

INTERIM REPORT

Six months ended September 30, 2018

2018



SuMi TRUST



Symbol Mark

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



Corporate Color

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

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Sumitomo Mitsui Trust Holdings, Inc. ("SuMi TRUST Holdings")

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Financial Data:

Consolidated Balance Sheets (Unaudited)

Sumitomo Mitsui Trust Holdings, Inc. and its Consolidated Subsidiaries
As of September 30, 2018 and March 31, 2018

	Millions of Yen		Millions of U.S. Dollars
	As of Sep. 30, 2018	As of Mar. 31, 2018	As of Sep. 30, 2018
Assets:			
Cash and Due from Banks	¥ 29,161,889	¥ 28,841,328	\$ 256,752
Call Loans and Bills Bought	153,103	152,951	1,348
Receivables under Resale Agreements	32,319	63,531	285
Receivables under Securities Borrowing Transactions	726,971	675,295	6,401
Monetary Claims Bought	784,620	955,938	6,908
Trading Assets (Notes 1 and 7)	334,973	363,294	2,949
Money Held in Trust	1,406	1,357	12
Securities (Notes 1, 7, and 13)	6,183,052	5,537,643	54,438
Loans and Bills Discounted (Notes 2, 3, 4, 5, 6, 7, and 8)	28,866,578	28,190,553	254,152
Foreign Exchanges	29,651	25,554	261
Lease Receivables and Investment Assets	672,405	677,238	5,920
Other Assets (Note 7)	1,978,658	1,868,132	17,421
Tangible Fixed Assets (Notes 9 and 10)	209,577	214,386	1,845
Intangible Fixed Assets	189,292	197,235	1,667
Assets for Retirement Benefits	169,476	163,219	1,492
Deferred Tax Assets	23,295	23,127	205
Customers' Liabilities for Acceptances and Guarantees	570,127	508,930	5,020
Allowance for Loan Losses	(86,195)	(102,920)	(759)
Total Assets	¥ 70,001,204	¥ 68,356,798	\$ 616,316
Liabilities:			
Deposits (Note 7)	¥ 37,801,732	¥ 37,351,839	\$ 332,820
Negotiable Certificates of Deposit	6,947,240	6,563,336	61,166
Call Money and Bills Sold	316,022	146,931	2,782
Payables under Repurchase Agreements (Note 7)	1,789,950	1,454,855	15,759
Payables under Securities Lending Transactions (Note 7)	115,094	41,299	1,013
Trading Liabilities	224,905	266,148	1,980
Borrowed Money (Notes 7 and 11)	4,255,261	4,370,083	37,465
Foreign Exchanges	309	1,984	3
Short-Term Bonds Payable	1,320,540	1,062,869	11,627
Bonds Payable (Note 12)	1,581,479	1,470,715	13,924
Borrowed Money from Trust Account	11,102,964	11,070,725	97,755
Other Liabilities	989,418	932,825	8,711
Provision for Bonuses	14,636	16,740	129
Provision for Directors' Bonuses	60	325	1
Liabilities for Retirement Benefits	14,278	14,159	126
Provision for Reward Points Program	17,904	18,457	158
Provision for Reimbursement of Deposits	3,858	3,548	34
Provision for Contingent Losses	1,549	4,628	14
Deferred Tax Liabilities	178,566	181,050	1,572
Deferred Tax Liabilities for Land Revaluation (Note 9)	2,864	3,016	25
Acceptances and Guarantees	570,127	508,930	5,020
Total Liabilities	¥ 67,248,764	¥ 65,484,472	\$ 592,083
Net Assets:			
Total Shareholders' Equity:	¥ 2,185,183	¥ 2,127,816	\$ 19,239
Capital Stock	261,608	261,608	2,303
Capital Surplus	645,003	645,016	5,679
Retained Earnings	1,329,783	1,263,415	11,708
Treasury Stock	(51,212)	(42,224)	(451)
Total Accumulated Other Comprehensive Income:	470,604	496,851	4,143
Valuation Differences on Available-for-Sale Securities	476,542	516,663	4,196
Deferred Gains (Losses) on Hedges	(12,028)	(22,746)	(106)
Revaluation Reserve for Land (Note 9)	(5,659)	(6,067)	(50)
Foreign Currency Translation Adjustments	6,115	4,281	54
Adjustments for Retirement Benefits	5,635	4,720	50
Subscription Rights to Shares	1,067	799	9
Non-Controlling Interests	95,584	246,858	842
Total Net Assets	¥ 2,752,440	¥ 2,872,325	\$ 24,233
Total Liabilities and Net Assets	¥ 70,001,204	¥ 68,356,798	\$ 616,316
	Yen		U.S. Dollars
Net Assets per Share of Common Stock	¥ 7,014.77	¥ 6,897.36	\$ 61.76

See accompanying notes.

The figures in U.S. dollars are converted from yen for convenience of readers outside Japan at the rate of ¥113.58 to U.S.\$1.00, the exchange rate as of September 28, 2018.

Financial Data:

Consolidated Statements of Income (Unaudited)

Sumitomo Mitsui Trust Holdings, Inc. and its Consolidated Subsidiaries
For the Six Months Ended September 30, 2018 and 2017

	Millions of Yen		Millions of U.S. Dollars
	Six Months Ended Sep. 30, 2018	Six Months Ended Sep. 30, 2017	Six Months Ended Sep. 30, 2018
Income:			
Trust Fees	¥ 53,668	¥ 48,640	\$ 473
Interest Income:	250,635	208,500	2,207
Interest on Loans and Discounts	177,705	152,483	1,565
Interest and Dividends on Securities	47,161	38,274	415
Fees and Commissions	200,297	192,729	1,763
Trading Income	6,729	3,981	59
Other Ordinary Income	173,367	149,586	1,526
Other Income (Note 1)	42,032	34,721	370
Total Income	¥ 726,731	¥ 638,160	\$ 6,398
Expenses:			
Interest Expenses:	¥ 174,855	¥ 118,733	\$ 1,539
Interest on Deposits	60,648	46,579	534
Fees and Commissions Payments	44,877	43,256	395
Trading Expenses	—	61	—
Other Ordinary Expenses	113,781	113,171	1,002
General and Administrative Expenses (Note 2)	219,950	219,223	1,937
Other Expenses (Note 3)	35,974	23,549	317
Total Expenses	¥ 589,440	¥ 517,996	\$ 5,190
Income before Income Taxes	¥ 137,291	¥ 120,163	\$ 1,209
Income Taxes:	40,281	37,988	355
Current	30,986	30,024	273
Deferred	9,294	7,963	82
Net Income	97,010	82,175	854
Net Income Attributable to Non-Controlling Interests	5,499	6,748	48
Net Income Attributable to Owners of the Parent	¥ 91,510	¥ 75,427	\$ 806
	Yen		U.S. Dollars
Net Income per Share of Common Stock	¥ 241.30	¥ 197.49	\$ 2.12

See accompanying notes.

Financial Data:

Consolidated Statements of Comprehensive Income (Unaudited)

Sumitomo Mitsui Trust Holdings, Inc. and its Consolidated Subsidiaries
For the Six Months Ended September 30, 2018 and 2017

	Millions of Yen		Millions of U.S. Dollars
	Six Months Ended Sep. 30, 2018	Six Months Ended Sep. 30, 2017	Six Months Ended Sep. 30, 2018
Net Income	¥ 97,010	¥ 82,175	\$ 854
Other Comprehensive Income (Loss):			
Valuation Differences on Available-for-Sale Securities	(39,259)	19,283	(346)
Deferred Gains (Losses) on Hedges	9,879	(1,597)	87
Foreign Currency Translation Adjustments	1,858	3,125	16
Adjustments for Retirement Benefits	916	3,185	8
Attributable to Equity-Method Affiliated Companies	76	(104)	1
Total Other Comprehensive Income (Loss)	¥ (26,528)	¥ 23,893	\$ (234)
Comprehensive Income	¥ 70,482	¥ 106,068	\$ 621
Comprehensive Income Attributable to Owners of the Parent	¥ 64,856	¥ 99,146	\$ 571
Comprehensive Income Attributable to Non-Controlling Interests	5,625	6,922	50

Financial Data:

Consolidated Statements of Changes in Net Assets (Unaudited)

Sumitomo Mitsui Trust Holdings, Inc. and its Consolidated Subsidiaries
For the Six Months Ended September 30, 2018 and 2017

For the Six Months Ended September 30, 2018

	Millions of Yen				
	Shareholders' Equity				
	Capital Stock	Capital Surplus	Retained Earnings	Treasury Stock	Total Shareholders' Equity
Balance at the Beginning of the Period	¥ 261,608	¥ 645,016	¥ 1,263,415	¥ (42,224)	¥ 2,127,816
Changes during the Period					
Cash Dividends			(24,734)		(24,734)
Net Income Attributable to Owners of the Parent			91,510		91,510
Purchase of Treasury Stock				(9,019)	(9,019)
Disposal of Treasury Stock		(0)		30	30
Purchase of Shares of Consolidated Subsidiaries		(17)			(17)
Sales of Shares of Consolidated Subsidiaries		4			4
Reversal of Revaluation Reserve for Land			(407)		(407)
Net Changes of Items Other Than Shareholders' Equity					
Total Changes during the Period	—	(13)	66,368	(8,988)	57,366
Balance at the End of the Period	¥ 261,608	¥ 645,003	¥ 1,329,783	¥ (51,212)	¥ 2,185,183

	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	Adjustments for Retirement Benefits	Total Accumulated Other Comprehensive Income			
Balance at the Beginning of the Period	¥ 516,663	¥ (22,746)	¥ (6,067)	¥ 4,281	¥ 4,720	¥ 496,851	¥ 799	¥ 246,858	¥ 2,872,325
Changes during the Period									
Cash Dividends									(24,734)
Net Income Attributable to Owners of the Parent									91,510
Purchase of Treasury Stock									(9,019)
Disposal of Treasury Stock									30
Purchase of Shares of Consolidated Subsidiaries									(17)
Sales of Shares of Consolidated Subsidiaries									4
Reversal of Revaluation Reserve for Land									(407)
Net Changes of Items Other Than Shareholders' Equity	(40,120)	10,718	407	1,834	914	(26,246)	268	(151,274)	(177,252)
Total Changes during the Period	(40,120)	10,718	407	1,834	914	(26,246)	268	(151,274)	(119,885)
Balance at the End of the Period	¥ 476,542	¥ (12,028)	¥ (5,659)	¥ 6,115	¥ 5,635	¥ 470,604	¥ 1,067	¥ 95,584	¥ 2,752,440

See accompanying notes.

