

2024 Financial Report

Year ended March 31, 2024

Sumitomo Mitsui Trust Holdings, Inc. (“SuMi TRUST Holdings”)

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|---|-----|
| How to Read the Financial Statements of Trust Banks (Unaudited) | 1 |
| Independent Auditors’ Report | 3 |
| Management’s Discussion and Analysis (Unaudited) | 10 |
| Five-Year Summary (Unaudited) | 20 |
| Consolidated Balance Sheet | 22 |
| Consolidated Statement of Income | 23 |
| Consolidated Statement of Comprehensive Income | 24 |
| Consolidated Statement of Changes in Net Assets | 25 |
| Consolidated Statement of Cash Flows | 28 |
| Notes to Consolidated Financial Statements | 30 |
| Non-Consolidated Balance Sheet (Unaudited) | 108 |
| Non-Consolidated Statement of Income (Unaudited) | 109 |
| Non-Consolidated Statement of Changes in Net Assets (Unaudited) | 110 |
| Statement of Trust Account (Unaudited) | 113 |
| Notes to Statement of Trust Account (Unaudited) | 114 |

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

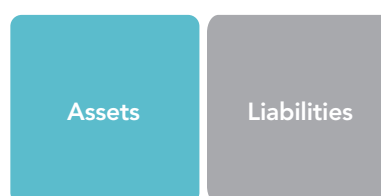
Balance Sheets of Trust Banks

(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 Holdings, Inc.:

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Sumitomo Mitsui Trust Holdings, Inc. ("the Company") and its consolidated subsidiaries (collectively referred to as "the Group"), which comprise the consolidated balance sheet as at March 31, 2024, 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, 2024, 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.

We identified "Estimates of allowance for loan losses for corporate customers" as a key audit matter in our audit of the consolidated financial statements for the current fiscal year. Specifically, the factors include (1) Classification of borrowers and (2) Adjustment of expected credit losses considering the future forecast performed by the Company's major consolidated subsidiary, Sumitomo Mitsui Trust Bank, Limited ("SuMi TRUST Bank").

In the previous fiscal year, we identified "Recognition of impairment losses on software relevant to the development project for implementation of the overseas accounting system" at SuMi TRUST Bank as a key audit matter. In the current fiscal year, however, we determined that it was no longer a key audit matter since we considered that the level of estimation uncertainty and materiality related to the valuation of the software is relatively low compared to the prior year.

During our audit for the current fiscal year, we communicated with the Audit Committee regarding the matters related to the accounting treatment for investments in the alternative asset portfolio, the valuation of equity investments including the alternative asset portfolio and accounting estimates other than the above (primarily for fair value measurement of financial instruments, retirement benefit obligations, and impairment losses on fixed assets) and recognition of fees and commissions (real estate brokerage fees and loan fees). However, we determined that none of these matters were subject to the key audit matters, taking into account the likelihood of



misstatements in the consolidated financial statements for the current fiscal year and the quantitative and qualitative impact in the event of any misstatement.

| Estimates 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., allowance for loan losses of ¥117.7 billion was recognized for the current fiscal year. The allowance was provided for the total credit portfolios of ¥35,159.5 billion, most of which was comprised of loans and bills discounted of ¥33,420.9 billion, representing a significant portion of the total assets of ¥75,876.9 billion.</p> <p>(1) Classification of borrowers</p> <p>As described in the Note on “Significant Accounting Policies and Practices, 5. 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, SuMi TRUST Bank, a major consolidated subsidiary, performs 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 based on the determined classification of each borrower.</p> <p>The vast majority of allowance for loan losses in the consolidated financial statements is for corporate customers of SuMi TRUST Bank. These corporate customers are classified, taking into account qualitative factors, based primarily on the credit rating assigned by the credit risk management system using quantitative information, such as financial information on the borrowers.</p> <p>Specifically, the process of determining the classification of each borrower includes reviewing the borrowers’ solvency based on their substantive financial condition, cash flow position and earning capacity, and overall assessment of their business sustainability and future profitability, ability to generate future cash flows available for debt repayment, the reasonableness and feasibility of their business improvement plans and support from other financial institutions and sponsors (such as equity investors or operators), in addition to their industry specific characteristics and market conditions. This determination involves the subjective judgment of management, and in particular, any changes in the classification of</p> | <p>The primary procedures we performed to assess the reasonableness of the estimates 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 of SuMi TRUST Bank related to the estimates of allowance for loan losses, we performed the following procedures with the assistance of our own specialists in credit risk assessment and IT:</p> <ul style="list-style-type: none"> ● assessment of whether the internal rules for the self-assessment and the write-offs and provisions (including the “Rules for Credit Risk Management” that stipulate the credit management policy) were properly maintained; ● evaluation of controls to ensure that the financial information on borrowers 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 model; ● evaluation of IT application controls relevant to determining credit ratings using quantitative information in the credit risk management system; ● 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 internal rules; and ● evaluation of controls in which the reasonableness of any adjustment for expected credit losses is assessed based on the current economic environment at management meetings. <p>(2) Classification of borrowers</p> <p>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 order to select large borrowers whose credit risk is expected to deteriorate due to</p> |



large borrowers (i.e. borrowers for whom a material amount of allowance for loan losses may be recognized if their credit risk increases) may have a significant effect on the consolidated financial statements.

Based on these factors, a higher level of management judgment is required to determine the classification of large borrowers for which a significant change in the credit risk is expected under the circumstances where the future economic environment remains uncertain due to inflation and corresponding tightening monetary policies, as well as the possibility that risks inherent in certain borrowers may materialize.

(2) Adjustment for expected credit losses considering future forecast

As described in the Note on “Significant Accounting Estimates, 1. Estimates of Allowance for Loan Losses (3)” to the consolidated financial statements, SuMi TRUST Bank, a major consolidated subsidiary, estimated the impact of the credit risks that had not yet been reflected in the financial information and historical loan-loss ratios of its borrowers, and recognized an additional allowance for loan losses of ¥15.1 billion (¥16.5 billion for the prior fiscal year) as a necessary adjustment for expected credit losses in the future, taking into account the effects of the uncertain future economic environment on the future financial performance and cash flow position of its borrowers.

The amount of adjustment of allowance for loan losses was estimated by using credit risk information in the credit management policy of SuMi TRUST Bank. In the credit management policy, “borrowers who may incur credit costs due to changes in their business environment” are selected and closely monitored, and selected borrowers are reviewed periodically. Expected credit losses in the future are estimated for the credit portfolio of selected borrowers by using certain assumptions about the degree of future deterioration in credit risks by credit rating and the corresponding change in their credit rating.

As identifying credit portfolios subject to adjustment for expected credit losses and estimating the impact of the current economic environment on allowance for loan losses involve a high degree of estimation uncertainty and require subjective management judgment, there may be a material impact on the consolidated financial statements if the assumptions used for the estimates are not

the uncertain future economic environment, 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 the current economic environment on the future financial performance and cash flow position of the borrowers, resilience to such impact, current performance of each borrower, potential intrinsic risks in individual credit facilities and their structures, and the intentions of other financial institutions and sponsors towards providing support.

In order to evaluate whether the classification of the corporate customers selected based on the above factors was appropriately determined, we primarily performed the following procedures, paying attention to the impact of the uncertain future economic environment:

- inspection of documents supporting the borrower classification, including the results of the analysis of borrowers’ financial information, the valuation of underlying assets future performance plans, and qualitative judgment such as the consideration of nature of transaction schemes or projects and the intention of other financial institutions and sponsors towards providing support, as well as the assessment of the reasonableness of borrower classification;
- assessment of whether the borrowers were classified in accordance with the internal rules for self-assessment; and
- inquiries of personnel in the relevant departments (branches, the Credit Supervision Department, and the Risk Management Department) of SuMi TRUST Bank and the assessment of appropriateness of the classification of borrowers using their recently released information that we obtained independently.

(3) Adjustment for expected credit losses considering future forecasts

In assessing the impact of the uncertain future economic environment on allowance for loan losses of SuMi TRUST Bank, we inspected the materials for the meetings and approvals in which the recognition of an additional allowance was discussed, and inquired of members of the meetings and other attendees.



appropriate. In particular, since the future economic environment remains highly uncertain as described above, a higher level of management judgment is required in estimating such impact for the current fiscal year.

We, therefore, determined that our assessment of the reasonableness of the estimates 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, we assessed the appropriateness of assumptions regarding the identification of credit portfolios subject to adjustment for expected credit losses, the extent of future deterioration in credit risks and changes in credit rating.

Specifically, we analyzed the latest downgrading of credit rating and assessed whether the credit management policy and its designated customers requiring close monitoring reasonably captured and discriminated ex-ante those borrowers to downgrade. In addition, based on the information we obtained and our understanding through the audit procedures described in “(2) Classification of borrowers” above, we:

- evaluated the consistency of the assumptions with the credit risk management framework of SuMi TRUST Bank;
- inspected the final approval documents of the borrowers requiring close monitoring based on the credit management policy;
- inquired of personnel in the relevant departments (the Credit Supervision Department, Financial Planning Department, and Risk Management Department) of SuMi TRUST Bank and inspected supporting documents;
- examined whether borrowers, who may incur credit costs, were indeed selected as borrowers requiring close monitoring based on industrial sectoral reports published by external organizations; and
- assessed the consistency of the assumptions with the information that formed the basis for measuring credit risks.

Additionally, we assessed the appropriateness of the calculation methods of the adjustment for expected credit losses reflecting the risk profile of the portfolio and individual borrowers.



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 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 Committee for the Consolidated Financial Statements

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

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

The audit committee are responsible for overseeing the directors' performance of their duties 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 committee regarding, among other matters, the planned scope and timing of the audit, significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

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

Fee-related Information

Fees paid or payable to our firm and to other firms within the same network as our firm for audit and non-audit services provided to the Company and its consolidated subsidiaries for the current year are 978 million yen and 473 million yen, respectively.



Convenience Translation

The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended March 31, 2024 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.

/S/ Yutaka Terasawa
Designated Engagement Partner
Certified Public Accountant

/S/ Tomomi Mase
Designated Engagement Partner
Certified Public Accountant

/S/ Yoichi Tanaka
Designated Engagement Partner
Certified Public Accountant

KPMG AZSA LLC
Tokyo Office, Japan
June 20, 2024

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.

Management's Discussion and Analysis (Unaudited)

Overview of Business Activities of the Company

Economic and Financial Environment

In looking back on the financial and economic environment during the fiscal year under review, continued monetary tightening primarily in the West was reflected in lackluster business conditions in Europe, but the US economy demonstrated resilience on the back of a buoyant job market. The Chinese economy was weighed down by mainly a sluggish real estate market. In the Japanese economy, domestic demand centered on personal consumption weakened in an inflationary environment.

In the financial markets, the Nikkei Stock Average continued to meet upside resistance through December 2023 before turning upwards in response to higher share prices in the US and weakness in the yen. In February 2024, it rallied to an all-time high. With the Bank of Japan expanding its permissible trading range, the yield on 10-year JGBs rose to above 0.90% at the end of October 2023, before falling back to around 0.60% in December in sympathy with lower UST yields. In January 2024, growing expectations of normalization in monetary policy pushed the 10-year JGB yield above 0.7%, but even after the BoJ dismantled its negative interest rate policy in March, yield movements remained calm due to the market's acceptance of the BoJ's ongoing commitment to monetary easing. Despite some phases of temporary yen appreciation, the Japanese currency remained weak overall, reflecting the different monetary policy stances between Japan and the US, with the USD/JPY currency pair breaking above 150 yen at the end of March 2024.

Developments of Business Activities

The "Purpose" (reason for existence) of SuMi TRUST is "Trust for a flourishing future." Based on this purpose, we continue to advance our business operations.

With the Nikkei Stock Average hitting an all-time high and the Japanese economy at a major turning point in finally overcoming deflation, as highlighted by the BoJ's decision to abandon its negative interest rate policy, in fiscal 2023, we pressed ahead with the initiatives based on the three topics in the Medium-Term Management Plan.

Three topics in the Medium-Term Management Plan

1. Driving growth and capital efficiency in businesses unique to a trust group: Realizing the virtuous circulation of funds, assets, and capital and enhancing corporate value
2. Strengthening of human capital for future adaptability: Building an organization in which job satisfaction leads to well-being
3. Enhancement of our management foundation: The capacity to support the transformation of businesses and organizations

1. Driving growth and capital efficiency in businesses unique to a trust group

Leveraging the strength of having a longstanding record of transactions based on relationships of trust with clients, SuMi TRUST aims to achieve the balanced creation of both social and economic value with a business model that is distinctive of a trust group with a core focus on asset management and administration. Through to fiscal 2030, we intend to expand our assets under fiduciary (hereinafter "AUF") to ¥800 trillion (U.S. \$5 trillion)—an indicator we defined of the scale of our initiatives geared towards solving social issues and contributing to market creation and growth. We will also press ahead with efforts aimed at early achievement of an ROE of at least 10%.

For individual clients, SuMi TRUST Bank leveraged the asset management know-how it has accumulated in the pension business to expand its comprehensive consulting services in view of the age of 100-year life. These services are

focused not only on pensions and retirement allowances but also on the flow and stock aspects of assets and liabilities, including real estate and loans.

SuMi TRUST Bank is also strengthening its approach to people in the asset formation stage of life by enhancing its contact channels, including the expansion of its online consulting plaza. In September 2023, we started providing the service, “the Sumitomo Mitsui Trust NEOBANK” so that clients using Smart Life Designer—an app that supports the asset formation efforts of clients—can access SuMi TRUST Bank’s services for various life stages, from asset formation, administration, and management to succession planning, as well as the functions powered by SBI Sumishin Net Bank’s leading-edge digital platform.

Also, in July 2023, SuMi TRUST Bank formed a capital and business alliance with PrivateBANK Co., Ltd., a provider of asset management services for mainly the financial assets, real estate, and private equity of ultra-high-net-worth families, as well as a wide range of concierge services. The collaboration between the two companies will not only deliver more multi-faceted services to highnet-worth clients, but will mean our capability of product development and solution providing can be strengthened, which in turn will enhance the foundation for asset management, asset administration, and social contributions.

For corporate clients, given the growing importance of initiatives in the ESG/sustainable management space, we expanded our engagement-driven solutions business to encourage improvements in corporate value through discussions from an investor’s point of view by utilizing various surveys on the topics of governance, human capital, ESG in real estate, and so on.

In February 2024, SuMi TRUST Bank established a joint venture to deliver climate change solution services together with the ERM Group, the world’s largest specialist sustainability consultancy that boasts a wealth of environmental and low-carbon transition expertise. The operations of the joint venture started in April 2024.

We will also provide pre-listing IR support to start-up firms that are contributing to the future of Japan with new technology and services and assist with the fundraising of investors both before and after listing. SuMi TRUST Bank not only

supports start-ups with seed financing using bank functions but it is committed to facilitating investments and loans up to a cumulative amount of ¥50.0 billion (U.S. \$0.3 billion) through to fiscal 2025 as a way of supporting start-ups that have started to consider going public.

Sumitomo Mitsui Trust Asset Management Co., Ltd. (hereinafter called Sumitomo Mitsui Trust Asset Management) has tapped the knowledge of SuMi TRUST Bank to set up a cross-over fund that invests in both listed and unlisted shares. We will contribute to the supply of capital to start-ups with both banking functions and investor functions.

For investor clients including individuals, we are expanding our management of private assets in order to enhance social and economic value and provide investment opportunities with stronger returns. In particular, even though we think the infrastructure that supports Japan’s industries and people’s livelihoods will require large sums of capital in order to solve such issues as decarbonization and digitalization, the opportunities to invest are limited because the investment market is still underdeveloped.

In this environment, in September 2023, Group company Japan Extensive Infrastructure, Limited. established a comprehensive domestic infrastructure fund (Japan Infrastructure I, Limited Partnership) for the purpose of providing advice on investment decisions. The fund will serve as a focal point for capital demand and investment needs in the domestic infrastructure domain and will help solve issues in society through the creation and provision of investment opportunities.

In December 2023, we publicly announced a policy on improving our asset management business with the aim of implementing industry-leading initiatives in response to the government’s Policy Plan for Promoting Japan as a Leading Asset Management Center. We will seek to enhance the self-directed asset management capabilities of SuMi TRUST Bank, Sumitomo Mitsui Trust Asset Management, and Nikko Asset Management Co., Ltd. (hereinafter called Nikko Asset Management), and also build a multi-affiliate model by partnering with diverse and capable asset management firms and incorporating them into the Group. To achieve this goal, we will aggressively spend up to ¥500 billion (U.S. \$3.3 billion) in total through to fiscal 2030 to acquire global asset management capabilities and client bases and to invest in

up-and-coming asset managers. In addition, we will step up efforts aimed at further enhancing corporate governance and boosting asset management know-how in the asset management business.

In building up to this, both Sumitomo Mitsui Trust Asset Management and Nikko Asset Management have entered into capital and business agreements with UK-based Osmosis (Holdings) Limited, an investment manager focused on delivering superior investment returns with better environmental outcomes.

In the asset administration business, we supported the improvements and enhancements of corporate governance at Custody Bank of Japan, Ltd., while SuMi TRUST Bank spearheaded efforts to strengthen functions and improve services to meet demand from investors and asset management companies seeking to improve and streamline their operations. We also worked on bolstering competitiveness by standardizing operational processes with the use of digital technology and 7 examining the adoption of a common backbone system for overseas asset administration.

2. Strengthening of human capital for future adaptability

The highly specialized work that is characteristic of SuMi TRUST is underpinned by each and every employee and we recognize that giving employees the opportunities to unleash their full potential generates the value that we deliver to clients and society.

To generate further momentum in diversity, equity, and inclusion, we worked on developing environments that will empower women in the workplace, help employees balance childcare and nursing care with their working lives, and contribute to improvements in human rights and equal rights for LGBTQ people. We also continued to establish personnel systems that bring to bear the diversity and expertise of employees as collective strengths of the organization by facilitating self-determined career-building efforts. As a result of these initiatives, SuMi TRUST was awarded the highest rating of "Gold" in the Pride Index managed by wwP (work with Pride), an organization that supports the promotion and establishment of diversity management regarding LGBTQ issues. At the same time, SuMi TRUST Bank was awarded a "Rainbow" rating for its efforts to find solutions to

specific issues in society by collaborating with major players from different sectors, including corporations, government agencies, and NPOs.

Also, with SuMi TRUST celebrating its 100th anniversary in fiscal 2024, we are undertaking numerous projects across the Group to express our gratitude to stakeholders and deepen their understanding of the Group's operations.

The "Purpose" of SuMi TRUST reflects the origin of trusts in Japan—to solve various social issues with a client-oriented mindset and contribute to Japan's development. As we celebrate 100 years of existence as an organization, we have formulated the brand slogan "trust for a flourishing future" to effectively convey and embody within and beyond SuMi TRUST the profound significance of "being entrusted" by our clients and our strong determination to fulfill their "wishes for the future."

Our centennial project is, in itself, an organization-building exercise for SuMi TRUST. We see it as an opportunity for each and every employee to take center stage, to learn about the identity of the Group and its history of challenges and pioneering spirit, and to feel confident and motivated as a SuMi TRUST employee. It is also an opportunity to kickstart a movement of challenging ourselves as we look to the next 100 years.

3. Enhancement of our management foundation

We will further enhance our fiduciary duties, including risk management, compliance, and improvements in client satisfaction because they form the basis of long-lasting relationships of trust with clients. We are updating our risk management framework and operational rules and taking measures to address increasingly complex and sophisticated financial crimes and cyber-attacks.

We are steadily advancing the provision of services and business process transformation with the use of generative AI and other digital technologies. In April 2023, we developed and started using a system utilizing digital technology to lighten the burden of inheritance procedures on both clients and financial institutions. This system scans family registers, checks for any missing information in the documents, and lets users create an heir relationship diagram. We will channel management resources into areas where we expect the effects

on productivity improvement and business efficiency to be most significant, expand our lineup of products and services tailored to client needs, and further refine improvements in our ability to deliver high-quality consulting services.

Results of Business Activities

(Consolidated Financial Results for the Fiscal Year 2024)

In this financial and economic environment, in the fiscal year under review, "Net Business Profit before Credit Costs" increased by ¥14.0 billion (U.S. \$93 million) from the previous fiscal year to ¥338.6 billion (U.S. \$2,237 million). This was primarily attributable to higher fee income from mainly corporate loans, as well as tailwinds from market factors, including high stock prices and weakness in the yen.

"Ordinary Profit" was down ¥184.5 billion (U.S. \$1,219 million) from the previous fiscal year to ¥101.3 billion (U.S. \$669 million), owing mainly to a deterioration in earnings from shares associated with the winding down and rebuilding of Japanese stock bear fund* positions for the purpose of sharply reducing the risk of share price volatility on periodic performance, even though we continued to step up efforts aimed at reducing our strategic shareholdings. As a result of the above, net income attributable to owners of the parent decreased by ¥111.8 billion yen (U.S. \$738 million), from the previous fiscal year to ¥79.1 billion (U.S. \$523 million).

*Held to hedge against the risk of share price fluctuations in strategic shareholdings

Major KPIs (Consolidated)

| Years Ended March 31 | Millions of Yen | | | | Millions of U.S. Dollars | Millions of Yen | | |
|---|-----------------|----------------------------------|-----------|-----------|-----------------------------|----------------------------------|-----------------------------|-----------|
| | 2024 | | | | 2024 | 2024 | | 2023 |
| | Forecast | Changes from Previous Year | Forecast | Results | Results | Changes from Previous Year | Changes from Forecast | Results |
| Net Business Profit Before Credit Costs (Note 1) | ¥ 340,000 | ¥ 1,329 | ¥ 330,000 | ¥ 338,670 | \$ 2,237 | ¥ 14,029 | ¥ 8,670 | ¥ 324,641 |
| Substantial Gross Business Profit (Note 1) | 910,000 | 35,844 | 860,000 | 874,155 | 5,773 | 59,992 | 14,155 | 814,162 |
| General and Administrative Expenses (Note 1) | (570,000) | (34,515) | (530,000) | (535,484) | (3,536) | (45,963) | (5,484) | (489,521) |
| Fee and Commission Income Ratio (%) | | | | 54.7% | | (0.4)% | | 55.1% |
| Over Head Ratio (%) | 62.6% | 1.3% | 61.6% | 61.3% | | 1.2% | (0.2)% | 60.1% |
| Return on Equity (%) | | | | 2.68% | | (4.25)% | | 6.93% |
| Consolidated Equity Tier 1 Capital Ratio (%) | | | | 11.35% | | 0.56% (Note2) | | 10.79% |

(Notes)

1) The amounts of the net business profit before credit costs, the substantial gross business profit, and general and administrative expenses are counted in accordance with the internal administration of the Company, taking into account the profits and losses of affiliated companies accounted for by the equity method.

2) Excluding the impact of gains/losses from strategic shareholdings and stock bear fund (gains/losses on stocks and other securities), we estimate that the level will roughly exceed the initial forecast (¥200.0 billion (U.S. \$1,321 million)).

3) The consolidated equity Tier 1 capital ratio (calculated based on the finalization of the Basel III reforms) as of March 31, 2024 was 10.2%.

Consolidated BIS Capital Adequacy Ratio

Consolidated Equity Tier 1 capital ratio was 11.35%, Consolidated Tier 1 capital ratio was 12.55%, and Consolidated Total capital ratio was 13.64% as of March 31, 2024, exceeding the minimum regulatory requirements of 7.55%, 9.05%, and 11.05%, respectively.

The translation of Japanese yen amounts into U.S. dollar amounts in "Management's Discussion and Analysis" is included solely for the convenience of readers outside Japan. The translation has been made at the rate of ¥151.42 to U.S. \$1, the approximate rate of exchange as of March 29, 2024.

Operating Results (Consolidated)

| Years Ended March 31 | Millions of Yen | | | Millions of U.S. Dollars |
|--|-----------------|-----------------|------------------|--------------------------|
| | 2024 | 2023 | Changes | 2024 |
| Gross Profit (excluding Trust Account Credit Costs) | ¥ 796,460 | ¥ 741,814 | ¥ 54,646 | \$ 5,260 |
| General and Administrative Expenses (excluding non-recurring expenses) | (500,672) | (456,075) | (44,596) | (3,307) |
| Net Provision of General Allowance for Loan Losses (B) | (4,121) | 3,563 | (7,685) | (27) |
| Banking Account Credit Costs (C) | (8,996) | (15,164) | 6,167 | (59) |
| Reversal of Allowance for Loan Losses (D) | — | — | — | — |
| Recoveries of Written-Off Claims (E) | 1,240 | 1,123 | 116 | 8 |
| Net Gains (Losses) on Stocks and Other Securities | (188,508) | 3,080 | (191,588) | (1,245) |
| Net Income from Affiliated Companies Accounted for by the Equity Method | 18,733 | 18,102 | 631 | 124 |
| Impairment Loss | (7,407) | (18,187) | 10,779 | (49) |
| Others | (8,751) | (6,868) | (1,882) | (58) |
| Income Before Income Taxes | 97,977 | 271,387 | (173,410) | 647 |
| Net Income Attributable to Owners of the Parent | 79,199 | 191,000 | (111,800) | 523 |
| Total Credit Costs (A+B+C+D+E) | (11,877) | (10,477) | (1,400) | (78) |
| Net Business Profit Before Credit Costs | 338,670 | 324,641 | 14,029 | 2,237 |

(Notes)

1) Gross Operating Profit = Trust Fees + (Interest Income – Interest Expenses) + (Fees and Commissions – Fees and Commissions Payments) + (Trading Income – Trading Expenses) + (Other Ordinary Income – Other Ordinary Expenses)

2) Net Business Profit Before Credit Costs is Substantial Gross Business Profit, less General Administrative Expenses. (The amounts of Substantial Gross Business Profit and General Administrative Expenses are calculated for internal control purposes, taking into account of share of profit

and losses of affiliated companies accounted for by the equity method.) Note that the differences between the amounts of Substantial Gross Business Profit and Gross Profit, and Total General Administrative Expenses and General Administrative Expenses are primarily the amount of Ordinary Profits (adjusted for non-recurring effects) from Affiliated Companies Accounted for by the Equity Method multiplied by the Ratio of Equity Holdings.

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

Analysis on Operating Results (Consolidated)

| Years Ended March 31 | Millions of Yen | | | Millions of U.S. Dollars |
|---|-----------------|-----------|-----------|--------------------------|
| | 2024 | 2023 | Changes | 2024 |
| Net Business Profit Before Credit Costs (Note 1) | ¥ 338,670 | ¥ 324,641 | ¥ 14,029 | \$ 2,237 |
| Substantial Gross Business Profit (Note 1) | 874,155 | 814,162 | 59,992 | 5,773 |
| Substantial Interest Income (Note 2) | 289,969 | 300,628 | (10,658) | 1,915 |
| Interest Income | (84,579) | 148,113 | (232,692) | (559) |
| Profits Earned from Market Deployment of Surplus Foreign Currency Fund | 374,548 | 152,515 | 222,033 | 2,474 |
| Fees and Commissions Related Income | 478,880 | 449,361 | 29,518 | 3,163 |
| Other Income (excluding Profits Earned From Market Deployment of Surplus Foreign Currency Fund) | 105,305 | 64,172 | 41,133 | 695 |
| General and Administrative Expenses (Note 1) | (535,484) | (489,521) | (45,963) | (3,536) |
| Total Credit Costs | (11,877) | (10,477) | (1,400) | (78) |
| Net Gain (Loss) on Stocks and Other Securities | (188,508) | 3,080 | (191,588) | (1,245) |
| Other Non-recurring profits (Losses) | (36,957) | (31,403) | (5,554) | (244) |
| Ordinary Profit | 101,327 | 285,840 | (184,513) | 669 |
| Extraordinary Profits (Losses) | (3,349) | (14,453) | 11,103 | (22) |
| Income before Income Taxes | 97,977 | 271,387 | (173,410) | 647 |
| Total Income Taxes | (17,636) | (79,357) | 61,721 | (116) |
| Net Income Attributable to Non-Controlling Interests | (1,141) | (1,029) | (111) | (8) |
| Net Income Attributable to Owners of the Parent | 79,199 | 191,000 | (111,800) | 523 |
| Return on Equity (%) | 2.68 | 6.93 | (4.25) | |
| Dividends per Share of Common Stock (DPS) (Note 3) | 110 | 210 | 5 | |
| Earnings per Share of Common Stock (EPS) (Note 3) | 109 | 517 | (149) | |
| Total Number of Shares Outstanding (Million of Shares) (Note 3) | 725.5 | 369.3 | (13.1) | |

(Notes)

1) The amounts of the net business profit before credit costs, the substantial gross business profit, and general and administrative expenses are counted in accordance with the internal administration of the company, taking into account the profits and losses of affiliated companies accounted for by the equity method.

2) The amount of the substantial interest income is the sum of "Interest Income" and profits earned from market deployment of surplus foreign currency fund included in "Other Income."

3) The Company executed a 2-for-1 stock split of its shares of common stock on January 1, 2024, and it is assumed that the stock split was conducted at the beginning of the previous fiscal year.

4) The total number of shares outstanding is the average number of common stock (excluding treasury stock) outstanding.

Major Profit and Losses (Consolidated)

| Years Ended March 31 | Millions of Yen | | | Millions of U.S. Dollars |
|---|-----------------|-----------|-------------|--------------------------|
| | 2024 | 2023 | Changes | 2024 |
| Interest Income | ¥ (84,579) | ¥ 148,113 | ¥ (232,692) | \$ (559) |
| Other Profits | 479,854 | 216,687 | 263,166 | 3,169 |
| Profits Earned from Market Deployment of Surplus Foreign Currency Fund | 374,548 | 152,515 | 222,033 | 2,474 |
| Profits other than Profits Earned from Market Deployment of Surplus Foreign Currency Fund | 105,305 | 64,172 | 41,133 | 695 |

"Interest income" decreased by ¥232.6 billion (U.S. \$1,537 million) from the previous fiscal year to a loss of ¥84.5 billion (U.S. \$559 million), mainly due to the absence of termination gain on bond bear fund recorded in the previous fiscal year and increased funding costs. The substantial interest income, which includes profits earned from the market deployment of surplus foreign currency fund decreased by ¥10.6 billion (U.S. \$70 million) from the previous fiscal year to ¥289.9 billion (U.S. \$ 1,915 million).

"Fees and Commissions Related Income" increased by ¥29.5 billion (U.S. \$195 million) from the previous fiscal year to ¥478.8 billion (U.S. \$3,163 million), mainly due to strong growth in fee income from corporate loans.

"General and Administrative Expenses" increased by ¥45.9 billion (U.S. \$304 million) from the previous fiscal year to ¥535.4 billion (U.S. \$3,536 million), mainly due to an increase in investment in human capital and expenses linked to gross profit in line with the plan, despite the yen depreciation-related increase.

As a result, "Net Business Profit Before Credit Costs," which represents the actual profit level calculated by making necessary adjustments to the above results, increased by ¥14.0 billion (U.S. \$93 million) from the previous fiscal year to ¥338.6 billion (U.S. \$2,237 million).

Credit Costs (Consolidated)

"Total Credit Costs" decreased by ¥1.4 billion (U.S. \$9 million) from the previous fiscal year to ¥11.8 billion (U.S. \$78 million) of losses, mainly due to a decrease in amortization of loans and bills discounted.

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

"Net Gains (Losses) on Stock and Other Securities" arrived at ¥188.5 billion (U.S. \$1,245 million) of loss, mainly due to a realized loss of ¥298.1 billion (U.S. \$1,969 million) resulting from the winding down and rebuilding of Japanese stock bear fund* positions, while a gain of ¥108.5 billion (U.S. \$717 million) was recorded due to accelerated activities to reduce strategic shareholdings.

*Held to hedge against the risk of share price fluctuations in strategic shareholdings

Extraordinary Gain and Losses (Consolidated)

"Extraordinary Gains and Losses" improved by ¥11.1 billion (U.S. \$73 million) from the previous year to a loss of ¥3.3 billion (U.S. \$22 million), mainly due to the rebound from the extraordinary losses associated with the renewal of overseas business-related systems that were recorded in the previous fiscal year.

