0
Other Ordinary Income:	56,215	116,709	459
Gain on Foreign Exchange Transactions	22,227	79,158	182
Gains on Sales of Bonds	14,751	14,822	121
Gains on Redemption of Bonds	5	10	0
Gains on Derivatives Other Than for Trading-Assets	19,091	22,407	156
Other	139	311	1
Other Income:	102,866	139,243	841
Recoveries of Written-Off Claims	1,052	398	9
Gains on Sales of Stocks and Other Securities	95,015	98,279	776
Other	6,797	40,565	56
Total Income	¥ 839,787	¥ 883,310	\$ 6,862

	Millions of Yen		Millions of U.S. Dollars
	2022	2021	2022
Expenses:			
Interest Expenses:	¥ 104,274	¥ 133,693	\$ 852
Interest on Deposits	28,750	43,624	235
Interest on Negotiable Certificates of Deposit	6,787	14,198	55
Interest on Call Money and Bills Sold	839	858	7
Interest on Payables under Repurchase Agreements	1,665	3,576	14
Interest on Borrowings and Rediscounts	9,282	12,468	76
Interest on Short-Term Bonds	2,992	5,472	24
Interest on Bonds	9,836	5,397	80
Interest on Interest Swaps	22,439	27,525	183
Other Interest Expenses	21,681	20,572	177
Fees and Commissions Payments:	106,900	99,698	874
Fees and Commissions on Domestic and Foreign Exchanges	779	740	6
Other Fees and Commissions	106,120	98,958	867
Trading Expenses:	—	33,300	—
Expenses on Trading Securities and Derivatives	—	391	—
Expenses on Securities and Derivatives Related to Trading Transactions	—	2,097	—
Expenses on Trading-Related Financial Derivatives Transactions	—	30,812	—
Other Ordinary Expenses:	35,082	25,388	287
Loss on Sale of Bonds	32,574	22,678	266
Other Ordinary Expenses	2,508	2,709	20
General and Administrative Expenses	250,023	257,905	2,043
Other Expenses:	194,377	203,658	1,588
Provision of Allowance for Loan Losses	39,600	3,168	324
Written-Off Loans	3,803	2,465	31
Losses on Sales of Stocks and Other Securities	130,568	141,995	1,067
Losses on Devaluation of Stocks and Other Securities	1,811	486	15
Impairment Loss	1,409	21,412	12
Other	17,184	34,129	140
Total Expenses	¥ 690,659	¥ 753,645	\$ 5,644
Income before Income Taxes	¥ 149,127	¥ 129,664	\$ 1,219
Income Taxes:	35,784	33,723	292
Current	34,729	29,985	284
Deferred	1,054	3,738	9
Net Income	¥ 113,343	¥ 95,941	\$ 926

	Yen	U.S. Dollars
Net Income per Share of Common Stock	¥ 67.68	\$ 0.55

Non-Consolidated Statements of Changes in Net Assets (Unaudited)

Sumitomo Mitsui Trust Bank, Limited
For the fiscal years ended March 31, 2022 and 2021

From April 1, 2021 to March 31, 2022

	Millions of Yen							
	Shareholders' Equity							
	Capital Stock	Capital Surplus			Retained Earnings			Total Shareholders' Equity
Legal Capital Surplus		Other Capital Surplus	Total Capital Surplus	Legal Retained Earnings	Other Retained Earnings	Total Retained Earnings		
Balance at the Beginning of the Year	¥ 342,037	¥ 273,016	¥ 70,049	¥ 343,066	¥ 69,020	¥ 997,931	¥ 1,066,952	¥ 1,752,055
Cumulative Effects of Changes in Accounting Policies						(8,945)	(8,945)	(8,945)
Restated Balance	342,037	273,016	70,049	343,066	69,020	988,985	1,058,006	1,743,109
Changes during the Year								
Cash Dividends						(49,850)	(49,850)	(49,850)
Net Income						113,343	113,343	113,343
Reversal of Revaluation Reserve for Land						439	439	439
Net Changes of Items Other Than Shareholders' Equity								
Total Changes during the Year	—	—	—	—	—	63,932	63,932	63,932
Balance at the End of the Year	¥ 342,037	¥ 273,016	¥ 70,049	¥ 343,066	¥ 69,020	¥ 1,052,917	¥ 1,121,938	¥ 1,807,041

	Millions of Yen				
	Valuation and Translation Adjustments				Total Net Assets
	Valuation Differences on Available-for-Sale Securities	Deferred Gains (Losses) on Hedges	Revaluation Reserve for Land	Total Valuation and Translation Adjustments	
Balance at the Beginning of the Year	¥ 340,796	¥ (39,295)	¥ (4,016)	¥ 297,484	¥ 2,049,539
Cumulative Effects of Changes in Accounting Policies					(8,945)
Restated Balance	340,796	(39,295)	(4,016)	297,484	2,040,593
Changes during the Year					
Cash Dividends					(49,850)
Net Income					113,343
Reversal of Revaluation Reserve for Land					439
Net Changes of Items Other Than Shareholders' Equity	(49,644)	(3,136)	(439)	(53,220)	(53,220)
Total Changes during the Year	(49,644)	(3,136)	(439)	(53,220)	10,711
Balance at the End of the Year	¥ 291,152	¥ (42,431)	¥ (4,456)	¥ 244,263	¥ 2,051,305