For the Six Months Ended September 30, 2017

	Millions of Yen				
	Shareholders' Equity				Total Shareholders' Equity
	Capital Stock	Capital Surplus	Retained Earnings	Treasury Stock	
Balance at the Beginning of the Period	¥ 261,608	¥ 645,048	¥ 1,159,028	¥ (34,061)	¥ 2,031,623
Changes during the Period					
Cash Dividends			(24,864)		(24,864)
Net Income Attributable to Owners of the Parent			75,427		75,427
Purchase of Treasury Stock				(8,154)	(8,154)
Disposal of Treasury Stock		(0)		12	12
Purchase of Shares of Consolidated Subsidiaries		(32)			(32)
Sales of Shares of Consolidated Subsidiaries		—			—
Reversal of Revaluation Reserve for Land			314		314
Net Changes of Items Other Than Shareholders' Equity					
Total Changes during the Period	—	(32)	50,876	(8,141)	42,702
Balance at the End of the Period	¥ 261,608	¥ 645,015	¥ 1,209,904	¥ (42,203)	¥ 2,074,326

	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	Adjustments for Retirement Benefits	Total Accumulated Other Comprehensive Income			
Balance at the Beginning of the Period	¥ 476,848	¥ (21,018)	¥ (6,067)	¥ 2,135	¥ (20,905)	¥ 430,992	¥ 577	¥ 328,488	¥ 2,791,682
Changes during the Period									
Cash Dividends									(24,864)
Net Income Attributable to Owners of the Parent									75,427
Purchase of Treasury Stock									(8,154)
Disposal of Treasury Stock									12
Purchase of Shares of Consolidated Subsidiaries									(32)
Sales of Shares of Consolidated Subsidiaries									—
Reversal of Revaluation Reserve for Land									314
Net Changes of Items Other Than Shareholders' Equity	18,814	(1,226)	(314)	2,954	3,177	23,405	226	(82,212)	(58,580)
Total Changes during the Period	18,814	(1,226)	(314)	2,954	3,177	23,405	226	(82,212)	(15,878)
Balance at the End of the Period	¥ 495,663	¥ (22,244)	¥ (6,381)	¥ 5,089	¥ (17,728)	¥ 454,398	¥ 803	¥ 246,276	¥ 2,775,804

See accompanying notes.

For the Six Months Ended September 30, 2018

	Millions of U.S. Dollars				
	Shareholders' Equity				Total Shareholders' Equity
	Capital Stock	Capital Surplus	Retained Earnings	Treasury Stock	
Balance at the Beginning of the Period	\$ 2,303	\$ 5,679	\$ 11,124	\$ (372)	\$ 18,734
Changes during the Period					
Cash Dividends			(218)		(218)
Net Income Attributable to Owners of the Parent			806		806
Purchase of Treasury Stock				(79)	(79)
Disposal of Treasury Stock		(0)		0	0
Purchase of Shares of Consolidated Subsidiaries		(0)			(0)
Sales of Shares of Consolidated Subsidiaries		0			0
Reversal of Revaluation Reserve for Land			(4)		(4)
Net Changes of Items Other Than Shareholders' Equity					
Total Changes during the Period	—	(0)	584	(79)	505
Balance at the End of the Period	\$ 2,303	\$ 5,679	\$ 11,708	\$ (451)	\$ 19,239

	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	Adjustments for Retirement Benefits	Total Accumulated Other Comprehensive Income			
Balance at the Beginning of the Period	\$ 4,549	\$ (200)	\$ (53)	\$ 38	\$ 42	\$ 4,374	\$ 7	\$ 2,173	\$ 25,289
Changes during the Period									
Cash Dividends									(218)
Net Income Attributable to Owners of the Parent									806
Purchase of Treasury Stock									(79)
Disposal of Treasury Stock									0
Purchase of Shares of Consolidated Subsidiaries									(0)
Sales of Shares of Consolidated Subsidiaries									0
Reversal of Revaluation Reserve for Land									(4)
Net Changes of Items Other Than Shareholders' Equity	(353)	94	4	16	8	(231)	2	(1,332)	(1,561)
Total Changes during the Period	(353)	94	4	16	8	(231)	2	(1,332)	(1,056)
Balance at the End of the Period	\$ 4,196	\$ (106)	\$ (50)	\$ 54	\$ 50	\$ 4,143	\$ 9	\$ 842	\$ 24,233

See accompanying notes.

Financial Data:

Consolidated Statements of Cash Flows (Unaudited)

Sumitomo Mitsui Trust Holdings, Inc. and its Consolidated Subsidiaries
For the Six Months Ended September 30, 2018 and 2017

	Millions of Yen		Millions of U.S. Dollars
	Six Months Ended Sep. 30, 2018	Six Months Ended Sep. 30, 2017	Six Months Ended Sep. 30, 2018
Cash Flows from Operating Activities:			
Income before Income Taxes	¥ 137,291	¥ 120,163	\$ 1,209
Depreciation and Amortization	19,856	17,413	175
Impairment Losses	2,695	6,284	24
Amortization of Goodwill	4,734	4,734	42
Equity in Losses (Earnings) of Affiliated Companies	(658)	438	(6)
Increase (Decrease) in Allowance for Loan Losses	(16,724)	(11,632)	(147)
Increase (Decrease) in Provision for Bonuses	(2,104)	(2,503)	(19)
Increase (Decrease) in Provision for Directors' Bonuses	(265)	(199)	(2)
Decrease (Increase) in Assets for Retirement Benefits	(5,016)	(687)	(44)
Increase (Decrease) in Liabilities for Retirement Benefits	221	599	2
Increase (Decrease) in Provision for Reward Points Program	(552)	(30)	(5)
Increase (Decrease) in Provision for Reimbursement of Deposits	309	9	3
Increase (Decrease) in Provision for Contingent Losses	(3,079)	771	(27)
Interest Income	(250,635)	(208,500)	(2,207)
Interest Expenses	174,855	118,733	1,539
Loss (Gain) Related to Securities	8,060	(16,175)	71
Loss (Gain) on Money Held in Trust	(23)	(23)	(0)
Foreign Exchange Losses (Gains)	(75,697)	(23,070)	(666)
Loss (Gain) on Disposal of Fixed Assets	343	(8,735)	3
Net Decrease (Increase) in Trading Assets	28,321	(37,946)	249
Net Increase (Decrease) in Trading Liabilities	(41,243)	(20,920)	(363)
Net Decrease (Increase) in Loans and Bills Discounted	(673,358)	(303,603)	(5,928)
Net Increase (Decrease) in Deposit	456,226	(945,498)	4,017
Net Increase (Decrease) in Negotiable Certificates of Deposit	383,903	(360,379)	3,380
Net Increase (Decrease) in Borrowed Money (excluding Subordinated Borrowings)	(114,819)	1,128,670	(1,011)
Net Decrease (Increase) in Due from Banks (excluding Due from the Bank of Japan)	110,326	37,323	971
Net Decrease (Increase) in Call Loans	202,337	132,429	1,781
Net Decrease (Increase) in Receivables under Securities Borrowing Transactions	(51,676)	(151,079)	(455)
Net Increase (Decrease) in Call Money	504,186	1,870,088	4,439
Net Increase (Decrease) in Payables under Securities Lending Transactions	73,794	(1,817)	650
Net Decrease (Increase) in Foreign Exchange-Assets	(4,097)	(16,582)	(36)
Net Increase (Decrease) in Foreign Exchange-Liabilities	(1,675)	122	(15)
Net Decrease (Increase) in Lease Receivables and Investment Assets	4,832	(18,933)	43
Net Increase (Decrease) in Short-Term Bonds Payable	257,670	(209,110)	2,269
Increase (Decrease) in Straight Bonds-Issuance and Redemption	10,891	115,990	96
Net Increase (Decrease) in Borrowed Money from Trust Account	32,239	(1,524,103)	284
Proceeds from Fund Management	257,336	216,177	2,266
Payments for Finance	(176,330)	(124,349)	(1,552)
Other, Net	(185,186)	(180,612)	(1,630)
Subtotal	¥ 1,067,288	¥ (396,545)	\$ 9,397
Income Taxes (Paid) Refunded	(37,387)	(14,354)	(329)
Net Cash Provided by (Used in) Operating Activities	¥ 1,029,901	¥ (410,900)	\$ 9,068

(Continued)

	Millions of Yen		Millions of U.S. Dollars
	Six Months Ended Sep. 30, 2018	Six Months Ended Sep. 30, 2017	Six Months Ended Sep. 30, 2018
Cash Flows from Investing Activities:			
Purchase of Securities	¥ (3,221,851)	¥ (3,441,005)	\$ (28,366)
Proceeds from Sales of Securities	2,079,596	2,718,701	18,310
Proceeds from Redemption of Securities	671,413	459,249	5,911
Decrease in Money Held in Trust	—	150	—
Purchase of Tangible Fixed Assets	(3,196)	(4,287)	(28)
Proceeds from Sales of Tangible Fixed Assets	549	14,980	5
Purchase of Intangible Fixed Assets	(15,114)	(21,955)	(133)
Purchase of Shares of Affiliated Companies Accounted for by the Equity Method	(11,169)	(5,501)	(98)
Net Cash Provided by (Used in) Investing Activities	¥ (499,771)	¥ (279,669)	\$ (4,400)
Cash Flows from Financing Activities:			
Proceeds from Issuance of Subordinated Bonds and Bonds with Subscription Rights to Shares	99,441	109,358	876
Payments for Redemption of Subordinated Bonds and Bonds with Subscription Rights to Shares	—	(49,614)	—
Purchase of Shares of Subsidiaries without Change in the Scope of Consolidation	(47)	(113)	(0)
Sales of Shares of Subsidiaries without Change in the Scope of Consolidation	36	—	0
Repayments to Non-Controlling Interests	(152,000)	(83,170)	(1,338)
Cash Dividends Paid	(24,732)	(24,853)	(218)
Cash Dividends Paid to Non-Controlling Interests	(4,744)	(5,805)	(42)
Purchase of Treasury Stock	(9,019)	(8,154)	(79)
Proceeds from Sales of Treasury Stock	30	12	0
Net Cash Provided by (Used in) Financing Activities	¥ (91,035)	¥ (62,340)	\$ (802)
Effect of Exchange Rate Change on Cash and Cash Equivalents	¥ (8,206)	¥ (12,102)	\$ (72)
Net Increase (Decrease) in Cash and Cash Equivalents	¥ 430,887	¥ (765,012)	\$ 3,794
Cash and Cash Equivalents at the Beginning of the Period	¥26,540,249	¥ 24,531,391	\$ 233,670
Cash and Cash Equivalents at the End of the Period (Note 1)	¥26,971,136	¥ 23,766,379	\$ 237,464

See accompanying notes.

Financial Data:

Notes to the Interim Consolidated Financial Statements (Unaudited)

Basis of Presentation of Financial Statements

The accompanying interim 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, the "SuMi TRUST Group") in accordance with 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 the application and disclosure requirements of International Financial Reporting Standards.

In preparing these interim consolidated financial statements, the interim 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 interim 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 ¥113.58 to U.S. \$1, the approximate rate of exchange as of September 28, 2018. 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 September 30, 2018:

62 companies

Principal Company:

Sumitomo Mitsui Trust Bank, Limited

("SuMi TRUST Bank")

Changes in the consolidated subsidiaries during the interim period ended September 30, 2018, are as follows:

CMTH Preferred Capital 6 (Cayman) Limited and one other company are excluded from the scope of consolidation for the interim period due to their liquidation.

(2) Unconsolidated Subsidiaries

Principal Companies:

Hummingbird Co., Ltd.

ASIA GATEWAY I, L.P.

Hummingbird Co., Ltd. and 22 other companies are excluded from the scope of consolidation in accordance with Article 5, Paragraph 1, Item 2 of "Ordinance on Terminology, Forms and Preparation Methods of Interim Financial Statements, etc.," because those companies are operators engaged in leasing activities through silent partnership arrangements and their assets and profits/losses do not belong to them.

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

2. Application of the Equity Method

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

None

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

27 companies

Principal Companies:

SBI Sumishin Net Bank, Ltd.

Japan Stockholders Data Service Company, Limited

Changes in the affiliated companies accounted for by the equity method during the interim period ended September 30, 2018, are as follows:

Cardif Assurance Vie Japan and two other companies are included in the scope of the application of the equity method due mainly to the acquisition of its shares during the interim period.