Financial Condition

Assets and Liabilities

As of March 31, 2024, consolidated "Total Assets" were ¥75,876.9 billion (U.S. \$501 billion), an increase of ¥6,854.1 billion (U.S. \$45 billion), and consolidated "Total Net Assets" were ¥3,137.6 billion (U.S. \$21 billion), an increase of ¥315.1 billion (U.S. \$2 billion), compared with those as of the end of the previous fiscal year, respectively.

In particular, "Cash and Due from Banks" increased by ¥1,229.1 billion (U.S. \$8 billion) to ¥22,831.6 billion (U.S. \$151 billion), "Loans and Bills Discounted" increased by ¥1,609.9 billion (U.S. \$11 billion) to ¥33,420.9 billion (U.S. \$221 billion), "Securities" increased by ¥3,005.8 billion (U.S. \$20 billion) to ¥9,938.9 billion (U.S. \$66 billion), and "Deposits"

increased by ¥2,030.9 billion (U.S. \$13 billion) to ¥37,418.2 billion (U.S. \$247 billion), compared with those as of the end of the previous fiscal year.

In the consolidated financial statements of the SuMi TRUST Group, Cash and Due from Banks, credits on Loans and Bills Discounted and Securities, and reception of Deposits are mainly in Japanese yen. However, the SuMi TRUST Group's policy is to balance the operations and financing in all currencies and to diversify and stabilize the funding base in foreign currencies through yen-based investment transactions by utilizing customer-related deposits and swap markets and issuance of bonds.

"Total Assets of Trust Accounts" were ¥257,466.8 billion (U.S. \$1,700 billion) as of March 31, 2024, an increase of

¥1,241.0 billion (U.S. \$8 billion), compared with the amount as of the end of the previous fiscal year.

Problem Assets under the Financial Reconstruction Act

As of March 31, 2024, the total balance of Bankrupt and Practically Bankrupt Loans, Doubtful Loans, and Substandard Loans of the Banking Account and the Principal Guaranteed Trust Accounts with a disclosure requirement under the Financial Reconstruction Act, decreased by ¥36.5 billion (U.S. \$0.2 billion) from the end of the previous fiscal year to ¥97.7 billion (U.S. \$0.6 billion). The ratio of "Problem Assets under the Financial Reconstruction Act" to Total Balance decreased by 0.1% to 0.3% since the previous fiscal year.

Problem Assets under the Financial Reconstruction Act

(SuMi TRUST Bank (non-consolidated basis) after partial direct write-offs)

Banking Account and Principal Guaranteed Trust Account (Combined)

| As of March 31 | Billions of Yen | | | Billions of U.S. Dollars |
|---|-----------------|----------|----------|--------------------------|
| | 2024 | 2023 | Changes | 2024 |
| Problem Assets under the Financial Reconstruction Act | ¥ 97.7 | ¥ 134.2 | ¥ (36.5) | \$ 1 |
| Total Balance | 34,393.1 | 32,522.7 | 1,870.4 | 227 |
| Ratio to Total Balance | 0.3% | 0.4% | (0.1)% | 0.3% |

Banking Account

| Classification | Billions of Yen, Except for Percentages | | | | | | | |
|---|---|----------|----------------|------|---------------------------------|-------|-----------------|------|
| | Balance | | Coverage Ratio | | Collateral/Allowance | | Allowance Ratio | |
| As of March 31 | 2024 | 2023 | 2024 | 2023 | 2024 | | 2024 | 2023 |
| Bankrupt and Practically Bankrupt Loans (A) | ¥ 8.8 | ¥ 8.5 | 100% | 100% | Specific Allowance Provided | ¥ 3.4 | 100% | 100% |
| | | | | | Covered by Collateral/Guarantee | 5.3 | — | — |
| Doubtful Loans (B) | 44.8 | 86.1 | 83% | 74% | Uncovered | 7.6 | 71% | 62% |
| | | | | | Specific Allowance Provided | 19.2 | — | — |
| Substandard Loans (C) | 44.1 | 39.5 | 57% | 48% | Uncovered | 18.6 | 15% | 22% |
| | | | | | General Allowance Provided | 3.3 | — | — |
| | | | | | Covered by Collateral/Guarantee | 22.0 | — | — |
| Total of (A), (B), and (C) | 97.7 | 134.1 | | | | | | |
| Total Balance | 34,384.9 | 32,512.2 | | | | | | |
| Ratio to Total Balance | 0.3% | 0.4% | | | | | | |

Principal Guaranteed Trust Account

| Classification | Balance | | Coverage Ratio | | Collateral/Allowance | |
|---|---------|------|----------------|------|---|-----|
| | 2024 | 2023 | 2024 | 2023 | 2024 | |
| As of March 31 | | | | | | |
| Bankrupt and Practically Bankrupt Loans (A) | ¥ — | ¥ — | — | — | Covered by Collateral/Guarantee | ¥ — |
| Doubtful Loans (B) | 0.0 | 0.1 | 100% | 100% | Covered by Collateral/Guarantee | 0.0 |
| Substandard Loans (C) | 0.0 | 0.0 | 100% | 100% | Covered by Collateral/Guarantee | 0.0 |
| Total of (A), (B), and (C) | 0.0 | 0.1 | | | Allowance for Jointly Operated Money Trusts | 0.0 |
| Total Balance | 8.2 | 10.5 | | | | |
| Ratio to Total Balance | 0.6% | 0.7% | | | | |

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

| Years Ended March 31 | Percentage Points | | |
|---|-------------------|-------|---------|
| | 2024 | 2023 | Changes |
| Average Yield on Interest-Earning Assets (a) | 0.50% | 0.53% | (0.03)% |
| Loans and Bills Discounted (A) | 0.65 | 0.63 | 0.02 |
| Securities | 1.95 | 1.91 | 0.04 |
| Average Yield on Interest-Bearing Liabilities (b) | 0.08 | 0.08 | (0.00) |
| Deposits (B) | 0.05 | 0.04 | 0.01 |
| Gross Margin (a)–(b) | 0.42 | 0.45 | (0.03) |
| Loan-Deposit Margin (A)–(B) | 0.60 | 0.59 | 0.01 |

Five-Year Summary (Unaudited)

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

| Consolidated Statements of Banking Account | Millions of Yen | | | | |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|
| | 2024 | 2023 | 2022 | 2021 | 2020 |
| As of the Year-End | | | | | |
| Assets: | | | | | |
| Cash and Due from Banks | ¥ 22,831,653 | ¥ 21,602,473 | ¥ 18,223,364 | ¥ 18,488,763 | ¥ 13,141,192 |
| Call Loans and Bills Bought | 25,000 | 24,006 | 5,000 | 8,766 | 71,236 |
| Securities | 9,938,913 | 6,933,067 | 7,879,235 | 6,983,483 | 6,437,599 |
| Loans and Bills Discounted | 33,420,919 | 31,810,926 | 30,876,507 | 30,506,968 | 29,703,375 |
| Foreign Exchanges | 45,394 | 47,445 | 29,494 | 25,396 | 36,952 |
| Customers' Liabilities for Acceptances and Guarantees | 595,482 | 562,523 | 541,228 | 511,782 | 518,811 |
| Others | 9,019,541 | 8,042,303 | 7,078,389 | 6,843,412 | 6,591,384 |
| Total Assets | ¥ 75,876,905 | ¥ 69,022,746 | ¥ 64,633,220 | ¥ 63,368,573 | ¥ 56,500,552 |
| Liabilities: | | | | | |
| Deposits and Negotiable Certificates of Deposit | ¥ 46,639,278 | ¥ 42,848,293 | ¥ 39,818,106 | ¥ 40,628,273 | ¥ 36,549,212 |
| Call Money and Bills Sold | 360,394 | 1,912,878 | 799,524 | 60,675 | 142,974 |
| Borrowed Money | 7,302,158 | 6,039,543 | 7,153,498 | 5,782,602 | 5,856,384 |
| Foreign Exchanges | 281 | 847 | 1,275 | 577 | 3,213 |
| Acceptances and Guarantees | 595,482 | 562,523 | 541,228 | 511,782 | 518,811 |
| Others | 17,841,623 | 14,836,086 | 13,574,298 | 13,662,105 | 10,839,049 |
| Total Liabilities | ¥ 72,739,219 | ¥ 66,200,172 | ¥ 61,887,931 | ¥ 60,646,016 | ¥ 53,909,645 |
| Net Assets: | | | | | |
| Shareholders' Equity | ¥ 2,566,378 | ¥ 2,587,824 | ¥ 2,517,528 | ¥ 2,416,003 | ¥ 2,334,377 |
| Accumulated Other Comprehensive Income | 539,948 | 204,259 | 198,028 | 277,756 | 220,889 |
| Subscription Rights to Shares | 855 | 945 | 1,006 | 1,024 | 1,057 |
| Non-Controlling Interests | 30,503 | 29,545 | 28,725 | 27,772 | 34,583 |
| Total Net Assets | ¥ 3,137,686 | ¥ 2,822,574 | ¥ 2,745,288 | ¥ 2,722,556 | ¥ 2,590,907 |
| Total Liabilities and Net Assets | ¥ 75,876,905 | ¥ 69,022,746 | ¥ 64,633,220 | ¥ 63,368,573 | ¥ 56,500,552 |
| For the Year | | | | | |
| Income: | | | | | |
| Trust Fees | ¥ 116,269 | ¥ 109,721 | ¥ 110,539 | ¥ 102,883 | ¥ 99,816 |
| Interest Income | 1,008,989 | 660,308 | 375,659 | 363,749 | 489,366 |
| Fees and Commissions | 467,405 | 440,331 | 444,655 | 390,877 | 401,723 |
| Trading Income | 77,765 | 15,608 | 13,453 | 76 | 102,189 |
| Other Ordinary Income | 648,320 | 468,302 | 336,597 | 402,394 | 349,778 |
| Other Income | 161,314 | 129,767 | 120,731 | 158,185 | 95,680 |
| Total Income | ¥ 2,480,065 | ¥ 1,824,040 | ¥ 1,401,637 | ¥ 1,418,166 | ¥ 1,538,556 |
| Expenses: | | | | | |
| Interest Expenses | ¥ 1,129,376 | ¥ 551,456 | ¥ 107,883 | ¥ 137,471 | ¥ 361,890 |
| Fees and Commissions Payments | 129,174 | 122,839 | 133,161 | 118,031 | 109,666 |
| Trading Expenses | 1,848 | 5,184 | — | 33,300 | — |
| Other Ordinary Expenses | 261,890 | 272,978 | 291,487 | 290,350 | 280,488 |
| General and Administrative Expenses | 505,945 | 460,336 | 435,567 | 431,422 | 433,455 |
| Other Expenses | 353,852 | 139,857 | 205,536 | 207,586 | 112,333 |
| Total Expenses | ¥ 2,382,087 | ¥ 1,552,653 | ¥ 1,173,637 | ¥ 1,218,163 | ¥ 1,297,834 |
| Income before Income Taxes | 97,977 | 271,387 | 227,999 | 200,003 | 240,721 |
| Net Income | ¥ 80,340 | ¥ 192,029 | ¥ 170,236 | ¥ 143,938 | ¥ 165,094 |

| | Yen | | | | |
|--|----------|----------|----------|----------|----------|
| Per Share of Common Stock: | | | | | |
| Net Income per Share of Common Stock | ¥ 109.16 | ¥ 258.57 | ¥ 451.40 | ¥ 379.65 | ¥ 434.31 |
| Diluted Net Income per Share of Common Stock | 109.09 | 258.41 | 451.12 | 379.41 | 434.03 |
| Net Assets per Share of Common Stock | 4,316.76 | 3,843.26 | 7,249.70 | 7,192.07 | 6,822.48 |

| Statements of Trust Account | Millions of Yen | | | | |
|-----------------------------|---------------------|----------------------|----------------------|----------------------|----------------------|
| | 2024 | 2023 | 2022 | 2021 | 2020 |
| Trust Assets | ¥257,466,804 | ¥ 256,225,715 | ¥ 248,215,419 | ¥ 239,846,590 | ¥ 224,425,327 |

- SuMi Trust Holdings has applied the "Implementation Guidance on Accounting Standard for Fair Value Measurement" (ASBJ Guidance No.31, June 17, 2021, "Guidance for Application of Fair Value Measurement") from the beginning of the fiscal year ended March 31, 2023.
- SuMi Trust Holdings has applied the "Accounting Standard for Revenue Recognition" (ASBJ Statement No.29, March 31, 2020) and "Accounting Standard for Fair Value Measurement" (ASBJ Statement No.30, July 4, 2019) from the beginning of the fiscal year ended March 31, 2022. The amounts in "Five-Year Summary" have reflected those accounting standards after the fiscal year ended March 31, 2022.
- For the purpose of accurately presenting credit risks with and without collateral for derivative transactions, financial assets and liabilities for derivative transactions measured at fair value are now presented on a gross basis based on the general rule from fiscal year ended March 31, 2022. To reflect this change in presentation, reclassifications have been made in the consolidated financial statements for the fiscal year ended March 31, 2021.
- The Company executed a 2-for-1 stock split of its shares of common stock on January 1, 2024. Net assets per share of common stock, net income per share of common stock, and fully diluted net income per share of common stock are calculated on the assumption that the stock split was conducted at the beginning of the previous fiscal year.

Five-Year Summary (Unaudited)

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

| Non-Consolidated Statements | Millions of Yen | | | | |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|
| | 2024 | 2023 | 2022 | 2021 | 2020 |
| As of the Year-End | | | | | |
| Assets: | | | | | |
| Current Assets: | ¥ 90,452 | ¥ 81,652 | ¥ 137,483 | ¥ 173,123 | ¥ 175,470 |
| Cash and Due from Banks | 3,671 | 5,632 | 18,978 | 2,541 | 2,349 |
| Securities | 45,000 | 59,000 | 104,000 | 164,000 | 129,000 |
| Non-Current Assets | 2,032,989 | 2,046,987 | 2,086,028 | 2,030,327 | 2,049,283 |
| Investments and Other Assets | 2,032,984 | 2,046,981 | 2,086,028 | 2,030,325 | 2,049,281 |
| Total Assets | ¥ 2,123,441 | ¥ 2,128,640 | ¥ 2,223,512 | ¥ 2,203,450 | ¥ 2,224,754 |
| Liabilities: | | | | | |
| Current Liabilities | ¥ 33,748 | ¥ 2,723 | ¥ 8,183 | ¥ 12,799 | ¥ 4,616 |
| Non-Current Liabilities | 591,598 | 605,450 | 645,303 | 620,209 | 650,093 |
| Bonds Payable | 571,000 | 590,000 | 630,000 | 610,000 | 640,000 |
| Total Liabilities | ¥ 625,346 | ¥ 608,173 | ¥ 653,486 | ¥ 633,009 | ¥ 654,709 |
| Net Assets: | | | | | |
| Shareholders' Equity | ¥ 1,497,239 | ¥ 1,519,521 | ¥ 1,569,019 | ¥ 1,569,417 | ¥ 1,568,986 |
| Subscription Rights to Shares | 855 | 945 | 1,006 | 1,024 | 1,057 |
| Total Net Assets | ¥ 1,498,094 | ¥ 1,520,466 | ¥ 1,570,025 | ¥ 1,570,441 | ¥ 1,570,044 |
| Total Liabilities and Net Assets | ¥ 2,123,441 | ¥ 2,128,640 | ¥ 2,223,512 | ¥ 2,203,450 | ¥ 2,224,754 |
| For the Year | | | | | |
| Operating Income: | ¥ 86,512 | ¥ 78,111 | ¥ 63,319 | ¥ 60,855 | ¥ 97,597 |
| Dividends Received from Subsidiaries | 78,396 | 71,279 | 58,154 | 56,256 | 95,851 |
| Operating Expenses: | 7,336 | 6,395 | 5,525 | 3,984 | 3,709 |
| General and Administrative Expenses | 7,336 | 6,395 | 5,525 | 3,984 | 3,709 |
| Operating Profit | ¥ 79,176 | ¥ 71,716 | ¥ 57,793 | ¥ 56,870 | ¥ 93,888 |
| Non-Operating Income | ¥ 6,959 | ¥ 6,746 | ¥ 6,715 | ¥ 7,891 | ¥ 8,183 |
| Non-Operating Expenses | 7,752 | 7,035 | 6,928 | 8,861 | 9,430 |
| Income before Income Taxes | ¥ 78,382 | ¥ 71,426 | ¥ 57,580 | ¥ 56,799 | ¥ 92,640 |
| Net Income | ¥ 78,290 | ¥ 71,257 | ¥ 57,620 | ¥ 56,637 | ¥ 93,858 |
| Yen | | | | | |
| Per Share of Common Stock: | | | | | |
| Net Income per Share of Common Stock | ¥ 107.90 | ¥ 96.46 | ¥ 153.83 | ¥ 151.21 | ¥ 250.04 |
| Diluted Net Income per Share of Common Stock | 107.84 | 96.40 | 153.74 | 151.12 | 249.87 |
| Net Assets per Share of Common Stock | 2,080.66 | 2,091.59 | 4,188.80 | 4,190.18 | 4,189.14 |

Consolidated Balance Sheet

Sumitomo Mitsui Trust Holdings, Inc. and its Consolidated Subsidiaries
As of March 31, 2024 and 2023

| | Millions of Yen | | Millions of U.S. Dollars |
|--|---------------------|---------------------|--------------------------|
| | 2024 | 2023 | 2024 |
| Assets: | | | |
| Cash and Due from Banks | ¥ 22,831,653 | ¥ 21,602,473 | \$ 150,784 |
| Call Loans and Bills Bought | 25,000 | 24,006 | 165 |
| Receivables under Resale Agreements | 111,600 | 110,003 | 737 |
| Receivables under Securities Borrowing Transactions | 532,200 | 436,093 | 3,515 |
| Monetary Claims Bought | 1,144,441 | 970,058 | 7,558 |
| Trading Assets (Notes 1 and 2) | 2,015,752 | 1,514,603 | 13,312 |
| Money Held in Trust | 22,596 | 16,136 | 149 |
| Securities (Notes 2 and 4) | 9,938,913 | 6,933,067 | 65,638 |
| Loans and Bills Discounted (Notes 3, 4 and 5) | 33,420,919 | 31,810,926 | 220,717 |
| Foreign Exchanges | 45,394 | 47,445 | 300 |
| Lease Receivables and Investment Assets (Note 4) | 718,968 | 688,933 | 4,748 |
| Other Assets (Notes 4, 8 and 14) | 3,869,240 | 3,839,561 | 25,553 |
| Tangible Fixed Assets (Note 6) | 226,714 | 222,588 | 1,497 |
| Intangible Fixed Assets (Note 7) | 149,172 | 130,969 | 985 |
| Assets for Retirement Benefits | 338,723 | 232,625 | 2,237 |
| Deferred Tax Assets | 7,929 | 10,729 | 52 |
| Customers' Liabilities for Acceptances and Guarantees | 595,482 | 562,523 | 3,933 |
| Allowance for Loan Losses | (117,798) | (129,998) | (778) |
| Total Assets | ¥ 75,876,905 | ¥ 69,022,746 | \$ 501,102 |
| Liabilities: | | | |
| Deposits (Notes 4 and 9) | ¥ 37,418,280 | ¥ 35,387,287 | \$ 247,116 |
| Negotiable Certificates of Deposit | 9,220,997 | 7,461,005 | 60,897 |
| Call Money and Bills Sold | 360,394 | 1,912,878 | 2,380 |
| Payables under Repurchase Agreements (Note 4) | 2,700,532 | 1,030,780 | 17,835 |
| Trading Liabilities (Note 1) | 1,767,322 | 1,472,636 | 11,672 |
| Borrowed Money (Notes 4 and 10) | 7,302,158 | 6,039,543 | 48,225 |
| Foreign Exchanges | 281 | 847 | 2 |
| Short-Term Bonds Payable | 2,906,725 | 2,332,377 | 19,196 |
| Bonds Payable (Note 11) | 2,787,367 | 2,501,760 | 18,408 |
| Borrowed Money from Trust Account (Note 12) | 4,327,798 | 4,332,472 | 28,581 |
| Other Liabilities (Note 13 and 14) | 3,084,555 | 3,038,112 | 20,371 |
| Provision for Bonuses | 20,875 | 19,136 | 138 |
| Provision for Directors' Bonuses | 422 | 402 | 3 |
| Provision for Stocks Payment | 1,274 | 1,064 | 8 |
| Liabilities for Retirement Benefits | 13,965 | 13,720 | 92 |
| Provision for Reward Points Program | 22,255 | 21,282 | 147 |
| Provision for Reimbursement of Deposits | 2,573 | 3,028 | 17 |
| Provision for Contingent Losses | 1,639 | 1,344 | 11 |
| Deferred Tax Liabilities | 201,934 | 65,585 | 1,334 |
| Deferred Tax Liabilities for Land Revaluation (Note 6) | 2,381 | 2,381 | 16 |
| Acceptances and Guarantees | 595,482 | 562,523 | 3,933 |
| Total Liabilities | ¥ 72,739,219 | ¥ 66,200,172 | \$ 480,381 |
| Net Assets: | | | |
| Total Shareholders' Equity: | ¥ 2,566,378 | ¥ 2,587,824 | 16,949 |
| Capital Stock | 261,608 | 261,608 | 1,728 |
| Capital Surplus | 526,318 | 546,146 | 3,476 |
| Retained Earnings | 1,802,086 | 1,803,002 | 11,901 |
| Treasury Stock | (23,635) | (22,933) | (156) |
| Total Accumulated Other Comprehensive Income: | 539,948 | 204,259 | 3,566 |
| Valuation Differences on Available-for-Sale Securities | 477,680 | 258,240 | 3,155 |
| Deferred Gains (Losses) on Hedges | (11,599) | (48,470) | (77) |
| Revaluation Reserve for Land (Note 6) | (6,782) | (6,855) | (45) |
| Foreign Currency Translation Adjustments | 39,346 | 24,531 | 260 |
| Remeasurements of Defined Benefit Plans | 41,304 | (23,187) | 273 |
| Subscription Rights to Shares | 855 | 945 | 6 |
| Non-Controlling Interests | 30,503 | 29,545 | 201 |
| Total Net Assets | ¥ 3,137,686 | ¥ 2,822,574 | \$ 20,722 |
| Total Liabilities and Net Assets | ¥ 75,876,905 | ¥ 69,022,746 | \$ 501,102 |

| | Yen | | U.S. Dollars |
|---|-------------------|-------------------|-----------------|
| Net Assets per Share of Common Stock | ¥ 4,316.76 | ¥ 3,843.26 | \$ 28.51 |

See accompanying notes.

The figures in U.S. dollars are converted from yen for the convenience of readers outside Japan at the rate of ¥151.42 to U.S. \$1.00, the exchange rate as of March 29, 2024.

SuMi TRUST Holdings executed a 2-for-1 stock split of its shares of common stock on January 1, 2024. Net assets per share of common stock is calculated on the assumption that the stock split was conducted at the beginning of the previous fiscal year.

Consolidated Statement of Income

Sumitomo Mitsui Trust Holdings, Inc. and its Consolidated Subsidiaries
For the fiscal years ended March 31, 2024 and 2023

| | Millions of Yen | | Millions of U.S. Dollars |
|---|--------------------|--------------------|--------------------------|
| | 2024 | 2023 | 2024 |
| Income: | | | |
| Trust Fees (Note 1) | ¥ 116,269 | ¥ 109,721 | \$ 768 |
| Interest Income: | 1,008,989 | 660,308 | 6,664 |
| Interest on Loans and Discounts | 632,494 | 425,715 | 4,177 |
| Interest and Dividends on Securities | 206,864 | 137,748 | 1,366 |
| Interest on Call Loans and Bills Bought | 2,350 | 1,316 | 16 |
| Interest on Receivables under Securities Borrowing Transactions | 0 | — | 0 |
| Interest on Deposits with Banks | 133,890 | 71,752 | 884 |
| Other Interest Income (Note 2) | 33,388 | 23,775 | 221 |
| Fees and Commissions (Note 1) | 467,405 | 440,331 | 3,087 |
| Trading Income (Note 3) | 77,765 | 15,608 | 514 |
| Other Ordinary Income (Note 4) | 648,320 | 468,302 | 4,282 |
| Other Income (Note 5) | 161,314 | 129,767 | 1,065 |
| Total Income | ¥ 2,480,065 | ¥ 1,824,040 | \$ 16,379 |
| Expenses: | | | |
| Interest Expenses: | ¥ 1,129,376 | ¥ 551,456 | \$ 7,459 |
| Interest on Deposits | 346,812 | 171,880 | 2,290 |
| Interest on Negotiable Certificates of Deposit | 307,492 | 139,247 | 2,031 |
| Interest on Call Money and Bills Sold | 975 | 1,202 | 6 |
| Interest on Payables under Repurchase Agreements | 73,652 | 32,286 | 486 |
| Interest on Borrowings | 32,930 | 13,968 | 217 |
| Interest on Short-Term Bonds | 115,430 | 55,767 | 762 |
| Interest on Bonds | 60,136 | 29,070 | 397 |
| Other Interest Expenses (Note 2) | 191,945 | 108,032 | 1,268 |
| Fees and Commissions Payments | 129,174 | 122,839 | 853 |
| Trading Expenses (Note 3) | 1,848 | 5,184 | 12 |
| Other Ordinary Expenses (Note 4) | 261,890 | 272,978 | 1,730 |
| General and Administrative Expenses (Note 6) | 505,945 | 460,336 | 3,341 |
| Other Expenses (Note 5) | 353,852 | 139,857 | 2,337 |
| Total Expenses | ¥ 2,382,087 | ¥ 1,552,653 | \$ 15,732 |
| Income before Income Taxes | ¥ 97,977 | ¥ 271,387 | \$ 647 |
| Income Taxes: | 17,636 | 79,357 | 116 |
| Current | 19,967 | 50,760 | 132 |
| Deferred | (2,331) | 28,597 | (15) |
| Net Income | ¥ 80,340 | ¥ 192,029 | \$ 531 |
| Net Income Attributable to Non-Controlling Interests | 1,141 | 1,029 | 8 |
| Net Income Attributable to Owners of the Parent | ¥ 79,199 | ¥ 191,000 | \$ 523 |
| | | Yen | U.S. Dollars |
| Net Income per Share of Common Stock | ¥ 109.16 | ¥ 258.57 | \$ 0.72 |
| Diluted Net Income per Share of Common Stock | ¥ 109.09 | ¥ 258.41 | \$ 0.72 |

See accompanying notes.

SuMi TRUST Holdings executed a 2-for-1 stock split of its shares of common stock on January 1, 2024. Net income per share and diluted net income per share of common stock are calculated on the assumption that the stock split was conducted at the beginning of the previous fiscal year.

Consolidated Statement of Comprehensive Income

Sumitomo Mitsui Trust Holdings, Inc. and its Consolidated Subsidiaries
For the fiscal years ended March 31, 2024 and 2023

| | Millions of Yen | | Millions of U.S. Dollars |
|---|-----------------|-----------|-----------------------------|
| | 2024 | 2023 | 2024 |
| Net Income | ¥ 80,340 | ¥ 192,029 | \$ 531 |
| Other Comprehensive Income (Loss): | | | |
| Valuation Differences on Available-for-Sale Securities | 220,724 | (17,672) | 1,458 |
| Deferred Gains (Losses) on Hedges | 36,709 | (6,753) | 242 |
| Foreign Currency Translation Adjustments | 10,668 | 8,584 | 70 |
| Remeasurements of Defined Benefit Plans | 64,456 | 19,517 | 426 |
| Share of Other Comprehensive Income of Equity-Method Affiliated Companies | 3,306 | 2,814 | 22 |
| Total Other Comprehensive Income (Loss) (Note) | ¥ 335,866 | ¥ 6,489 | \$ 2,218 |
| Comprehensive Income: | ¥ 416,207 | ¥ 198,519 | \$ 2,749 |
| Comprehensive Income Attributable to Owners of the Parent | ¥ 414,815 | ¥ 197,246 | \$ 2,740 |
| Comprehensive Income Attributable to Non-Controlling Interests | 1,391 | 1,272 | 9 |

See accompanying notes.

Consolidated Statement of Changes in Net Assets

Sumitomo Mitsui Trust Holdings, Inc. and its Consolidated Subsidiaries
For the fiscal years ended March 31, 2024 and 2023

From April 1, 2023 to March 31, 2024

| | Millions of Yen | | | | |
|--|----------------------|-----------------|-------------------|----------------|----------------------------|
| | Shareholders' Equity | | | | |
| | Capital Stock | Capital Surplus | Retained Earnings | Treasury Stock | Total Shareholders' Equity |
| Balance at the Beginning of the Year | ¥ 261,608 | ¥ 546,146 | ¥ 1,803,002 | ¥ (22,933) | ¥ 2,587,824 |
| Changes during the Year | | | | | |
| Cash Dividends | | | (80,041) | | (80,041) |
| Net Income Attributable to Owners of the Parent | | | 79,199 | | 79,199 |
| Purchase of Treasury Stock | | | | (21,082) | (21,082) |
| Disposal of Treasury Stock | | (4) | | 556 | 552 |
| Retirement of Treasury Stock | | (19,823) | | 19,823 | — |
| Purchase of Shares of Consolidated Subsidiaries | | | | | — |
| Reversal of Revaluation Reserve for Land | | | (72) | | (72) |
| Net Changes of Items Other Than Shareholders' Equity | | | | | — |
| Total Changes during the Year | | (19,828) | (915) | (702) | (21,445) |
| Balance at the End of the Year | ¥ 261,608 | ¥ 526,318 | ¥ 1,802,086 | ¥ (23,635) | ¥ 2,566,378 |

| | Millions of Yen | | | | | | | | | |
|--|--|-----------------------------------|------------------------------|--|---|--|-------|-------------------------------|---------------------------|------------------|
| | Accumulated Other Comprehensive Income | | | | | | | Subscription Rights to Shares | 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 | ¥ 258,240 | ¥ (48,470) | ¥ (6,855) | ¥ 24,531 | ¥ (23,187) | ¥ 204,259 | ¥ 945 | | | |
| Changes during the Year | | | | | | | | | | |
| Cash Dividends | | | | | | | | | (80,041) | |
| Net Income Attributable to Owners of the Parent | | | | | | | | | 79,199 | |
| Purchase of Treasury Stock | | | | | | | | | (21,082) | |
| Disposal of Treasury Stock | | | | | | | | | 552 | |
| Retirement of Treasury Stock | | | | | | | | | — | |
| Purchase of Shares of Consolidated Subsidiaries | | | | | | | | | — | |
| Reversal of Revaluation Reserve for Land | | | | | | | | | (72) | |
| Net Changes of Items Other Than Shareholders' Equity | 219,439 | 36,870 | 72 | 14,814 | 64,491 | 335,689 | (89) | 958 | 336,557 | |
| Total Changes during the Year | 219,439 | 36,870 | 72 | 14,814 | 64,491 | 335,689 | (89) | 958 | 315,112 | |
| Balance at the End of the Year | ¥ 477,680 | ¥ (11,599) | ¥ (6,782) | ¥ 39,346 | ¥ 41,304 | ¥ 539,948 | ¥ 855 | ¥ 30,503 | ¥ 3,137,686 | |

See accompanying notes.