From April 1, 2020 to March 31, 2021

	Millions of Yen							
	Shareholders' Equity							Total Shareholders' Equity
	Capital Stock	Capital Surplus			Retained Earnings			
		Legal Capital Surplus	Other Capital Surplus	Total Capital Surplus	Legal Retained Earnings	Other Retained Earnings	Total Retained Earnings	
Balance at the Beginning of the Year	¥ 342,037	¥ 273,016	¥ 70,049	¥ 343,066	¥ 69,020	¥ 951,742	¥ 1,020,763	¥ 1,705,866
Changes during the Year								
Cash Dividends						(49,867)	(49,867)	(49,867)
Net Income						95,941	95,941	95,941
Reversal of Revaluation Reserve for Land						115	115	115
Net Changes of Items Other Than Shareholders' Equity								
Total Changes during the Year	—	—	—	—	—	46,188	46,188	46,188
Balance at the End of the Year	¥ 342,037	¥ 273,016	¥ 70,049	¥ 343,066	¥ 69,020	¥ 997,931	¥ 1,066,952	¥ 1,752,055

	Millions of Yen				
	Valuation and Translation Adjustments				Total Net Assets
	Valuation Differences on Available-for-Sale Securities	Deferred Gains (Losses) on Hedges	Revaluation Reserve for Land	Total Valuation and Translation Adjustments	
Balance at the Beginning of the Year	¥ 363,461	¥ (48,002)	¥ (3,901)	¥ 311,558	¥ 2,017,424
Changes during the Year					
Cash Dividends				(49,867)	(49,867)
Net Income				95,941	95,941
Reversal of Revaluation Reserve for Land				115	115
Net Changes of Items Other Than Shareholders' Equity	(22,665)	8,707	(115)	(14,073)	(14,073)
Total Changes during the Year	(22,665)	8,707	(115)	(14,073)	32,115
Balance at the End of the Year	¥ 340,796	¥ (39,295)	¥ (4,016)	¥ 297,484	¥ 2,049,539

From April 1, 2021 to March 31, 2022

	Millions of U.S. Dollars							
	Shareholders' Equity							
	Capital Stock	Capital Surplus			Retained Earnings			Total Shareholders' Equity
		Legal Capital Surplus	Other Capital Surplus	Total Capital Surplus	Legal Retained Earnings	Other Retained Earnings	Total Retained Earnings	
Balance at the Beginning of the Year	\$ 2,795	\$ 2,231	\$ 572	\$ 2,803	\$ 564	\$ 8,154	\$ 8,718	\$ 14,317
Cumulative Effects of Changes in Accounting Policies						(73)	(73)	(73)
Restated Balance	2,795	2,231	572	2,803	564	8,081	8,645	14,243
Changes during the Year								
Cash Dividends						(407)	(407)	(407)
Net Income						926	926	926
Reversal of Revaluation Reserve for Land						4	4	4
Net Changes of Items Other Than Shareholders' Equity								
Total Changes during the Year	—	—	—	—	—	522	522	522
Balance at the End of the Year	\$ 2,795	\$ 2,231	\$ 572	\$ 2,803	\$ 564	\$ 8,604	\$ 9,168	\$ 14,766

	Millions of U.S. Dollars				
	Valuation and Translation Adjustments				Total Net Assets
	Valuation Differences on Available-for-Sale Securities	Deferred Gains (Losses) on Hedges	Revaluation Reserve for Land	Total Valuation and Translation Adjustments	
Balance at the Beginning of the Year	\$ 2,785	\$ (321)	\$ (33)	\$ 2,431	\$ 16,747
Cumulative Effects of Changes in Accounting Policies					(73)
Restated Balance	2,785	(321)	(33)	2,431	16,674
Changes during the Year					
Cash Dividends					(407)
Net Income					926
Reversal of Revaluation Reserve for Land					4
Net Changes of Items Other Than Shareholders' Equity	(406)	(26)	(4)	(435)	(435)
Total Changes during the Year	(406)	(26)	(4)	(435)	88
Balance at the End of the Year	\$ 2,379	\$ (347)	\$ (36)	\$ 1,996	\$ 16,762

Statements of Trust Account (Unaudited)

Sumitomo Mitsui Trust Bank, Limited and its Consolidated Subsidiaries
Fiscal year ended March 31, 2022 and 2021