(3) Unconsolidated Subsidiaries and Affiliated Companies
That Are Not Accounted for by the Equity Method

Principal Companies:

Hummingbird Co., Ltd.

ASIA GATEWAY I, L.P.

Hummingbird Co., Ltd. and 22 other companies are excluded from the scope of application of the equity method in accordance with Article 7, Paragraph 1, Item 2 of "Ordinance on Terminology, Forms and Preparation Methods of Interim Financial Statements, etc.," because those companies are operators engaged in leasing activities through silent partnership arrangements, and their assets and profits/losses do not belong to them.

ASIA GATEWAY I, L.P. and other unconsolidated subsidiaries and affiliated companies that are not accounted for by the equity method are excluded from the scope of application of the equity method because such exclusion would not materially affect the interim consolidated financial statements. 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. Interim Balance Sheet Dates of the Consolidated Subsidiaries

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

October 31:	2 companies
November 30:	1 company
February 28:	1 company
March 31:	5 companies
May 31:	1 company
June 30:	8 companies
July 24:	1 company
September 30:	43 companies

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

- Subsidiaries with an interim balance sheet date of October 31: Provisionally prepared interim financial statements as of July 31
- A subsidiary with an interim balance sheet date of November 30: Provisionally prepared interim financial statements as of August 31
- A subsidiary with an interim balance sheet date of February 28: Provisionally prepared interim financial statements as of August 31
- Subsidiaries with an interim balance sheet date of March 31: Provisionally prepared interim financial statements as of September 30
- A subsidiary with an interim balance sheet date of May 31: Provisionally prepared interim financial statements as of August 31
- A subsidiary with an interim balance sheet date of July 24: Provisionally prepared interim financial statements as of September 30
- Other subsidiaries: Interim financial statements as of their respective interim balance sheet dates.

Material transactions arising between the interim consolidated balance sheet date, September 30, 2018, and the above interim balance sheet dates of consolidated subsidiaries have been reflected in the interim consolidated financial statements.

4. Significant Accounting Policies

(1) Trading Assets/Liabilities and Income/Expenses

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

For the measurement of trading assets and trading liabilities, securities and monetary claims are stated at their fair values as of the interim 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 interim consolidated balance sheet date.

Trading income and trading expenses include interest income or expenses, adjusting valuation differences of securities and monetary claims during the interim period and differences in resulting gains or losses from the settlement of financial derivatives assuming that the settlement was made as of September 30, 2018.

(2) Securities

(a) Under the accounting standards for financial instruments in Japan, SuMi TRUST Holdings is required to determine the purpose for holding each security and classify such security into (i) securities held for trading purposes ("Trading Securities"), (ii) debt securities intended to be held to maturity ("Held-to-Maturity Debt Securities"), (iii) equity securities issued by subsidiaries and affiliated companies, or (iv) all other securities that are not classified in any of the above categories ("Available-for-Sale Securities"). "Held-to-Maturity Debt Securities" are carried at amortized cost using the moving-average method (the straight-line method). Equity securities issued by unconsolidated subsidiaries and affiliated companies not accounted for by the equity method are stated at moving-average cost. "Available-for-Sale Securities" are, in principle, valued at the market price at the interim balance sheet date (cost of securities sold is calculated using primarily the moving-average method).

"Available-for-Sale Securities" for which their fair values are extremely difficult to be determined are carried at cost using the moving-average method.

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

(Changes in Accounting Policies)

The stocks classified as "Available-for-Sale Securities" with market values are valued at the market price at the interim consolidated balance sheet date effective from the six months ended September 30, 2018, which were previously valued at the average market price during the final month of the interim period.

SuMi TRUST Holdings is currently in the efforts of enhancing company-wide risk management, including reduction of market price fluctuation risk and control of economic value of the strategic shareholdings. In the midst of such circumstances, SuMi TRUST Holdings adopted the above change in accounting policies since it came to a conclusion that the market price at the interim consolidated balance sheet date is more appropriate to represent the financial position of the SuMi TRUST Group as of that date, considering the finalization of Basel III reforms in December 2017 and recent discussions over strategic shareholdings.

The new accounting policy is not applied retrospectively, as its effects on the consolidated profit and loss for the six months ended September 30, 2017, and cumulative effects up to the beginning of the six months ended September 30, 2018, are immaterial.

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

(3) Financial Derivatives

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

(4) Depreciation and Amortization Methods

(a) Tangible fixed assets other than lease assets

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

Useful lives of major asset categories:

Buildings: 3 to 60 years

Others: 2 to 20 years

(b) Intangible fixed assets other than lease assets

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

Goodwill is amortized over a reasonable number of years, determined for each case, up to a maximum of 20 years. However, if immaterial, goodwill is expensed in its entirety in the year in which it arises.

(c) Lease assets

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

(5) Allowance for Loan Losses

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

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

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

For claims that are classified as other than those above, the allowance is provided based on the historical loan-loss ratios during a certain period.

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

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

For claims against borrowers who are legally bankrupt or virtually bankrupt with collateral or guarantees, claims against borrowers in legal or virtual bankruptcy, net of amounts expected to be collected through the disposal of collateral or through the execution of guarantees, are directly deducted from the original amount of claims. The deducted amount was ¥18,108 million (U.S. \$159 million) for the six months ended September 30, 2018.

(6) Provision for Bonuses

A provision for bonuses is provided for the estimated employee bonuses attributable to the current interim period.

(7) Provision for Directors' Bonuses

A provision for directors' bonuses is provided at some of the consolidated subsidiaries for the estimated directors' bonuses attributable to the current interim period.

(8) Provision for Reward Points Program

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

(9) 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 fu-

ture reimbursement to be requested by customers based on the past reimbursement record.

(10) Provision for Contingent Losses

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

(11) Accounting for Retirement Benefits

In determining the retirement benefit obligations, SuMi TRUST Bank and some consolidated subsidiaries apply the method to attribute projected benefits to the interim period ended September 30, 2018, under the plan's benefit formula. Past service cost and actuarial gains or losses are expensed using the following methods:

Past service cost:

Past service cost is recognized using the straight-line method, primarily over 10 years, within the employees' average remaining service period at incurrence.

Actuarial gains or losses:

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

Some consolidated subsidiaries adopted the computational shortcut method in calculating liabilities for retirement benefits and retirement benefit expenses for lump-sum retirement benefit plans, recording liabilities at amounts to be required for voluntary termination at the end of the current interim period.

(12) Foreign Currency Translation

Assets and liabilities of SuMi TRUST Bank that are denominated in foreign currencies and overseas branch accounts are generally translated into yen at the exchange rates prevailing at the interim 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 interim balance sheet dates.

(13) Accounting for Leases

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

(14) Hedge Accounting

(a) Interest-related risk hedge

SuMi TRUST Bank manages interest rate risk arising from various assets and liabilities by using financial derivative transactions. Such transactions are generally treated as deferred hedges as specified in "Treatment for Accounting and Auditing of Application of Accounting Standard for Financial Instruments in Banking Industry" (Japanese Institute of Certified Public Accountants ("JICPA") Industry Auditing Committee Report No. 24 of February 13, 2002, "Report No. 24"). To evaluate the effectiveness of hedges designed to offset market fluctuations, hedged items, such as deposits, loans and bills discounted, and hedging instruments, such as interest rate swaps, are grouped by duration to maturity. The effectiveness of hedges designed to fix cash flow is evaluated by verifying the correlation between the interest volatility factors for the hedged items and those for the hedging instruments.

In accordance with "Temporary Treatment for Accounting and Auditing concerning Application of Accounting Standard for Financial Instruments in Banking Industry" (JICPA Industry Auditing Committee Report No. 15), SuMi TRUST Bank has adopted "Macro Hedge Accounting" to account for certain interest-related derivatives, which are utilized to manage interest rate risk arising from transactions, such as loans and bills discounted, and deposits. Deferred gains (losses) on hedges in the interim consolidated balance sheet as of the end of the current interim period that have resulted from existing "Macro Hedge Accounting" are amortized over the remaining period designated under "Macro Hedge Accounting" for each hedging transaction.

Deferred losses on hedges associated with "Macro Hedge Accounting" during the current interim period ended September 30, 2018, totaled ¥72 million (U.S. \$1 million) (before tax effect).

(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 derivative transactions. Such transactions are generally treated as deferred hedges as specified in "Treatment for Accounting and Auditing of Application of Accounting Standard for Foreign Currency Transactions in Banking Industry" (JICPA Industry Auditing Committee Report No. 25 of July 29, 2002, "Report No. 25"). The effectiveness of hedging instruments, such as cross-currency swaps and foreign exchange swaps, as a means of mitigating the foreign exchange risk arising from monetary claims and debts denominated in foreign currencies, is evaluated by verifying that the foreign currency positions of such hedging instruments are in amounts equivalent to the corresponding monetary claims and debts denominated in foreign currencies, which are the hedged items.

Additionally, transactions intended to hedge the foreign exchange risk associated with foreign 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 forward obligations exist in excess of the acquisition cost of such foreign currency-denominated securities on a foreign currency basis.

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

(c) Internal hedge transactions and others

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

es, 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 by individual transactions.

(15) Scope of Cash and Cash Equivalents in the Interim Consolidated Statements of Cash Flows

The balance of "Cash and Cash Equivalents" in the interim consolidated statements of cash flows is equivalent to the balance of "Cash and Due from Banks" presented in the interim consolidated balance sheets (cash and due from the Bank of Japan for SuMi TRUST Bank and Japan Trustee Services Bank, Ltd. ("JTSB")).

(16) National and Local Consumption Taxes

National and local consumption taxes ("consumption taxes") payable by SuMi TRUST Holdings and its consolidated subsidiaries in Japan are accounted for by the tax-excluded method. However, any nondeductible consumption taxes associated with asset purchases are recorded as expenses in the current interim period.

Notes to the Interim Consolidated Balance Sheet

1. Securities

"Securities" include stocks and equity investments in unconsolidated subsidiaries and affiliated companies.

	Millions of Yen	Millions of U.S. Dollars
	Sep. 30, 2018	Sep. 30, 2018
Stocks	¥ 103,478	\$ 911
Equity Investments	35,190	310

Unsecured securities borrowed under loan agreements and securities purchased under resale agreements and borrowing transactions with cash collateral that SuMi TRUST Holdings has a free disposal right to sell or (re)pledge.

	Millions of Yen	Millions of U.S. Dollars
	Sep. 30, 2018	Sep. 30, 2018
Securities That Are Further Loaned	¥ 1,282,606	\$ 11,293
Securities Held without Selling or Repledging as of the End of the Current Period	9,595	84

2. Loans and Bills Discounted

Loans and bills discounted as of September 30, 2018, consist of the following:

	Millions of Yen	Millions of U.S. Dollars
	Sep. 30, 2018	Sep. 30, 2018
Loans in Bankruptcy Proceedings	¥ 7,661	\$ 67
Delinquent Loans	46,265	407

Loans in bankruptcy proceedings are loans whose interest receivable is not recorded due to delinquency in principal or interest payments for a significant period or other reasons excluding loans that have been written off ("nonaccrual loans") and due to the reasons as prescribed in Paragraph 1, Items 3 and 4 of Article 96 of "Enforcement Ordinance for the Corporation Tax Act" (Cabinet Order

No. 97 of 1965).

Delinquent loans are nonaccrual loans other than (i) loans in bankruptcy proceedings and (ii) loans for which the terms of interest payments have been extended in connection with the borrower's business restructuring or to otherwise provide support.

3. Loans Past Due Three Months or More

There are no loans past due three months or more as of September 30, 2018.