From April 1, 2022 to March 31, 2023

| | Millions of Yen | | | | |
|--|----------------------|-----------------|-------------------|----------------|----------------------------|
| | Shareholders' Equity | | | | |
| | Capital Stock | Capital Surplus | Retained Earnings | Treasury Stock | Total Shareholders' Equity |
| Balance at the Beginning of the Year | ¥ 261,608 | ¥ 576,114 | ¥ 1,682,519 | ¥ (2,714) | ¥ 2,517,528 |
| Changes during the Year | | | | | |
| Cash Dividends | | | (70,533) | | (70,533) |
| Net Income Attributable to Owners of the Parent | | | 191,000 | | 191,000 |
| Purchase of Treasury Stock | | | | (50,364) | (50,364) |
| Disposal of Treasury Stock | | (0) | | 142 | 141 |
| Retirement of Treasury Stock | | (30,003) | | 30,003 | — |
| Purchase of Shares of Consolidated Subsidiaries | | 36 | | | 36 |
| Reversal of Revaluation Reserve for Land | | | 15 | | 15 |
| Net Changes of Items Other Than Shareholders' Equity | | | | | |
| Total Changes during the Year | — | (29,968) | 120,482 | (20,218) | 70,296 |
| Balance at the End of the Year | ¥ 261,608 | ¥ 546,146 | ¥ 1,803,002 | ¥ (22,933) | ¥ 2,587,824 |

| | Millions of Yen | | | | | | | | | |
|--|--|-----------------------------------|------------------------------|--|---|--|---------|-------------------------------|---------------------------|------------------|
| | Accumulated Other Comprehensive Income | | | | | | | Subscription Rights to Shares | 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 | ¥ 277,617 | ¥ (42,759) | ¥ (6,839) | ¥ 12,719 | ¥ (42,708) | ¥ 198,028 | ¥ 1,006 | ¥ 28,725 | ¥ 2,745,288 | |
| Changes during the Year | | | | | | | | | | |
| Cash Dividends | | | | | | | | | (70,533) | |
| Net Income Attributable to Owners of the Parent | | | | | | | | | 191,000 | |
| Purchase of Treasury Stock | | | | | | | | | (50,364) | |
| Disposal of Treasury Stock | | | | | | | | | 141 | |
| Retirement of Treasury Stock | | | | | | | | | — | |
| Purchase of Shares of Consolidated Subsidiaries | | | | | | | | | 36 | |
| Reversal of Revaluation Reserve for Land | | | | | | | | | 15 | |
| Net Changes of Items Other Than Shareholders' Equity | (19,376) | (5,710) | (15) | 11,811 | 19,521 | 6,230 | (61) | 819 | 6,989 | |
| Total Changes during the Year | (19,376) | (5,710) | (15) | 11,811 | 19,521 | 6,230 | (61) | 819 | 77,285 | |
| Balance at the End of the Year | ¥ 258,240 | ¥ (48,470) | ¥ (6,855) | ¥ 24,531 | ¥ (23,187) | ¥ 204,259 | ¥ 945 | ¥ 29,545 | ¥ 2,822,574 | |

See accompanying notes.

From April 1, 2023 to March 31, 2024

| | Millions of U.S. Dollars | | | | |
|--|--------------------------|-----------------|-------------------|----------------|----------------------------|
| | Shareholders' Equity | | | | |
| | Capital Stock | Capital Surplus | Retained Earnings | Treasury Stock | Total Shareholders' Equity |
| Balance at the Beginning of the Year | \$ 1,728 | \$ 3,607 | \$ 11,907 | \$ (151) | \$ 17,090 |
| Changes during the Year | | | | | |
| Cash Dividends | | | (529) | | (529) |
| Net Income Attributable to Owners of the Parent | | | 523 | | 523 |
| Purchase of Treasury Stock | | | | (139) | (139) |
| Disposal of Treasury Stock | | (0) | | 4 | 4 |
| Retirement of Treasury Stock | | (131) | | 131 | — |
| Purchase of Shares of Consolidated Subsidiaries | | | | | — |
| Reversal of Revaluation Reserve for Land | | | (0) | | (0) |
| Net Changes of Items Other Than Shareholders' Equity | | | | | — |
| Total Changes during the Year | | (131) | (6) | (5) | (142) |
| Balance at the End of the Year | \$ 1,728 | \$ 3,476 | \$ 11,901 | \$ (156) | \$ 16,949 |

| | Millions of U.S. Dollars | | | | | | | | | |
|--|--|-----------------------------------|------------------------------|--|---|--|------|-------------------------------|---------------------------|------------------|
| | Accumulated Other Comprehensive Income | | | | | | | Subscription Rights to Shares | 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 | \$ 1,705 | \$ (320) | \$ (45) | \$ 162 | \$ (153) | \$ 1,349 | \$ 6 | \$ 195 | \$ 18,641 | |
| Changes during the Year | | | | | | | | | | |
| Cash Dividends | | | | | | | | | (529) | |
| Net Income Attributable to Owners of the Parent | | | | | | | | | 523 | |
| Purchase of Treasury Stock | | | | | | | | | (139) | |
| Disposal of Treasury Stock | | | | | | | | | 4 | |
| Retirement of Treasury Stock | | | | | | | | | — | |
| Purchase of Shares of Consolidated Subsidiaries | | | | | | | | | — | |
| Reversal of Revaluation Reserve for Land | | | | | | | | | (0) | |
| Net Changes of Items Other Than Shareholders' Equity | 1,449 | 243 | 0 | 98 | 426 | 2,217 | (1) | 6 | 2,223 | |
| Total Changes during the Year | 1,449 | 243 | 0 | 98 | 426 | 2,217 | (1) | 6 | 2,081 | |
| Balance at the End of the Year | \$ 3,155 | \$ (77) | \$ (45) | \$ 260 | \$ 273 | \$ 3,566 | \$ 6 | \$ 201 | \$ 20,722 | |

See accompanying notes.

Consolidated Statement of Cash Flows

Sumitomo Mitsui Trust Holdings, Inc. and its Consolidated Subsidiaries
For the fiscal years ended March 31, 2024 and 2023

| | Millions of Yen | | Millions of U.S. Dollars |
|--|--------------------|--------------------|--------------------------|
| | 2024 | 2023 | 2024 |
| Cash Flows from Operating Activities: | | | |
| Income before Income Taxes | ¥ 97,977 | ¥ 271,387 | \$ 647 |
| Depreciation and Amortization | 37,559 | 32,841 | 248 |
| Impairment Losses | 7,407 | 18,187 | 49 |
| Amortization of Goodwill | 7,023 | 8,001 | 46 |
| Equity in Losses (Earnings) of Affiliated Companies | (18,733) | (18,102) | (124) |
| Increase (Decrease) in Allowance for Loan Losses | (12,199) | (33,371) | (81) |
| Increase (Decrease) in Provision for Bonuses | 1,739 | (1,951) | 11 |
| Increase (Decrease) in Provision for Directors' Bonuses | 20 | 221 | 0 |
| Increase (Decrease) in Provision for Stocks Payment | 209 | 332 | 1 |
| Decrease (Increase) in Assets for Retirement Benefits | (101,358) | (36,622) | (669) |
| Increase (Decrease) in Liabilities for Retirement Benefits | 239 | 163 | 2 |
| Increase (Decrease) in Provision for Reward Points Program | 972 | 1,317 | 6 |
| Increase (Decrease) in Provision for Reimbursement of Deposits | (454) | (598) | (3) |
| Increase (Decrease) in Provision for Contingent Losses | 295 | (305) | 2 |
| Interest Income | (1,008,989) | (660,308) | (6,664) |
| Interest Expenses | 1,129,376 | 551,456 | 7,459 |
| Loss (Gain) Related to Securities | 175,739 | 17,340 | 1,161 |
| Loss (Gain) on Money Held in Trust | (4,444) | 71 | (29) |
| Foreign Exchange Losses (Gains) | (315,824) | (158,496) | (2,086) |
| Loss (Gain) on Disposal of Fixed Assets | 630 | 933 | 4 |
| Net Decrease (Increase) in Trading Assets | (501,149) | (547,037) | (3,310) |
| Net Increase (Decrease) in Trading Liabilities | 294,686 | 565,949 | 1,946 |
| Net Decrease (Increase) in Loans and Bills Discounted | (1,609,993) | (934,418) | (10,633) |
| Net Increase (Decrease) in Deposits | 2,030,993 | 2,157,125 | 13,413 |
| Net Increase (Decrease) in Negotiable Certificates of Deposit | 1,759,991 | 873,061 | 11,623 |
| Net Increase (Decrease) in Borrowed Money (Excluding Subordinated Borrowings) | 1,190,415 | (1,113,954) | 7,862 |
| Net Decrease (Increase) in Due from Banks (Excluding Due from the Bank of Japan) | 436,033 | 59,878 | 2,880 |
| Net Decrease (Increase) in Call Loans | (177,107) | (94,520) | (1,170) |
| Net Decrease (Increase) in Receivables under Securities Borrowing Transactions | (96,107) | 216,441 | (635) |
| Net Increase (Decrease) in Call Money | 117,267 | 659,101 | 774 |
| Net Decrease (Increase) in Foreign Exchange-Assets | 2,051 | (17,951) | 14 |
| Net Increase (Decrease) in Foreign Exchange-Liabilities | (566) | (427) | (4) |
| Net Decrease (Increase) in Lease Receivables and Investment Assets | (30,035) | (791) | (198) |
| Net Increase (Decrease) in Short-Term Bonds Payable | 574,347 | (55,175) | 3,793 |
| Increase (Decrease) in Straight Bonds-Issuance and Redemption | 274,605 | 521,255 | 1,814 |
| Net Increase (Decrease) in Borrowed Money from Trust Account | (4,674) | 33,645 | (31) |
| Interest Received | 915,828 | 624,975 | 6,048 |
| Interest Paid | (1,047,108) | (506,204) | (6,915) |
| Other, Net | 209,362 | 259,976 | 1,383 |
| Subtotal | ¥ 4,336,028 | ¥ 2,693,425 | \$ 28,636 |
| Income Taxes (Paid) Refunded | (41,481) | (77,212) | (274) |
| Net Cash Provided by (Used in) Operating Activities | ¥ 4,294,547 | ¥ 2,616,213 | \$ 28,362 |

(Continued)

| | Millions of Yen | | Millions of U.S. Dollars |
|--|----------------------|---------------------|-----------------------------|
| | 2024 | 2023 | 2024 |
| Cash Flows from Investing Activities: | | | |
| Purchase of Securities | ¥ (9,284,345) | ¥ (5,134,228) | \$ (61,315) |
| Proceeds from Sales of Securities | 4,155,188 | 1,931,779 | 27,441 |
| Proceeds from Redemption of Securities | 2,636,584 | 4,203,070 | 17,412 |
| Increase in Money Held in Trust | (3,500) | — | (23) |
| Decrease in Money Held in Trust | 1,455 | — | 10 |
| Purchase of Tangible Fixed Assets | (17,768) | (8,658) | (117) |
| Proceeds from Sales of Tangible Fixed Assets | 399 | 356 | 3 |
| Purchase of Intangible Fixed Assets | (58,705) | (54,239) | (388) |
| Purchase of Shares of Subsidiaries Resulting in Change in the Scope of Consolidation | (20,335) | — | (134) |
| Purchase of Shares of Affiliated Companies Accounted for Using the Equity Method | (1,330) | (1,441) | (9) |
| Proceeds from Sales of Shares of Affiliated Companies Accounted for Using the Equity Method | 8,161 | 23,636 | 54 |
| Net Cash Provided by (Used in) Investing Activities | ¥ (2,584,194) | ¥ 960,275 | \$ (17,066) |
| Cash Flows from Financing Activities: | | | |
| Proceeds from Subordinated Borrowings | 5,000 | — | 33 |
| Proceeds from Issuance of Subordinated Bonds and Bonds with Subscription Rights to Shares | 40,781 | 19,888 | 269 |
| Payments for Redemption of Subordinated Bonds and Bonds with Subscription Rights to Shares | (30,000) | (116,100) | (198) |
| Proceeds from Share Issuance to Non-Controlling Shareholders | — | 40 | — |
| Cash Dividends Paid | (80,020) | (70,518) | (528) |
| Cash Dividends Paid to Non-Controlling Interests | (432) | (456) | (3) |
| Purchase of Treasury Stock | (21,082) | (50,364) | (139) |
| Proceeds from Sales of Treasury Stock | 2 | 1 | 0 |
| Net Cash Provided by (Used in) Financing Activities | ¥ (85,751) | ¥ (217,509) | \$ (566) |
| Effect of Exchange Rate Change on Cash and Cash Equivalents | ¥ 40,612 | ¥ 80,007 | \$ 268 |
| Net Increase (Decrease) in Cash and Cash Equivalents | ¥ 1,665,213 | ¥ 3,438,987 | \$ 10,997 |
| Cash and Cash Equivalents at the Beginning of the Year | ¥ 19,172,638 | ¥ 15,733,650 | \$ 126,619 |
| Cash and Cash Equivalents at the End of the Year (Note) | ¥ 20,837,852 | ¥ 19,172,638 | \$ 137,616 |

See accompanying notes.

Notes to Consolidated Financial Statements

Basis of Presentation of Financial Statements

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

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

The consolidated financial statements are stated in Japanese yen, the currency of the country in which SuMi TRUST Holdings is incorporated and operates. The translation of Japanese yen amounts into U.S. dollar amounts is included solely for the convenience of readers outside Japan. The translation has been made at the rate of ¥151.42 to U.S. \$1, the approximate rate of exchange as of March 29, 2024. 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, 2024:

60 companies

Principal Companies:

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

Nikko Asset Management Co., Ltd.

Sumitomo Mitsui Trust Asset Management Co., Ltd.

Sumitomo Mitsui Trust Loan & Finance Co., Ltd.

Sumitomo Mitsui Trust Panasonic Finance Co., Ltd.

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

Spade House Limited Liability Company and one other company are included in the scope of the consolidation from the fiscal year ended March 31, 2024, due to the acquisition of equity interests, etc.

(2) Unconsolidated Subsidiaries

Principal Companies:

Cattleya Co., Ltd.

Apollo Aligned Alternatives (C-2), L.P.

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

Apollo Aligned Alternatives (C-2), L.P. and other unconsolidated subsidiaries are excluded from the scope of consolidation because they are immaterial to the extent that excluding such companies from consolidation would not prevent a reasonable assessment of the corporate group's financial position and financial results. Such materiality is determined based on the size of their assets, ordinary income, net income (amount corresponding to SuMi TRUST Holdings' interest in subsidiaries), retained earnings (amount corresponding to SuMi TRUST Holdings' interest in subsidiaries), accumulated other comprehensive income (amount corresponding to SuMi TRUST Holdings' interest in subsidiaries), and other financial data.

2. Application of the Equity Method

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

None

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

30 companies

Principal Companies:

Custody Bank of Japan, Ltd.

SBI Sumishin Net Bank, Ltd.

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

Board Advisors Japan, Inc. is included in the scope of application of the equity method from the fiscal year ended March 31, 2024, due to the acquisition of its shares.

UBS SuMi TRUST Wealth Advisory, Ltd. is excluded from the scope of the application of the equity method from the fiscal year ended March 31, 2024, due to liquidation.

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

Cattleya Co., Ltd.

Apollo Aligned Alternatives (C-2), L.P.

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

Apollo Aligned Alternatives (C-2), L.P. and other unconsolidated subsidiaries and affiliated companies that are not accounted for by the equity method are excluded from the scope of application of the equity method because such exclusion would not materially affect the consolidated financial statements for the current fiscal year. Such materiality is determined based on the size of their net income (amount corresponding to SuMi TRUST Holdings' interest in subsidiaries and affiliated companies), retained earnings (amount corresponding to SuMi TRUST Holdings' interest in subsidiaries and affiliated companies), accumulated other comprehensive income (amount corresponding to SuMi TRUST Holdings' interest in subsidiaries and affiliated companies), and other financial data.

3. Balance Sheet Dates of the Consolidated Subsidiaries

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

| | |
|---------------|--------------|
| April 30: | 2 companies |
| August 31: | 1 company |
| September 30: | 4 companies |
| November 30: | 1 company |
| December 31: | 8 companies |
| March 31: | 44 companies |

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

- Consolidated subsidiaries with a balance sheet date of April 30: Provisionally prepared financial statements as of January 31
- A consolidated subsidiary with a balance sheet date of August 31: Provisionally prepared financial statements as of February 29
- 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 29
- The other consolidated subsidiaries: Financial statements as of their respective balance sheet dates.

Material transactions arising between the consolidated balance sheet date, March 31, 2024, 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, 2024 and 2023.

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

(2) Securities

(a) Under the accounting standards for financial instruments in Japan, SuMi TRUST Holdings is required to determine the purposes of holding each security and classify such security into (i) securities held for trading purposes ("Trading Securities"), (ii) debt securities intended to be held to maturity ("Held-to-Maturity Debt Securities"), (iii) equity securities issued by subsidiaries and affiliated companies, or (iv) all other securities that are not classified in any of the above categories

("Available-for-Sale Securities"). "Held-to-Maturity Debt Securities" are carried at amortized cost using the moving-average method (the straight-line method). Equity securities issued by unconsolidated subsidiaries and affiliated companies not accounted for by the equity method are stated at moving-average cost. "Available-for-Sale Securities" are valued at the market price (cost of securities sold is calculated using primarily the moving-average method). Equity securities with no market prices are carried at cost using the moving-average method.

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

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

(3) Financial Derivatives

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

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

(4) Depreciation and Amortization Methods

(a) Tangible fixed assets other than lease assets

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

Useful lives of major asset categories:

Buildings: 3 to 60 years

Others: 2 to 20 years

(b) Intangible fixed assets

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

(c) Lease assets

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

(5) Allowance for Loan Losses

The major domestic consolidated subsidiaries record allowance for loan losses in accordance with internally established criteria for write-offs and allowance for loan losses.

For claims against borrowers that have initiated special

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

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

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

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

As for the other consolidated subsidiaries, the allowance for loan losses for general claims is provided based on the historical loan-loss ratios, etc. and the allowance for loan losses for specific claims, such as possible uncollectible claims, is provided based on the estimate of the 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 amount of claims. The deducted amount was ¥19,689 million (U.S. \$130 million) and ¥18,210 million as of March 31, 2024 and 2023, respectively.

(6) Provision for Bonuses

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

(7) Provision for Directors' Bonuses

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

(8) Provision for Stocks Payment

A provision for stocks payment is provided at SuMi TRUST Holdings and some of the consolidated subsidiaries for the estimated stock-based payments to directors under a stock compensation system attributable to the current fiscal year.

(9) Provision for Reward Points Program

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

(10) Provision for Reimbursement of Deposits in Dormant Accounts

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

(11) Provision for Contingent Losses

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

(12) Accounting for Retirement Benefits

In determining the retirement benefit obligations, projected benefits to the periods up to the year ended March 31, 2024, are attributed based on the plan's benefit formula.

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

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

Actuarial gains or losses: Actuarial differences are expensed using the straight-line method, primarily over 10 years within the employees' average remaining service

period, commencing from the next fiscal year of incurrence.

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

(13) Basis for Recognition of Significant Revenues and Expenses

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

The timing of satisfying performance obligation in each transaction is determined based on the respective economic conditions as follows. The amount of consideration for transactions is generally received within approximately six months after the satisfaction of performance obligations and does not include significant financing components.

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

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

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

Fees on sales of investment trusts and insurance are mainly recorded in the "Retail Business." SuMi TRUST Group is obligated to provide product explanations and sales

administrative services based on the terms and conditions of transactions and consignment agreements. Revenues are recognized when the performance obligation is satisfied at the time of product sale.

(14) Foreign Currency Translation

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

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

(15) Accounting for Leases

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

(16) Hedge Accounting

(a) Interest-related risk hedge

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

(b) Currency-related risk hedge

SuMi TRUST Bank manages the foreign exchange risk arising from various assets and liabilities denominated in foreign currencies using financial derivatives transactions. Such transactions are generally treated as deferred hedges as specified in "Treatment for Accounting and Auditing of Application of Accounting Standard for Foreign Currency Transactions

in Banking Industry" (JICPA Industry Committee Practical Guidance No. 25 of October 8, 2020, "Guidance No. 25"). The effectiveness of hedging instruments, such as cross-currency swaps and foreign exchange swaps, as a means of mitigating the foreign exchange risk arising from monetary claims and debts denominated in foreign currencies, is evaluated by verifying that the foreign currency positions of such hedging instruments are in amounts equivalent to the corresponding monetary claims and debts denominated in foreign currencies, which are the hedged items.

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

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

(c) Share price fluctuations risk hedge

SuMi TRUST Bank applies fair value hedge accounting to individual hedges offsetting the price fluctuation of the shares that are classified under available-for-sale securities, and accordingly evaluates the effectiveness of such individual hedges.

(d) Internal hedge transactions and others

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

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

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

rate swaps.

(17) Amortization of Goodwill

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

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

The balance of "Cash and Cash Equivalents" in the consolidated statement of cash flows is equivalent to the balance of "Cash and Due from Banks" presented in the consolidated balance sheet (cash and due from the Bank of Japan for SuMi TRUST Bank).

(19) Nondeductible Consumption Taxes Associated with Assets

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

(20) Adoption of Group Tax Sharing System

SuMi TRUST Holdings adopts the group tax sharing system.

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, 2024 and 2023:

| | Millions of Yen | | Millions of U.S. Dollars |
|---------------------------|-----------------|-----------|--------------------------|
| | 2024 | 2023 | 2024 |
| Allowance for Loan Losses | ¥ 117,798 | ¥ 129,998 | \$ 778 |

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

SuMi TRUST Bank assigns each borrower a "classification" in accordance with the borrower's solvency based on their financial conditions, funding stability, profitability, and others whenever there is disclosure of financial results or an event with an impact on the borrower's creditworthiness. SuMi TRUST Bank measures allowance for loan losses based on the "classification" assigned and transaction conditions of collateral and other factors. When deriving the "classification," quantitative as well as qualitative factors are taken into consideration.

Definition of each classification is as follows:

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

The standard for allowances for loan losses for each classification is as follows:

| Classification | Standards for allowances for loan losses |
|---|--|
| Normal borrowers | The allowance for loan losses is provided based on the estimated loan loss ratio, which is calculated based on the average historical loan-loss ratios during a certain period on the basis of historical loan losses over the past one year. |
| Borrowers requiring caution and Substandard borrowers | The allowance for loan losses is provided based on the estimated loan loss ratio, which is calculated based on the average historical loan-loss ratios or bankruptcy ratios during a certain period on the basis of historical loan losses or bankruptcy losses over the past three years. 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 after direct write-offs, net of the expected amount of recoveries from collateral and guarantees. For collateralized or guaranteed claims against bankrupt borrowers and virtually bankrupt borrowers, the amount exceeding the estimated value of collateral and guarantees is deemed to be uncollectible and written off against the total outstanding amount of the claims. |

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

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

SuMi TRUST Bank and Sumitomo Mitsui Trust Panasonic Finance Co., Ltd. estimate the impact on credit risks of the borrowers that have not yet been reflected in the financial information and historical loan-loss ratios, etc. and make necessary adjustments to expected future credit losses, which are then recorded as "additional allowance for loan losses based on the method considering future forecast" ("special allowance"), considering the impact of the changes in the uncertain economic environment on the future business performance and funding of borrowers, and the potential risks inherent to some borrowers to materialize.

(Fiscal year ended March 31, 2023)

Against the backdrop of the significant changes in the economic environment such as inflation and corresponding monetary tightening, volatile financial market trend, etc., SuMi TRUST Bank reconsidered its credit management policy for credit risk management. Based on this, SuMi TRUST Bank selects "borrowers that contain the possibility of incurring credit cost due to changes in the business environment," strengthens monitoring of such borrowers, and records a special allowance for credit of the above-mentioned borrowers.

(Fiscal year ended March 31, 2024)

Against the backdrop of the uncertain economic environment due to continuing inflation and the corresponding monetary tightening, as well as the potential risks inherent to some borrowers, SuMi TRUST Bank periodically reviews "borrowers that contain the possibility of incurring credit cost due to changes in the business environment," and records a special allowance for those borrowers' credits using the same method as the previous fiscal year.

The specific calculation methods are as follows:

1. Predict the future transition of internal ratings based on quantitative information, etc., assuming the degree of deterioration in future credit risk for each internal rating

of selected borrowers.

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

On the other hand, since Sumitomo Mitsui Trust Panasonic Finance Co., Ltd. has different attributes of business and borrowers from SuMi TRUST Bank, considering the continuing uncertain situation in the economic environment where, e.g., amortization of loans related to COVID-19 has been being started, it re-evaluates industries with possible deterioration of future business performance and funding, reviews the list of borrowers subject to special allowance in the applicable industry, and records the special allowance.

The special allowance recorded based on the above is as follows:

| | Millions of Yen | | | Millions of U.S. Dollars |
|---|-----------------|----------|-------------------|--------------------------|
| | 2024 | 2023 | Increase/Decrease | 2024 |
| Total | ¥ 17,446 | ¥ 19,503 | ¥ (2,056) | \$ 115 |
| SuMi TRUST Bank | ¥ 15,188 | ¥ 16,539 | ¥ (1,351) | \$ 100 |
| Sumitomo Mitsui Trust Panasonic Finance Co., Ltd. | 2,258 | 2,963 | (705) | 15 |

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 are changes in the impact on the business performance and funding of borrowers and condition of inherent risks 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, 2024 and 2023:

| | Millions of Yen | | Millions of U.S. Dollars |
|--------------------------------|-----------------|-----------|--------------------------|
| | 2024 | 2023 | 2024 |
| Retirement Benefit Obligations | ¥ 378,257 | ¥ 382,087 | \$ 2,498 |

The amounts of assets for retirement benefits and liabilities for retirement benefits recorded in the consolidated financial statements for the fiscal year ended March 31, 2024 were ¥338,723 million (U.S. \$2,237 million) and ¥13,965 million (U.S. \$92 million), respectively. The net amount of ¥324,757 million (U.S. \$2,145 million) was calculated by deducting plan assets of ¥703,014 million (U.S. \$4,643 million) from retirement benefit obligations of retirement benefit plans with and without plan assets of ¥364,291 million (U.S. \$2,406 million) and ¥13,965 million (U.S. \$92 million), respectively.

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

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

Major assumptions used in actuarial calculation are as follows:

| Discount rate | Expected long-term rate of return on plan assets |
|---------------|--|
| Mainly 1.2% | 3.5% |

SuMi TRUST Bank, which accounts for 94.1% of asset retirement obligations of the SuMi TRUST Group, has set a discount rate based on the interest rates of high-quality domestic corporate bonds whose maturities are equal to the expected period up to the payment of salaries in the future.

The expected long-term rate of return on plan assets is determined by evaluating the historical results of operation and the expected interest rate in the future. The expected long-term rate of return on plan assets is the weighted average rate of expected long-term rates of return on plan assets by groups of investment assets such as stocks and bonds.

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

The assumptions described in (2) above 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 | ¥2,041 million increase | ¥26,949 million increase |
| 0.5% increase | ¥1,831 million decrease | ¥24,038 million decrease |
| Expected long-term rate of return on plan assets: | | |
| 0.5% decrease | ¥3,460 million increase | — |
| 0.5% increase | ¥3,460 million decrease | — |

Changes in Accounting Estimates

With regard to the fair value adjustment method in the calculation of the fair values of derivative transactions, based on the fact that a certain period of time has passed since its introduction and the results of the verification of the reasonably calculated fair values, SuMi TRUST Holdings reviewed the previous inputs used for the adjustments of credit risks and changed the method to the one using inputs that are more appropriate for the substance of each of SuMi TRUST Holdings' portfolios from the six months ended September 30, 2023. As a result of the change, compared with the previous method, Trading Assets increased by ¥2,178 million (U.S. \$14 million), Other Assets increased by ¥2,717 million (U.S. \$18 million), Trading Liabilities decreased by ¥723 million (U.S. \$5 million), and Other Liabilities increased by ¥85 million (U.S. \$1 million) as of March 31, 2024. Ordinary Profit and Income before Income Taxes increased by ¥5,533 million (U.S. \$37 million) during the fiscal year ended March 31, 2024.

Additional Information

Share Delivery Trust for the Directors

1. Overview

A share delivery trust, which is a Performance-Based Stock Compensation System (the "System") that utilizes a trust, has been introduced, and applies to SuMi Trust Holdings' directors (excluding directors who are Audit Committee members and external directors) and executive officers, and the directors (excluding directors who are Audit and Supervisory Committee members and external directors) and executive officers of SuMi TRUST Bank and Sumitomo Mitsui Trust Asset Management Co., Ltd. ("SuMi TRUST AM"), which are core companies of the SuMi TRUST Group. The above-mentioned directors and executive officers of SuMi TRUST Holdings, SuMi TRUST Bank, and SuMi TRUST AM are collectively referred to as the "Directors."

Under the System, a portion of the remuneration of the Directors is linked to performance targets set out in SuMi TRUST Holdings' current Midterm Management Plan. By paying part of the remuneration for Directors in shares, the linkage between the remuneration of the Directors and the performance of the SuMi TRUST Group becomes clearer, and the Directors share the same benefits and risks of share price fluctuations with the shareholders. Through these initiatives, the System is designed to heighten the Director's attention to enhancement of medium- and long-term business performance and the corporate value of the SuMi TRUST Group.

SuMi TRUST Holdings contributes money to a trust set up under the System, and the trust acquires shares of SuMi TRUST Holdings. The Directors are awarded points based on the Shares Delivery Rules established individually by SuMi TRUST Holdings, SuMi TRUST Bank, and SuMi TRUST AM, and the number of shares of SuMi TRUST Holdings corresponding to the points granted are issued to the Directors through the trust.

In line with the switch of the Performance-Based Stock Compensation System from the share delivery trust to RS Trust (a system to deliver Restricted Stocks using the framework of a share delivery trust) from the current fiscal year, the issuance of new points in the share delivery trust has been suspended. The effect of the switch in the consolidated financial statements is immaterial.

2. Remaining Number of Shares of SuMi TRUST Holdings Held by the Trust

Refer to “2. Remaining Number of Shares of SuMi TRUST Holdings Held by the Trust” of “RS Trust for the Directors” below.

RS Trust for the Directors

1. Overview

SuMi TRUST Holdings has switched the Performance-Based Stock Compensation System for the Directors from the share delivery trust to RS Trust (the “System”) from the current fiscal year.

The share delivery trust is a system in which points are granted every fiscal year as stock compensation and are managed cumulatively, and shares of SuMi TRUST Holdings are delivered upon retirement. On the other hand, the System is to deliver Restricted Stocks (RS) every fiscal year using the framework of the share delivery trust, and the transfer restrictions are lifted upon retirement. Since RS granted under the System is in the grantee’s name, it enables the grantee to receive dividends and exercise voting rights. These features will help further promote value sharing with shareholders, and the switch is expected to enhance the effect of the incentive compensation.

The System is subject to SuMi Trust Holdings’ directors (excluding directors who are Audit Committee members and external directors) and executive officers, etc., and the directors (excluding directors who are Audit and Supervisory Committee members and external directors) and executive officers, etc. of SuMi TRUST Bank and Sumitomo Mitsui Trust Asset Management Co., Ltd. (“SuMi TRUST AM”), which are core companies of the SuMi TRUST Group. The above mentioned directors and executive officers of SuMi TRUST Holdings, SuMi TRUST Bank, and SuMi TRUST AM are collectively referred to as the “Directors.”

Under the System, a portion of the remuneration of the Directors is linked to performance targets set out in SuMi TRUST Holdings’ current Midterm Management Plan. By paying part of the remuneration for the Directors in shares, the linkage between the remuneration of the Directors and the performance of the SuMi TRUST Group becomes clearer, and the Directors share the same benefits and risks of share price fluctuations with the shareholders. Through these initiatives, the System is designed to heighten the Directors’ attention to enhancement of medium- and long-term business performance and the corporate value of the SuMi TRUST Group.

SuMi TRUST Holdings contributes money to a trust (same trust as the share delivery trust, the “Trust”) set up under Sumitomo Mitsui Trust Holdings, Inc.

the System, and the trust acquires shares of SuMi TRUST Holdings. The Directors are awarded points based on the Shares Delivery Rules established individually by SuMi TRUST Holdings, SuMi TRUST Bank, and SuMi TRUST AM, and the number of shares of SuMi TRUST Holdings corresponding to the points granted are delivered to the Directors through the Trust. However, such shares shall be subject to restrictions on transfers to each director until their retirement.