As of March 31	Millions of Yen		Millions of U.S. Dollars
	2022	2021	2022
Assets:			
Loans and Bills Discounted (Note 2)	¥ 2,131,254	¥ 1,804,393	\$ 17,415
Securities (Note 3)	859,127	857,610	7,020
Beneficiary Rights	182,799,711	180,845,290	1,493,706
Securities Held in Custody Accounts	22,534	22,579	184
Monetary Claims	25,361,961	22,805,910	207,239
Tangible Fixed Assets	21,118,391	19,183,820	172,564
Intangible Fixed Assets	200,412	192,521	1,638
Other Claims	10,789,374	8,661,666	88,163
Loans to Banking Account	4,298,827	4,915,208	35,127
Cash and Due from Banks	633,823	557,590	5,179
Total Assets	¥ 248,215,419	¥ 239,846,590	\$ 2,028,235
Liabilities:			
Money Trusts (Note 4)	¥ 36,216,311	¥ 34,196,939	\$ 295,933
Pension Trusts	14,525,120	13,107,254	118,689
Property Formation Benefit Trusts	18,820	18,954	154
Securities Investment Trusts	80,405,840	81,009,958	657,018
Money in Trust Other Than Money Trusts	39,748,080	38,906,807	324,792
Securities in Trust	22,159,577	22,175,725	181,072
Money Claims in Trust	25,588,821	22,893,231	209,093
Real Estate in Trust	876	875	7
Composite Trusts	29,551,969	27,536,844	241,477
Total Liabilities	¥ 248,215,419	¥ 239,846,590	\$ 2,028,235

See Notes to Statements of Trust Account (Unaudited).

Notes to Statements of Trust Account (Unaudited)

1. Trust Accounts

Under the Trust Act of Japan, trust activities must be administered separately from a commercial banking business. As a result, assets accepted in trust must be segregated from the assets held by SuMi TRUST Bank. Within the general category of trust accounts, each trust account is segregated from other trust assets. Accordingly, the financial statements of SuMi TRUST Bank do not reflect SuMi TRUST Bank's records as to the assets accepted in trust, which are maintained separately under the trust account.

Under certain trust agreements, repayments of the principal of the customers' trust assets are guaranteed by SuMi TRUST Bank, and such guaranteed principal as of March 31, 2022 and 2021, were ¥4,052,452 million (U.S. \$33,114 million) and ¥4,634,580 million, respectively.

The translation of Japanese yen amounts into U.S. dollar amounts is included solely for the convenience of readers outside Japan. The translation has been made at the rate of ¥122.38 to U.S. \$1, the approximate rate of exchange as of March 31, 2022. Such translations should not be construed as representations that the Japanese yen amounts could be converted into U.S. dollars at that or any other rate.

Amounts less than one million Japanese yen have been rounded down and amounts less than one million U.S. dollars have been rounded off. As a result, the total may not be equal to sum of individual amounts.

The amounts presented in the statements of trust account as of March 31, 2022 and 2021, are for trust accounts in SuMi TRUST Bank.

2. Loans and Bills Discounted

Loans as of March 31, 2022 and 2021, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2022	2021	2022
Loans on Deeds	¥ 1,685,034	¥ 1,428,073	\$ 13,769
Loans on Bills	446,220	376,320	3,646
Total	¥ 2,131,254	¥ 1,804,393	\$ 17,415

The balances of guaranteed trust account loans as of March 31, 2022 and 2021, stood at ¥13,316 million (U.S. \$109 million) and ¥15,959 million respectively, which included the following:

Under certain trust agreements, repayment of the principal of customers' trust assets are guaranteed by SuMi TRUST Bank, and loans on such guaranteed trust assets as of March 31, 2022 and 2021, included the following:

	Millions of Yen		Millions of U.S. Dollars
	2022	2021	2022
Doubtful Loans	¥ 752	¥ 134	\$ 6
Restructured Loans	13	30	0
Total	¥ 765	¥ 164	\$ 6

3. Securities

Securities held as of March 31, 2022 and 2021, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2022	2021	2022
Government Bonds	¥ 401,621	¥ 457,214	\$ 3,282
Local Government Bonds	30	30	0
Corporate Bonds	40,758	66,718	333
Stocks	6,444	7,910	53
Other Securities	410,272	325,736	3,352
Total	¥ 859,127	¥ 857,610	\$ 7,020

4. Balance of Money Trusts

The principal amount of certain money trusts is guaranteed, and the balance of these accounts is as follows:

	Millions of Yen		Millions of U.S. Dollars
	2022	2021	2022
Assets:			
Loans and Bills Discounted	¥ 13,316	¥ 15,959	\$ 109
Other	4,039,461	4,618,947	33,008
Total	¥ 4,052,778	¥ 4,634,907	\$ 33,116
Liabilities:			
Principal	¥ 4,052,452	¥ 4,634,580	\$ 33,114
Allowance for Impairment of Guaranteed Trust Principal	12	19	0
Other	313	307	3
Total	¥ 4,052,778	¥ 4,634,907	\$ 33,116

In the case of certain money trusts, the principal amount is guaranteed, and as the above table indicates, an allowance for the impairment of guaranteed trust principal is set aside by SuMi TRUST Bank. The figures in the table include funds entrusted from other trusts managed by SuMi TRUST Bank.