Loans past due three months or more are those loans for

which principal or interest payments are more than three months past due (calculated from the day following the contractual payment date), excluding loans classified as loans in bankruptcy proceedings or delinquent loans.

4. Restructured Loans

Restructured loans as of September 30, 2018, consist of the following:

	Millions of Yen	Millions of U.S. Dollars
	Sep. 30, 2018	Sep. 30, 2018
Restructured Loans	¥ 26,860	\$ 236

Restructured loans are those loans whose terms have been modified by reducing or waiving interest, granting interest payment extensions, granting principal repayment extensions, forgiving debt, or otherwise providing some arrangements favorable to the borrower in connection with

the borrower's business restructuring or to otherwise provide support, excluding those loans classified as loans in bankruptcy proceedings, delinquent loans, or loans past due three months or more.

5. Total of Loans in Bankruptcy Proceedings, Delinquent Loans, Loans Past Due Three Months or More, and Restructured Loans

Total of loans in bankruptcy proceedings, delinquent loans, loans past due three months or more, and restructured loans as of September 30, 2018, consists of the following:

	Millions of Yen	Millions of U.S. Dollars
	Sep. 30, 2018	Sep. 30, 2018
Total of Loans in Bankruptcy Proceedings, Delinquent Loans, Loans Past Due Three Months or More, and Restructured Loans	¥ 80,787	\$ 711

The amounts presented in Notes 2 through 5 are before deducting allowances for loan losses.

6. Bills Discounted

Bills discounted are treated as financial transactions in accordance with Report No. 24. SuMi TRUST Holdings has a free disposal right to sell or (re)pledge such commercial bills. The total face value of such bills is as follows:

	Millions of Yen	Millions of U.S. Dollars
	Sep. 30, 2018	Sep. 30, 2018
Bills Discounted	¥ 1,446	\$ 13

7. Assets Pledged as Collateral

Assets pledged as collateral as of September 30, 2018, consist of the following:

	Millions of Yen	Millions of U.S. Dollars
	Sep. 30, 2018	Sep. 30, 2018
Assets Pledged as Collateral:		
Trading Assets	¥ 21,793	\$ 192
Securities	1,157,533	10,191
Loans and Bills Discounted	5,351,848	47,120
Other Assets	220,779	1,944
Total	¥ 6,751,954	\$ 59,447
Corresponding Liabilities to Assets Pledged as Collateral:		
Deposits	¥ 7,236	\$ 64
Payables under Repurchase Agreements	1,082,041	9,527
Payables under Securities Lending Transactions	115,094	1,013
Borrowed Money	2,853,760	25,126

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
	Sep. 30, 2018	Sep. 30, 2018
Securities	¥ 489,204	\$ 4,307
Loans and Bills Discounted	146,440	1,289

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

	Millions of Yen	Millions of U.S. Dollars
	Sep. 30, 2018	Sep. 30, 2018
Initial Margins of Futures Markets	¥ 6,739	\$ 59
Security Deposits	52,468	462
Cash Collateral Pledged for Financial Instruments-Assets	598,580	5,270
Cash Collateral Pledged for Repurchase Agreement Transactions	10,852	96

8. Overdraft Facility Agreements and Commitment Lines of Credit

Overdraft facility agreements and committed lines of credit are agreements to extend a certain amount of credit at the customer's request as long as the terms of the agreement have not been violated. The amount of unused credit under such agreements is as follows:

	Millions of Yen	Millions of U.S. Dollars
	Sep. 30, 2018	Sep. 30, 2018
Amount of Unused Credit under Agreements	¥ 11,860,744	\$ 104,426
Attributable to Agreements Expiring within One Year or which May Be Unconditionally Canceled at Any Time	7,844,425	69,065

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 changes in 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 internal procedures and revising agreements, as necessary.

9. Revaluation Reserve for Land

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 Liability for Land Revaluation” in liabilities, and the amount net of such differences 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 is 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.

10. Accumulated Depreciation of Tangible Fixed Assets

Accumulated depreciation of tangible fixed assets as of September 30, 2018, consists of the following:

	Millions of Yen	Millions of U.S. Dollars
	Sep. 30, 2018	Sep. 30, 2018
Accumulated Depreciation of Tangible Fixed Assets	¥ 154,732	\$ 1,362

11. Borrowed Money

Borrowed money includes subordinated borrowings with lower priority for fulfillment of obligation than other debts.

	Millions of Yen	Millions of U.S. Dollars
	Sep. 30, 2018	Sep. 30, 2018
Subordinated Borrowings	¥ 80,000	\$ 704
Subordinated Borrowings with a Debt Relief Clause at the Contractual Point of Non-Viability	10,000	88

12. Bonds Payable

Bonds payable includes subordinated bonds.

	Millions of Yen	Millions of U.S. Dollars
	Sep. 30, 2018	Sep. 30, 2018
Subordinated Bonds	¥ 901,215	\$ 7,935
Subordinated Bonds with a Debt Relief Clause at the Contractual Point of Non-Viability	600,000	5,283

13. Guarantee Obligations on Corporate Bonds Placed through Private Securities Offerings

The bonds presented under "Securities" include guarantee obligations on corporate bonds that were placed through private securities offerings (Article 2, Paragraph 3 of the Financial Instruments and Exchange Act).

	Millions of Yen	Millions of U.S. Dollars
	Sep. 30, 2018	Sep. 30, 2018
Guarantee Obligations on Corporate Bonds Placed through Private Securities Offerings	¥ 92,658	\$ 816

14. Principal of Guaranteed Trust Accounts

The principal amount of the trusts held by SuMi TRUST Bank through guaranteed trust agreements is as follows:

	Millions of Yen	Millions of U.S. Dollars
	Sep. 30, 2018	Sep. 30, 2018
Money Trusts	¥ 4,842,223	\$ 42,633

Notes to the Interim Consolidated Statement of Income

1. Other Income

Other income for the six months ended September 30, 2018, consists of the following:

	Millions of Yen	Millions of U.S. Dollars
	Sep. 30, 2018	Sep. 30, 2018
Gains on Sales of Stocks and Other Securities	¥ 16,988	\$ 150
Reversal of Allowance for Loan Losses	14,644	129

2. General and Administrative Expenses

General and administrative expenses for the six months ended September 30, 2018, consist of the following:

	Millions of Yen	Millions of U.S. Dollars
	Sep. 30, 2018	Sep. 30, 2018
Salaries and Allowances	¥ 86,665	\$ 763

3. Other Expenses

Other expenses for the six months ended September 30, 2018, consist of the following:

	Millions of Yen	Millions of U.S. Dollars
	Sep. 30, 2018	Sep. 30, 2018
Losses on Sales of Stocks and Other Securities	¥ 19,548	\$ 172

Notes to the Interim Consolidated Statement of Changes in Net Assets

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

The class and number of issued shares of common stock and treasury stock for the six months ended September 30, 2018, consist of the following:

	Thousands of Shares				
	Authorized	Number of Shares Outstanding at the Beginning of the Current Period	Increase	Decrease	Number of Shares Outstanding at the End of the Current Period
For the Six Months Ended September 30, 2018					
Number of Issued Shares:					
Common Share	850,000	390,348	—	—	390,348
Treasury Stock:					
Common Share		9,816	1,939 ¹⁾	7 ²⁾	11,749

(Notes)

1) The number of shares of common stock held as treasury stock increased by 4 thousand shares due to the purchase of odd-lot or less than one thousand shares and by 1,935 thousand shares due to the acquisition of treasury stock, which was resolved at the meeting of the Board of Directors held on May 11, 2018.

2) The number of shares of common stock held as treasury stock decreased by 0 thousand shares due to purchase requests from odd-lot or less than one thousand shareholders and by 7 thousand shares due to the transfer of shares upon exercise of stock option rights.

2. Subscription Rights to Shares

Subscription rights to shares for the six months ended September 30, 2018, consist of the following:

	Millions of Yen	Millions of U.S. Dollars
	Sep. 30, 2018	Sep. 30, 2018
SuMi TRUST Holdings		
Subscription Rights to Shares as Stock Options	¥ 1,067	\$ 9
Consolidated Subsidiary (Nikko Asset Management Co., Ltd.)		
Subscription Rights to Shares as Stock Options	—	—

3. Dividends

(1) Dividends paid for the six months ended September 30, 2018, consist of the following:

Resolution	Type of Shares	Cash Dividends Declared Millions of Yen (Millions of U.S. Dollars)	Cash Dividends per Share Yen (U.S. Dollars)	Record Date	Effective Date
June 28, 2018					
Ordinary General Meeting of Shareholders	Common Share	¥ 24,734 (\$218)	¥ 65.00 (\$0.57)	March 31, 2018	June 29, 2018

(2) Dividends with a record date during the current interim period ended September 30, 2018, but whose effective date is after September 30, 2018, are as follows:

Resolution	Type of Shares	Cash Dividends Declared Millions of Yen (Millions of U.S. Dollars)	Dividend Resources	Cash Dividends per Share Yen (U.S. Dollars)	Record Date	Effective Date
November 14, 2018						
Board of Directors' Meeting	Common Share	¥ 24,608 (\$217)	Retained Earnings	¥ 65.00 (\$0.57)	September 30, 2018	December 4, 2018

Note to the Interim Consolidated Statement of Cash Flows

1. Reconciliation of Cash and Cash Equivalents

The following table reconciles cash and cash equivalents in the interim consolidated statements of cash flows and cash and due from banks in the interim consolidated balance sheets as of September 30, 2018.

	Millions of Yen	Millions of U.S. Dollars
	Sep. 30, 2018	Sep. 30, 2018
Cash and Due from Banks	¥ 29,161,889	\$ 256,752
Due from Consolidated Subsidiaries in Japan Involving in Trust Banking Business (excluding Due from the Bank of Japan)	(2,190,752)	(19,288)
Cash and Cash Equivalents	¥ 26,971,136	\$ 237,464

Leases

1. Finance Leases

As a lessee:

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

1) Description of lease assets

i) Tangible fixed assets

Mainly store buildings and office equipment

ii) Intangible fixed assets

Software

2) Method for depreciating and 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 September 30, 2018, are as follows:

	Millions of Yen	Millions of U.S. Dollars
	Sep. 30, 2018	Sep. 30, 2018
Due in One Year or Less	¥ 3,661	\$ 32
Due in More than One Year	17,169	151
Total	¥ 20,830	\$ 183

As a lessor:

Total future lease payments under non-cancelable operating leases as of September 30, 2018, are as follows:

	Millions of Yen	Millions of U.S. Dollars
	Sep. 30, 2018	Sep. 30, 2018
Due in One Year or Less	¥ 2,110	\$ 19
Due in More than One Year	3,611	32
Total	¥ 5,721	\$ 50

Financial Instruments

Fair Values of Financial Instruments

The carrying amounts on the interim consolidated balance sheets and fair values of financial instruments as of September 30, 2018, as well as the differences between these values are presented below. The fair values of unlisted shares are excluded from the following table, because such fair values are extremely difficult to be determined (See Note 2).