2. Remaining Number of Shares of SuMi TRUST Holdings Held by the Trust

The Trust is under the trust contract of the share delivery trust for the Directors, and the same trust is used for the share delivery trust and RS Trust. The carrying amount and the number of shares of SuMi TRUST Holdings held by the Trust (total of the share delivery trust and RS Trust) as of March 31, 2024 and 2023, were ¥1,136 million (U.S. \$8 million) and 663 thousand shares, and ¥1,272 million and 371 thousand shares, respectively. The shares are recorded as treasury stock in the net assets section of the consolidated balance sheets.

RS Trust for Employees

1. Overview

SuMi TRUST Holdings introduced RS Trust as an incentive plan for the employees of SuMi TRUST Bank.

The purpose of the System is that SuMi TRUST Holdings boosts investment in human capital, which plays an essential role in creating social and economic value and enhances the corporate value of SuMi TRUST group through contribution to our clients and society and creation of new value.

SuMi TRUST Holdings contributes money to a trust set up under the System, and the trust acquires shares of SuMi TRUST Holdings. Employees are awarded points based on the Shares Delivery Rules established individually by SuMi TRUST Bank and the number of shares of SuMi TRUST Holdings corresponding to the points granted are issued to employees through the Trust. However, such shares shall be subject to restrictions on transfers to each employee until their retirement.

2. Remaining Number of Shares of SuMi TRUST Holdings Held by the Trust

The carrying amount and the number of shares of SuMi TRUST Holdings held by the Trust as of March 31, 2024 and 2023, were ¥1,033 million (U.S. \$7 million) and 483 thousand shares and ¥1,386 million and 324 thousand shares, respectively. The shares are recorded as treasury stock in the net assets section of the consolidated balance sheet as of March 31, 2024.

Notes to the Consolidated Balance Sheet

1. Trading Assets and Trading Liabilities

(1) Trading assets as of March 31, 2024 and 2023, consisted of the following:

| | Millions of Yen | | Millions of U.S. Dollars |
|---|--------------------|--------------------|--------------------------|
| | 2024 | 2023 | 2024 |
| Securities in Trading Account | ¥ 1,693 | ¥ 2,904 | \$ 11 |
| Derivatives of Trading Securities | 27 | 14 | 0 |
| Derivatives of Securities Related to Trading Transactions | — | 880 | — |
| Trading-Related Financial Derivatives | 1,887,723 | 1,447,810 | 12,467 |
| Other Trading Assets | 126,307 | 62,992 | 834 |
| Total | ¥ 2,015,752 | ¥ 1,514,603 | \$ 13,312 |

(2) Trading liabilities as of March 31, 2024 and 2023, consisted of the following:

| | Millions of Yen | | Millions of U.S. Dollars |
|---|--------------------|--------------------|--------------------------|
| | 2024 | 2023 | 2024 |
| Derivatives of Securities Related to Trading Transactions | ¥ 478 | ¥ 20 | \$ 3 |
| Trading-Related Financial Derivatives | 1,766,844 | 1,472,616 | 11,669 |
| Total | ¥ 1,767,322 | ¥ 1,472,636 | \$ 11,672 |

2. Securities

Securities held as of March 31, 2024 and 2023, consisted of the following:

| | Millions of Yen | | Millions of U.S. Dollars |
|------------------------|--------------------|--------------------|--------------------------|
| | 2024 | 2023 | 2024 |
| Government Bonds | ¥ 3,155,044 | ¥ 1,549,273 | \$ 20,836 |
| Local Government Bonds | 43,110 | 38,117 | 285 |
| Corporate Bonds | 721,944 | 722,507 | 4,768 |
| Stocks | 1,518,891 | 1,358,476 | 10,031 |
| Other Securities | 4,499,922 | 3,264,691 | 29,718 |
| Total | ¥ 9,938,913 | ¥ 6,933,067 | \$ 65,638 |

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

| | Millions of Yen | | Millions of U.S. Dollars |
|--------------------|-----------------|-----------|--------------------------|
| | 2024 | 2023 | 2024 |
| Stocks | ¥ 218,789 | ¥ 203,838 | \$ 1,445 |
| Equity Investments | 265,749 | 215,635 | 1,755 |

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

| | Millions of Yen | | Millions of U.S. Dollars |
|--|-----------------|-----------|--------------------------|
| | 2024 | 2023 | 2024 |
| Securities that are Further Collateralized | ¥ 109,921 | ¥ 111,102 | \$ 726 |
| Securities that are Further Loaned | 1,093,519 | 750,675 | 7,222 |
| Securities Held without Selling or Repledging as of the End of the Fiscal Year | 1,529 | — | 10 |

The bonds presented under “Securities” included guarantee obligations on corporate bonds that were placed through private securities offerings (Article 2, Paragraph 3 of the Financial Instruments and Exchange Act) amounting to ¥59,825 million (U.S. \$395 million) and ¥64,346 million as of March 31, 2024 and 2023, respectively.

3. Loans and Bills Discounted

Loans and bills discounted as of March 31, 2024 and 2023, consisted of the following:

| | Millions of Yen | | Millions of U.S. Dollars |
|------------------|---------------------|---------------------|--------------------------|
| | 2024 | 2023 | 2024 |
| Bills Discounted | ¥ 357 | ¥ 504 | \$ 2 |
| Loans on Bills | 211,608 | 183,976 | 1,397 |
| Loans on Deeds | 31,436,661 | 30,005,242 | 207,612 |
| Overdrafts | 1,772,293 | 1,621,203 | 11,704 |
| Total | ¥ 33,420,919 | ¥ 31,810,926 | \$ 220,717 |

Bills discounted are treated as financial transactions in accordance with Guidance No. 24. SuMi TRUST Holdings has a right to freely sell or pledge such commercial bills. The total face value of these bills amounted to ¥357 million (U.S. \$2 million) and ¥504 million as of March 31, 2024 and 2023, respectively.

Loans in accordance with the Banking Act and the Act on Emergency Measures for Revitalization of the Financial Functions are presented below. Loans include corporate bonds in “securities” (limited to those issued in private placement of securities prescribed in Section 3 of Paragraph 2 in the Financial Instruments and Exchange Act, and those with wholly or partially guaranteed redemption

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

| | Millions of Yen | | Millions of U.S. Dollars |
|---|------------------|------------------|--------------------------|
| | 2024 | 2023 | 2024 |
| Bankrupt and Practically Bankrupt Loans | ¥ 11,316 | ¥ 11,383 | \$ 75 |
| Doubtful Loans | 58,089 | 97,246 | 384 |
| Loans Past Due Three Months or More | 10,612 | — | 70 |
| Restructured Loans | 36,402 | 43,335 | 240 |
| Total | ¥ 116,421 | ¥ 151,965 | \$ 769 |

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

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

Loans past due three months or more are those loans for which principal or interest payments are more than three months past due (calculated from the day following the

contractual payment date), excluding loans classified as bankrupt and practically bankrupt loans and doubtful loans.

Restructured loans are those loans whose terms have been modified by reducing or waiving interest, granting interest payment extensions, granting principal repayment extensions, forgiving debt, or otherwise providing some arrangements favorable to the borrower in connection with the borrower's business restructuring or to otherwise provide support, excluding those loans classified as bankrupt and practically bankrupt loans, doubtful loans or loans past due three months or more.

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

4. Assets Pledged

Assets pledged as collateral as of March 31, 2024 and 2023, consisted of the following:

| | Millions of Yen | | Millions of U.S. Dollars |
|---|--------------------|--------------------|--------------------------|
| | 2024 | 2023 | 2024 |
| Assets Pledged as Collateral: | | | |
| Securities | ¥ 4,702,747 | ¥ 2,070,297 | \$ 31,058 |
| Loans and Bills Discounted | 5,188,146 | 4,698,263 | 34,263 |
| Lease Receivables and Investment Assets | 22,434 | 46,602 | 148 |
| Other Assets | 132,795 | 34,323 | 877 |
| Total | ¥10,046,124 | ¥ 6,849,487 | \$ 66,346 |
| Corresponding Liabilities to Assets Pledged as Collateral: | | | |
| Deposits | ¥ 4,892 | ¥ 16,561 | \$ 32 |
| Payables under Repurchase Agreements | 2,038,415 | 485,939 | 13,462 |
| Borrowed Money | 5,459,961 | 4,521,315 | 36,058 |

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 |
|------------|-----------------|-----------|--------------------------|
| | 2024 | 2023 | 2024 |
| Securities | ¥ 461,983 | ¥ 382,875 | \$ 3,051 |

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

| | Millions of Yen | | Millions of U.S. Dollars |
|--|-----------------|----------|--------------------------|
| | 2024 | 2023 | 2024 |
| Initial Margins of Futures Markets | ¥ 17,986 | ¥ 62,410 | \$ 119 |
| Security Deposits | 25,059 | 22,979 | 165 |
| Cash Collateral Pledged for Financial Instruments-Assets | 1,286,335 | 967,493 | 8,495 |

5. Overdraft Facility Agreements and Commitment Lines of Credit

Overdraft facility agreements and commitment lines of credit are agreements to extend a certain amount of credit at the customer's request as long as the terms of the agreement have not been violated. The amounts of unused credit under such agreements were ¥13,819,625 million (U.S. \$91,267 million) and ¥13,536,015 million, of which ¥8,787,679 million (U.S. \$58,035 million) and ¥8,786,731 million were attributable to agreements expiring within one year or which may be unconditionally canceled at any time, as of March 31, 2024 and 2023, respectively.

The balance of unused credit will not necessarily affect the future cash flows of the consolidated subsidiaries because

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

6. Tangible Fixed Assets

Tangible fixed assets as of March 31, 2024 and 2023, consisted of the following:

| | Millions of Yen | | Millions of U.S. Dollars |
|--------------------------|------------------|------------------|--------------------------|
| | 2024 | 2023 | 2024 |
| Land | ¥ 129,748 | ¥ 129,849 | \$ 857 |
| Buildings | 70,295 | 71,015 | 464 |
| Lease Assets | 4,381 | 4,665 | 29 |
| Construction in Progress | 3,952 | 525 | 26 |
| Other | 18,337 | 16,532 | 121 |
| Total | ¥ 226,714 | ¥ 222,588 | \$ 1,497 |

Accumulated depreciation amounted to ¥195,768 million (U.S. \$1,293 million) and ¥190,895 million, and advance depreciation amounted to ¥25,879 million (U.S. \$171 million) and ¥25,882 million as of March 31, 2024 and 2023, respectively.

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

"Revaluation Reserve for Land" in net assets.

Revaluation date: March 31, 1999

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

The revaluation was calculated by reasonably adjusting the value of land based on the posted prices for benchmark properties as prescribed by Item 1 of Article 2 of the "Order for Enforcement of the Act on Revaluation of Land" (Cabinet Order No. 119, promulgated on March 31, 1998) and the land assessments under Item 4 of Article 2 of the same Order.

7. Intangible Fixed Assets

Intangible fixed assets as of March 31, 2024 and 2023, consisted of the following:

| | Millions of Yen | | Millions of U.S. Dollars |
|--------------|------------------|------------------|--------------------------|
| | 2024 | 2023 | 2024 |
| Software | ¥ 129,325 | ¥ 104,247 | \$ 854 |
| Goodwill | 14,820 | 21,726 | 98 |
| Other | 5,026 | 4,995 | 33 |
| Total | ¥ 149,172 | ¥ 130,969 | \$ 985 |

8. Other Assets

Other assets as of March 31, 2024 and 2023, consisted of the following:

| | Millions of Yen | | Millions of U.S. Dollars |
|--|--------------------|--------------------|--------------------------|
| | 2024 | 2023 | 2024 |
| Domestic Exchange Settlement Account, Debit | ¥ 1,898 | ¥ 862 | \$ 13 |
| Prepaid Expenses | 11,737 | 9,623 | 78 |
| Accrued Income | 275,107 | 188,090 | 1,817 |
| Initial Margins of Futures Markets | 17,986 | 62,410 | 119 |
| Variation Margins of Futures Markets | 231 | 4,090 | 2 |
| Financial Derivatives Other Than Trading Assets | 1,331,886 | 1,739,326 | 8,796 |
| Receivables for Securities Transactions | 23,197 | 213,860 | 153 |
| Cash Collateral Pledged for Financial Instruments-Assets | 1,286,335 | 967,493 | 8,495 |
| Other | 920,860 | 653,802 | 6,081 |
| Total | ¥ 3,869,240 | ¥ 3,839,561 | \$ 25,553 |

9. Deposits

Deposits as of March 31, 2024 and 2023, consisted of the following:

| | Millions of Yen | | Millions of U.S. Dollars |
|---|---------------------|---------------------|--------------------------|
| | 2024 | 2023 | 2024 |
| Current Deposits, Ordinary Deposits, Saving Deposits and Deposits at Notice | ¥ 10,496,622 | ¥ 10,789,670 | \$ 69,321 |
| Time Deposits | 25,751,072 | 23,605,454 | 170,064 |
| Other | 1,170,585 | 992,162 | 7,731 |
| Total | ¥ 37,418,280 | ¥ 35,387,287 | \$ 247,116 |

10. Borrowed Money

Borrowed money as of March 31, 2024 and 2023, consisted of the following:

| | Millions of Yen | | Millions of U.S. Dollars |
|-------------------------|--------------------|--------------------|--------------------------|
| | 2024 | 2023 | 2024 |
| Subordinated Borrowings | ¥ 20,000 | ¥ 15,000 | \$ 132 |
| Other Borrowed Money | 7,282,158 | 6,024,543 | 48,092 |
| Total | ¥ 7,302,158 | ¥ 6,039,543 | \$ 48,225 |

Weighted average interest rates on borrowed money were 0.51% and 0.42% for the fiscal years ended March 31, 2024 and 2023, respectively.

Annual maturities of borrowed money as of March 31, 2024, for the next five years are as follows:

| Fiscal Years Ending March 31 | Millions of Yen | Millions of U.S. Dollars |
|------------------------------|--------------------|--------------------------|
| | 2024 | 2024 |
| 2025 | ¥ 3,227,320 | \$ 21,314 |
| 2026 | 1,395,450 | 9,216 |
| 2027 | 141,716 | 936 |
| 2028 | 1,356,451 | 8,958 |
| 2029 | 509,238 | 3,363 |
| Total | ¥ 6,630,176 | \$ 43,787 |

11. Bonds Payable

Bonds payable as of March 31, 2024 and 2023, consisted of the following:

| | Millions of Yen | | Millions of U.S. Dollars |
|------------------------------|--------------------|--------------------|--------------------------|
| | 2024 | 2023 | 2024 |
| Perpetual Subordinated Bonds | ¥ 270,000 | ¥ 270,000 | \$ 1,783 |
| Subordinated Bonds | 403,997 | 392,997 | 2,668 |
| Other Bonds Payable | 2,113,369 | 1,838,763 | 13,957 |
| Total | ¥ 2,787,367 | ¥ 2,501,760 | \$ 18,408 |

Annual maturities of bonds payable as of March 31, 2024, for the next five years are as follows:

| Fiscal Years Ending March 31 | Millions of Yen | Millions of U.S. Dollars |
|------------------------------|--------------------|--------------------------|
| | 2024 | 2024 |
| 2025 | ¥ 3,280,331 | \$ 21,664 |
| 2026 | 594,260 | 3,925 |
| 2027 | 700,115 | 4,624 |
| 2028 | 330,620 | 2,183 |
| 2029 | 275,675 | 1,821 |
| Total | ¥ 5,181,001 | \$ 34,216 |

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, 2024 and 2023, consisted of the following:

| | Millions of Yen | | Millions of U.S. Dollars |
|--|--------------------|--------------------|--------------------------|
| | 2024 | 2023 | 2024 |
| Domestic Exchange Settlement Account, Credit | ¥ 641 | ¥ 723 | \$ 4 |
| Income Taxes Payable | 9,884 | 13,347 | 65 |
| Accrued Expenses | 194,300 | 111,781 | 1,283 |
| Unearned Income | 86,367 | 88,445 | 570 |
| Variation Margins of Futures Markets | 2,055 | 1,923 | 14 |
| Financial Derivatives Other Than Trading Liabilities | 1,718,028 | 1,933,195 | 11,346 |
| Lease Obligations | 11,600 | 12,930 | 77 |
| Asset Retirement Obligations | 3,831 | 3,832 | 25 |
| Payables for Securities Transactions | 40,422 | 209,650 | 267 |
| Provision for Loss on Interest Repayment | 2 | 38 | 0 |
| Cash Collateral Accepted for Financial Instruments-Liabilities | 728,480 | 450,879 | 4,811 |
| Other | 288,939 | 211,363 | 1,908 |
| Total | ¥ 3,084,555 | ¥ 3,038,112 | \$ 20,371 |

14. Other Assets and Liabilities related to Revenue Recognition

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

Notes to the Consolidated Statement of Income

1. Revenue from Contracts with the Customers

Income is not classified into revenues from contracts with customers and other revenue. The amount of revenues from contracts with customers is presented in "Revenue Recognition, 1. Information Related to Disaggregation of Revenue from Contracts with Customers for the Fiscal Years Ended March 31, 2024 and 2023."

2. Other Interest Income and Expenses

(1) Other interest income for the fiscal years ended March 31, 2024 and 2023, consisted of the following:

| | Millions of Yen | | Millions of U.S. Dollars |
|------------------------------------|-----------------|-----------------|--------------------------|
| | 2024 | 2023 | 2024 |
| Interest on Monetary Claims Bought | ¥ 3,211 | ¥ 2,495 | \$ 21 |
| Others | 30,177 | 21,279 | 199 |
| Total | ¥ 33,388 | ¥ 23,775 | \$ 221 |

(2) Other interest expenses for the fiscal years ended March 31, 2024 and 2023, consisted of the following:

| | Millions of Yen | | Millions of U.S. Dollars |
|---------------------------------|------------------|------------------|--------------------------|
| | 2024 | 2023 | 2024 |
| Interest on Interest Rate Swaps | ¥ 166,623 | ¥ 85,031 | \$ 1,100 |
| Others | 25,321 | 23,001 | 167 |
| Total | ¥ 191,945 | ¥ 108,032 | \$ 1,268 |

3. Trading Income and Expenses

(1) Trading income for the fiscal years ended March 31, 2024 and 2023, consisted of the following:

| | Millions of Yen | | Millions of U.S. Dollars |
|--|-----------------|-----------------|--------------------------|
| | 2024 | 2023 | 2024 |
| Net Income from Trading Securities and Derivatives | ¥ 134 | ¥ — | \$ 1 |
| Net Income from Trading Transactions | — | 15,548 | — |
| Net Income from Trading-Related Financial Derivatives Transactions | 77,535 | — | 512 |
| Other Trading Income | 95 | 60 | 1 |
| Total | ¥ 77,765 | ¥ 15,608 | \$ 514 |

(2) Trading expenses for the fiscal years ended March 31, 2024 and 2023, consisted of the following:

| | Millions of Yen | | Millions of U.S. Dollars |
|--|-----------------|----------------|--------------------------|
| | 2024 | 2023 | 2024 |
| Net Expenses on Trading Securities and Derivatives | ¥ — | ¥ 149 | \$ — |
| Net Expenses on Trading Transactions | 1,848 | — | 12 |
| Net Expenses on Trading-Related Financial Derivatives Transactions | — | 5,035 | — |
| Total | ¥ 1,848 | ¥ 5,184 | \$ 12 |

4. Other Ordinary Income and Expenses

(1) Other ordinary income for the fiscal years ended March 31, 2024 and 2023, consisted of the following:

| | Millions of Yen | | Millions of U.S. Dollars |
|---|------------------|------------------|--------------------------|
| | 2024 | 2023 | 2024 |
| Net Gains on Foreign Exchange Transactions | ¥ 349,405 | ¥ 199,670 | \$ 2,308 |
| Gains on Sales and Redemption of Bonds | 14,810 | 4,783 | 98 |
| Net Income from Derivatives Other Than for Trading or Hedging | 8,127 | 1,093 | 54 |
| Others | 275,977 | 262,754 | 1,823 |
| Total | ¥ 648,320 | ¥ 468,302 | \$ 4,282 |

(2) Other ordinary expenses for the fiscal years ended March 31, 2024 and 2023, consisted of the following:

| | Millions of Yen | | Millions of U.S. Dollars |
|---|------------------|------------------|--------------------------|
| | 2024 | 2023 | 2024 |
| Losses on Sales and Redemption of Bonds | ¥ 7,844 | ¥ 29,871 | \$ 52 |
| Others | 254,046 | 243,107 | 1,678 |
| Total | ¥ 261,890 | ¥ 272,978 | \$ 1,730 |

5. Other Income and Expenses

(1) Other income for the fiscal years ended March 31, 2024 and 2023, consisted of the following:

| | Millions of Yen | | Millions of U.S. Dollars |
|--|------------------|------------------|--------------------------|
| | 2024 | 2023 | 2024 |
| Gains on Sales of Stocks and Other Securities | ¥ 124,858 | ¥ 88,161 | \$ 825 |
| Gains on Money Held in Trust | 4,444 | 87 | 29 |
| Recoveries of Written-Off Claims | 1,240 | 1,123 | 8 |
| Equity in Earnings of Affiliated Companies | 18,733 | 18,102 | 124 |
| Gains on Disposal of Fixed Assets | 73 | 313 | 0 |
| Gains on Sales of Investments in Subsidiaries and Affiliated Companies | 4,688 | 4,667 | 31 |
| Others | 7,275 | 17,311 | 48 |
| Total | ¥ 161,314 | ¥ 129,767 | \$ 1,065 |

(2) Other expenses for the fiscal years ended March 31, 2024 and 2023, consisted of the following:

| | Millions of Yen | | Millions of U.S. Dollars |
|---|------------------|------------------|--------------------------|
| | 2024 | 2023 | 2024 |
| Provision for Allowance for Loan Losses | ¥ 7,547 | ¥ 1,547 | \$ 50 |
| Write-Off of Loans | 5,571 | 9,742 | 37 |
| Losses on Sales of Stocks and Other Securities | 311,337 | 83,439 | 2,056 |
| Losses on Impairment of Stocks and Other Securities | 2,028 | 1,642 | 13 |
| Losses on Money Held in Trust | — | 158 | — |
| Losses on Disposal of Fixed Assets | 704 | 1,246 | 5 |
| Losses on Impairment of Fixed Assets (Note) | 7,407 | 18,187 | 49 |
| Losses on Investment in Partnerships | 10,296 | 9,731 | 68 |
| Others | 8,959 | 14,162 | 59 |
| Total | ¥ 353,852 | ¥ 139,857 | \$ 2,337 |

(Note) As for the fiscal year ended March 31, 2023

For the purpose of maintaining and expanding overseas business, SuMi TRUST Bank had been proceeding with a development project aimed at introducing a new accounting system for overseas components (the "System"). However, SuMi TRUST Bank had decided to change the renewal plan that assumed the introduction of the comprehensive package system currently under development, and to consider a new renewal plan that assumed the introduction of an alternative system for each business area.

Regarding the System developed so far, impairment losses were recorded for the business areas in which the use of the System had been abandoned or deemed difficult to continue operations through its use, as the investment amount was not expected to be recovered.

The impairment losses recognized as a result of the above were ¥15,904 million for software, and the entire impairment losses including those were ¥18,187 million, which include impairment losses of tangible fixed assets of ¥222 million and those of software of ¥17,964 million.

The recoverable amounts of software described above were measured at zero as it was not expected to be used in the future. For assets that were not expected to be used, individual assets were considered as one group.

6. General and Administrative Expenses

General and administrative expenses for the fiscal years ended March 31, 2024 and 2023, consisted of the following:

| | Millions of Yen | | Millions of U.S. Dollars |
|-------------------------------|------------------|------------------|-----------------------------|
| | 2024 | 2023 | 2024 |
| Taxes Other Than Income Taxes | ¥ 13,800 | ¥ 14,340 | \$ 91 |
| Personnel Expenses | 230,218 | 210,685 | 1,520 |
| Others | 261,926 | 235,310 | 1,730 |
| Total | ¥ 505,945 | ¥ 460,336 | \$ 3,341 |

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, 2024 and 2023, consisted of the following:

| | Millions of Yen | | Millions of U.S. Dollars |
|--|-----------------|------------|--------------------------|
| | 2024 | 2023 | 2024 |
| Valuation Difference on Available-for-Sale Securities: | | | |
| Changes during the Period | ¥ 135,114 | ¥ (46,896) | \$ 892 |
| Reclassification Adjustments | 182,856 | 21,399 | 1,208 |
| Before Tax Effects | 317,970 | (25,497) | 2,100 |
| Tax Effects | (97,246) | 7,824 | (642) |
| Valuation Difference on Available-for-Sale Securities | 220,724 | (17,672) | 1,458 |
| Deferred Gains (Losses) on Hedges: | | | |
| Changes during the Period | (113,938) | (37,042) | (752) |
| Reclassification Adjustments | 166,872 | 27,291 | 1,102 |
| Before Tax Effects | 52,934 | (9,751) | 350 |
| Tax Effects | (16,224) | 2,998 | (107) |
| Deferred Gains (Losses) on Hedges | 36,709 | (6,753) | 242 |
| Foreign Currency Translation Adjustments: | | | |
| Changes during the Period | 10,608 | 8,584 | 70 |
| Reclassification Adjustments | 60 | (0) | 0 |
| Before Tax Effects | 10,668 | 8,584 | 70 |
| Tax Effects | — | — | — |
| Foreign Currency Translation Adjustments | 10,668 | 8,584 | 70 |
| Remeasurements of Defined Benefit Plans: | | | |
| Changes during the Period | 88,099 | 24,312 | 582 |
| Reclassification Adjustments | 4,814 | 3,822 | 32 |
| Before Tax Effects | 92,914 | 28,135 | 614 |
| Tax Effects | (28,457) | (8,618) | (188) |
| Remeasurements of Defined Benefit Plans | 64,456 | 19,517 | 426 |
| Share of Other Comprehensive Income of Equity-Method Affiliated Companies: | | | |
| Changes during the Period | 3,433 | 371 | 23 |
| Reclassification Adjustments | (126) | 2,443 | (1) |
| Share of Other Comprehensive Income of Equity-Method Affiliated Companies | 3,306 | 2,814 | 22 |
| Total Other Comprehensive Income (Loss) | ¥ 335,866 | ¥ 6,489 | \$ 2,218 |

Notes to the Consolidated Statement of Changes in Net Assets

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

Classes and the number of issued shares of common stock and treasury stock for the fiscal years ended March 31, 2024 and 2023, consisted of the following:

| | Thousands of Shares | | | | Number of Shares Outstanding at the End of the Fiscal Year |
|--------------------------|---------------------|--|----------|----------|--|
| | Authorized | Number of Shares Outstanding at the Beginning of the Fiscal Year | Increase | Decrease | |
| March 31, 2024 | | | | | |
| Number of Issued Shares: | | | | | |
| Common Share | 850,000 | 368,172 | 364,025 | 4,146 | 728,051 |
| Treasury Stock: | | | | | |
| Common Share | | 4,928 | 7,815 | 4,287 | 8,456 |

(Notes)

(1) SuMi TRUST Holdings executed a 2-for-1 stock split of its shares of common stock on January 1, 2024.

(2) The number of shares of common stock increased by 364,025 thousand shares due to the stock split.

(3) The number of shares of common stock decreased by 4,146 thousand shares due to the retirement of treasury stock.

(4) The breakdown of the number of shares of common stock held as treasury stock increased by 7,815 thousand shares is as follows.

(Before the execution of the stock split)

- Increased by 4 thousand shares due to the purchase of odd-lot or less than one hundred shares.
- Increased by 226 thousand shares due to the purchase of treasury stock which is resolved at Board of Directors' Meeting held on February 27, 2023.

(At and after the execution of the stock split)

- Increased by 883 thousand shares due to the stock split.
- Increased by 4 thousand shares due to the purchase of odd-lot or less than one hundred shares.
- Increased by 6,696 thousand shares due to the purchase of treasury stock which is resolved at Board of Directors' Meeting held on January 31, 2024.

(5) The breakdown of the number of shares of common stock held as treasury stock decreased by 4,287 thousand shares is as follows.

(Before the execution of the stock split)

- Decreased by 0 thousand shares due to purchase requests of odd-lot or less than one hundred shares.
- Decreased by 6 thousand shares due to the transfer of shares upon exercise of stock option rights.
- Decreased by 122 thousand shares due to the delivery under the systems of the share delivery trust and RS Trust for the Directors and RS Trust for employees.
- Decreased by 4,146 thousand shares due to the retirement of treasury stock.

(At and after the execution of the stock split)

- Decreased by 0 thousand shares due to purchase requests of odd-lot or less than one hundred shares.
- Decreased by 11 thousand shares due to the transfer of shares upon exercise of stock option rights.

(6) The number of shares of common stock held as treasury stock at the end of the current fiscal year include 1,146 thousand shares of SuMi TRUST Holdings held by the share delivery trust and RS Trust for the Directors and RS Trust for employees. The decrease in the number of shares of common stock with regard to the share delivery trust and RS Trust for the Directors is 39 thousand shares, and the decrease in that of common stock with regard to RS Trust for employees is 82 thousand shares for the fiscal year ended March 31, 2024.

| | Thousands of Shares | | | | |
|--------------------------|---------------------|--|----------|----------|--|
| | Authorized | Number of Shares Outstanding at the Beginning of the Fiscal Year | Increase | Decrease | Number of Shares Outstanding at the End of the Fiscal Year |
| March 31, 2023 | | | | | |
| Number of Issued Shares: | | | | | |
| Common Share | 850,000 | 375,291 | — | 7,119 | 368,172 |
| Treasury Stock: | | | | | |
| Common Share | | 716 | 11,368 | 7,156 | 4,928 |

(Notes)

(1) The number of shares of common stock decreased by 7,119 thousand shares due to the retirement of treasury shares.

(2) The breakdown of the number of shares of common stock held as treasury stock increased by 11,368 thousand shares is as follows.

- Increased by 5 thousand shares due to the purchase of odd-lot or less than one hundred shares.
- Increased by 7,119 thousand shares due to the purchase of treasury stock which is resolved at Board of Directors' Meeting held on February 24, 2022 and July 28, 2022.
- Increased by 3,919 thousand shares due to the purchase of treasury stock which is resolved at Board of Directors' Meeting held on February 27, 2023.
- Increased by 324 thousand shares due to the purchase under RS Trust system for employees.

(3) The breakdown of the number of shares of common stock held as treasury stock decreased by 7,156 thousand shares is as follows.

- Decreased by 0 thousand shares due to purchase requests of odd-lot or less than one hundred shares.
- Decreased by 16 thousand shares due to the transfer of shares upon exercise of stock option rights.
- Decreased by 20 thousand shares due to the delivery under the system of the share delivery trust for the Directors.
- Decreased by 7,119 thousand shares due to the retirement of treasury shares.

(4) The number of shares of common stock held as treasury stock at the end of the previous fiscal year included 695 thousand shares of SuMi TRUST Holdings held by the share delivery trust for the Directors and RS Trust for employees. The decrease in the number of shares of common stock with regard to the share delivery trust for the Directors was 20 thousand shares, and the increase in that of common stock with regard to RS Trust for employees was 324 thousand shares for the fiscal year ended March 31, 2023.

2. Subscription Rights to Shares

Subscription rights to shares for the fiscal years ended March 31, 2024 and 2023, consisted of the following:

| | | Millions of Yen | | Millions of U.S. Dollars |
|---------------------|--|-----------------|-------|--------------------------|
| | | 2024 | 2023 | 2024 |
| SuMi TRUST Holdings | Subscription Rights to Shares as Stock Options | ¥ 855 | ¥ 945 | \$ 6 |

3. Dividends

Dividends paid for the fiscal years ended March 31, 2024 and 2023, consisted of the following:

As for the fiscal year ended March 31, 2024:

| 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, 2023 | | | | | | |
| Ordinary General Meeting of Shareholders | Common Share | ¥ 40,033 (\$264) | Retained Earnings | ¥ 110.00 (\$0.73) | March 31, 2023 | June 26, 2023 |

| 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 14, 2023 | | | | | | |
| Board of Directors' Meeting | Common Share | ¥ 40,008 (\$264) | Retained Earnings | ¥ 110.00 (\$0.73) | September 30, 2023 | December 4, 2023 |

(Notes)

(1) Cash dividends declared in Ordinary General Meeting of Shareholders held on June 23, 2023 include ¥76 million (U.S. \$0.5 million) of dividends for treasury stock held by the share delivery trust for the Directors and RS Trust for employees.

(2) Cash dividends declared at the Board of Directors' Meeting held on November 14, 2023 included ¥63 million (U.S. \$0.4 million) of dividends for treasury stock held by the

share delivery trust and RS Trust for the Directors and RS Trust for employees.

(3) SuMi TRUST Holdings executed a 2-for-1 stock split of its shares of common stock on January 1, 2024. Figures shown in "Cash Dividends per Share (Yen)" are the amounts before the stock split.

Dividends with a record date during the current fiscal year ended March 31, 2024, but whose effective date is after March 31, 2024, 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 20, 2024 | | | | | | |
| Ordinary General Meeting of Shareholders | Common Share | ¥ 39,640 (\$262) | Retained Earnings | ¥ 55.00 (\$0.36) | March 31, 2024 | June 21, 2024 |

(Notes)

(1) Cash dividends declared in Ordinary General Meeting of Shareholders held on June 20, 2024 include ¥63 million (U.S. \$0.4 million) of dividends for treasury stock held by the share delivery trust and RS Trust for the Directors and RS Trust for employees.

(2) SuMi TRUST Holdings executed a 2-for-1 stock split of its shares of common stock on January 1, 2024. Figures shown in "Cash Dividends per Share (Yen)" are the amounts after the stock split.

As for the fiscal year ended March 31, 2023:

| Resolution | Type of Shares | Cash Dividends Declared Millions of Yen | Dividend Resources | Cash Dividends per Share Yen | Record Date | Effective Date |
|--|----------------|--|--------------------|---------------------------------|----------------|----------------|
| June 23, 2022 | | | | | | |
| Ordinary General Meeting of Shareholders | Common Share | ¥ 33,747 | Retained Earnings | ¥ 90.00 | March 31, 2022 | June 24, 2022 |

| Resolution | Type of Shares | Cash Dividends Declared Millions of Yen | Dividend Resources | Cash Dividends per Share Yen | Record Date | Effective Date |
|-----------------------------|----------------|--|--------------------|---------------------------------|--------------------|------------------|
| November 11, 2022 | | | | | | |
| Board of Directors' Meeting | Common Share | ¥ 36,785 | Retained Earnings | ¥100.00 | September 30, 2022 | December 2, 2022 |

(Notes)

(1)Cash dividends declared in the Ordinary General Meeting of Shareholders held on June 23, 2022 included ¥35 million of dividends for treasury stock held by the share delivery trust for the Directors.

(2)Cash dividends declared at the Board of Directors' Meeting held on November 11, 2022 include ¥37 million of dividends for treasury stock held by the share delivery trust for the Directors.

Dividends with a record date during the fiscal year ended March 31, 2023, but whose effective date is after March 31, 2023, 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, 2023 | | | | | | |
| Ordinary General Meeting of Shareholders | Common Share | ¥ 40,033 | Retained Earnings | ¥110.00 | March 31, 2023 | June 26, 2023 |

(Note) Cash dividends declared in Ordinary General Meeting of Shareholders held on June 23, 2023 include ¥76 million of dividends for treasury stock held by the share delivery trust for the Directors and RS Trust for employees.

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, 2024 and 2023.

| | Millions of Yen | | Millions of U.S. Dollars |
|---|---------------------|---------------------|--------------------------|
| | 2024 | 2023 | 2024 |
| Cash and Due from Banks | ¥ 22,831,653 | ¥ 21,602,473 | \$ 150,784 |
| Due from Banks Held by SuMi TRUST Bank (Excluding Due from the Bank of Japan) | (1,993,801) | (2,429,835) | (13,167) |
| Cash and Cash Equivalents | ¥ 20,837,852 | ¥ 19,172,638 | \$ 137,616 |

Leases

1. Finance Leases

As a lessee:

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

1) Description of lease assets

Tangible fixed assets

Mainly branch buildings and office equipment

2) Method for amortizing lease assets

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

2. Operating Leases

As a lessee:

Total future lease payments under non-cancelable operating leases as of March 31, 2024 and 2023, were as follows:

| | Millions of Yen | | Millions of U.S. Dollars |
|---------------------------|-----------------|-----------------|--------------------------|
| | 2024 | 2023 | 2024 |
| Due in One Year or Less | ¥ 3,347 | ¥ 3,390 | \$ 22 |
| Due in More Than One Year | 13,829 | 14,864 | 91 |
| Total | ¥ 17,176 | ¥ 18,254 | \$ 113 |

As a lessor:

Total future lease payments under non-cancelable operating leases as of March 31, 2024 and 2023, were as follows:

| | Millions of Yen | | Millions of U.S. Dollars |
|---------------------------|-----------------|-----------------|--------------------------|
| | 2024 | 2023 | 2024 |
| Due in One Year or Less | ¥ 13,990 | ¥ 8,625 | \$ 92 |
| Due in More Than One Year | 88,876 | 38,960 | 587 |
| Total | ¥102,867 | ¥ 47,586 | \$ 679 |

Financial Instruments

1. Circumstances of Financial Instruments

(1) Policy on Financial Instruments

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

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

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

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

(2) Description and Risks of Financial Instruments

1) Trading accounts

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

2) Banking accounts

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

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

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

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

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

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

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

(3) Risk Management for Financial Instruments

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

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

1) Credit risk management

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

(a) Risk management policy on credit risk

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

For the former, SuMi TRUST Group manages credit exposures of each customer based on its limited credit amount, and periodically reviews impacts of identified risks to large customers and concentration in industry sectors, including the measurement of the credit risk. SuMi TRUST Group makes efforts to mitigate credit concentration risk on a country-by-country basis by managing the diversification of the overall credit portfolio.

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

(b) Risk management framework for credit risk

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

2) Market risk management

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

(a) Risk management policy on market risk

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

(b) Risk management framework for market risk

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

The Finance Committee resolves ALM basic plans and risk management plans related to market risk regarding company-wide comprehensive risk management for assets and liabilities. These plans are reported to appropriate committees such as the Executive Committee and the Board of Directors as specified in the policy.

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 Finance Committee on a daily basis, and to the Finance Committee as well as the Board of Directors periodically.

(c) Market risk management approach

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

VaR is calculated basically using the historical simulation method. Market risk can be classified into categories, such as interest rate risk, stock price risk, exchange rate risk, and others according to its characteristics. SuMi TRUST Group calculates market risk by simply adding up the risks of all

categories without considering the correlation among these categories.

(d) Quantitative information related to market risk

(i) Trading accounts

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

As of March 31, 2024, the total amount of market risk (estimated potential loss) of financial instruments held by SuMi TRUST Group in the Trading Accounts was ¥11.3 billion (U.S. \$75 million).

SuMi TRUST Group performs back testing using the actual value to verify the accuracy of the VaR measurement model. However, as the VaR measures the amount of market risk under certain probabilities statistically calculated based on the past volatility, it may not properly capture those risks under extreme market movements.

(ii) Banking accounts

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

As of March 31, 2024, the total amount of market risk (estimated potential loss) of financial instruments held by SuMi TRUST Group in the Banking Account was ¥741.3 billion (U.S. \$4,896 million).

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

3) Funding liquidity risk management

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

(a) Funding liquidity risk management policy

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

(b) Funding liquidity risk management framework and methods

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

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

Calculation of fair value of financial instruments involves certain assumptions and may vary when different assumptions are employed.

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

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

The amounts shown in the following table do not include equity securities with no market prices, and investments in partnerships (See Note 3).

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

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

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

Level 3: Fair value determined based on significant unobservable inputs

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

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

| | Millions of Yen | | | | Millions of U.S. Dollars | | | |
|--------------------------------------|-----------------|-------------|---------|-------------|--------------------------|------------|---------|------------|
| | Mar. 31, 2024 | | | | Mar. 31, 2024 | | | |
| | Level 1 | Level 2 | Level 3 | Total | Level 1 | Level 2 | Level 3 | Total |
| Monetary Claims Bought | ¥ — | ¥ 127,457 | ¥ — | ¥ 127,457 | \$ — | \$ 842 | \$ — | \$ 842 |
| Trading Assets | | | | | | | | |
| Trading Securities | 1,590 | 126,410 | — | 128,001 | 11 | 835 | — | 845 |
| Money Held in Trust | 1,530 | 20,965 | — | 22,496 | 10 | 138 | — | 149 |
| Securities | | | | | | | | |
| Available-for-Sale Securities | 6,074,900 | 2,742,029 | 412 | 8,817,343 | 40,120 | 18,109 | 3 | 58,231 |
| Stocks | 1,213,390 | — | — | 1,213,390 | 8,013 | — | — | 8,013 |
| Bonds | 3,038,147 | 753,941 | 412 | 3,792,502 | 20,064 | 4,979 | 3 | 25,046 |
| Government Bonds | 3,038,147 | — | — | 3,038,147 | 20,064 | — | — | 20,064 |
| Local Government Bonds | — | 43,110 | — | 43,110 | — | 285 | — | 285 |
| Short-Term Bonds Payable | — | — | — | — | — | — | — | — |
| Corporate Bonds | — | 710,831 | 412 | 711,244 | — | 4,694 | 3 | 4,697 |
| Other Securities | 1,823,362 | 1,988,087 | — | 3,811,450 | 12,042 | 13,130 | — | 25,171 |
| Foreign Stocks | 5,457 | — | — | 5,457 | 36 | — | — | 36 |
| Foreign Bonds | 1,795,480 | 1,412,796 | — | 3,208,277 | 11,858 | 9,330 | — | 21,188 |
| Others | 22,424 | 575,290 | — | 597,715 | 148 | 3,799 | — | 3,947 |
| Total Assets | ¥ 6,078,022 | ¥ 3,016,863 | ¥ 412 | ¥ 9,095,298 | \$ 40,140 | \$ 19,924 | \$ 3 | \$ 60,067 |
| Derivative Transactions (*1)(*2)(*3) | | | | | | | | |
| Interest Rate Related Transactions | ¥ 1,479 | ¥ (19,092) | ¥ 3,078 | ¥ (14,534) | \$ 10 | \$ (126) | \$ 20 | \$ (96) |
| Currency Related Transactions | — | (252,063) | — | (252,063) | — | (1,665) | — | (1,665) |
| Stock Related Transactions | (663) | 640 | — | (22) | (4) | 4 | — | (0) |
| Bond Related Transactions | 977 | 86 | — | 1,063 | 6 | 1 | — | 7 |
| Credit Derivative Transactions | — | (154) | — | (154) | — | (1) | — | (1) |
| Total Derivative Transactions | ¥ 1,792 | ¥ (270,584) | ¥ 3,078 | ¥ (265,713) | \$ 12 | \$ (1,787) | \$ 20 | \$ (1,755) |

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

(*2) As for derivative transactions applying hedge accounting, ¥(409,812) million (U.S. \$(2,706) million) is recorded on the consolidated balance sheets as of March 31, 2024.

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

| | Millions of Yen | | | |
|--------------------------------------|-----------------|-------------|---------|-------------|
| | Mar. 31, 2023 | | | |
| | Level 1 | Level 2 | Level 3 | Total |
| Monetary Claims Bought | ¥ — | ¥ 129,295 | ¥ — | ¥ 129,295 |
| Trading Assets | | | | |
| Trading Securities | 2,799 | 63,097 | — | 65,897 |
| Money Held in Trust | 2,372 | 13,663 | — | 16,036 |
| Securities | | | | |
| Available-for-Sale Securities | 3,184,546 | 2,732,909 | 1,292 | 5,918,748 |
| Stocks | 1,072,628 | — | — | 1,072,628 |
| Bonds | 1,431,999 | 744,932 | 1,292 | 2,178,224 |
| Government Bonds | 1,431,999 | — | — | 1,431,999 |
| Local Government Bonds | — | 38,117 | — | 38,117 |
| Short-Term | | | | |
| Bonds Payable | — | — | — | — |
| Corporate Bonds | — | 706,815 | 1,292 | 708,107 |
| Other Securities | 679,918 | 1,987,976 | — | 2,667,895 |
| Foreign Stocks | 4,171 | — | — | 4,171 |
| Foreign Bonds | 655,198 | 1,163,873 | — | 1,819,071 |
| Others | 20,548 | 824,102 | — | 844,651 |
| Total Assets | ¥ 3,189,718 | ¥ 2,938,966 | ¥ 1,292 | ¥ 6,129,977 |
| Derivative Transactions (*1)(*2)(*3) | | | | |
| Interest Rate Related | | | | |
| Transactions | ¥ 1,838 | ¥ (106,856) | ¥ 2,768 | ¥ (102,249) |
| Currency Related Transactions | — | (110,621) | — | (110,621) |
| Stock Related Transactions | (344) | — | — | (344) |
| Bond Related Transactions | (3,975) | (270) | — | (4,246) |
| Credit Derivative Transactions | — | (338) | — | (338) |
| Total Derivative Transactions | ¥ (2,480) | ¥ (218,087) | ¥ 2,768 | ¥ (217,799) |

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

(*2) As for derivative transactions applying hedge accounting, ¥(166,193) million is recorded on the consolidated balance sheets as of March 31, 2023.

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

(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, 2024 | | | | | |
| | Level 1 | Level 2 | Level 3 | Total | Consolidated balance sheet amount | Differences |
| Monetary Claims Bought (*) | ¥ — | ¥ 34,193 | ¥ 983,405 | ¥ 1,017,599 | ¥ 1,016,820 | ¥ 778 |
| Securities | | | | | | |
| Held-to-Maturity Securities | 124,742 | 112,984 | — | 237,726 | 229,654 | 8,072 |
| Government Bonds | 124,742 | — | — | 124,742 | 116,896 | 7,845 |
| Local Government Bonds | — | — | — | — | — | — |
| Bonds Payable | — | 10,774 | — | 10,774 | 10,700 | 74 |
| Other Securities | — | 102,209 | — | 102,209 | 102,057 | 152 |
| Foreign Bonds | — | 102,209 | — | 102,209 | 102,057 | 152 |
| Others | — | — | — | — | — | — |
| Loans and Bills Discounted | | | | | 33,420,919 | |
| Allowance for Loan Losses (*) | | | | | (65,455) | |
| | — | — | 33,521,179 | 33,521,179 | 33,355,464 | 165,715 |
| Lease Receivables and Investment Assets (*) | — | — | 723,059 | 723,059 | 714,021 | 9,037 |
| Total Assets | ¥ 124,742 | ¥ 147,177 | ¥ 35,227,645 | ¥ 35,499,565 | ¥ 35,315,960 | ¥ 183,604 |
| Deposits | ¥ — | ¥ 37,417,033 | ¥ — | ¥ 37,417,033 | ¥ 37,418,280 | ¥ (1,247) |
| Negotiable Certificates of Deposit | — | 9,220,997 | — | 9,220,997 | 9,220,997 | — |
| Borrowed Money | — | 7,229,630 | — | 7,229,630 | 7,302,158 | (72,528) |
| Bonds Payable | — | 2,759,522 | — | 2,759,522 | 2,787,367 | (27,845) |
| Total Liabilities | ¥ — | ¥ 56,627,183 | ¥ — | ¥ 56,627,183 | ¥ 56,728,804 | ¥ (101,620) |

(*) 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 sheet, because the balance of the allowance is immaterial.

| | Millions of Yen | | | | | | |
|--|-----------------|--------------|--------------|--------------|---|-------------|--|
| | Mar. 31, 2023 | | | | | | |
| | Level 1 | Level 2 | Level 3 | Total | Consolidated balance sheet amount | Differences | |
| Monetary Claims Bought (*) | ¥ — | ¥ 40,281 | ¥ 800,687 | ¥ 840,969 | ¥ 840,501 | ¥ 467 | |
| Securities | | | | | | | |
| Held-to-Maturity Securities | 128,041 | 140,893 | — | 268,935 | 259,213 | 9,721 | |
| Government Bonds | 128,041 | — | — | 128,041 | 117,274 | 10,767 | |
| Local Government Bonds | — | — | — | — | — | — | |
| Corporate Bonds | — | 14,526 | — | 14,526 | 14,400 | 126 | |
| Other Securities | — | 126,366 | — | 126,366 | 127,539 | (1,172) | |
| Foreign Bonds | — | 126,366 | — | 126,366 | 127,539 | (1,172) | |
| Others | — | — | — | — | — | — | |
| Loans and Bills Discounted | | | | | 31,810,926 | | |
| Allowance for Loan Losses (*) | | | | | (115,952) | | |
| | — | — | 31,888,015 | 31,888,015 | 31,694,973 | 193,041 | |
| Lease Receivables and Investment Assets (*) | — | — | 692,032 | 692,032 | 683,446 | 8,585 | |
| Total Assets | ¥ 128,041 | ¥ 181,175 | ¥ 33,380,734 | ¥ 33,689,951 | ¥ 33,478,135 | ¥ 211,816 | |
| Deposits | ¥ — | ¥ 35,402,494 | ¥ — | ¥ 35,402,494 | ¥ 35,387,287 | ¥ 15,206 | |
| Negotiable Certificates of Deposit | — | 7,461,005 | — | 7,461,005 | 7,461,005 | — | |
| Borrowed Money | — | 5,984,928 | — | 5,984,928 | 6,039,543 | (54,614) | |
| Bonds Payable | — | 2,448,305 | — | 2,448,305 | 2,501,760 | (53,455) | |
| Total Liabilities | ¥ — | ¥ 51,296,734 | ¥ — | ¥ 51,296,734 | ¥ 51,389,597 | ¥ (92,862) | |

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

| | Millions of U.S. Dollars | | | | | |
|--|--------------------------|------------|------------|------------|---|-------------|
| | Mar. 31, 2024 | | | | | |
| | Level 1 | Level 2 | Level 3 | Total | Consolidated balance sheet amount | Differences |
| Monetary Claims Bought (*) | \$ — | \$ 226 | \$ 6,494 | \$ 6,719 | \$ 6,716 | \$ 3 |
| Securities | | | | | | |
| Held-to-Maturity Securities | 824 | 746 | — | 1,570 | 1,517 | 53 |
| Government Bonds | 824 | — | — | 824 | 772 | 52 |
| Local Government Bonds | — | — | — | — | — | — |
| Corporate Bonds | — | 71 | — | 71 | 71 | 0 |
| Other Securities | — | 675 | — | 675 | 674 | 1 |
| Foreign Bonds | — | 675 | — | 675 | 674 | 1 |
| Others | — | — | — | — | — | — |
| Loans and Bills Discounted | | | | | 220,717 | |
| Allowance for Loan Losses (*) | | | | | (432) | |
| | — | — | 221,379 | 221,379 | 220,284 | 1,094 |
| Lease Receivables and Investment Assets (*) | — | — | 4,777 | 4,777 | 4,748 | 29 |
| Total Assets | \$ 824 | \$ 972 | \$ 232,649 | \$ 234,444 | \$ 233,232 | \$ 1,213 |
| Deposits | \$ — | \$ 247,108 | \$ — | \$ 247,108 | \$ 247,116 | \$ (8) |
| Negotiable Certificates of Deposit | — | 60,897 | — | 60,897 | 60,897 | — |
| Borrowed Money | — | 47,746 | — | 47,746 | 48,225 | (479) |
| Bonds Payable | — | 18,224 | — | 18,224 | 18,408 | (184) |
| Total Liabilities | \$ — | \$ 373,974 | \$ — | \$ 373,974 | \$ 374,645 | \$ (671) |

(*) 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 sheet, because the balance of the allowance is immaterial.

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

Monetary Claims Bought

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

Trading Assets

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

Money Held in Trust

Securities managed as trust assets in money held in trust, which are individually managed with the principal objective of securities portfolio management, are stated at quoted market prices or dealer/broker-quoted prices and classified into Level 1 or Level 2 depending on the level of the components. Investment trusts and funds for which no market transaction prices are available, including privately placed investment trusts, are stated at fair value based on factors, such as the net asset value, if there are no significant restrictions on the cancellation or repurchase request that would require market participants to pay for the risk, and are primarily classified into Level 2.

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

Securities

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

Bonds are stated at quoted market prices announced in exchange traded transactions, over-the-counter transactions, and others, and classified into Level 1 if they are traded in an active market. If the market is not active, even though bonds are stated at quoted market prices, they are classified into Level 2. Bonds stated at prices obtained from a third party, such as pricing services and dealers/brokers, are classified into Level 3 if those prices are comprised of significant unobservable inputs, and classified into Level 2 otherwise. Fair values of certain bonds are calculated by classifying them according to their internal ratings and maturities, and discounting the aggregate principal and interest by the discount rate which takes into account risk factors, including credit risks. If the discount rate is a significant unobservable input, the fair values of the bonds are classified into Level 3, otherwise Level 2.

Fair values of listed investment trusts and funds are stated at quoted market prices and primarily classified into Level 1 based on the level of market activity. Investment trusts and funds for which no market transaction prices are available, including privately placed investment trusts, are stated at fair value based on factors, such as the net asset value, if there are no significant restrictions on the cancellation or repurchase request that would require market participants to pay for the risk, and are primarily classified into Level 2.

Loans and Bills Discounted

Fair values of loans and bills discounted are calculated by grouping loans according to loan terms, internal ratings, and maturities; and discounting the aggregate principal and interest by the discount rate which takes into account risk factors, including credit risks. However, floating-rate loans for which their carrying amounts are deemed to approximate fair value, due to the nature of the loan or the borrower's credit situation subsequent to the execution of the loans, are stated at their carrying amounts. For claims executed to bankrupt borrowers, virtually bankrupt borrowers, and possibly bankrupt borrowers, estimated loan losses are calculated based on the present value of estimated future cash flows or the expected recoverable amounts from collateral or guarantees. Therefore, fair values for these claims are stated at the amounts by deducting the allowance for loan losses from the amounts in the consolidated balance

sheets at the consolidated balance sheet date, because such deducted amounts approximate fair value. Loans without stated maturities (as the amount of credit is limited to the value of the collateral or due to some other special characteristics) are stated at their carrying amounts as the carrying amounts are deemed to approximate the fair value because of the expected repayment periods and the interest terms. These fair values are classified into Level 3.

Lease Receivables and Investment Assets

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

Deposits and Negotiable Certificates of Deposit

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

Borrowed Money

Borrowed money at floating rates is stated at their carrying amounts. The carrying amounts are deemed to approximate fair value because such amounts reflect short-term market interest rates, and there have been no significant changes in credit condition subsequent to undertaking the borrowed money. Fair values of borrowed money at fixed rates are calculated by discounting their future cash flows by the interest

rate adjusted for the residual term and credit risk. Fair values for obligations with short maturities (one year or less) are stated at their carrying amounts because they approximate fair value. These fair values are classified into Level 2.

Bonds Payable

Bonds issued by SuMi TRUST Holdings and its consolidated subsidiaries are stated at market prices, if such prices are available. Fair values for other bonds are calculated by discounting future cash flows to their present values by the interest rate adjusted for the residual term and credit risk. These fair values are classified into Level 2.

Derivative transactions

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

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

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

(1) Quantitative information on significant unobservable inputs

| | | Mar. 31, 2024 | |
|------------------------------------|---------------------------------|---|----------------|
| | Valuation technique | Significant unobservable inputs | Range |
| Securities | | | |
| Corporate Bonds | Discounted present value method | Discount Rate | 1.3% |
| Derivative Transactions | | | |
| Interest Rate Related Transactions | Option valuation model | Correlation between interest rate and foreign exchange rate | (41.4)% - 0.2% |
| | | Correlation between interest rates | 6.8% |

| | | Mar. 31, 2023 | |
|------------------------------------|---------------------------------|---|------------------|
| | Valuation technique | Significant unobservable inputs | Range |
| Securities | | | |
| Corporate Bonds | Discounted present value method | Discount Rate | 1.1% |
| Derivative Transactions | | | |
| Interest Rate Related Transactions | Option valuation model | Correlation between interest rate and foreign exchange rate | (40.0)% - (3.5)% |
| | | Correlation between interest rates | 6.5% |

(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 years ended March 31, 2024 and 2023, are as follows:

| | | Millions of Yen | | | | | | | Net unrealized gains (losses) on financial assets and liabilities held at consolidated balance sheet date recognized in profit or losses of the period (*1) |
|--|-------------------|--------------------------------------|---------------------------------|--|--------------------------|----------------------------|----------------|-----|---|
| | | Mar. 31, 2024 | | | | | | | |
| | 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 | | |
| Securities | ¥ 1,292 | ¥ — | ¥ 7 | ¥ (1,299) | ¥ 412 | ¥ — | ¥ 412 | ¥ — | |
| Derivative Transactions (Interest Rate Related Transactions) (*4) | 2,768 | 310 | — | — | — | — | 3,078 | 310 | |

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

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

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

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

| | Millions of Yen | | | | | | | |
|---|-------------------|--------------------------------------|---------------------------------|--|--------------------------|----------------------------|----------------|---|
| | Mar. 31, 2023 | | | | | | | |
| | Beginning balance | Profit or losses for the period (*1) | Other comprehensive income (*2) | Net amount of purchase, issuance, sale, and settlement | Transfer to Level 3 (*3) | Transfer from Level 3 (*3) | Ending balance | Net unrealized gains (losses) on financial assets and liabilities held at consolidated balance sheet date recognized in profit or losses of the period (*1) |
| Securities | ¥ 2,130 | ¥ — | ¥ 262 | ¥ (1,100) | ¥ — | ¥ — | ¥ 1,292 | ¥ — |
| Derivative Transactions (Interest Rate Related Transactions) (*4) | 1,173 | 1,595 | — | — | — | — | 2,768 | 1,595 |

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

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

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

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

| | Millions of U.S. Dollars | | | | | | | |
|---|--------------------------|--------------------------------------|---------------------------------|--|--------------------------|----------------------------|----------------|---|
| | Mar. 31, 2024 | | | | | | | |
| | 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 | \$ 9 | \$ — | \$ 0 | \$ (9) | \$ 3 | \$ — | \$ 3 | \$ — |
| Derivative Transactions (Interest Rate Related Transactions) (*4) | 18 | 2 | — | — | — | — | 20 | 2 |

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

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

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

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

(3) Description of the fair value valuation process

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

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

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

Discount Rate

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

Correlation

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

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

| | Millions of Yen | | Millions of U.S. Dollars |
|--|-----------------|---------------|--------------------------|
| | Mar. 31, 2024 | Mar. 31, 2023 | Mar. 31, 2024 |
| Equity Securities with No Market Prices, etc. (*1)(*3) | ¥ 110,206 | ¥ 93,578 | \$ 728 |
| Investments in Partnership, etc. (*2)(*3) | 297,269 | 242,150 | 1,963 |

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

(*2) "Investments in partnership, etc." mainly include silent partnerships and investment partnerships. These fair values are not disclosed in accordance with Paragraph 24-16 of the "Guidance for Application of Fair Value Measurement".

(*3) Impairment losses of ¥1,978 million (U.S. \$ 13 million) and ¥489 million were recognized against Unlisted Stocks and others as of March 31, 2024 and 2023, respectively, and those of ¥0 million were recognized against Investments in Partnership, etc. as of March 31, 2023.

(Note4) Redemption Schedule of Monetary Claims and Securities with Maturity after March 31, 2024 and 2023

| March 31, 2024 | 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 | ¥ 22,774,474 | ¥ — | ¥ — | ¥ — | ¥ — | ¥ — |
| Call Loans and Bills Bought | 25,000 | — | — | — | — | — |
| Receivables under Resale Agreements | 111,600 | — | — | — | — | — |
| Receivables under Securities Borrowing Transactions | 532,200 | — | — | — | — | — |
| Monetary Claims Bought (*1) | 1,010,142 | 19,826 | 6,449 | 1,467 | 1,574 | 105,580 |
| Securities | 1,134,986 | 2,355,138 | 1,939,561 | 603,571 | 782,553 | 863,492 |
| Held-to-Maturity Debt Securities | 60 | 6,405 | 40,000 | 40,000 | 60,741 | 80,610 |
| Government Bonds | 60 | — | 40,000 | 40,000 | 35,000 | — |
| Corporate Bonds | — | 500 | — | — | — | 10,200 |
| Available-for-Sale Securities with Maturity | 1,134,926 | 2,348,732 | 1,899,561 | 563,571 | 721,812 | 782,882 |
| Government Bonds | 522,579 | 1,769,909 | 654,000 | — | 70,000 | 31,000 |
| Local Government Bonds | 2,871 | 10,630 | 7,726 | 10,521 | 11,950 | — |
| Corporate Bonds | 91,135 | 267,424 | 194,617 | 49,911 | 77,854 | 31,214 |
| Loans and Bills Discounted (*2) | 5,402,943 | 6,734,153 | 4,875,703 | 2,865,277 | 2,730,875 | 7,970,802 |
| Lease Receivables and Investment Assets (*3) | 176,544 | 293,940 | 126,650 | 54,450 | 34,998 | 6,263 |
| Total | ¥ 31,167,891 | ¥ 9,403,058 | ¥ 6,948,365 | ¥ 3,524,765 | ¥ 3,550,002 | ¥ 8,946,138 |

| March 31, 2023 | 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 | ¥ 21,535,026 | ¥ — | ¥ — | ¥ — | ¥ — | ¥ — |
| Call Loans and Bills Bought | 24,006 | — | — | — | — | — |
| Receivables under Resale Agreements | 110,003 | — | — | — | — | — |
| Receivables under Securities Borrowing Transactions | 436,093 | — | — | — | — | — |
| Monetary Claims Bought (*1) | 829,379 | 19,440 | 3,398 | 1,419 | 1,386 | 114,972 |
| Money Held in Trust | 16,036 | 100 | — | — | — | — |
| Securities | 1,041,108 | 1,250,034 | 1,041,754 | 427,973 | 502,088 | 683,648 |
| Held-to-Maturity Debt Securities | — | 5,410 | 20,000 | 40,000 | 67,018 | 124,570 |
| Government Bonds | — | 60 | 20,000 | 40,000 | 55,000 | — |
| Corporate Bonds | — | — | — | — | — | 14,400 |
| Available-for-Sale Securities with Maturity | 1,041,108 | 1,244,624 | 1,021,754 | 387,973 | 435,069 | 559,078 |
| Government Bonds | 350,628 | 605,477 | 460,000 | — | — | 15,000 |
| Local Government Bonds | 1,675 | 8,008 | 9,296 | 4,954 | 14,639 | — |
| Corporate Bonds | 55,754 | 259,901 | 208,777 | 65,601 | 87,390 | 29,078 |
| Loans and Bills Discounted (*2) | 4,772,709 | 6,825,891 | 4,373,913 | 2,638,392 | 2,417,897 | 8,091,073 |
| Lease Receivables and Investment Assets (*3) | 167,691 | 272,176 | 128,213 | 45,186 | 43,147 | 8,846 |
| Total | ¥ 28,932,055 | ¥ 8,367,642 | ¥ 5,547,279 | ¥ 3,112,973 | ¥ 2,964,518 | ¥ 8,898,541 |

| March 31, 2024 | 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 | \$ 150,406 | \$ — | \$ — | \$ — | \$ — | \$ — |
| Call Loans and Bills Bought | 165 | — | — | — | — | — |
| Receivables under Resale Agreements | 737 | — | — | — | — | — |
| Receivables under Securities Borrowing Transactions | 3,515 | — | — | — | — | — |
| Monetary Claims Bought (*1) | 6,671 | 131 | 43 | 10 | 10 | 697 |
| Securities | 7,496 | 15,554 | 12,809 | 3,986 | 5,168 | 5,703 |
| Held-to-Maturity Debt Securities | 0 | 42 | 264 | 264 | 401 | 532 |
| Government Bonds | 0 | — | 264 | 264 | 231 | — |
| Corporate Bonds | — | 3 | — | — | — | 67 |
| Available-for-Sale Securities with Maturity | 7,495 | 15,511 | 12,545 | 3,722 | 4,767 | 5,170 |
| Government Bonds | 3,451 | 11,689 | 4,319 | — | 462 | 205 |
| Local Government Bonds | 19 | 70 | 51 | 69 | 79 | — |
| Corporate Bonds | 602 | 1,766 | 1,285 | 330 | 514 | 206 |
| Loans and Bills Discounted (*2) | 35,682 | 44,473 | 32,200 | 18,923 | 18,035 | 52,640 |
| Lease Receivables and Investment Assets (*3) | 1,166 | 1,941 | 836 | 360 | 231 | 41 |
| Total | \$ 205,837 | \$ 62,099 | \$ 45,888 | \$ 23,278 | \$ 23,445 | \$ 59,082 |

(*1) The balances exclude Monetary Claims Bought for bankrupt borrowers, virtually bankrupt borrowers, and possibly bankrupt borrowers that are not expected to be collected, amounting to ¥23 million (U.S. \$0.2 million) and ¥23 million as of March 31, 2024 and 2023, respectively.