	Millions of Yen			Millions of U.S. Dollars		
	Sep. 30, 2018			Sep. 30, 2018		
	Carrying Amount	Fair Value	Difference	Carrying Amount	Fair Value	Difference
(1) Cash and Due from Banks (*1)	¥ 29,161,811	¥ 29,161,811	¥ —	\$ 256,751	\$ 256,751	\$ —
(2) Call Loans and Bills Bought	153,103	153,103	—	1,348	1,348	—
(3) Receivables under Resale Agreements	32,319	32,319	—	285	285	—
(4) Receivables under Securities Borrowing Transactions	726,971	726,971	—	6,401	6,401	—
(5) Monetary Claims Bought (*1)	773,538	774,472	934	6,811	6,819	8
(6) Trading Assets						
Trading Securities	70,878	70,878	—	624	624	—
(7) Money Held in Trust	1,306	1,306	—	11	11	—
(8) Securities						
Held-to-Maturity Securities	190,408	209,366	18,957	1,676	1,843	167
Available-for-Sale Securities	5,681,119	5,681,119	—	50,019	50,019	—
(9) Loans and Bills Discounted	28,866,578			254,152		
Allowance for Loan Losses (*2)	(74,357)			(655)		
	28,792,220	28,980,394	188,173	253,497	255,154	1,657
(10) Foreign Exchanges	29,651	29,651	—	261	261	—
(11) Lease Receivables and Investment Assets (*1)	670,023	684,902	14,878	5,899	6,030	131
Total Assets	¥ 66,283,352	¥ 66,506,296	¥ 222,943	\$ 583,583	\$ 585,546	\$ 1,963
(1) Deposits	¥ 37,801,732	¥ 37,828,032	¥ 26,299	\$ 332,820	\$ 333,052	\$ 232
(2) Negotiable Certificates of Deposit	6,947,240	6,947,240	—	61,166	61,166	—
(3) Call Money and Bills Sold	316,022	316,022	—	2,782	2,782	—
(4) Payables under Repurchase Agreements	1,789,950	1,789,950	—	15,759	15,759	—
(5) Payables under Securities Lending Transactions	115,094	115,094	—	1,013	1,013	—
(6) Borrowed Money	4,255,261	4,256,134	872	37,465	37,473	8
(7) Foreign Exchanges	309	309	—	3	3	—
(8) Short-Term Bonds Payable	1,320,540	1,320,540	—	11,627	11,627	—
(9) Bonds Payable	1,581,479	1,609,523	28,044	13,924	14,171	247
(10) Borrowed Money from Trust Account	11,102,964	11,102,964	—	97,755	97,755	—
Total Liabilities	¥ 65,230,594	¥ 65,285,811	¥ 55,216	\$ 574,314	\$ 574,800	\$ 486
Derivative Transactions (*3)						
Derivative Transactions Not Qualifying for Hedge Accounting	¥ 157,714	¥ 157,714	¥ —	\$ 1,389	\$ 1,389	\$ —
Derivative Transactions Qualifying for Hedge Accounting	(74,406)	(74,406)	—	(655)	(655)	—
Total Derivative Transactions	¥ 83,308	¥ 83,308	¥ —	\$ 733	\$ 733	\$ —

(*1) The allowance for credit losses corresponding to "Cash and Due from Banks," "Monetary Claims Bought," and "Lease Receivables and Investment Assets" is directly deducted from the carrying amounts on the interim consolidated balance sheets, because the balance of the allowance is immaterial.

(*2) A general allowance for loan losses and specific allowances for loan losses are deducted from "Loans and Bills Discounted."

(*3) 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.

(Note 1) Method for Calculating Fair Values of Financial Instruments

Assets

(1) Cash and Due from Banks, (2) Call Loans and Bills Bought, (3) Receivables under Resale Agreements, (4) Receivables under Securities Borrowing Transactions, and (10) Foreign Exchanges

These instruments with transactions without stated maturities are stated at their carrying amounts because the carrying amounts approximate fair value. For transactions with stated maturities, corresponding instruments are stated at their carrying amounts because most of such transactions have short contractual terms (one year or less) and the carrying amounts approximate fair value.

(5) Monetary Claims Bought

Monetary claims bought at counterparties' quoted prices or dealer/broker-quoted prices are stated at such prices. Fair values for all other such claims are calculated by classifying them according to their internal ratings and maturities, and discounting future cash flows to their present values.

(6) Trading Assets

Bonds and other securities held for trading purposes are stated at dealer association prices or counterparties' quoted prices. For short-term corporate bonds, their fair values are calculated by discounting future cash flows to their present values.

(7) Money Held in Trust

Securities managed as trust assets in money held in trust, which are individually managed with the principal objective of securities portfolio management, are stated at quoted market prices or dealer/broker-quoted prices. Notes regarding money held in trust by holding purposes are presented under the "Money Held in Trust" section.

(8) Securities

Stocks are stated at quoted market prices. Bonds are stated at quoted market prices, dealer association prices, counterparties' quoted prices, or dealer/broker-quoted prices. Investment trusts are stated at published reference prices.

Fair values of privately placed bonds guaranteed by SuMi TRUST Bank are calculated by classifying them according to their internal ratings and maturities, and discounting future cash flows to their present value.

Notes regarding securities by holding purposes are presented under the "Securities" section.

(9) Loans and Bills Discounted

Fair values of loans and bills discounted are calculated by grouping loans according to loan terms, internal ratings, and maturities; and discounting the aggregate principal and interest by the assumed interest rate for similar new loans. However, variable-rate loans for which their carrying amounts are deemed to approximate fair value, due to the nature of the loan or the borrower's credit situation subsequent to the execution of the loans, are stated at their carrying amounts.

For claims executed to borrowers who went into legal bankruptcy, virtual bankruptcy, and possible bankruptcy, estimated loan losses are calculated based on the present value of estimated future cash flows or the expected recoverable amounts from collateral or guarantees. Therefore, fair values for these claims are stated at the amounts by deducting the allowance for loan losses from the amounts in the interim consolidated balance sheets at the interim consolidated balance sheet date, because such deducted amounts approximate fair value.

Loans without stated maturities (as the amount of credit is limited to the value of the collateral or due to some other special characteristics) are stated at their carrying amounts as the carrying amounts are deemed to approximate fair value because of the expected repayment periods and the interest terms.

(11) Lease Receivables and Investment Assets

Fair values of lease receivables and investment assets are calculated by grouping these assets according to their internal ratings and maturities, and discounting the aggregate principal and interest by the assumed interest rate for similar new agreements.

Liabilities

(1) Deposits and (2) Negotiable Certificates of Deposit

Demand deposits are stated at the amount that would have to be paid on demand at the interim consolidated balance sheet date (carrying amount).

Yen fixed-rate time deposits are grouped by product type and stated at the present value of their future cash flows discounted by the rates that would be paid on new deposits. Fixed-rate time deposits with short maturities (one year or less) and floating-rate time deposits are generally stated at their carrying amounts because the carrying amounts approximate fair value.

(3) Call Money and Bills Sold, (4) Payables under Repurchase Agreements, (5) Payables under Securities Lending Transactions, (7) Foreign Exchanges, (8) Short-Term Bonds Payable, and (10) Borrowed Money from Trust Account

The obligations without stated maturities are stated at the amounts that would have to be paid on demand at the interim consolidated balance sheet date (carrying amount). Obligations with stated maturities are stated at their carrying amounts, because most of the obligations have short contractual terms (one year or less) and the carrying amounts approximate the fair values.

(6) Borrowed Money

Borrowed money at variable rates is stated at their carrying amounts. The carrying amounts are deemed to approximate fair value because such amounts reflect short-term market interest rates, and there have been no significant changes in credit condition subsequent to undertaking the borrowed money.

Fair values of borrowed money at fixed rates are calculated by discounting their future cash flows by the assumed interest rate on similar borrowings. Fair values for obligations with short maturities (one year or less) are stated at their carrying amounts because they approximate fair value.

(9) Bonds Payable

Bonds issued by SuMi TRUST Holdings and its consolidated subsidiaries are stated at market prices, if such prices are available. Fair values for other bonds are calculated by discounting future cash flows to their present values by the assumed interest rate on issuance of similar bonds.

Derivatives

Notes regarding fair values of derivatives are presented under the "Derivatives" section.

(Note 2) The amounts of financial instruments on the interim consolidated balance sheets whose fair values are extremely difficult to be determined are as stated below, and such amounts are not included in the fair values information for financial instruments presented under the "Assets, (5) Monetary Claims Bought" or "Assets, (8) Available-for-Sale Securities" section.

	Millions of Yen	Millions of U.S. Dollars
	Sep. 30, 2018	Sep. 30, 2018
	Carrying Amount	Carrying Amount
Monetary Claims Bought	¥ 10,444	\$ 92
Securities	172,855	1,522
Unlisted Stocks (*3)	76,442	673
Investments in Associations	70,124	617
Others (*3)	26,288	231
Total	¥ 183,300	\$ 1,614

(*1) The above financial instruments are excluded from the fair value disclosure because there are no quoted market prices, and therefore, there is no reliable measure of fair value.

(*2) Stocks in subsidiaries and affiliated companies are not included in the above table.

(*3) During the current interim period ended September 30, 2018, impairment losses of ¥50 million (U.S. \$0.4 million) were recognized for "Unlisted Stocks."

Securities

- *1. In addition to the "Securities" presented in the interim consolidated balance sheets, the following information includes loan-backed trust deeds reported under "Monetary Claims Bought."
- *2. "Stocks in Subsidiaries and Affiliated Companies" are presented as a note to the interim financial statements.

1. Held-to-Maturity Securities with Fair Value

Held-to-maturity securities with fair value as of September 30, 2018, consist of the following:

September 30, 2018	Millions of Yen		
	Carrying Amount	Fair Value	Difference
Securities for which Fair Value Exceeds Carrying Amount			
Government Bonds	¥ 118,974	¥ 136,716	¥ 17,741
Corporate Bonds	29,000	29,494	494
Other Securities	111,807	112,664	856
Foreign Bonds	35,035	35,765	730
Others	76,772	76,898	125
Subtotal	259,782	278,874	19,092
Securities for which Fair Value Does Not Exceed Carrying Amount			
Government Bonds	¥ —	¥ —	¥ —
Corporate Bonds	—	—	—
Other Securities	7,399	7,389	(9)
Foreign Bonds	7,399	7,389	(9)
Others	—	—	—
Subtotal	7,399	7,389	(9)
Total	¥ 267,181	¥ 286,264	¥ 19,083

September 30, 2018	Millions of U.S. Dollars		
	Carrying Amount	Fair Value	Difference
Securities for which Fair Value Exceeds Carrying Amount			
Government Bonds	\$ 1,047	\$ 1,204	\$ 156
Corporate Bonds	255	260	4
Other Securities	984	992	8
Foreign Bonds	308	315	6
Others	676	677	1
Subtotal	2,287	2,455	168
Securities for which Fair Value Does Not Exceed Carrying Amount			
Government Bonds	\$ —	\$ —	\$ —
Corporate Bonds	—	—	—
Other Securities	65	65	(0)
Foreign Bonds	65	65	(0)
Others	—	—	—
Subtotal	65	65	(0)
Total	\$ 2,352	\$ 2,520	\$ 168

2. Available-for-Sale Securities

Available-for-sale securities as of September 30, 2018, consist of the following:

September 30, 2018	Millions of Yen		
	Carrying Amount	Acquisition Cost	Difference
Securities for which Carrying Amount Exceeds Acquisition Cost			
Stocks	¥ 1,533,483	¥ 561,607	¥ 971,875
Bonds	486,603	484,115	2,487
Government Bonds	116,457	116,427	29
Local Government Bonds	2,104	2,092	12
Corporate Bonds	368,042	365,596	2,446
Other Securities	584,980	559,554	25,426
Foreign Stocks	16,047	12,343	3,703
Foreign Bonds	396,626	393,870	2,755
Others	172,306	153,339	18,967
Subtotal	2,605,067	1,605,277	999,789
Securities for which Carrying Amount Does Not Exceed Acquisition Cost			
Stocks	¥ 44,095	¥ 51,147	¥ (7,052)
Bonds	446,368	447,528	(1,160)
Government Bonds	235,600	235,802	(202)
Local Government Bonds	4,434	4,468	(33)
Corporate Bonds	206,332	207,258	(925)
Other Securities	2,614,518	2,923,586	(309,068)
Foreign Stocks	910	1,368	(458)
Foreign Bonds	1,363,476	1,396,924	(33,448)
Others	1,250,131	1,525,293	(275,162)
Subtotal	3,104,982	3,422,263	(317,281)
Total	¥ 5,710,049	¥ 5,027,541	¥ 682,508