(*2) The balances exclude Loans and Bills Discounted for bankrupt borrowers, virtually bankrupt borrowers, and possibly bankrupt borrowers that are not expected to be collected, amounting to ¥61,164 million (U.S. \$404 million) and ¥101,179 million, and those without maturity, amounting to ¥2,779,999 million (U.S. \$18,360 million) and ¥2,589,868 million as of March 31, 2024 and 2023, respectively.

(*3) The balances exclude Lease Receivables and Investment Assets for bankrupt borrowers, virtually bankrupt borrowers, and possibly bankrupt borrowers that are not expected to be collected, amounting to ¥942 million (U.S. \$6 million) and ¥725 million, and the sum of guaranteed residual values by lessee and estimated salvage values, amounting to ¥25,177 million (U.S. \$166 million) and ¥22,946 million as of March 31, 2024 and 2023, respectively.

(Note 5) Repayment Schedule of Bonds, Borrowed Money, and Other Interest-Bearing Liabilities after March 31, 2024 and 2023

| March 31, 2024 | 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) | ¥ 29,489,603 | ¥ 5,076,593 | ¥ 2,842,113 | ¥ 9,696 | ¥ 273 | ¥ — |
| Negotiable Certificates of Deposit | 9,165,997 | 55,000 | — | — | — | — |
| Call Money and Bills Sold | 360,394 | — | — | — | — | — |
| Payables under Repurchase Agreements | 2,700,532 | — | — | — | — | — |
| Borrowed Money | 3,227,320 | 1,537,166 | 1,865,689 | 70,627 | 220,460 | 380,894 |
| Short-Term Bonds Payable | 2,922,491 | — | — | — | — | — |
| Bonds Payable (*2) | 357,840 | 1,294,375 | 606,295 | 85,000 | 174,710 | — |
| Borrowed Money from Trust Account | 4,327,798 | — | — | — | — | — |
| Total | ¥ 52,551,977 | ¥ 7,963,135 | ¥ 5,314,097 | ¥ 165,324 | ¥ 395,444 | ¥ 380,894 |

| March 31, 2023 | 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) | ¥ 27,887,502 | ¥ 5,548,181 | ¥ 1,948,251 | ¥ 2,225 | ¥ 1,126 | ¥ — |
| Negotiable Certificates of Deposit | 7,356,005 | 105,000 | — | — | — | — |
| Call Money and Bills Sold | 1,912,878 | — | — | — | — | — |
| Payables under Repurchase Agreements | 1,030,780 | — | — | — | — | — |
| Borrowed Money | 1,370,513 | 3,761,367 | 238,848 | 170,623 | 102,310 | 395,879 |
| Short-Term Bonds Payable | 2,339,243 | — | — | — | — | — |
| Bonds Payable (*2) | 494,005 | 862,700 | 687,665 | 100,000 | 88,000 | — |
| Borrowed Money from Trust Account | 4,332,472 | — | — | — | — | — |
| Total | ¥ 46,723,401 | ¥ 10,277,249 | ¥ 2,874,765 | ¥ 272,848 | ¥ 191,437 | ¥ 395,879 |

| March 31, 2024 | 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) | \$ 194,754 | \$ 33,527 | \$ 18,770 | \$ 64 | \$ 2 | \$ — |
| Negotiable Certificates of Deposit | 60,534 | 363 | — | — | — | — |
| Call Money and Bills Sold | 2,380 | — | — | — | — | — |
| Payables under Repurchase Agreements | 17,835 | — | — | — | — | — |
| Borrowed Money | 21,314 | 10,152 | 12,321 | 466 | 1,456 | 2,515 |
| Short-Term Bonds Payable | 19,301 | — | — | — | — | — |
| Bonds Payable (*2) | 2,363 | 8,548 | 4,004 | 561 | 1,154 | — |
| Borrowed Money from Trust Account | 28,581 | — | — | — | — | — |
| Total | \$ 347,061 | \$ 52,590 | \$ 35,095 | \$ 1,092 | \$ 2,612 | \$ 2,515 |

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

(*2) The balances exclude perpetual subordinated bonds without maturity, amounting to ¥270,000 million (U.S. \$1,783 million) and ¥270,000 million as of March 31, 2024 and 2023, 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 |
| | 2024 | 2023 | 2024 |
| Trading Securities | ¥ (40) | ¥ (16) | \$ (0) |

2. Held-to-Maturity Securities with Fair Value

| March 31, 2024 | Millions of Yen | | |
|---|------------------|------------------|----------------|
| | Carrying Amount | Fair Value | Difference |
| Securities for which Fair Value Exceeds Carrying Amount | | | |
| Government Bonds | ¥ 116,896 | ¥ 124,742 | ¥ 7,845 |
| Local Government Bonds | — | — | — |
| Short-Term Corporate Bonds | — | — | — |
| Corporate Bonds | 10,700 | 10,774 | 74 |
| Other Bonds | 120,996 | 121,266 | 270 |
| Foreign Bonds | 86,915 | 87,073 | 157 |
| Others | 34,081 | 34,193 | 112 |
| Subtotal | 248,593 | 256,783 | 8,189 |
| Securities for which Fair Value Does Not Exceed Carrying Amount | | | |
| Government Bonds | ¥ — | ¥ — | ¥ — |
| Local Government Bonds | — | — | — |
| Short-Term Corporate Bonds | — | — | — |
| Corporate Bonds | — | — | — |
| Other Bonds | 15,142 | 15,136 | (5) |
| Foreign Bonds | 15,142 | 15,136 | (5) |
| Others | — | — | — |
| Subtotal | 15,142 | 15,136 | (5) |
| Total | ¥ 263,735 | ¥ 271,920 | ¥ 8,184 |

| March 31, 2023 | Millions of Yen | | |
|---|------------------|------------------|----------------|
| | Carrying Amount | Fair Value | Difference |
| Securities for which Fair Value Exceeds Carrying Amount | | | |
| Government Bonds | ¥ 117,274 | ¥ 128,041 | ¥ 10,767 |
| Local Government Bonds | — | — | — |
| Short-Term Corporate Bonds | — | — | — |
| Corporate Bonds | 14,400 | 14,526 | 126 |
| Other Bonds | 62,716 | 63,033 | 317 |
| Foreign Bonds | 22,710 | 22,751 | 41 |
| Others | 40,005 | 40,281 | 276 |
| Subtotal | 194,390 | 205,602 | 11,211 |
| Securities for which Fair Value Does Not Exceed Carrying Amount | | | |
| Government Bonds | ¥ — | ¥ — | ¥ — |
| Local Government Bonds | — | — | — |
| Short-Term Corporate Bonds | — | — | — |
| Corporate Bonds | — | — | — |
| Other Bonds | 104,828 | 103,614 | (1,213) |
| Foreign Bonds | 104,828 | 103,614 | (1,213) |
| Others | — | — | — |
| Subtotal | 104,828 | 103,614 | (1,213) |
| Total | ¥ 299,219 | ¥ 309,217 | ¥ 9,997 |

| March 31, 2024 | Millions of U.S. Dollars | | |
|--|--------------------------|-----------------|--------------|
| | Carrying Amount | Fair Value | Difference |
| Securities for which Fair Value Exceeds Carrying Amount | | | |
| Government Bonds | \$ 772 | \$ 824 | \$ 52 |
| Local Government Bonds | — | — | — |
| Short-Term Corporate Bonds | — | — | — |
| Corporate Bonds | 71 | 71 | 0 |
| Other Bonds | 799 | 801 | 2 |
| Foreign Bonds | 574 | 575 | 1 |
| Others | 225 | 226 | 1 |
| Subtotal | 1,642 | 1,696 | 54 |
| Securities for which Fair Value Does Not Exceed Carrying Amount | | | |
| Government Bonds | \$ — | \$ — | \$ — |
| Local Government Bonds | — | — | — |
| Short-Term Corporate Bonds | — | — | — |
| Corporate Bonds | — | — | — |
| Other Bonds | 100 | 100 | (0) |
| Foreign Bonds | 100 | 100 | (0) |
| Others | — | — | — |
| Subtotal | 100 | 100 | (0) |
| Total | \$ 1,742 | \$ 1,796 | \$ 54 |

3. Available-for-Sale Securities

| March 31, 2024 | Millions of Yen | | |
|--|--------------------|--------------------|------------------|
| | Carrying Amount | Acquisition Cost | Difference |
| Securities for which Carrying Amount Exceeds Acquisition Cost | | | |
| Stocks | ¥ 1,156,864 | ¥ 374,841 | ¥ 782,022 |
| Bonds | 680,906 | 679,070 | 1,836 |
| Government Bonds | 214,624 | 214,578 | 45 |
| Local Government Bonds | 2,833 | 2,821 | 12 |
| Short-Term Corporate Bonds | — | — | — |
| Corporate Bonds | 463,449 | 461,670 | 1,778 |
| Other Securities | 1,255,507 | 1,204,073 | 51,434 |
| Foreign Stocks | 5,457 | 261 | 5,196 |
| Foreign Bonds | 889,092 | 883,099 | 5,993 |
| Others | 360,957 | 320,712 | 40,244 |
| Subtotal | 3,093,278 | 2,257,984 | 835,293 |
| Securities for which Carrying Amount Does Not Exceed Acquisition Cost | | | |
| Stocks | ¥ 56,526 | ¥ 68,743 | ¥ (12,216) |
| Bonds | 3,111,595 | 3,124,850 | (13,254) |
| Government Bonds | 2,823,523 | 2,833,417 | (9,894) |
| Local Government Bonds | 40,276 | 40,877 | (600) |
| Short-Term Corporate Bonds | — | — | — |
| Corporate Bonds | 247,795 | 250,555 | (2,759) |
| Other Securities | 2,683,400 | 2,811,443 | (128,043) |
| Foreign Stocks | — | — | — |
| Foreign Bonds | 2,319,184 | 2,377,381 | (58,196) |
| Others | 364,215 | 434,062 | (69,846) |
| Subtotal | 5,851,522 | 6,005,037 | (153,514) |
| Total | ¥ 8,944,800 | ¥ 8,263,021 | ¥ 681,778 |

| March 31, 2023 | Millions of Yen | | |
|--|--------------------|--------------------|------------------|
| | Carrying Amount | Acquisition Cost | Difference |
| Securities for which Carrying Amount Exceeds Acquisition Cost | | | |
| Stocks | ¥ 1,022,233 | ¥ 436,517 | ¥ 585,715 |
| Bonds | 1,058,025 | 1,054,667 | 3,358 |
| Government Bonds | 569,703 | 569,548 | 154 |
| Local Government Bonds | 5,113 | 5,095 | 18 |
| Short-Term Corporate Bonds | — | — | — |
| Corporate Bonds | 483,208 | 480,023 | 3,185 |
| Other Securities | 591,814 | 562,591 | 29,222 |
| Foreign Stocks | 4,171 | 365 | 3,806 |
| Foreign Bonds | 270,713 | 267,397 | 3,315 |
| Others | 316,929 | 294,829 | 22,100 |
| Subtotal | 2,672,072 | 2,053,775 | 618,296 |
| Securities for which Carrying Amount Does Not Exceed Acquisition Cost | | | |
| Stocks | ¥ 50,395 | ¥ 58,906 | ¥ (8,510) |
| Bonds | 1,120,199 | 1,123,921 | (3,722) |
| Government Bonds | 862,296 | 863,965 | (1,668) |
| Local Government Bonds | 33,003 | 33,477 | (473) |
| Short-Term Corporate Bonds | — | — | — |
| Corporate Bonds | 224,899 | 226,479 | (1,580) |
| Other Securities | 2,205,375 | 2,438,750 | (233,374) |
| Foreign Stocks | — | — | — |
| Foreign Bonds | 1,548,358 | 1,582,560 | (34,201) |
| Others | 657,017 | 856,189 | (199,172) |
| Subtotal | 3,375,970 | 3,621,577 | (245,607) |
| Total | ¥ 6,048,043 | ¥ 5,675,353 | ¥ 372,689 |

| March 31, 2024 | Millions of U.S. Dollars | | |
|--|--------------------------|------------------|-----------------|
| | Carrying Amount | Acquisition Cost | Difference |
| Securities for which Carrying Amount Exceeds Acquisition Cost | | | |
| Stocks | \$ 7,640 | \$ 2,476 | \$ 5,165 |
| Bonds | 4,497 | 4,485 | 12 |
| Government Bonds | 1,417 | 1,417 | 0 |
| Local Government Bonds | 19 | 19 | 0 |
| Short-Term Corporate Bonds | — | — | — |
| Corporate Bonds | 3,061 | 3,049 | 12 |
| Other Securities | 8,292 | 7,952 | 340 |
| Foreign Stocks | 36 | 2 | 34 |
| Foreign Bonds | 5,872 | 5,832 | 40 |
| Others | 2,384 | 2,118 | 266 |
| Subtotal | 20,428 | 14,912 | 5,516 |
| Securities for which Carrying Amount Does Not Exceed Acquisition Cost | | | |
| Stocks | \$ 373 | \$ 454 | \$ (81) |
| Bonds | 20,549 | 20,637 | (88) |
| Government Bonds | 18,647 | 18,712 | (65) |
| Local Government Bonds | 266 | 270 | (4) |
| Short-Term Corporate Bonds | — | — | — |
| Corporate Bonds | 1,636 | 1,655 | (18) |
| Other Securities | 17,722 | 18,567 | (846) |
| Foreign Stocks | — | — | — |
| Foreign Bonds | 15,316 | 15,701 | (384) |
| Others | 2,405 | 2,867 | (461) |
| Subtotal | 38,644 | 39,658 | (1,014) |
| Total | \$ 59,073 | \$ 54,570 | \$ 4,503 |

(Note) Difference on available-for-sale securities shown above includes expense of ¥1,072 million (U.S. \$7 million) for the fiscal year ended March 31, 2024 that were recognized in the profit and loss by applying fair value hedge accounting.

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, 2024 and 2023.

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

| Year Ended March 31, 2024 | Millions of Yen | | |
|----------------------------|--------------------|------------------|------------------|
| | Amount Sold | Gain | Loss |
| Stocks | ¥ 227,586 | ¥ 112,209 | ¥ 1,914 |
| Bonds | 1,469,388 | 4,117 | 2,863 |
| Government Bonds | 1,461,388 | 4,117 | 2,863 |
| Local Government Bonds | — | — | — |
| Short-Term Corporate Bonds | — | — | — |
| Corporate Bonds | 8,000 | — | — |
| Other Securities | 2,268,514 | 27,435 | 314,342 |
| Foreign Stocks | 1,392 | 1,065 | 0 |
| Foreign Bonds | 1,664,812 | 9,872 | 4,772 |
| Others | 602,309 | 16,497 | 309,569 |
| Total | ¥ 3,965,488 | ¥ 143,762 | ¥ 319,120 |

| Year Ended March 31, 2023 | Millions of Yen | | |
|----------------------------|--------------------|-----------------|------------------|
| | Amount Sold | Gain | Loss |
| Stocks | ¥ 138,300 | ¥ 85,854 | ¥ 1,047 |
| Bonds | 692,606 | 1,233 | 6,930 |
| Government Bonds | 686,723 | 1,221 | 6,925 |
| Local Government Bonds | — | — | — |
| Short-Term Corporate Bonds | — | — | — |
| Corporate Bonds | 5,883 | 11 | 4 |
| Other Securities | 1,280,233 | 5,736 | 106,095 |
| Foreign Stocks | 1,998 | — | 1,102 |
| Foreign Bonds | 856,979 | 2,262 | 23,339 |
| Others | 421,255 | 3,474 | 81,653 |
| Total | ¥ 2,111,141 | ¥ 92,823 | ¥ 114,074 |

| Year Ended March 31, 2024 | Millions of U.S. Dollars | | |
|----------------------------|--------------------------|---------------|-----------------|
| | Amount Sold | Gain | Loss |
| Stocks | \$ 1,503 | \$ 741 | \$ 13 |
| Bonds | 9,704 | 27 | 19 |
| Government Bonds | 9,651 | 27 | 19 |
| Local Government Bonds | — | — | — |
| Short-Term Corporate Bonds | — | — | — |
| Corporate Bonds | 53 | — | — |
| Other Securities | 14,982 | 181 | 2,076 |
| Foreign Stocks | 9 | 7 | 0 |
| Foreign Bonds | 10,995 | 65 | 32 |
| Others | 3,978 | 109 | 2,044 |
| Total | \$ 26,189 | \$ 949 | \$ 2,108 |

(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 significant securities reclassified due to the change of the holding purpose during the fiscal years ended March 31, 2024 and 2023.

7. Impairment of Securities

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

Impairment losses on Stocks recognized during the fiscal years ended March 31, 2024 and 2023, were ¥50 million (U.S. \$0.3 million) and ¥1,076 million, respectively. Impairment loss on Others recognized during the fiscal year ended March 31, 2023 was ¥75 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.

Money Held in Trust

1. Money Held in Trust for Trading Purposes

| Year Ended March 31, 2024 | Millions of Yen | |
|--|-----------------|---|
| | Carrying Amount | Valuation Difference Reflected in the Statement of Income |
| Money Held in Trust for Trading Purposes | ¥ 22,496 | ¥ 4,407 |

| Year Ended March 31, 2023 | Millions of Yen | |
|--|-----------------|---|
| | Carrying Amount | Valuation Difference Reflected in the Statement of Income |
| Money Held in Trust for Trading Purposes | ¥ 14,693 | ¥ (158) |

| Year Ended March 31, 2024 | Millions of U.S. Dollars | |
|--|--------------------------|---|
| | Carrying Amount | Valuation Difference Reflected in the Statement of Income |
| Money Held in Trust for Trading Purposes | \$ 149 | \$ 29 |

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, 2024 and 2023.

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

| March 31, 2024 | Millions of Yen | | | | |
|---------------------------|-----------------|------------------|------------|---------------------|---------------------|
| | Carrying Amount | Acquisition Cost | Difference | Positive Difference | Negative Difference |
| Other Money Held in Trust | ¥ 100 | ¥ 100 | ¥ — | ¥ — | ¥ — |

| March 31, 2023 | Millions of Yen | | | | |
|---------------------------|-----------------|------------------|------------|---------------------|---------------------|
| | Carrying Amount | Acquisition Cost | Difference | Positive Difference | Negative Difference |
| Other Money Held in Trust | ¥ 1,442 | ¥ 993 | ¥ 449 | ¥ 449 | ¥ — |

| March 31, 2024 | Millions of U.S. Dollars | | | | |
|---------------------------|--------------------------|------------------|------------|---------------------|---------------------|
| | Carrying Amount | Acquisition Cost | Difference | Positive Difference | Negative Difference |
| Other Money Held in Trust | \$ 1 | \$ 1 | \$ — | \$ — | \$ — |

(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 |
|--|-----------------|-----------|--------------------------|
| | 2024 | 2023 | 2024 |
| Valuation Differences | | | |
| Available-for-Sale Securities | ¥ 698,102 | ¥ 379,595 | \$ 4,610 |
| Other Money Held in Trust | — | 449 | — |
| Total Valuation Differences | 698,102 | 380,045 | 4,610 |
| Amount Equivalent to Deferred Tax Assets (Liabilities) | (214,200) | (116,868) | (1,415) |
| Total (Before Adjustment for Non-Controlling Interests and Parent Company's Portions in Available-for-Sale Securities Owned by its Affiliated Companies) | 483,901 | 263,176 | 3,196 |
| Non-Controlling Interests | (360) | (336) | (2) |
| Parent Company's Portions in Available-for-Sale Securities Owned by its Affiliated Companies | (5,859) | (4,599) | (39) |
| Valuation Differences on Available-for-Sale Securities | ¥ 477,680 | ¥ 258,240 | \$ 3,155 |

(Notes)

- Foreign currency translation adjustments on equity securities with no market prices denominated in foreign currencies are included in the "Available-for-Sale Securities" under "Valuation Difference."
- The valuation difference of ¥13,910 million (U.S. \$92 million) and ¥6,416 million on available-for-sale securities composing assets held by associated companies as of March 31, 2024 and 2023, respectively, is included in "Available-for-Sale Securities" under "Valuation Difference."
- The expense amount reflected in profit and loss due to the application of the fair value hedge accounting of ¥1,072 million (U.S. \$7 million) is excluded from the "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, 2024 and 2023, consisted of the following:

| | Millions of Yen | | | | Millions of U.S. Dollars | | | | |
|--|-----------------|------------|-------------|----------------------|--------------------------|----------|------------|----------------------|--|
| | 2024 | | | | 2024 | | | | |
| | Notional Amount | | Fair Value | Valuation Difference | Notional Amount | | Fair Value | Valuation Difference | |
| Total | Over One Year | Total | | | Over One Year | | | | |
| Listed | | | | | | | | | |
| Interest Futures | | | | | | | | | |
| Sold | ¥ 10,436,656 | ¥ 793,808 | ¥ 8,172 | ¥ 8,172 | \$ 68,925 | \$ 5,242 | \$ 54 | \$ 54 | |
| Purchased | 10,642,485 | 793,808 | (6,741) | (6,741) | 70,285 | 5,242 | (45) | (45) | |
| Interest Options | | | | | | | | | |
| Sold | 1,038,064 | — | (126) | 174 | 6,856 | — | (1) | 1 | |
| Purchased | 916,227 | — | 174 | (126) | 6,051 | — | 1 | (1) | |
| OTC | | | | | | | | | |
| Forward Rate Agreements | | | | | | | | | |
| Sold | ¥ — | ¥ — | ¥ — | ¥ — | \$ — | \$ — | \$ — | \$ — | |
| Purchased | — | — | — | — | — | — | — | — | |
| Interest Rate Swaps | | | | | | | | | |
| Fixed Interest Rate Receivable/ Floating Interest Rate Payable | 59,907,612 | 45,164,718 | (1,179,236) | (1,179,236) | 395,639 | 298,274 | (7,788) | (7,788) | |
| Floating Interest Rate Receivable/ Fixed Interest Rate Payable | 48,886,458 | 40,593,713 | 1,215,799 | 1,215,799 | 322,853 | 268,087 | 8,029 | 8,029 | |
| Floating Interest Rate Receivable/ Floating Interest Rate Payable | 10,915,253 | 8,017,029 | (4,877) | (4,877) | 72,086 | 52,946 | (32) | (32) | |
| Interest Options | | | | | | | | | |
| Sold | 10,452,406 | 10,371,699 | (33,140) | (31,116) | 69,029 | 68,496 | (219) | (205) | |
| Purchased | 7,939,986 | 7,696,589 | 34,648 | 31,617 | 52,437 | 50,829 | 229 | 209 | |
| Others | | | | | | | | | |
| Sold | — | — | — | — | — | — | — | — | |
| Purchased | — | — | — | — | — | — | — | — | |
| Total | | | ¥ 34,672 | ¥ 33,664 | | | \$ 229 | \$ 222 | |

| | Millions of Yen | | | |
|--|-----------------|------------|-------------|----------------------|
| | 2023 | | Fair Value | Valuation Difference |
| | Notional Amount | | | |
| Total | Over One Year | | | |
| Listed | | | | |
| Interest Futures | | | | |
| Sold | ¥ 9,003,059 | ¥ 794,563 | ¥ (3,783) | ¥ (3,783) |
| Purchased | 8,874,767 | 813,150 | 5,678 | 5,678 |
| Interest Options | | | | |
| Sold | 577,110 | — | (245) | 4 |
| Purchased | 388,859 | — | 189 | (6) |
| OTC | | | | |
| Forward Rate Agreements | | | | |
| Sold | ¥ — | ¥ — | ¥ — | ¥ — |
| Purchased | — | — | — | — |
| Interest Rate Swaps | | | | |
| Fixed Interest Rate Receivable/ Floating Interest Rate Payable | 54,749,386 | 46,204,255 | (1,763,800) | (1,763,800) |
| Floating Interest Rate Receivable/ Fixed Interest Rate Payable | 48,862,617 | 41,954,510 | 1,740,379 | 1,740,379 |
| Floating Interest Rate Receivable/ Floating Interest Rate Payable | 12,976,843 | 10,842,019 | (4,321) | (4,321) |
| Interest Options | | | | |
| Sold | 9,569,663 | 9,531,770 | (32,155) | (28,435) |
| Purchased | 7,268,885 | 7,268,785 | 35,787 | 33,349 |
| Others | | | | |
| Sold | — | — | — | — |
| Purchased | — | — | — | — |
| Total | | | ¥ (22,271) | ¥ (20,935) |

(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, 2024 and 2023, consisted of the following:

| | Millions of Yen | | | | Millions of U.S. Dollars | | | | | | | | | | | |
|----------------------------|-----------------|------------|------------|----------------------|--------------------------|-----------|------------|----------------------|----|---------|----|--------|----|---------|----|---------|
| | 2024 | | | | 2024 | | | | | | | | | | | |
| | 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 | ¥ | 10,255,373 | ¥ | 8,812,463 | ¥ | 197,268 | ¥ | 197,268 | \$ | 67,728 | \$ | 58,199 | \$ | 1,303 | \$ | 1,303 |
| Forward Exchange Contracts | | | | | | | | | | | | | | | | |
| Sold | | 24,081,230 | | 1,997,857 | | (666,353) | | (666,353) | | 159,036 | | 13,194 | | (4,401) | | (4,401) |
| Purchased | | 34,120,761 | | 308,261 | | 589,154 | | 589,154 | | 225,339 | | 2,036 | | 3,891 | | 3,891 |
| Currency Options | | | | | | | | | | | | | | | | |
| Sold | | 1,806,846 | | 1,090,240 | | (123,638) | | (27,053) | | 11,933 | | 7,200 | | (817) | | (179) |
| Purchased | | 1,556,626 | | 948,341 | | 113,013 | | 32,380 | | 10,280 | | 6,263 | | 746 | | 214 |
| Others | | | | | | | | | | | | | | | | |
| Sold | | — | | — | | — | | — | | — | | — | | — | | — |
| Purchased | | — | | — | | — | | — | | — | | — | | — | | — |
| Total | | | | | | ¥ 109,444 | | ¥ 125,396 | | | | | | \$ 723 | | \$ 828 |

| | Millions of Yen | | | |
|----------------------------|-----------------|-------------|------------|----------------------|
| | 2023 | | Fair Value | Valuation Difference |
| | Notional Amount | | | |
| Total | Over One Year | | | |
| Listed | | | | |
| Currency Futures | | | | |
| Sold | ¥ — | ¥ — | ¥ — | ¥ — |
| Purchased | — | — | — | — |
| Currency Options | | | | |
| Sold | — | — | — | — |
| Purchased | — | — | — | — |
| OTC | | | | |
| Currency Swaps | ¥ 8,489,696 | ¥ 7,659,241 | ¥ 83,534 | ¥ 83,534 |
| Forward Exchange Contracts | | | | |
| Sold | 19,974,757 | 1,793,292 | (134,767) | (134,767) |
| Purchased | 23,164,311 | 381,042 | 34,617 | 34,617 |
| Currency Options | | | | |
| Sold | 1,569,541 | 917,749 | (88,701) | (2,757) |
| Purchased | 1,344,166 | 777,391 | 80,911 | 9,643 |
| Others | | | | |
| Sold | — | — | — | — |
| Purchased | — | — | — | — |
| Total | | | ¥ (24,404) | ¥ (9,729) |

(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, 2024 and 2023, consisted of the following:

| | Millions of Yen | | | | Millions of U.S. Dollars | | | |
|--|-----------------|-------|------------|----------------------|--------------------------|------|------------|----------------------|
| | 2024 | | | | 2024 | | | |
| | 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 | ¥ 40,262 | ¥ — | ¥ (847) | ¥ (847) | \$ 266 | \$ — | \$ (6) | \$ (6) |
| Purchased | 18,391 | — | 223 | 223 | 121 | — | 1 | 1 |
| Stock Index Options | | | | | | | | |
| Sold | 7,924 | — | (39) | 51 | 52 | — | (0) | 0 |
| Purchased | — | — | — | — | — | — | — | — |
| 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 | 4,447 | — | (262) | (262) | 29 | — | (2) | (2) |
| Others | | | | | | | | |
| Sold | — | — | — | — | — | — | — | — |
| Purchased | — | — | — | — | — | — | — | — |
| Total | | | ¥ (926) | ¥ (836) | | | \$ (6) | \$ (6) |

| | Millions of Yen | | | |
|--|-----------------|-----|------------|----------------------|
| | 2023 | | Fair Value | Valuation Difference |
| | Notional Amount | | | |
| Total | Over One Year | | | |
| Listed | | | | |
| Stock Index Futures | | | | |
| Sold | ¥ 25,203 | ¥ — | ¥ (350) | ¥ (350) |
| Purchased | 53 | — | 2 | 2 |
| Stock Index Options | | | | |
| Sold | — | — | — | — |
| Purchased | 14,266 | — | 4 | (10) |
| OTC | | | | |
| OTC Stock Options | | | | |
| Sold | ¥ — | ¥ — | ¥ — | ¥ — |
| Purchased | — | — | — | — |
| OTC Stock Swaps | | | | |
| Volatility of Stock Price and Other Receivable/ Short-Term Floating Interest Rate Payable | — | — | — | — |
| Short-Term Floating Interest Rate Receivable/ Volatility of Stock Price and Other Payable | — | — | — | — |
| Others | | | | |
| Sold | — | — | — | — |
| Purchased | — | — | — | — |
| Total | | | ¥ (344) | ¥ (359) |

(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, 2024 and 2023, consisted of the following:

| | Millions of Yen | | | | Millions of U.S. Dollars | | | | |
|------------------------|-----------------|-------|------------|----------------------|--------------------------|------|------------|----------------------|--|
| | 2024 | | | | 2024 | | | | |
| | Notional Amount | | Fair Value | Valuation Difference | Notional Amount | | Fair Value | Valuation Difference | |
| Total | Over One Year | Total | | | Over One Year | | | | |
| Listed | | | | | | | | | |
| Bond Futures | | | | | | | | | |
| Sold | ¥2,906,012 | ¥ — | ¥ (3,451) | ¥ (3,451) | \$ 19,192 | \$ — | \$ (23) | \$ (23) | |
| Purchased | 2,752,001 | — | 4,439 | 4,439 | 18,175 | — | 29 | 29 | |
| Bond Future Options | | | | | | | | | |
| Sold | 40,589 | — | (99) | 47 | 268 | — | (1) | 0 | |
| Purchased | 48,878 | — | 89 | (43) | 323 | — | 1 | (0) | |
| OTC | | | | | | | | | |
| Bond Forward Contracts | | | | | | | | | |
| Sold | ¥ 20,441 | ¥ — | ¥ 5 | ¥ 5 | \$ 135 | \$ — | \$ 0 | \$ 0 | |
| Purchased | 20,441 | — | 53 | 53 | 135 | — | 0 | 0 | |
| Bond Options | | | | | | | | | |
| Sold | — | — | — | — | — | — | — | — | |
| Purchased | 3,021 | 3,021 | 27 | (20) | 20 | 20 | 0 | (0) | |
| Others | | | | | | | | | |
| Sold | — | — | — | — | — | — | — | — | |
| Purchased | — | — | — | — | — | — | — | — | |
| Total | | | ¥ 1,063 | ¥ 1,030 | | | \$ 7 | \$ 7 | |

| | Millions of Yen | | | | |
|------------------------|-----------------|-----|------------|----------------------|--|
| | 2023 | | | | |
| | Notional Amount | | Fair Value | Valuation Difference | |
| Total | Over One Year | | | | |
| Listed | | | | | |
| Bond Futures | | | | | |
| Sold | ¥ 925,638 | ¥ — | ¥ (24,016) | ¥ (24,016) | |
| Purchased | 837,670 | — | 20,037 | 20,037 | |
| Bond Future Options | | | | | |
| Sold | 40,503 | — | (175) | 87 | |
| Purchased | 54,767 | — | 179 | (123) | |
| OTC | | | | | |
| Bond Forward Contracts | | | | | |
| Sold | ¥ 12,819 | ¥ — | ¥ (282) | ¥ (282) | |
| Purchased | — | — | — | — | |
| Bond Options | | | | | |
| Sold | — | — | — | — | |
| Purchased | 994 | 994 | 11 | (19) | |
| Others | | | | | |
| Sold | — | — | — | — | |
| Purchased | — | — | — | — | |
| Total | | | ¥ (4,246) | ¥ (4,317) | |

(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, 2024 and 2023.

(6) Credit Derivatives Transactions

Credit derivatives transactions not qualifying for hedge accounting as of March 31, 2024 and 2023, consisted of the following:

| | Millions of Yen | | | | Millions of U.S. Dollars | | | |
|----------------------|-----------------|----------|------------|----------------------|--------------------------|--------|------------|----------------------|
| | 2024 | | | | 2024 | | | |
| | 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 | ¥ 19,600 | ¥ 19,600 | ¥ 524 | ¥ 524 | \$ 129 | \$ 129 | \$ 3 | \$ 3 |
| Purchased | 26,622 | 26,622 | (679) | (679) | 176 | 176 | (4) | (4) |
| Others | | | | | | | | |
| Sold | — | — | — | — | — | — | — | — |
| Purchased | — | — | — | — | — | — | — | — |
| Total | | | ¥ (154) | ¥ (154) | | | \$ (1) | \$ (1) |

| | Millions of Yen | | | |
|----------------------|-----------------|----------|------------|----------------------|
| | 2023 | | | |
| | Notional Amount | | Fair Value | Valuation Difference |
| Total | Over One Year | | | |
| OTC | | | | |
| Credit Default Swaps | | | | |
| Sold | ¥ 22,600 | ¥ 19,100 | ¥ 460 | ¥ 460 |
| Purchased | 68,654 | 65,154 | (798) | (798) |
| Others | | | | |
| Sold | — | — | — | — |
| Purchased | — | — | — | — |
| Total | | | ¥ (338) | ¥ (338) |

(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, 2024 and 2023, consisted of the following:

| Major Hedged Item | Millions of Yen | | | Millions of U.S. Dollars | | |
|---|---|---------------|------------|--------------------------|---------------|------------|
| | 2024 | | | 2024 | | |
| | 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 | ¥ 1,857,267 | ¥ 1,645,992 | ¥ (66,314) | \$ 12,266 | \$ 10,870 | \$ (438) |
| Floating Interest Rate Receivable/ Fixed Interest Rate Payable | 1,952,417 | 1,742,273 | 17,106 | 12,894 | 11,506 | 113 |
| Interest Futures | Financial Assets/ Liabilities such as Loans and Bills Discounted, Available-for-Sale Securities (Bonds), Deposits, and Bonds Payable | | | | | |
| 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 | | | ¥ (49,207) | | | \$ (325) |

| | | Millions of Yen | | |
|---|---|-----------------|-------------|------------|
| | | 2023 | | |
| | | Notional Amount | | Fair Value |
| Major Hedged Item | Total | Over One Year | | |
| Deferral Method | | | | |
| Interest Rate Swaps | | | | |
| Fixed Interest Rate Receivable/ Floating Interest Rate Payable | | ¥ 1,583,341 | ¥ 1,139,336 | ¥ (85,848) |
| 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 | 1,352,306 | 950,933 | 5,871 |
| Interest Futures | | | | |
| Sold | | — | — | — |
| Purchased | | — | — | — |
| Interest Options | | | | |
| Sold | | — | — | — |
| Purchased | | — | — | — |
| Others | | | | |
| Sold | | — | — | — |
| Purchased | | — | — | — |
| Exceptional Treatment for Interest Rate Swaps | | | | |
| Interest Rate Swaps | | | | |
| Fixed Interest Rate Receivable/ Floating Interest Rate Payable | — | ¥ — | ¥ — | — |
| Floating Interest Rate Receivable/ Fixed Interest Rate Payable | | — | — | — |
| Total | | | | ¥ (79,977) |

(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, 2024 and 2023, consisted of the following:

| Major Hedged Item | Millions of Yen | | | Millions of U.S. Dollars | | |
|---|-----------------|-------------|-------------|--------------------------|-----------|------------|
| | 2024 | | | 2024 | | |
| | Notional Amount | | Fair Value | Notional Amount | | Fair Value |
| Total | Over One Year | Total | | Over One Year | | |
| Deferral Method | | | | | | |
| Currency Swaps | ¥ 6,246,170 | ¥ 3,313,908 | ¥ (376,707) | \$ 41,251 | \$ 21,886 | \$ (2,488) |
| Forward Exchange Contracts | | | | | | |
| Sold | 25,907 | — | (331) | 171 | — | (2) |
| Purchased | 252,398 | — | 16,734 | 1,667 | — | 111 |
| Others | | | | | | |
| Sold | — | — | — | — | — | — |
| Purchased | — | — | — | — | — | — |
| Method of Including Foreign Currency Translation Adjustments Arising from the Hedging Instruments in "Foreign Currency Translation Adjustments" | | | | | | |
| Forward Exchange Contracts | | | | | | |
| Sold | ¥ 120,530 | ¥ — | ¥ (1,204) | \$ 796 | \$ — | \$ (8) |
| Purchased | — | — | — | — | — | — |
| Total | | | ¥ (361,508) | | | \$ (2,387) |

| Major Hedged Item | Millions of Yen | | |
|---|-----------------|-------------|------------|
| | 2023 | | |
| | Notional Amount | | Fair Value |
| Total | Over One Year | | |
| Deferral Method | | | |
| Currency Swaps | ¥ 3,909,750 | ¥ 2,017,931 | ¥ (94,221) |
| Forward Exchange Contracts | | | |
| Sold | 24,356 | — | (418) |
| Purchased | 495,253 | — | 9,140 |
| Others | | | |
| Sold | — | — | — |
| Purchased | — | — | — |
| Method of Including Foreign Currency Translation Adjustments Arising from the Hedging Instruments in "Foreign Currency Translation Adjustments" | | | |
| Forward Exchange Contracts | | | |
| Sold | ¥ 110,525 | ¥ — | ¥ (716) |
| Purchased | — | — | — |
| Total | | | ¥ (86,216) |

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

(3) Stock-Related Transactions

Stock-related transactions qualifying for hedge accounting as of March 31, 2024 and 2023, consisted of the following:

| | | Millions of Yen | | | Millions of U.S. Dollars | | |
|---|--|-----------------|---------------|------------|--------------------------|---------------|------------|
| | | 2024 | | | 2024 | | |
| | | Notional Amount | | Fair Value | Notional Amount | | Fair Value |
| | | Total | Over One Year | | Total | Over One Year | |
| Fair Value Method | | | | | | | |
| OTC Stock Swaps | | | | | | | |
| Volatility of Stock Price and Other Receivable/ Short-Term Floating Interest Rate Payable | Available-for-Sale Securities (Stocks) | — | — | — | — | — | — |
| Short-Term Floating Interest Rate Receivable/ Volatility of Stock Price and Other Payable | | 15,598 | 15,598 | 903 | 103 | 103 | 6 |
| | | | | 903 | | | 6 |

| | | Millions of Yen | | |
|---|--|-----------------|---------------|------------|
| | | 2023 | | |
| | | Notional Amount | | Fair Value |
| | | Total | Over One Year | |
| Fair Value Method | | | | |
| OTC Stock Swaps | | | | |
| Volatility of Stock Price and Other Receivable/ Short-Term Floating Interest Rate Payable | Available-for-Sale Securities (Stocks) | — | — | — |
| Short-Term Floating Interest Rate Receivable/ Volatility of Stock Price and Other Payable | | — | — | — |
| | | | | — |

(4) Bond-Related Transactions

There were no bond-related transactions qualifying for hedge accounting as of March 31, 2024 and 2023.

Retirement and Pension Plans

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

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

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

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

2. Defined Benefit Plans

(1) Reconciliation of Retirement Benefit Obligations

| | Millions of Yen | | Millions of U.S. Dollars |
|--|-----------------|-----------|--------------------------|
| | 2024 | 2023 | 2024 |
| Retirement Benefit Obligations (opening balance) | ¥ 382,088 | ¥ 423,883 | \$ 2,523 |
| Service Cost-Benefits Earned during the Fiscal Year | 8,692 | 10,162 | 57 |
| Interest Cost on Projected Benefit Obligations | 4,444 | 2,276 | 29 |
| Actuarial Gains and Losses that Arose during the Fiscal Year | 204 | (37,086) | 1 |
| Retirement Benefits Paid | (17,172) | (17,149) | (113) |
| Past Service Cost that Arose during the Fiscal Year | — | — | — |
| Other (Note) | — | — | — |
| Retirement Benefit Obligations (closing balance) | ¥ 378,257 | ¥ 382,087 | \$ 2,498 |

(2) Reconciliation of Plan Assets

| | Millions of Yen | | Millions of U.S. Dollars |
|--|-----------------|-----------|--------------------------|
| | 2024 | 2023 | 2024 |
| Plan Assets (opening balance) | ¥ 600,992 | ¥ 602,553 | \$ 3,969 |
| Expected Return on Plan Assets | 21,395 | 21,820 | 141 |
| Actuarial Gains and Losses that Arose during the Fiscal Year | 88,304 | (12,773) | 583 |
| Contributions by the Employer | 7,434 | 4,755 | 49 |
| Retirement Benefits Paid | (15,111) | (15,364) | (100) |
| Other (Note) | — | — | — |
| Plan Assets (closing balance) | ¥ 703,014 | ¥ 600,992 | \$ 4,643 |

(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 |
|--|-----------------|-------------|--------------------------|
| | 2024 | 2023 | 2024 |
| Retirement Benefit Obligations of Retirement Benefit Plans with Plan Assets | ¥ 364,291 | ¥ 368,367 | \$ 2,406 |
| Plan Assets | (703,014) | (600,992) | (4,643) |
| | (338,723) | (232,625) | (2,237) |
| Retirement Benefit Obligations of Retirement Benefit Plans without Plan Assets | 13,965 | 13,720 | 92 |
| Net of Liabilities and Assets Recorded in the Consolidated Balance Sheet | ¥ (324,757) | ¥ (218,904) | \$ (2,145) |

| | Millions of Yen | | Millions of U.S. Dollars |
|--|-----------------|-------------|--------------------------|
| | 2024 | 2023 | 2024 |
| Liabilities for Retirement Benefits | ¥ 13,965 | ¥ 13,720 | \$ 92 |
| Assets for Retirement Benefits | (338,723) | (232,625) | (2,237) |
| Net of Liabilities and Assets Recorded in the Consolidated Balance Sheet | ¥ (324,757) | ¥ (218,904) | \$ (2,145) |

(4) Breakdown of Retirement Benefit Expenses

| | Millions of Yen | | Millions of U.S. Dollars |
|---|-----------------|-----------|--------------------------|
| | 2024 | 2023 | 2024 |
| Service Cost-Benefits Earned during the Fiscal Year | ¥ 8,692 | ¥ 10,162 | \$ 57 |
| Interest Cost on Projected Benefit Obligations | 4,444 | 2,276 | 29 |
| Expected Return on Plan Assets | (21,395) | (21,820) | (141) |
| Amortization of Actuarial Differences | 4,826 | 3,841 | 32 |
| Amortization of Past Service Cost | (12) | (18) | (0) |
| Other | 400 | 424 | 3 |
| Retirement Benefit Expenses for Defined Benefit Obligations | ¥ (3,043) | ¥ (5,133) | \$ (20) |

(5) Remeasurements of Defined Benefit Plans

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

| | Millions of Yen | | Millions of U.S. Dollars |
|-----------------------|-----------------|-----------------|--------------------------|
| | 2024 | 2023 | 2024 |
| Past Service Cost | ¥ (12) | ¥ (18) | \$ (0) |
| Actuarial Differences | 92,926 | 28,154 | 614 |
| Total | ¥ 92,914 | ¥ 28,135 | \$ 614 |

(6) Accumulated Remeasurements of Defined Benefit Plans

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

| | Millions of Yen | | Millions of U.S. Dollars |
|------------------------------------|-------------------|-----------------|--------------------------|
| | 2024 | 2023 | 2024 |
| Unrecognized Past Service Cost | ¥ (71) | ¥ (84) | \$ (0) |
| Unrecognized Actuarial Differences | (59,511) | 33,414 | (393) |
| Total | ¥ (59,583) | ¥ 33,330 | \$ (393) |

(7) Plan Assets

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

| | Proportion (%) | |
|-------------------------|----------------|------------|
| | 2024 | 2023 |
| Debt Securities | 22 | 25 |
| Equity Securities | 65 | 61 |
| Cash and Due from Banks | 3 | 3 |
| Other | 10 | 11 |
| Total | 100 | 100 |

(Note) The total plan assets includes the retirement benefit trusts set up for a corporate pension plan and a lump-sum retirement benefit plan. They account for 60% and 56% of the total plan assets for the fiscal years ended March 31, 2024 and 2023, respectively.

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

In order to determine the expected long-term rate of return on plan assets, SuMi TRUST Holdings considers the current and projected plan assets 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, 2024 and 2023, are as follows:

| | 2024 | 2023 |
|--|-------------|-------------|
| Discount Rate | Mainly 1.2% | Mainly 1.2% |
| Expected Long-Term Rate of Return on Plan Assets | 3.5% | 3.6% |

3. Defined Contribution Pension Plans

Contributions by SuMi TRUST Holdings and its consolidated subsidiaries to the defined contribution pension plans were ¥2,734 million (U.S. \$18 million) and ¥2,311 million for the years ended March 31, 2024 and 2023, respectively.

Stock Option Plans

1. Expenses Recorded in Connection with Stock Options during the Fiscal Years Ended March 31, 2024 and 2023

(1) SuMi TRUST Holdings

There were no relevant items.

(2) Nikko Asset Management Co., Ltd. (consolidated subsidiary)

There were no relevant items.

2. Description of Stock Options

(1) SuMi TRUST Holdings

The following tables show stock options effective as of March 31, 2024. The number of stock options represents the number of shares after converting into equivalent shares, taking into account the 1-for-10 reverse stock split of its shares of common stock on October 1, 2016 and the 2-for-1 stock split of its shares of common stock on January 1, 2024.

1) Description of Stock Options

| Year Ended March 31, 2024 | SuMi TRUST Holdings Series 3 Subscription Rights to Shares | SuMi TRUST Holdings Series 4 Subscription Rights to Shares |
|---|--|---|
| Number of Eligible Persons and their Position | Directors and officers of SuMi TRUST Holdings: 22 Directors and officers of SuMi TRUST Bank: 38 Total: 60 | Directors and officers of SuMi TRUST Holdings: 23 Directors and officers of SuMi TRUST Bank: 40 Total: 63 |
| Number of Stock Options Granted by Class of Share | Common stock: 79,600 shares | Common stock: 80,800 shares |
| Grant Date | July 19, 2013 | August 1, 2014 |
| Vesting Conditions | 1) A holder of the subscription rights to shares must be a director or officer of SuMi TRUST Holdings or its subsidiaries when exercising the rights, unless the holder is no longer in such a position because he or she has retired at the end of his or her term or for some other valid reason. 2) If a holder of subscription rights to shares is deceased and the entirety of the subscription rights to shares is inherited by a single legal heir ("inheritor of the rights"), the subscription rights to shares may be exercised by the inheritor of the rights. If the inheritor of the rights is deceased, heirs of the inheritor of the rights may not inherit the subscription rights to shares. | 1) A holder of the subscription rights to shares may exercise the rights the following day or onwards when the holder is no longer in a position of a director or officer of SuMi TRUST Holdings or SuMi TRUST Bank. 2) If a holder of subscription rights to shares is deceased and the entirety of the subscription rights to shares is inherited by a single legal heir ("inheritor of the rights"), the subscription rights to shares may be exercised by the inheritor of the rights. If the inheritor of the rights is deceased, heirs of the inheritor of the rights may not inherit the subscription rights to shares. |
| Eligible Service Period | From July 19, 2013, to July 18, 2015 | Not specified |
| Exercise Period | From July 19, 2015, to July 18, 2023 | From August 31, 2014, to July 31, 2044 |

| Year Ended March 31, 2024 | SuMi TRUST Holdings Series 5 Subscription Rights to Shares | SuMi TRUST Holdings Series 6 Subscription Rights to Shares |
|---|---|---|
| Number of Eligible Persons and their Position | Directors and officers of SuMi TRUST Holdings: 19 Directors and officers of SuMi TRUST Bank: 44 Total: 63 | Directors and officers of SuMi TRUST Holdings: 21 Directors and officers of SuMi TRUST Bank: 42 Total: 63 |
| Number of Stock Options Granted by Class of Share | Common stock: 65,400 shares | Common stock: 102,000 shares |
| Grant Date | July 31, 2015 | July 29, 2016 |
| Vesting Conditions | 1) A holder of the subscription rights to shares may exercise the rights the following day or onwards when the holder is no longer in a position of a director or officer of SuMi TRUST Holdings or SuMi TRUST Bank. 2) If a holder of subscription rights to shares is deceased and the entirety of the subscription rights to shares is inherited by a single legal heir ("inheritor of the rights"), the subscription rights to shares may be exercised by the inheritor of the rights. If the inheritor of the rights is deceased, heirs of the inheritor of the rights may not inherit the subscription rights to shares. | Same as on the left |
| Eligible Service Period | Not specified | Same as on the left |
| Exercise Period | From August 31, 2015, to July 30, 2045 | From August 31, 2016, to July 28, 2046 |

| Year Ended March 31, 2024 | SuMi TRUST Holdings Series 7 Subscription Rights to Shares | SuMi TRUST Holdings Series 8 Subscription Rights to Shares |
|---|---|---|
| Number of Eligible Persons and their Position | Directors and officers of SuMi TRUST Holdings: 26 Directors and officers of SuMi TRUST Bank: 41 Total: 67 | Directors and officers of SuMi TRUST Holdings: 30 Directors and officers of SuMi TRUST Bank: 40 Total: 70 |
| Number of Stock Options Granted by Class of Share | Common stock: 122,600 shares | Common stock: 138,000 shares |
| Grant Date | July 28, 2017 | September 3, 2018 |
| Vesting Conditions | 1) A holder of the subscription rights to shares may exercise the rights the following day or onwards when the holder is no longer in a position of a director or officer of SuMi TRUST Holdings or SuMi TRUST Bank. 2) If a holder of subscription rights to shares is deceased and the entirety of the subscription rights to shares is inherited by a single legal heir ("inheritor of the rights"), the subscription rights to shares may be exercised by the inheritor of the rights. If the inheritor of the rights is deceased, heirs of the inheritor of the rights may not inherit the subscription rights to shares. | Same as on the left |
| Eligible Service Period | Not specified | Same as on the left |
| Exercise Period | From August 31, 2017, to July 27, 2047 | From September 30, 2018, to September 2, 2048 |

2) Volume and Changes in Stock Options

i) Number of stock options

| Year Ended March 31, 2024 | Shares | | | |
|-------------------------------------|---|---|---|---|
| | SuMi TRUST Holdings Series 3 Subscription Rights to Shares | SuMi TRUST Holdings Series 4 Subscription Rights to Shares | SuMi TRUST Holdings Series 5 Subscription Rights to Shares | SuMi TRUST Holdings Series 6 Subscription Rights to Shares |
| Unvested Stock Options | | | | |
| At the Beginning of the Fiscal Year | — | — | — | — |
| Granted | — | — | — | — |
| Forfeited | — | — | — | — |
| Vested | — | — | — | — |
| At the End of the Fiscal Year | — | — | — | — |
| Vested Stock Options | | | | |
| At the Beginning of Fiscal Year | 78,600 | 56,400 | 53,600 | 86,000 |
| Vested | — | — | — | — |
| Exercised | 8,400 | 1,000 | — | 2,600 |
| Forfeited | 70,200 | — | — | — |
| At the End of the Fiscal Year | — | 55,400 | 53,600 | 83,400 |

| Year Ended March 31, 2024 | Shares | |
|-------------------------------------|---|---|
| | SuMi TRUST Holdings Series 7 Subscription Rights to Shares | SuMi TRUST Holdings Series 8 Subscription Rights to Shares |
| Unvested Stock Options | | |
| At the Beginning of the Fiscal Year | — | — |
| Granted | — | — |
| Forfeited | — | — |
| Vested | — | — |
| At the End of the Fiscal Year | — | — |
| Vested Stock Options | | |
| At the Beginning of Fiscal Year | 108,200 | 130,600 |
| Vested | — | — |
| Exercised | 6,000 | 7,000 |
| Forfeited | — | — |
| At the End of the Fiscal Year | 102,200 | 123,600 |

ii) Unit price information

| Year Ended March 31, 2024 | SuMi TRUST Holdings Series 3 Subscription Rights to Shares | SuMi TRUST Holdings Series 4 Subscription Rights to Shares | SuMi TRUST Holdings Series 5 Subscription Rights to Shares | SuMi TRUST Holdings Series 6 Subscription Rights to Shares |
|--|---|---|---|---|
| | Exercise Price (yen) | 2,595 | 1 | 1 |
| Average Stock Price when Exercised (yen) | 2,612 | 3,164 | — | 2,914 |
| Fair Unit Value on the Grant Date (yen) | 730 | 2,120 | 2,723.5 | 1,623 |

| Year Ended March 31, 2024 | SuMi TRUST Holdings Series 7 Subscription Rights to Shares | SuMi TRUST Holdings Series 8 Subscription Rights to Shares |
|--|---|---|
| | Exercise Price (yen) | 1 |
| Average Stock Price when Exercised (yen) | 2,979 | 2,947 |
| Fair Unit Value on the Grant Date (yen) | 1,935 | 2,091.5 |

(2) Nikko Asset Management Co., Ltd. (consolidated subsidiary)

The following tables show stock options effective as of March 31, 2024. The number of stock options represents the number of shares after converting into equivalent shares.

1) Description of Stock Options

| Year Ended March 31, 2024 | Resolution during the Fiscal Year 2016 | Resolution during the Fiscal Year 2017 |
|---|---|---|
| Number of Eligible Persons and their Position | Directors and employees of Nikko Asset Management Co., Ltd. and its subsidiaries and affiliated companies: 31 | Directors and employees of Nikko Asset Management Co., Ltd. and its subsidiaries and affiliated companies: 36 |
| Number of Stock Options Granted by Class of Share | Common stock: 4,409,000 shares | Common stock: 4,422,000 shares |
| Grant Date | April 27, 2017 | April 27, 2018 |
| Vesting Conditions | The recipient must, in principle, be a director or an employee of Nikko Asset Management Co., Ltd., as of April 27, 2019 ("First Exercisable Date"); on the date immediately after which one full year has passed since the First Exercisable Date; and on the date immediately after which two full years have passed since the First Exercisable Date. In those periods, one third, one third and one third of the options held by the recipient will be vested, respectively. Nikko Asset Management Co., Ltd., must have implemented the IPO at the time of the exercise of any of these options. | The recipient must, in principle, be a director or an employee of Nikko Asset Management Co., Ltd., as of April 27, 2020 ("First Exercisable Date"); on the date immediately after which one full year has passed since the First Exercisable Date; and on the date immediately after which two full years have passed since the First Exercisable Date. In those periods, one third, one third and one third of the options held by the recipient will be vested, respectively. Nikko Asset Management Co., Ltd., must have implemented the IPO at the time of the exercise of any of these options. |
| Eligible Service Period | From the grant date until two full years have passed since the First Exercisable Date | From the grant date until two full years have passed since the First Exercisable Date |
| Exercise Period | From April 27, 2019 to April 30, 2027 | From April 27, 2020 to April 30, 2028 |

2) Volume and Changes in Stock Options

i) Number of stock options

| Year Ended March 31, 2024 | Shares | |
|-------------------------------------|------------------------------------|------------------------------------|
| | Resolution during Fiscal Year 2016 | Resolution during Fiscal Year 2017 |
| Grant Date | April 27, 2017 | April 27, 2018 |
| Unvested Stock Options | | |
| At the Beginning of the Fiscal Year | 217,000 | 752,000 |
| Granted | — | — |
| Forfeited | 96,000 | 406,000 |
| Vested | — | — |
| At the End of the Fiscal Year | 121,000 | 346,000 |
| Vested Stock Options | | |
| At the Beginning of the Fiscal Year | — | — |
| Vested | — | — |
| Exercised | — | — |
| Forfeited | — | — |
| At the End of the Fiscal Year | — | — |

ii) Unit price information

| Year Ended March 31, 2024 | Resolution during Fiscal Year 2016 | Resolution during Fiscal Year 2017 |
|---------------------------------------|------------------------------------|------------------------------------|
| Grant Date | April 27, 2017 | April 27, 2018 |
| Exercise Price | ¥ 553 | ¥ 694 |
| Fair Price on the Grant Date (Note 1) | 0 | 0 |

(Notes)

1) In lieu of fair value per share, the fair price refers to an estimate of each option's intrinsic value (the difference between the fair value of the share calculated by the comparable transaction price method and the exercise price).

2) The total amount of intrinsic value of the options was ¥104 million (U.S. \$0.7 million) as of March 31, 2024.

3. Method for Estimating a Fair Unit Price for Stock Options

There were no subscription rights granted in the fiscal year ended March 31, 2024.

4. Method for Estimating the Number of Vested Stock Options

SuMi TRUST Holdings has adopted a method to reflect only the number of stock options that have been actually forfeited, because it is difficult to reasonably estimate the number that will be forfeited in the future.

Income Taxes

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

| Year Ended March 31 | Millions of Yen | | Millions of U.S. Dollars |
|---|--------------------|--------------------|--------------------------|
| | 2024 | 2023 | 2024 |
| Deferred Tax Assets: | | | |
| Impairment of Securities | ¥ 15,884 | ¥ 17,147 | \$ 105 |
| Allowance for Loan Losses (Including Direct Write-Offs of Loans with Guarantees or Collateral) | 33,130 | 34,555 | 219 |
| Deferred Gains (Losses) on Hedges | 5,158 | 21,391 | 34 |
| Remeasurements of Defined Benefit Plans | — | 10,263 | — |
| Valuation Difference Due to Share Exchange | 4,528 | 4,572 | 30 |
| Other | 75,982 | 69,510 | 502 |
| Subtotal | 134,684 | 157,441 | 889 |
| Valuation Allowance | (17,531) | (19,993) | (116) |
| Deferred Tax Assets | ¥ 117,153 | ¥ 137,448 | \$ 774 |
| Deferred Tax Liabilities: | | | |
| Retirement Benefits | ¥ (56,414) | ¥ (51,861) | \$ (373) |
| Valuation Difference on Available-for-Sale Securities | (219,747) | (122,854) | (1,451) |
| Remeasurements of Defined Benefit Plans | (18,173) | — | (120) |
| Valuation Difference Due to Share Exchange | (5,631) | (5,718) | (37) |
| Other | (11,191) | (11,869) | (74) |
| Deferred Tax Liabilities | ¥ (311,157) | ¥ (192,304) | \$ (2,055) |
| Net Deferred Tax Assets (Liabilities) | ¥ (194,004) | ¥ (54,856) | \$ (1,281) |

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 | 2024 | 2023 |
|---|--------|------|
| Effective Statutory Tax Rate | 30.62% | —% |
| Adjustments: | | |
| Changes in Valuation Allowance | (2.51) | — |
| Amortization of Goodwill | 2.20 | — |
| Share of Profit of Equity-Method Affiliated Companies | (5.86) | — |
| Permanent Differences (e.g., Cash Dividends Received) | (1.94) | — |
| Others | (4.51) | — |
| Effective Income Tax Rate | 18.00% | —% |

(Note) Disclosure on reconciliation between the effective statutory tax rate and the effective income tax rate is omitted since the difference was 5% or less of the effective statutory tax rate for the fiscal year ended March 31, 2023.

3. Accounting for Corporation Tax and Local Corporation Tax and Tax Effect Accounting

SuMi TRUST Holdings and some of its consolidated subsidiaries in Japan have adopted the group tax sharing system. In addition, corporation tax and local corporation tax,

as well as their tax effects, are accounted for and disclosed under “Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System” (Accounting Standards Board of Japan (ASBJ) Practical Issues Task Force (PITF) No.42, August 12, 2021,).

Revenue Recognition

1. Information Related to Disaggregation of Revenue from Contracts with Customers for the Fiscal Years Ended March 31, 2024 and 2023

| Year Ended March 31, 2024 | Millions of Yen | | | | | | | | | Total |
|--------------------------------------|-----------------|-----------|-------------------|-------------|----------------|------------------|------------|-----------|---|-----------|
| | Retail | Corporate | Investor Services | Real Estate | Global Markets | Asset Management | Others | Subtotal | Income Other than Those Disaggregated Revenue | |
| Trust Fees | ¥ 6,967 | ¥ 14,188 | ¥ 90,728 | ¥ 4,386 | ¥ — | ¥ — | ¥ — | ¥ 116,269 | ¥ — | ¥ 116,269 |
| Fees and Commissions | 92,401 | 71,368 | 51,527 | 62,329 | 489 | 152,198 | (56,980) | 373,334 | 94,070 | 467,405 |
| Income from Contracts with Customers | ¥ 99,368 | ¥ 85,557 | ¥ 142,255 | ¥ 66,715 | ¥ 489 | ¥ 152,198 | ¥ (56,980) | ¥ 489,604 | | |

| Year Ended March 31, 2023 | Millions of Yen | | | | | | | | | Total |
|--------------------------------------|-----------------|-----------|-------------------|-------------|----------------|------------------|------------|-----------|---|-----------|
| | Retail | Corporate | Investor Services | Real Estate | Global Markets | Asset Management | Others | Subtotal | Income Other than Those Disaggregated Revenue | |
| Trust Fees | ¥ 6,796 | ¥ 13,349 | ¥ 85,769 | ¥ 3,807 | ¥ — | ¥ — | ¥ — | ¥ 109,721 | ¥ — | ¥ 109,721 |
| Fees and Commissions | 89,016 | 57,138 | 46,269 | 66,872 | 467 | 144,472 | (46,031) | 358,206 | 82,125 | 440,331 |
| Income from Contracts with Customers | ¥ 95,812 | ¥ 70,487 | ¥ 132,039 | ¥ 70,679 | ¥ 467 | ¥ 144,472 | ¥ (46,031) | ¥ 467,928 | | |

| Year Ended March 31, 2024 | Millions of U.S. Dollars | | | | | | | | | Total |
|--------------------------------------|--------------------------|-----------|-------------------|-------------|----------------|------------------|----------|----------|---|--------|
| | Retail | Corporate | Investor Services | Real Estate | Global Markets | Asset Management | Others | Subtotal | Income Other than Those Disaggregated Revenue | |
| Trust Fees | \$ 46 | \$ 94 | \$ 599 | \$ 29 | \$ — | \$ — | \$ — | \$ 768 | \$ — | \$ 768 |
| Fees and Commissions | 610 | 471 | 340 | 412 | 3 | 1,005 | (376) | 2,466 | 621 | 3,087 |
| Income from Contracts with Customers | \$ 656 | \$ 565 | \$ 939 | \$ 441 | \$ 3 | \$ 1,005 | \$ (376) | \$ 3,233 | | |

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

2. Information Related to Contract Balance

| | Millions of Yen | | Millions of U.S. Dollars |
|---|-----------------|-----------|--------------------------|
| | 2024 | 2023 | 2024 |
| Receivables from Contracts with Customers | ¥ 117,188 | ¥ 104,016 | \$ 774 |
| Contract Liabilities | 2,791 | 2,518 | 18 |

| | Millions of Yen | |
|---|-----------------|-----------|
| | 2023 | 2022 |
| Receivables from Contracts with Customers | ¥ 104,016 | ¥ 107,494 |
| Contract Liabilities | 2,518 | 1,772 |

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

as revenue for the fiscal years ended March 31, 2024 and 2023, respectively.