September 30, 2018	Millions of U.S. Dollars		
	Carrying Amount	Acquisition Cost	Difference
Securities for which Carrying Amount Exceeds Acquisition Cost			
Stocks	\$ 13,501	\$ 4,945	\$ 8,557
Bonds	4,284	4,262	22
Government Bonds	1,025	1,025	0
Local Government Bonds	19	18	0
Corporate Bonds	3,240	3,219	22
Other Securities	5,150	4,927	224
Foreign Stocks	141	109	33
Foreign Bonds	3,492	3,468	24
Others	1,517	1,350	167
Subtotal	22,936	14,133	8,803
Securities for which Carrying Amount Does Not Exceed Acquisition Cost			
Stocks	\$ 388	\$ 450	\$ (62)
Bonds	3,930	3,940	(10)
Government Bonds	2,074	2,076	(2)
Local Government Bonds	39	39	(0)
Corporate Bonds	1,817	1,825	(8)
Other Securities	23,019	25,740	(2,721)
Foreign Stocks	8	12	(4)
Foreign Bonds	12,005	12,299	(294)
Others	11,007	13,429	(2,423)
Subtotal	27,337	30,131	(2,793)
Total	\$ 50,273	\$ 44,264	\$ 6,009

3. Impairment of Securities

Securities other than securities whose fair values are extremely difficult to be determined, or those deemed to be trading securities, are treated as impaired when their fair values have declined significantly from the acquisition cost and it is deemed unlikely that the fair values will recover to their acquisition cost. Such securities are recorded at their fair values in the interim consolidated balance sheets. The difference between the acquisition cost and the fair values is recognized as an impairment loss.

Impairment losses of ¥1,102 million (U.S. \$10 million) on stocks were recognized during the current interim period.

The criteria for determining whether the fair values of se-

curities have significantly declined are as follows:

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

Money Held in Trust

1. Held-to-Maturity Money Held in Trust

There is no held-to-maturity money held in trust as of September 30, 2018.

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

Other money held in trust (other than those held for trading purposes or held-to-maturity) as of September 30, 2018, consists of the following:

September 30, 2018	Millions of Yen				
	Carrying Amount	Acquisition Cost	Difference	Positive Difference	Negative Difference
Other Money Held in Trust	¥ 1,406	¥ 1,050	¥ 355	¥ 355	¥ —

September 30, 2018	Millions of U.S. Dollars				
	Carrying Amount	Acquisition Cost	Difference	Positive Difference	Negative Difference
Other Money Held in Trust	\$ 12	\$ 9	\$ 3	\$ 3	\$ —

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

Valuation Differences on Available-for-Sale Securities

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

	Millions of Yen	Millions of U.S. Dollars
	Sep. 30, 2018	Sep. 30, 2018
Valuation Differences		
Available-for-Sale Securities	¥ 683,833	\$ 6,021
Other Money Held in Trust	355	3
Total Valuation Differences	684,188	6,024
Amount Equivalent to Deferred Tax Assets (Liabilities)	(207,484)	(1,827)
Total (before Adjustment for Non-Controlling Interests and Parent Company's Portions in Available-for-Sale Securities Owned by Its Affiliated Companies)	476,704	4,197
Non-Controlling Interests	(338)	(3)
Parent Company's Portions in Available-for-Sale Securities Owned by Its Affiliated Companies	176	2
Valuation Differences on Available-for-Sale Securities	¥ 476,542	\$ 4,196

(Notes)

- 1) Foreign currency translation adjustments on available-for-sale securities, for which fair values are extremely difficult to be determined, are included in the "Available-for-Sale Securities" under "Valuation Differences."
- 2) The valuation difference of ¥1,440 million (U.S. \$13 million) on available-for-sale securities composing assets held by associated companies is included in "Available-for-Sale

Securities" under "Valuation Differences."

- 3) The unamortized portion of valuation difference as of the interim consolidated balance sheet date arising from the reclassification of the holding purpose of securities is included in "Available-for-Sale Securities" under "Valuation Differences."

Derivatives

1. Derivative Transactions Not Qualifying for Hedge Accounting

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

(1) Interest-Related Transactions

Interest-related transactions not qualifying for hedge accounting as of September 30, 2018, consist of the following:

	Millions of Yen				Millions of U.S. Dollars			
	Sep. 30, 2018				Sep. 30, 2018			
	Notional Amount		Fair Value	Valuation Difference	Notional Amount		Fair Value	Valuation Difference
Total	Over One Year	Total			Over One Year			
Listed								
Interest Futures								
Sold	¥ 40,069,069	¥ 19,452,581	¥ 26,595	¥ 26,595	\$ 352,783	\$ 171,268	\$ 234	\$ 234
Purchased	36,230,436	18,108,816	(24,309)	(24,309)	318,986	159,437	(214)	(214)
Interest Options								
Sold	5,085,250	606,517	(787)	78	44,772	5,340	(7)	1
Purchased	4,488,269	327,947	892	18	39,516	2,887	8	0
OTC								
Forward Rate Agreements								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Interest Rate Swaps								
Fixed Interest Rate Receivable/ Floating Interest Rate Payable	68,871,628	50,192,160	341,265	341,265	606,371	441,910	3,005	3,005
Floating Interest Rate Receivable/ Fixed Interest Rate Payable	63,205,730	46,557,484	(325,232)	(325,232)	556,486	409,909	(2,863)	(2,863)
Floating Interest Rate Receivable/ Floating Interest Rate Payable	21,783,506	15,737,606	6,163	6,163	191,790	138,560	54	54
Interest Options								
Sold	6,646,943	6,623,917	20,287	35,721	58,522	58,319	179	315
Purchased	3,110,566	3,110,566	2,806	(3,858)	27,387	27,387	25	(34)
Others								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Total			¥ 47,681	¥ 56,442			\$ 420	\$ 497

(Notes)

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

2) The fair values of listed derivative transactions are based

on the closing prices on the Tokyo Financial Exchange and other exchanges. The fair values of over-the-counter (OTC) derivative transactions are calculated using the net present value method or option-pricing models.

(2) Currency-Related Transactions

Currency-related transactions not qualifying for hedge accounting as of September 30, 2018, consist of the following:

	Millions of Yen				Millions of U.S. Dollars			
	Sep. 30, 2018				Sep. 30, 2018			
	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	3,712,312	3,358,227	8,362	8,362	32,685	29,567	74	74
Forward Exchange Contracts								
Sold	13,036,052	492,092	(187,918)	(187,918)	114,774	4,333	(1,655)	(1,655)
Purchased	17,438,686	294,031	295,062	295,062	153,537	2,589	2,598	2,598
Currency Options								
Sold	1,393,010	651,025	(47,905)	14,953	12,265	5,732	(422)	132
Purchased	1,135,719	530,572	44,853	(11,932)	9,999	4,671	395	(105)
Others								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Total			¥ 112,454	¥ 118,526			\$ 990	\$ 1,044

(Notes)

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

2) The fair values are calculated using the net present value method or option-pricing models.

(3) Stock-Related Transactions

Stock-related transactions not qualifying for hedge accounting as of September 30, 2018, consist of the following:

	Millions of Yen				Millions of U.S. Dollars			
	Sep. 30, 2018				Sep. 30, 2018			
	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	¥ 77,415	¥ —	¥ (2,009)	¥ (2,009)	\$ 682	\$ —	\$ (18)	\$ (18)
Purchased	81,476	—	1,026	1,026	717	—	9	9
Stock Index Options								
Sold	54,680	—	(1,766)	(1,432)	481	—	(16)	(13)
Purchased	13,050	—	4	(55)	115	—	0	(0)
OTC								
OTC Stock Options								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
OTC Stock Swaps								
Volatility of Stock Price and Other Receivable/ Short-Term Floating Interest Rate Payable	—	—	—	—	—	—	—	—
Short-Term Floating Interest Rate Receivable/ Volatility of Stock Price and Other Payable	—	—	—	—	—	—	—	—
Others								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Total			¥ (2,745)	¥ (2,471)			\$ (24)	\$ (22)

(Notes)

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

2) The fair values of listed derivative transactions are based

on the closing prices on the Osaka Exchange and other exchanges. The fair values of OTC derivative transactions are calculated using the net present value method or option-pricing models.

(4) Bond-Related Transactions

Bond-related transactions not qualifying for hedge accounting as of September 30, 2018, consist of the following:

	Millions of Yen				Millions of U.S. Dollars			
	Sep. 30, 2018				Sep. 30, 2018			
	Notional Amount		Fair Value	Valuation Difference	Notional Amount		Fair Value	Valuation Difference
	Total	Over One Year			Total	Over One Year		
Listed								
Bond Futures								
Sold	¥ 1,681,289	¥ —	¥ 10,479	¥ 10,479	\$ 14,803	\$ —	\$ 92	\$ 92
Purchased	1,326,953	—	(9,605)	(9,605)	11,683	—	(85)	(85)
Bond Future Options								
Sold	281,628	—	(843)	16	2,480	—	(7)	0
Purchased	179,184	—	324	(52)	1,578	—	3	(0)
OTC								
Bond Forward Contracts								
Sold	231,565	—	10	10	2,039	—	0	0
Purchased	181,188	—	(93)	(93)	1,595	—	(1)	(1)
Bond Options								
Sold	—	—	—	—	—	—	—	—
Purchased	2,505	—	35	11	22	—	0	0
Others								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Total			¥ 306	¥ 764			\$ 3	\$ 7

(Notes)

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

2) The fair values of listed derivative transactions are based on the closing prices on the Osaka Exchange and other exchanges. The fair values of OTC derivative transactions are calculated using option-pricing models.

(5) Commodity-Related Transactions

There are no commodity-related transactions not qualifying for hedge accounting as of September 30, 2018.

(6) Credit Derivative Transactions

Credit derivative transactions not qualifying for hedge accounting as of September 30, 2018, consist of the following:

	Millions of Yen				Millions of U.S. Dollars			
	Sep. 30, 2018				Sep. 30, 2018			
	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	¥ 86,400	¥ 54,100	¥ 1,166	¥ 1,166	\$ 761	\$ 476	\$ 10	\$ 10
Purchased	86,532	54,232	(1,149)	(1,149)	762	477	(10)	(10)
Others								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Total			¥ 17	¥ 17			\$ 0	\$ 0

(Notes)

- 1) The above transactions are stated at their fair values and valuation differences are recorded in the interim consolidated statements of income.
- 2) The fair values are calculated using the net present value method.

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

2. Derivative Transactions Qualifying for Hedge Accounting

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

(1) Interest-Related Transactions

Interest-related transactions qualifying for hedge accounting as of September 30, 2018, consist of the following:

		Millions of Yen			Millions of U.S. Dollars		
		Sep. 30, 2018			Sep. 30, 2018		
		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		¥ 2,185,296	¥ 1,204,024	¥ (1,795)	\$ 19,240	\$ 10,601	\$ (16)
Floating Interest Rate Receivable/ Fixed Interest Rate Payable	Interest-Earning/ Bearing Financial Assets/Liabilities such as Loans and Bills Discounted, Available-for-Sale Securities (Bonds), Deposits, and Bonds Payable	1,507,417	1,444,659	(18,821)	13,272	12,719	(166)
Interest Futures							
Sold		—	—	—	—	—	—
Purchased		—	—	—	—	—	—
Interest Options							
Sold		—	—	—	—	—	—
Purchased		—	—	—	—	—	—
Others							
Sold	—	—	—	—	—	—	
Purchased	—	—	—	—	—	—	
Exceptional Treatment for Interest Rate Swaps							
Interest Rate Swaps							
Fixed Interest Rate Receivable/ Floating Interest Rate Payable	Borrowed Money	—	—	(Note3)	—	—	(Note3)
Floating Interest Rate Receivable/ Fixed Interest Rate Payable		400	300		4	3	
Total		¥ (20,617)			\$ (182)		

(Notes)

1) Deferred hedge accounting stipulated in Report No. 24 is applied, in principle.

2) Fair values are calculated mainly using the net present value method or option-pricing models.

3) Interest rate swaps to which exceptional treatment is applied are accounted for as part of the borrowings being hedged; therefore, their fair values are included in the fair value of "Borrowed Money" presented under "Financial Instruments."

(2) Currency-Related Transactions

Currency-related transactions qualifying for hedge accounting as of September 30, 2018, consist of the following:

Major Hedged Item		Millions of Yen			Millions of U.S. Dollars		
		Sep. 30, 2018			Sep. 30, 2018		
		Notional Amount		Fair Value	Notional Amount		Fair Value
		Total	Over One Year		Total	Over One Year	
Deferral Method							
Currency Swaps		¥ 1,715,892	¥ 790,838	¥ (52,606)	\$ 15,107	\$ 6,963	\$ (463)
Forward Exchange Contracts							
Sold	Loans and Bills Discounted and Securities Denominated in Foreign Currencies	9,793	—	(47)	86	—	(0)
Purchased		12,449	—	32	110	—	0
Others							
Sold		—	—	—	—	—	—
Purchased		—	—	—	—	—	—
Method of Including Foreign Currency Translation Adjustments Arising from the Hedging Instruments in “Foreign Currency Translation Adjustments”							
Forward Exchange Contracts	Investment in the Shares of Subsidiaries and Affiliated Companies						
Sold		¥ 48,645	¥ —	¥ (1,166)	\$ 428	\$ —	\$ (10)
Purchased		—	—	—	—	—	—
Total				¥ (53,788)			\$ (474)

(Notes)

- 1) Deferred hedge accounting stipulated in Report No. 25 is applied, in principle. 2) Fair values are calculated mainly using the net present value method.

(3) Stock-Related Transactions

There are no stock-related transactions qualifying for hedge accounting as of September 30, 2018.

(4) Bond-Related Transactions

There are no bond-related transactions qualifying for hedge accounting as of September 30, 2018.

Stock Option Plans

1. Expenses Recorded and Account Used in Connection with Stock Options during the Current Interim Period

General and Administrative Expenses: ¥288 million (U.S. \$3 million)

2. Description of Stock Options Granted during the Current Interim Period

The details of the stock options granted during the six months ended September 30, 2018, are as follows:

	Sumitomo Mitsui Trust Holdings, Inc. Series 8 Subscription Rights to Shares
Number of Eligible Persons and Their Position	30 directors and officers of Sumitomo Mitsui Trust Holdings, Inc. 40 directors and officers of Sumitomo Mitsui Trust Bank, Limited Total 70
Number of Stock Options Granted by Class of Share	69,000 shares of common stock (Note)
Grant Date	September 3, 2018
Vesting Conditions	1) A holder of the Subscription Rights to Shares may exercise the rights from the following day when he or she no longer holds a position as a director or officer of SuMi TRUST Holdings and 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	Not fixed
Exercise Period	September 30, 2018 to September 2, 2048
Exercise Price	¥1 (U.S. \$0.01)
Fair Unit Value on the Grant Date	¥4,183 (U.S. \$36.83)

(Note) Converted into the number of equivalent shares.

Consolidated Subsidiary (Nikko Asset Management Co., Ltd.)

Nikko Asset Management Co., Ltd. granted stock options during the six months ended September 30, 2018. However, disclosure is omitted as the effects of the stock options granted on the SuMi TRUST Group's financial position, financial results, and cash flows are immaterial.

Segment Information

1. Reportable Segment Information

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

The main activities of the reportable segment are presented below:

Retail Total Solution Services:

Provision of services to individual customers

Wholesale Financial Services:

Provision of services to corporate customers

Stock Transfer Agency Services:

Undertaking of stock-related services on behalf of customers

Real Estate:

Provision of services related to the real estate business

Fiduciary Services:

Operation of the pension business, the asset management business, and the asset administration business

Global Markets:

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

(Changes in Reportable Segments)

With an aim to gain clarity around its business model that places focal points in provision of optimal and total solutions to suit the varying need of both individual and corporate customers, the SuMi TRUST Group has been reforming its business portfolio since the fiscal year ended March 31, 2018. Based on the solid progress made during the previous fiscal year, the reportable segments have been revised to operating segments that are based on the components of services provided by the SuMi TRUST Group.

2. Method for Calculating Substantial Gross Business Profit and Net Business Profit

Segment information is prepared based on internal management reports and the accounting policies used for the reportable segments are generally the same as those presented under "Significant Accounting Policies and Practices"; however, the reportable segments are accounted for in accordance with the rules for the internal management. Since each segment's information will not be used to make decisions about the allocation of resources or assess business performance at the management level, information about assets by reportable segment has not been generated.

"Net Business Profit" represents "Substantial Gross Business Profit," less "Substantial G&A Expenses." "Substantial Gross Business Profit" and "Substantial G&A Expenses" are financial figures generated on the basis of internal management reporting, and they represent "Substantial Gross Business Profit" and "Substantial G&A Expenses (excluding any non-recurring expenses)" of SuMi TRUST Holdings and its consolidated subsidiaries, reflecting gains or losses of equity-method affiliated companies (proportionate share of gains 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.

(Changes in the Calculation of Profit or Loss by Each Reportable Segment)

Following the changes in reportable segments effective from the six months ended September 30, 2018, income earned from inter-segment and cross-segment transactions, which was previously calculated using third-party transaction prices, is calculated in accordance with the rules for internal management (using market prices).

3. Profit or Loss by Reportable Segment

The details and amounts of profit or loss by reportable segment for the six months ended September 30, 2018, are as follows:

Six Months Ended September 30, 2018	Millions of Yen							
	Retail Total Solution Services	Wholesale Financial Services	Stock Transfer Agency Services	Real Estate	Fiduciary Services	Global Markets	Others	Total
Substantial Gross Business Profit	¥ 99,590	¥ 95,057	¥ 19,453	¥ 23,945	¥ 88,859	¥ 29,255	¥ 10,988	¥ 367,151
Substantial G&A Expenses	(83,495)	(35,060)	(9,506)	(12,053)	(56,490)	(7,601)	(16,010)	(220,218)
Net Business Profit	¥ 16,094	¥ 59,997	¥ 9,946	¥ 11,892	¥ 32,368	¥ 21,654	¥ (5,022)	¥ 146,932

Six Months Ended September 30, 2018	Millions of U.S. Dollars							
	Retail Total Solution Services	Wholesale Financial Services	Stock Transfer Agency Services	Real Estate	Fiduciary Services	Global Markets	Others	Total
Substantial Gross Business Profit	\$ 877	\$ 837	\$ 171	\$ 211	\$ 782	\$ 258	\$ 97	\$ 3,233
Substantial G&A Expenses	(735)	(309)	(84)	(106)	(497)	(67)	(141)	(1,939)
Net Business Profit	\$ 142	\$ 528	\$ 88	\$ 105	\$ 285	\$ 191	\$ (44)	\$ 1,294

(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) "Substantial G&A Expenses" include personnel expenses and rent expenses.

4) "Others" include costs of capital funding, dividends for shares for cross-shareholdings, general and administrative expenses of headquarters, and internal transactions to be eliminated.

Related Information

1. Information by Services

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

2. Geographic Information

(1) Income

Income by geographical area for the six months ended September 30, 2018, consists of the following:

Millions of Yen					
Six Months Ended September 30, 2018	Japan	Americas	Europe	Asia and Oceania	Total
	¥ 550,283	¥ 75,763	¥ 41,161	¥ 59,453	¥ 726,660

Millions of U.S. Dollars					
Six Months Ended September 30, 2018	Japan	Americas	Europe	Asia and Oceania	Total
	\$ 4,845	\$ 667	\$ 362	\$ 523	\$ 6,398

(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, its domestic consolidated banking subsidiaries (excluding overseas branches), and other domestic consolidated subsidiaries are presented under “Japan.” Income related to

transactions by overseas branches of domestic consolidated banking subsidiaries 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 interim consolidated balance sheets are located in Japan; accordingly, tangible fixed assets by geographical area are not presented.

3. Information by Major Customer

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

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

Impairment losses of fixed assets are not allocated to reportable segments. Impairment losses for the six months ended September 30, 2018, are ¥2,695 million (U.S. \$24 million).

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 reportable segments. Amortization of goodwill is ¥4,734 million (U.S. \$42 million) for the six months ended September 30, 2018. The unamortized balance of goodwill is ¥76,337 million (U.S. \$672 million) as of September 30, 2018.

Information Related to Gain on Negative Goodwill by Reportable Segment

There is no gain on negative goodwill by reportable segment during the six months ended September 30, 2018.

Per Share of Common Stock Information

1. Net Assets per Share of Common Stock and Basis for Calculation

The details of net assets per share of common stock and the basis for calculation for the six months ended September 30, 2018, are as follows:

	Net Assets [Millions of Yen] (Numerator)	The Number of Shares of Common Stock Outstanding [Thousands of Shares] (Denominator)	Amount per Share of Common Stock [Yen]
Six Months Ended September 30, 2018			
Net Assets as Reported	¥ 2,752,440		
Less:	96,652		
Subscription Rights to Shares	1,067		
Non-Controlling Interests	95,584		
Net Assets Attributable to Common Shareholders	¥ 2,655,787	378,599	¥ 7,014.77

	Net Assets [Millions of U.S. Dollars] (Numerator)	The Number of Shares of Common Stock Outstanding [Thousands of Shares] (Denominator)	Amount per Share of Common Stock [U.S. Dollars]
Six Months Ended September 30, 2018			
Net Assets as Reported	\$ 24,233		
Less:	851		
Subscription Rights to Shares	9		
Non-Controlling Interests	842		
Net Assets Attributable to Common Shareholders	\$ 23,383	378,599	\$ 61.76

2. Net Income per Share of Common Stock and Basis for Calculation, and Fully Diluted Net Income per Share of Common Stock and Basis for Calculation

The details of net income per share of common stock, fully diluted net income per share of common stock, and the basis for calculation for the six months ended September 30, 2018, are as follows:

Six Months Ended September 30, 2018	Net Income (Loss) [Millions of Yen] (Numerator)	Average Number of Shares of Common Stock Outstanding [Thousands of Shares] (Denominator)	Amount per Share of Common Stock [Yen]
Net Income per Share of Common Stock			
Net Income Attributable to Owners of the Parent	¥ 91,510		
Net Income Not Attributable to Common Shareholders	—		
Net Income Related to Common Stock That Is Attributable to Owners of the Parent	¥ 91,510	379,231	¥ 241.30