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

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

For the fiscal years ended March 31, 2024 and 2023, the amount of revenue expected to be recognized from existing contracts after the fiscal years is immaterial. Contracts with their initial expected period of less than one year and with revenue recognized in the amount that the SuMi TRUST Group is entitled to claim are not included in the notes.

Segment Information

1. Reportable Segment Information

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

The main activities of the reportable segment are presented below:

Retail Business:

Provision of services to individual customers

Corporate Business:

Provision of services to corporate customers

Investor Services Business:

Provision of services to investors

Real Estate Business:

Provision of services related to the real estate business

Global Markets Business:

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

Asset Management Business:

Asset management service operations

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

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

"Net Business Profit" represents "Substantial Gross Business Profit," less "Substantial G&A Expenses." "Substantial Gross Business Profit" and "Substantial G&A Expenses" are financial figures generated on the basis of internal management reporting, and they represent "Gross Profit" and "General

and Administrative Expenses (excluding any non-recurring expenses)" of SuMi TRUST Holdings and its consolidated subsidiaries, reflecting profits or losses of equity-method affiliated companies (proportionate share of profits or losses, excluding any non-recurring items).

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

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

3. Profit or Loss and Fixed Assets by Reportable Segment

| Year Ended March 31, 2024 | Millions of Yen | | | | | | | |
|-------------------------------------|-----------------|-----------|-------------------|-------------|----------------|------------------|------------|-----------|
| | Retail | Corporate | Investor Services | Real Estate | Global Markets | Asset Management | Others | Total |
| Substantial Gross Business Profit | ¥ 213,026 | ¥ 265,300 | ¥ 143,963 | ¥ 65,754 | ¥ 65,975 | ¥ 87,109 | ¥ 33,026 | ¥ 874,155 |
| General and Administrative Expenses | (172,885) | (102,318) | (81,220) | (30,061) | (19,640) | (69,140) | (60,216) | (535,484) |
| Net Business Profit | ¥ 40,140 | ¥ 162,982 | ¥ 62,742 | ¥ 35,692 | ¥ 46,334 | ¥ 17,968 | ¥ (27,190) | ¥ 338,670 |
| Fixed Assets | ¥ 84,923 | ¥ 35,243 | ¥ 24,185 | ¥ 9,307 | ¥ 33,838 | ¥ — | ¥ 188,389 | ¥ 375,887 |

| Year Ended March 31, 2023 | Millions of Yen | | | | | | | |
|-------------------------------------|-----------------|-----------|-------------------|-------------|----------------|------------------|------------|-----------|
| | Retail | Corporate | Investor Services | Real Estate | Global Markets | Asset Management | Others | Total |
| Substantial Gross Business Profit | ¥ 202,874 | ¥ 229,393 | ¥ 127,382 | ¥ 69,745 | ¥ 69,310 | ¥ 84,724 | ¥ 30,731 | ¥ 814,162 |
| General and Administrative Expenses | (161,366) | (88,583) | (69,678) | (27,607) | (15,148) | (62,485) | (64,651) | (489,521) |
| Net Business Profit | ¥ 41,507 | ¥ 140,809 | ¥ 57,703 | ¥ 42,138 | ¥ 54,162 | ¥ 22,239 | ¥ (33,919) | ¥ 324,641 |
| Fixed Assets | ¥ 76,377 | ¥ 36,301 | ¥ 23,136 | ¥ 9,360 | ¥ 26,537 | ¥ — | ¥ 181,844 | ¥ 353,557 |

| Year Ended March 31, 2024 | Millions of U.S. Dollars | | | | | | | |
|-------------------------------------|--------------------------|-----------|-------------------|-------------|----------------|------------------|----------|----------|
| | Retail | Corporate | Investor Services | Real Estate | Global Markets | Asset Management | Others | Total |
| Substantial Gross Business Profit | \$ 1,407 | \$ 1,752 | \$ 951 | \$ 434 | \$ 436 | \$ 575 | \$ 218 | \$ 5,773 |
| General and Administrative Expenses | (1,142) | (676) | (536) | (199) | (130) | (457) | (398) | (3,536) |
| Net Business Profit | \$ 265 | \$ 1,076 | \$ 414 | \$ 236 | \$ 306 | \$ 119 | \$ (180) | \$ 2,237 |
| Fixed Assets | \$ 561 | \$ 233 | \$ 160 | \$ 61 | \$ 223 | \$ — | \$ 1,244 | \$ 2,482 |

(Notes)

- 1) The figures represent "Substantial Gross Business Profit" in substitution for net sales to be presented by companies in other industries.
- 2) The amounts of "Substantial Gross Business Profit" include net trust fees, net interest income, net fees and commissions, net trading income, and net other ordinary income and expenses.
- 3) "General and Administrative Expenses" include personnel expenses and non-personnel expenses.
- 4) "Others" include costs of capital funding, dividends for shares for cross-shareholdings, general and administrative

expenses of headquarters, and elimination of internal transactions.

- 5) The amount of "Fixed Assets" for each segment represents the amount of fixed assets owned by SuMi TRUST Bank. "Others" within "Fixed Assets" include corporate assets not allocated to any segment, fixed assets owned by consolidated subsidiaries outside the scope of allocation of resources, and adjustments for consolidation. For fixed assets not allocated to each segment, some of related expenses are allocated to each segment based on a reasonable allocation method.

4. Reconciliation Between Total Profit or Loss for Reportable Segments and Income before Income Taxes in the Consolidated Statements of Income

| | Millions of Yen | | Millions of U.S. Dollars |
|----------------------------|-----------------|-----------|--------------------------|
| | 2024 | 2023 | 2024 |
| Net Business Profit | ¥ 338,670 | ¥ 324,641 | \$ 2,237 |
| Other Income | 161,314 | 129,767 | 1,034 |
| Other Expenses | (353,852) | (139,857) | (2,283) |
| Other Adjustments | (48,155) | (43,163) | (318) |
| Income before Income Taxes | ¥ 97,977 | ¥ 271,387 | \$ 669 |

Related Information

1. Information by Service

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, 2024 and 2023, consisted of the following:

| Year Ended March 31, 2024 | Millions of Yen | | | | |
|---------------------------|-----------------|-----------|-----------|------------------|-------------|
| | Japan | Americas | Europe | Asia and Oceania | Total |
| | ¥ 1,566,753 | ¥ 402,596 | ¥ 298,143 | ¥ 212,571 | ¥ 2,480,065 |

| Year Ended March 31, 2023 | Millions of Yen | | | | |
|---------------------------|-----------------|-----------|-----------|------------------|-------------|
| | Japan | Americas | Europe | Asia and Oceania | Total |
| | ¥ 1,317,365 | ¥ 220,877 | ¥ 150,908 | ¥ 134,888 | ¥ 1,824,040 |

| Year Ended March 31, 2024 | Millions of U.S. Dollars | | | | |
|---------------------------|--------------------------|----------|----------|------------------|-----------|
| | Japan | Americas | Europe | Asia and Oceania | Total |
| | \$ 10,347 | \$ 2,659 | \$ 1,969 | \$ 1,404 | \$ 16,379 |

(Notes)

1) The figures represent income in substitution for net sales to be presented by companies in other industries.
2) Income related to transactions by SuMi TRUST Holdings, SuMi TRUST Bank (excluding overseas branches), and other domestic consolidated subsidiaries are presented under

“Japan.” Income related to transactions by 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 the SuMi TRUST Group’s tangible fixed assets on the consolidated balance sheet as of March 31, 2024 and 2023, are located in Japan; accordingly, tangible fixed assets by geographical area are not presented.

3. Information by Major Customer

The information by major customer has been omitted as ordinary income from any particular customer was less than 10% of ordinary income in the consolidated statement of income.

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

Losses on impairment of fixed assets allocated to reportable segments during the fiscal years ended March 31, 2024 and 2023 were as follows:

| Year Ended March 31, 2024 | Millions of Yen | | | | | | | |
|--------------------------------------|-----------------|-----------|-------------------|-------------|----------------|------------------|---------|---------|
| | Retail | Corporate | Investor Services | Real Estate | Global Markets | Asset Management | Others | Total |
| Losses on Impairment of Fixed Assets | ¥ — | ¥ — | ¥ — | ¥ — | ¥ — | ¥ — | ¥ 7,407 | ¥ 7,407 |

| Year Ended March 31, 2023 | Millions of Yen | | | | | | | |
|--------------------------------------|-----------------|-----------|-------------------|-------------|----------------|------------------|----------|----------|
| | Retail | Corporate | Investor Services | Real Estate | Global Markets | Asset Management | Others | Total |
| Losses on Impairment of Fixed Assets | ¥ — | ¥ — | ¥ — | ¥ — | ¥ — | ¥ — | ¥ 18,187 | ¥ 18,187 |

| Year Ended March 31, 2024 | Millions of U.S. Dollars | | | | | | | |
|--------------------------------------|--------------------------|-----------|-------------------|-------------|----------------|------------------|--------|-------|
| | Retail | Corporate | Investor Services | Real Estate | Global Markets | Asset Management | Others | Total |
| Losses on Impairment of Fixed Assets | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ 49 | \$ 49 |

(Note) The details of impairment losses are described in “Notes to the Consolidated Statements of Income, 5. Other Income and Expenses, (2).”

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

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

Amortization of goodwill recognized during the fiscal years ended March 31, 2024, and 2023, was ¥7,023 million (U.S. \$46 million) and ¥8,001 million, respectively. Unamortized balance of goodwill as of March 31, 2024, and 2023, was ¥14,820 million (U.S. \$98 million) and ¥21,726 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, 2024 and 2023.

Related-Party Information

There was no significant related-party information that need to be disclosed for the fiscal years ended March 31, 2024 and 2023.

Per Share of Common Stock Information

| | Yen | | U.S. Dollars |
|--|------------|------------|--------------|
| | 2024 | 2023 | 2024 |
| Net Assets per Share of Common Stock | ¥ 4,316.76 | ¥ 3,843.26 | \$ 28.51 |
| Net Income per Share of Common Stock | 109.16 | 258.57 | 0.72 |
| Diluted Net Income per Share of Common Stock | 109.09 | 258.41 | 0.72 |

(Notes)

1) SuMi TRUST Holdings executed a 2-for-1 stock split of its shares of common stock on January 1, 2024. Net assets per share of common stock, net income per share of common stock, and fully diluted net income per share of common stock are calculated on the assumption that the stock split was conducted at the beginning of the previous fiscal year.

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

| | Millions of Yen | | Millions of U.S. Dollars |
|--|----------------------|----------------------|--------------------------|
| | As of March 31, 2024 | As of March 31, 2023 | As of March 31, 2024 |
| Net Assets as Reported | ¥ 3,137,686 | ¥ 2,822,574 | \$ 20,722 |
| Less: | 31,358 | 30,490 | 207 |
| Subscription Rights to Shares | 855 | 945 | 6 |
| Non-Controlling Interests | 30,503 | 29,545 | 201 |
| Net Assets Attributable to Common Shareholders | 3,106,327 | 2,792,083 | 20,515 |
| The Number of Shares of Common Stock Outstanding (Thousands of Shares) | 719,595 | 726,487 | 719,595 |

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

| | Millions of Yen | | Millions of U.S. Dollars |
|---|---|---|------------------------------|
| | Year Ended March 31, 2024 | Year Ended March 31, 2023 | Year Ended March 31, 2024 |
| Net Income per Share of Common Stock | | | |
| Net Income Attributable to Owners of the Parent | ¥ 79,199 | ¥ 191,000 | \$ 523 |
| Net Income Not Attributable to Common Shareholders | — | — | — |
| Net Income Related to Common Stock that is Attributable to Owners of the Parent | 79,199 | 191,000 | 523 |
| Average Number of Shares of Common Stock Outstanding (Thousands of Shares) | 725,527 | 738,669 | 725,527 |
| Fully Diluted Net Income per Share of Common Stock | | | |
| Adjustments to Net Income Attributable to Owners of the Parent | — | — | — |
| Effect of Dilutive Securities (Thousands of Shares) | 431 | 443 | 431 |
| Subscription Rights to Shares (Thousands of Shares) | 431 | 443 | 431 |
| Summary of the potential shares that were excluded from calculation of diluted net income per share of common stock because they have no dilute effects | SuMi TRUST Holdings: Series 3 Subscription Rights to Shares (Stock Options) SuMi TRUST Holdings Common Stock 78,600 shares | SuMi TRUST Holdings: Series 3 Subscription Rights to Shares (Stock Options) SuMi TRUST Holdings Common Stock 78,600 shares | |
| | Consolidated Subsidiaries Nikko Asset Management Co., Ltd. (NAM): Subscription Rights to Shares (Stock Options) NAM Common Stock 467,000 shares | Consolidated Subsidiaries Nikko Asset Management Co., Ltd. (NAM): Subscription Rights to Shares (Stock Options) NAM Common Stock 969,000 shares | |

4) In the calculation of net assets per share of common stock, shares of SuMi TRUST Holdings held by the share delivery trust and RS Trust for the Directors and RS Trust for employees are included in the number of shares of treasury stock deducted from the total number of shares issued and outstanding as of the end of the fiscal year. In the calculation of net income per share of common stock, they are included in the number of shares of treasury stock deducted in the calculation of the average number of shares outstanding.

The number of shares of treasury stock excluded from the calculation of net assets per share of common stock is 1,146 thousand shares as of March 31, 2024 (1,391 thousand shares as of March 31, 2023). The average number of shares of treasury stock excluded from the calculation of net income per share of common stock, is 1,180 thousand shares for the fiscal year ended March 31, 2024 (1,058 thousand shares for the fiscal year ended March 31, 2023).

Significant Subsequent Event

Changes to the Performance-Based Stock Compensation System for the Directors (RS Trust) and Determination on Matters Relating to the Acquisition of Shares of SuMi TRUST Holdings

At the meeting of the Compensation Committee held on May 27, 2024, it resolved to make partial changes to the content of the Performance-Based Stock Compensation System for the Directors (the "System") (changes to the performance targets, etc., and an increase in the stock compensation amounts), and at the meeting of the Board of Directors held on May 28, 2024, it resolved, regarding the System, to make additional entrustment of money for additional acquisition of shares of SuMi TRUST Holdings by the trustee of the trust (the "Trust") that had been established for the introduction of the System.

1) Reasons for Acquisition of the Shares by the Trustee of the Trust

To deliver shares of SuMi TRUST Holdings that correspond in number to the number of points granted to eligible persons under the System to each of the Directors, etc. via the Trust.

2) Matters regarding the Acquisition of the Shares by the Trustee of the Trust

- | | |
|---|--|
| 1. Class of Shares to be Acquired | Ordinary shares |
| 2. Total Amount for Acquisition of Shares | JPY3,495,000,000 (upper limit) |
| 3. Total Number of Shares to be Acquired | 2,326,000 shares (upper limit) |
| 4. Method of Acquisition of Shares | Acquisition through stock market transactions (including after-hours trading) |
| 5. Term for Acquisition of Shares | From June 4, 2024 to June 19, 2024 |

(Note) Ordinary shares of SuMi TRUST Holdings acquired by the Trust are recorded as treasury stock in net assets.

Non-Consolidated Balance Sheet (Unaudited)

Sumitomo Mitsui Trust Holdings, Inc.
As of March 31, 2024 and 2023

| | Millions of Yen | | Millions of U.S. Dollars |
|---|--------------------|--------------------|--------------------------|
| | 2024 | 2023 | 2024 |
| Assets: | | | |
| Current Assets: | | | |
| Cash and Due from Banks | ¥ 3,671 | ¥ 5,632 | \$ 24 |
| Securities | 45,000 | 59,000 | 297 |
| Prepaid Expenses | 323 | 465 | 2 |
| Income Tax Refunds Receivable | 8,140 | 14,378 | 54 |
| Current Portion of Long-Term Loans Receivables from Subsidiaries and Affiliated Companies | 30,000 | — | 198 |
| Other Current Assets | 3,316 | 2,176 | 22 |
| Total Current Assets | 90,452 | 81,652 | 597 |
| Non-Current Assets: | | | |
| Tangible Fixed Assets: | 0 | 0 | 0 |
| Tools, Furniture, and Fixtures | 0 | 0 | 0 |
| Intangible Fixed Assets: | 5 | 5 | 0 |
| Software | 0 | 0 | 0 |
| Other Intangible Fixed Assets | 5 | 5 | 0 |
| Investments and Other Assets: | 2,032,984 | 2,046,981 | 13,426 |
| Investment Securities | 720 | 720 | 5 |
| Investments in Subsidiaries and Affiliated Companies (Stocks) | 1,440,883 | 1,440,888 | 9,516 |
| Long-Term Loans Receivable from Subsidiaries and Affiliated Companies | 591,000 | 605,000 | 3,903 |
| Deferred Tax Assets | 284 | 277 | 2 |
| Other Investments | 94 | 94 | 1 |
| Total Non-Current Assets | 2,032,989 | 2,046,987 | 13,426 |
| Total Assets | ¥ 2,123,441 | ¥ 2,128,640 | \$ 14,024 |
| Liabilities: | | | |
| Current Liabilities: | | | |
| Accrued Expenses | ¥ 2,066 | ¥ 1,980 | \$ 14 |
| Income Taxes Payable | 29 | 71 | 0 |
| Provision for Bonuses | 322 | 317 | 2 |
| Provision for Directors' Bonuses | 91 | 88 | 1 |
| Current Portion of Bonds Payable | 30,000 | — | 198 |
| Other Current Liabilities | 1,237 | 265 | 8 |
| Total Current Liabilities | 33,748 | 2,723 | 223 |
| Non-Current Liabilities: | | | |
| Bonds Payable | 571,000 | 590,000 | 3,771 |
| Long-Term Loans Payable | 20,000 | 15,000 | 132 |
| Provision for Share-Based Remuneration | 263 | 227 | 2 |
| Other Non-Current Liabilities | 334 | 223 | 2 |
| Total Non-Current Liabilities | 591,598 | 605,450 | 3,907 |
| Total Liabilities | ¥ 625,346 | ¥ 608,173 | \$ 4,130 |
| Net Assets: | | | |
| Total Shareholders' Equity: | ¥ 1,497,239 | ¥ 1,519,521 | \$ 9,888 |
| Capital Stock | 261,608 | 261,608 | 1,728 |
| Capital Surplus: | 927,260 | 947,088 | 6,124 |
| Legal Capital Surplus | 702,933 | 702,933 | 4,642 |
| Other Capital Surplus | 224,326 | 244,154 | 1,481 |
| Retained Earnings: | 332,006 | 333,757 | 2,193 |
| Other Retained Earnings: | | | |
| Retained Earnings Brought Forward | 332,006 | 333,757 | 2,193 |
| Treasury Stock-At Cost | (23,635) | (22,933) | (156) |
| Subscription Rights to Shares | 855 | 945 | 6 |
| Total Net Assets | ¥ 1,498,094 | ¥ 1,520,466 | \$ 9,894 |
| Total Liabilities and Net Assets | ¥ 2,123,441 | ¥ 2,128,640 | \$ 14,024 |
| | Yen | U.S. Dollars | |
| Net Assets per Share of Common Stock | ¥ 2,080.66 | ¥ 2,091.59 | \$ 13.74 |

The figures in U.S. dollars are converted from yen for the convenience of readers outside Japan at the rate of ¥151.42 to U.S. \$1.00, the exchange rate as of March 31, 2024.

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

Sumitomo Mitsui Trust Holdings, Inc.
For the fiscal years ended March 31, 2024 and 2023

From April 1, 2023 to March 31, 2024

| | Millions of Yen | | | | | |
|--|----------------------|-----------------------|-----------------------|-----------------------|---|-------------------------|
| | Shareholders' Equity | | | | | |
| | Capital Stock | Capital Surplus | | | Retained Earnings | |
| | | Legal Capital Surplus | Other Capital Surplus | Total Capital Surplus | Other Retained Earnings Retained Earnings Brought Forward | Total Retained Earnings |
| Balance at the Beginning of the Year | ¥ 261,608 | ¥ 702,933 | ¥ 244,154 | ¥ 947,088 | ¥ 333,757 | ¥ 333,757 |
| Changes during the Year | | | | | | |
| Cash Dividends | | | | | (80,041) | (80,041) |
| Net Income | | | | | 78,290 | 78,290 |
| Purchase of Treasury Stock | | | | | | |
| Disposal of Treasury Stock | | | (4) | (4) | | |
| Retirement of Treasury Stock | | | (19,823) | (19,823) | | |
| Net Changes of Items Other Than Shareholders' Equity | | | | | | |
| Total Changes during the Year | — | — | (19,828) | (19,828) | (1,751) | (1,751) |
| Balance at the End of the Year | ¥ 261,608 | ¥ 702,933 | ¥ 224,326 | ¥ 927,260 | ¥ 332,006 | ¥ 332,006 |

| | Millions of Yen | | | |
|--|----------------------|----------------------------|-------------------------------|------------------|
| | Shareholders' Equity | | | Total Net Assets |
| | Treasury Stock | Total Shareholders' Equity | Subscription Rights to Shares | |
| Balance at the Beginning of the Year | ¥(22,933) | ¥ 1,519,521 | ¥ 945 | ¥ 1,520,466 |
| Changes during the Year | | | | |
| Cash Dividends | | (80,041) | | (80,041) |
| Net Income | | 78,290 | | 78,290 |
| Purchase of Treasury Stock | (21,082) | (21,082) | | (21,082) |
| Disposal of Treasury Stock | 556 | 552 | | 552 |
| Retirement of Treasury Stock | 19,823 | — | | — |
| Net Changes of Items Other Than Shareholders' Equity | | | (89) | (89) |
| Total Changes during the Year | (702) | (22,281) | (89) | (22,371) |
| Balance at the End of the Year | ¥(23,635) | ¥ 1,497,239 | ¥ 855 | ¥ 1,498,094 |

From April 1, 2022 to March 31, 2023

| | Millions of Yen | | | | | |
|--|----------------------|-----------------------|-----------------------|-----------------------|---|-------------------------|
| | Shareholders' Equity | | | | | |
| | Capital Stock | Capital Surplus | | | Retained Earnings | |
| | | Legal Capital Surplus | Other Capital Surplus | Total Capital Surplus | Other Retained Earnings Retained Earnings Brought Forward | Total Retained Earnings |
| Balance at the Beginning of the Year | ¥ 261,608 | ¥ 702,933 | ¥ 274,158 | ¥ 977,092 | ¥ 333,032 | ¥ 333,032 |
| Changes during the Year | | | | | | |
| Cash Dividends | | | | | (70,533) | (70,533) |
| Net Income | | | | | 71,257 | 71,257 |
| Purchase of Treasury Stock | | | | | | |
| Disposal of Treasury Stock | | | (0) | (0) | | |
| Retirement of Treasury Stock | | | (30,003) | (30,003) | | |
| Net Changes of Items Other Than Shareholders' Equity | | | | | | |
| Total Changes during the Year | — | — | (30,004) | (30,004) | 724 | 724 |
| Balance at the End of the Year | ¥ 261,608 | ¥ 702,933 | ¥ 244,154 | ¥ 947,088 | ¥ 333,757 | ¥ 333,757 |

| | Millions of Yen | | | |
|--|----------------------|----------------------------|-------------------------------|------------------|
| | Shareholders' Equity | | | Total Net Assets |
| | Treasury Stock | Total Shareholders' Equity | Subscription Rights to Shares | |
| Balance at the Beginning of the Year | ¥ (2,714) | ¥ 1,569,019 | ¥ 1,006 | ¥ 1,570,025 |
| Changes during the Year | | | | |
| Cash Dividends | | (70,533) | | (70,533) |
| Net Income | | 71,257 | | 71,257 |
| Purchase of Treasury Stock | (50,364) | (50,364) | | (50,364) |
| Disposal of Treasury Stock | 142 | 141 | | 141 |
| Retirement of Treasury Stock | 30,003 | — | | — |
| Net Changes of Items Other Than Shareholders' Equity | | | (61) | (61) |
| Total Changes during the Year | (20,218) | (49,498) | (61) | (49,559) |
| Balance at the End of the Year | ¥ (22,933) | ¥ 1,519,521 | ¥ 945 | ¥ 1,520,466 |

From April 1, 2023 to March 31, 2024

| | Millions of U.S. Dollars | | | | | |
|--|--------------------------|-----------------------|-----------------------|-----------------------|---|-------------------------|
| | Shareholders' Equity | | | | | |
| | Capital Stock | Capital Surplus | | | Retained Earnings | |
| | | Legal Capital Surplus | Other Capital Surplus | Total Capital Surplus | Other Retained Earnings Retained Earnings Brought Forward | Total Retained Earnings |
| Balance at the Beginning of the Year | \$ 1,728 | \$ 4,642 | \$ 1,612 | \$ 6,255 | \$ 2,204 | \$ 2,204 |
| Changes during the Year | | | | | | |
| Cash Dividends | | | | | (529) | (529) |
| Net Income | | | | | 517 | 517 |
| Purchase of Treasury Stock | | | | | | |
| Disposal of Treasury Stock | | | (0) | (0) | | |
| Retirement of Treasury Stock | | | (131) | (131) | | |
| Net Changes of Items Other Than Shareholders' Equity | | | | | | |
| Total Changes during the Year | — | — | (131) | (131) | (12) | (12) |
| Balance at the End of the Year | \$ 1,728 | \$ 4,642 | \$ 1,481 | \$ 6,124 | \$ 2,193 | \$ 2,193 |

| | Millions of U.S. Dollars | | | |
|--|--------------------------|----------------------------|-------------------------------|------------------|
| | Shareholders' Equity | | | Total Net Assets |
| | Treasury Stock | Total Shareholders' Equity | Subscription Rights to Shares | |
| Balance at the Beginning of the Year | \$ (151) | \$ 10,035 | \$ 6 | \$ 10,041 |
| Changes during the Year | | | | |
| Cash Dividends | | (529) | | (529) |
| Net Income | | 517 | | 517 |
| Purchase of Treasury Stock | (139) | (139) | | (139) |
| Disposal of Treasury Stock | 4 | 4 | | 4 |
| Retirement of Treasury Stock | 131 | — | | — |
| Net Changes of Items Other Than Shareholders' Equity | | | (1) | (1) |
| Total Changes during the Year | (5) | (147) | (1) | (148) |
| Balance at the End of the Year | \$ (156) | \$ 9,888 | \$ 6 | \$ 9,894 |

Statement of Trust Account (Unaudited)

Sumitomo Mitsui Trust Holdings, Inc. and its Consolidated Subsidiaries
As of March 31, 2024 and 2023

| As of March 31 | Millions of Yen | | Millions of U.S. Dollars |
|--|----------------------|----------------------|--------------------------|
| | 2024 | 2023 | 2024 |
| Assets: | | | |
| Loans and Bills Discounted (Note 2) | ¥ 2,407,320 | ¥ 2,154,605 | \$ 15,898 |
| Securities (Note 3) | 830,452 | 846,569 | 5,484 |
| Beneficiary Rights | 186,461,054 | 188,494,811 | 1,231,416 |
| Securities Held in Custody Accounts | 20,698 | 20,674 | 137 |
| Monetary Claims | 23,637,259 | 26,147,491 | 156,104 |
| Tangible Fixed Assets | 26,154,901 | 23,154,632 | 172,731 |
| Intangible Fixed Assets | 237,660 | 229,624 | 1,570 |
| Other Claims | 12,471,689 | 9,856,778 | 82,365 |
| Loans to Banking Account | 4,327,798 | 4,332,472 | 28,581 |
| Cash and Due from Banks | 917,968 | 988,055 | 6,062 |
| Total Assets | ¥ 257,466,804 | ¥ 256,225,715 | \$ 1,700,349 |
| Liabilities: | | | |
| Money Trusts (Note 4) | ¥ 37,154,630 | ¥ 38,420,310 | \$ 245,375 |
| Pension Trusts | 14,523,406 | 14,043,977 | 95,915 |
| Property Formation Benefit Trusts | 18,755 | 18,439 | 124 |
| Securities Investment Trusts | 80,474,320 | 80,945,517 | 531,464 |
| Money in Trust Other Than Money Trusts | 41,076,559 | 40,257,727 | 271,276 |
| Securities in Trust | 24,072,593 | 23,513,485 | 158,979 |
| Money Claims in Trust | 23,837,128 | 26,400,850 | 157,424 |
| Real Estate in Trust | 820 | 825 | 5 |
| Composite Trusts | 36,308,588 | 32,624,581 | 239,787 |
| Total Liabilities | ¥ 257,466,804 | ¥ 256,225,715 | \$ 1,700,349 |

See Notes to Statements of Trust Account

Notes to Statement of Trust Account (Unaudited)

1. Trust Accounts

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

Under certain trust agreements, repayments of the principal of the customers' trust assets are guaranteed by SuMi TRUST Bank, and such guaranteed principal as of March 31, 2024 and 2023, were ¥3,998,029 million (U.S. \$26,404 million) and ¥4,103,478 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 ¥151.42 to U.S. \$1, the approximate rate of exchange as of March 29, 2024. 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, 2024 and 2023, are for trust accounts in SuMi TRUST Bank.

2. Loans and Bills Discounted

Loans as of March 31, 2024 and 2023, consisted of the following:

| | Millions of Yen | | Millions of U.S. Dollars |
|----------------|--------------------|--------------------|--------------------------|
| | 2024 | 2023 | 2024 |
| Loans on Deeds | ¥ 2,011,920 | ¥ 1,709,285 | \$ 13,287 |
| Loans on Bills | 395,400 | 445,320 | 2,611 |
| Total | ¥ 2,407,320 | ¥ 2,154,605 | \$ 15,898 |

The balances of guaranteed trust account loans as of March 31, 2024 and 2023 stood at ¥8,154 million (U.S. \$54 million) and ¥10,461 million, respectively, which included the following:

Under certain trust agreements, repayments of the principal of customers' trust assets are guaranteed by SuMi TRUST Bank, and loans on such guaranteed trust assets as of March 31, 2024 and 2023, included the following:

| | Millions of Yen | | Millions of U.S. Dollars |
|--------------------|-----------------|-------------|--------------------------|
| | 2024 | 2023 | 2024 |
| Doubtful Loans | ¥ 38 | ¥ 59 | \$ 0 |
| Restructured Loans | 8 | 10 | 0 |
| Total | ¥ 47 | ¥ 70 | \$ 0 |

3. Securities

Securities held as of March 31, 2024 and 2023, consisted of the following:

| | Millions of Yen | | Millions of U.S. Dollars |
|------------------------|------------------|------------------|--------------------------|
| | 2024 | 2023 | 2024 |
| Government Bonds | ¥ 420,809 | ¥ 425,484 | \$ 2,779 |
| Local Government Bonds | 30 | 30 | 0 |
| Corporate Bonds | 29,540 | 35,361 | 195 |
| Stocks | 6,162 | 6,270 | 41 |
| Other Securities | 373,910 | 379,423 | 2,469 |
| Total | ¥ 830,452 | ¥ 846,569 | \$ 5,484 |

4. Balance of Money Trusts

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

| | Millions of Yen | | Millions of U.S. Dollars |
|--|--------------------|--------------------|--------------------------|
| | 2024 | 2023 | 2024 |
| Assets: | | | |
| Loans and Bills Discounted | ¥ 8,154 | ¥ 10,461 | \$ 54 |
| Other | 3,990,207 | 4,093,352 | 26,352 |
| Total | ¥ 3,998,361 | ¥ 4,103,814 | \$ 26,406 |
| Liabilities: | | | |
| Principal | ¥ 3,998,029 | ¥ 4,103,478 | \$ 26,404 |
| Allowance for Impairment of Guaranteed Trust Principal | 8 | 11 | 0 |
| Other | 323 | 324 | 2 |
| Total | ¥ 3,998,361 | ¥ 4,103,814 | \$ 26,406 |

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.