Six Months Ended September 30, 2018	Net Income (Loss) [Millions of U.S. Dollars] (Numerator)	Average Number of Shares of Common Stock Outstanding [Thousands of Shares] (Denominator)	Amount per Share of Common Stock [U.S. Dollars]
Net Income per Share of Common Stock			
Net Income Attributable to Owners of the Parent	\$ 806		
Net Income Not Attributable to Common Shareholders	—		
Net Income Related to Common Stock That Is Attributable to Owners of the Parent	\$ 806	379,231	\$ 2.12

Six Months Ended September 30, 2018	Adjustments to Net Income [Millions of Yen]	Effect of Dilutive Securities [Thousands of Shares]	Fully Diluted Amount per Share of Common Stock [Yen]
Fully Diluted Net Income per Share of Common Stock			
Adjustments to Net Income Attributable to Owners of the Parent	¥ —		
Effect of Dilutive Securities:			
Subscription Rights to Shares		192	¥ 241.18

Six Months Ended September 30, 2018	Adjustments to Net Income [Millions of U.S. Dollars]	Effect of Dilutive Securities [Thousands of Shares]	Fully Diluted Amount per Share of Common Stock [U.S. Dollars]
Fully Diluted Net Income per Share of Common Stock			
Adjustments to Net Income Attributable to Owners of the Parent	\$ —		
Effect of Dilutive Securities:			
Subscription Rights to Shares		192	\$ 2.12

The potential shares that are excluded from the calculation of fully diluted net income per share of common stock because they have no dilutive effect are as follows:

1) SuMi TRUST Holdings		
Series 3 Subscription Rights to Shares (Stock Options)	SuMi TRUST Holdings Common Stock	39,300 shares
2) Consolidated Subsidiaries (Nikko Asset Management Co., Ltd.)		
Subscription Rights to Shares (Stock Options)	Nikko Asset Management Common Stock	15,811,000 shares

Significant Subsequent Event

Transactions Involving Entities or Businesses under Common Control

Split and integration of the asset management function

1. Overview of transaction

(1) Name and description of the business subject to the split and integration

Name:

Asset administration business of SuMi TRUST Bank

Description:

Provision of asset management services to corporate customers and institutional investors

(2) Date of the business split and integration

October 1, 2018

(3) Form of the business combination

Absorption-type split:

Split the asset management function from SuMi TRUST Bank, which is a consolidated subsidiary of SuMi TRUST Holdings, and integrate it into Sumitomo Mitsui Trust Asset Management Co., Ltd. ("SMTAM"), which is also a consolidated subsidiary of SuMi TRUST Holdings.

(4) Name of the post-integration company

Sumitomo Mitsui Trust Asset Management Co., Ltd.

(5) Other transaction-related information

In order to strengthen the asset management business, which is identified as a growing business area of the SuMi TRUST Group, this business split and integration separates the asset management function of SuMi TRUST Bank that has technical know-how and maintains high quality standards in provision of services to corporate and institutional investors, and integrates that function into SMTAM, anticipating the further growth of the business, that has expanded its business targeting individual customers, primarily in the field of defined benefit pension plans, fund wrap services, and index investment.

2. Overview of accounting treatment

In accordance with the "Accounting Standard for Business Combinations" and "Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures," this business split and integration will be accounted for as a transaction between entities or businesses under common control.

Financial Data:

Non-Consolidated Balance Sheets (Unaudited)

Sumitomo Mitsui Trust Holdings, Inc.

As of September 30, 2018 and March 31, 2018

	Millions of Yen		Millions of U.S. Dollars
	As of Sep. 30, 2018	As of Mar. 31, 2018	As of Sep. 30, 2018
Assets:			
Current Assets:			
Cash and Due from Banks	¥ 2,631	¥ 1,775	\$ 23
Securities	66,000	53,000	581
Prepaid Expenses	61	57	1
Income Tax Refunds Receivable	13,390	14,549	118
Other Current Assets	2,339	2,159	21
Total Current Assets	84,422	71,542	743
Non-Current Assets:			
Tangible Fixed Assets	0	0	0
Intangible Fixed Assets	0	0	0
Investments and Other Assets:	2,058,200	2,004,969	18,121
Investment Securities	652	652	6
Investments in Subsidiaries and Affiliated Companies (Stocks)	1,447,453	1,494,222	12,744
Long-Term Loans Receivable from Subsidiaries and Affiliated Companies	610,000	510,000	5,371
Other Investments	94	94	1
Total Non-Current Assets	2,058,200	2,004,970	18,121
Total Assets	¥ 2,142,623	¥ 2,076,512	\$ 18,864
Liabilities:			
Current Liabilities:			
Accrued Expenses	¥ 2,631	¥ 2,787	\$ 23
Income Taxes Payable	2	4	0
Provision for Bonuses	145	135	1
Provision for Directors' Bonuses	—	49	—
Other Current Liabilities	158	143	1
Total Current Liabilities	2,937	3,119	26
Non-Current Liabilities:			
Bonds Payable	641,600	584,300	5,649
Long-Term Loans Payable	10,000	10,000	88
Other Non-Current Liabilities	10	10	0
Total Non-Current Liabilities	651,610	594,310	5,737
Total Liabilities	¥ 654,547	¥ 597,429	\$ 5,763
Net Assets:			
Total Shareholders' Equity:	¥ 1,487,008	¥ 1,478,282	\$ 13,092
Capital Stock	261,608	261,608	2,303
Capital Surplus:	1,041,473	1,041,473	9,170
Legal Capital Surplus	702,933	702,933	6,189
Other Capital Surplus	338,539	338,540	2,981
Retained Earnings:	235,138	217,424	2,070
Other Retained Earnings:	235,138	217,424	2,070
Retained Earnings Brought Forward	235,138	217,424	2,070
Treasury Stock-At Cost	(51,212)	(42,224)	(451)
Subscription Rights to Shares	1,067	799	9
Total Net Assets	¥ 1,488,075	¥ 1,479,082	\$ 13,102
Total Liabilities and Net Assets	¥ 2,142,623	¥ 2,076,512	\$ 18,864

Financial Data:

Non-Consolidated Statements of Income (Unaudited)

Sumitomo Mitsui Trust Holdings, Inc.

For the Six Months Ended September 30, 2018 and 2017

	Millions of Yen		Millions of U.S. Dollars
	Six Months Ended Sep. 30, 2018	Six Months Ended Sep. 30, 2017	Six Months Ended Sep. 30, 2018
Operating Income:			
Dividends Received from Subsidiaries	¥ 45,796	¥ 34,365	\$ 403
Fees and Commissions Received from Subsidiaries	592	1,303	5
Total Operating Income	46,389	35,668	408
Operating Expenses:			
General and Administrative Expenses	1,640	1,531	14
Total Operating Expenses	1,640	1,531	14
Operating Profit	44,749	34,137	394
Non-Operating Income	3,692	3,163	33
Non-Operating Expenses	5,990	6,018	53
Income before Income Taxes	42,450	31,281	374
Income Taxes:			
Current	2	2	0
Net Income	¥ 42,448	¥ 31,279	\$ 374
	Yen		U.S. Dollars
Net Income per Share of Common Stock	¥ 111.93	¥ 81.90	\$ 0.99

Financial Data:

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

Sumitomo Mitsui Trust Holdings, Inc.

For the Six Months Ended September 30, 2018 and 2017

For the Six Months Ended September 30, 2018

	Millions of Yen					
	Shareholders' Equity					
	Capital Surplus				Retained Earnings	
	Capital Stock	Legal Capital Surplus	Other Capital Surplus	Total Capital Surplus	Other Retained Earnings Retained Earnings Brought Forward	Total Retained Earnings
Balance at the Beginning of the Period	¥ 261,608	¥ 702,933	¥ 338,540	¥ 1,041,473	¥ 217,424	¥ 217,424
Changes during the Period						
Cash Dividends					(24,734)	(24,734)
Net Income					42,448	42,448
Purchase of Treasury Stock						
Disposal of Treasury Stock			(0)	(0)		
Net Changes of Items Other Than Shareholders' Equity						
Total Changes during the Period	—	—	(0)	(0)	17,714	17,714
Balance at the End of the Period	¥ 261,608	¥ 702,933	¥ 338,539	¥ 1,041,473	¥ 235,138	¥ 235,138

	Millions of Yen			
	Shareholders' Equity		Subscription Rights to Shares	Total Net Assets
	Treasury Stock	Total Shareholders' Equity		
Balance at the Beginning of the Period	¥ (42,224)	¥ 1,478,282	¥ 799	¥ 1,479,082
Changes during the Period				
Cash Dividends		(24,734)		(24,734)
Net Income		42,448		42,448
Purchase of Treasury Stock	(9,019)	(9,019)		(9,019)
Disposal of Treasury Stock	30	30		30
Net Changes of Items Other Than Shareholders' Equity			268	268
Total Changes during the Period	(8,988)	8,725	268	8,993
Balance at the End of the Period	¥ (51,212)	¥ 1,487,008	¥ 1,067	¥ 1,488,075

For the Six Months Ended September 30, 2017

	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 Period	¥ 261,608	¥ 702,933	¥ 338,539	¥ 1,041,473	¥ 217,690	¥ 217,690
Changes during the Period						
Cash Dividends					(24,864)	(24,864)
Net Income					31,279	31,279
Purchase of Treasury Stock						
Disposal of Treasury Stock			(0)	(0)		
Net Changes of Items Other Than Shareholders' Equity						
Total Changes during the Period	—	—	(0)	(0)	6,414	6,414
Balance at the End of the Period	¥ 261,608	¥ 702,933	¥ 338,539	¥ 1,041,472	¥ 224,105	¥ 224,105

	Millions of Yen			
	Shareholders' Equity		Subscription Rights to Shares	Total Net Assets
	Treasury Stock	Total Shareholders' Equity		
Balance at the Beginning of the Period	¥ (34,061)	¥ 1,486,710	¥ 577	¥ 1,487,288
Changes during the Period				
Cash Dividends		(24,864)		(24,864)
Net Income		31,279		31,279
Purchase of Treasury Stock	(8,154)	(8,154)		(8,154)
Disposal of Treasury Stock	12	12		12
Net Changes of Items Other Than Shareholders' Equity			226	226
Total Changes during the Period	(8,141)	(1,726)	226	(1,500)
Balance at the End of the Period	¥ (42,203)	¥ 1,484,984	¥ 803	¥ 1,485,787

For the Six Months Ended September 30, 2018

	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 Period	\$ 2,303	\$ 6,189	\$ 2,981	\$ 9,170	\$ 1,914	\$ 1,914
Changes during the Period						
Cash Dividends					(218)	(218)
Net Income					374	374
Purchase of Treasury Stock						
Disposal of Treasury Stock			(0)	(0)		
Net Changes of Items Other Than Shareholders' Equity						
Total Changes during the Period	—	—	(0)	(0)	156	156
Balance at the End of the Period	\$ 2,303	\$ 6,189	\$ 2,981	\$ 9,170	\$ 2,070	\$ 2,070

	Millions of U.S. Dollars			
	Shareholders' Equity		Subscription Rights to Shares	Total Net Assets
	Treasury Stock	Total Shareholders' Equity		
Balance at the Beginning of the Period	\$ (372)	\$ 13,015	\$ 7	\$ 13,022
Changes during the Period				
Cash Dividends		(218)		(218)
Net Income		374		374
Purchase of Treasury Stock	(79)	(79)		(79)
Disposal of Treasury Stock	0	0		0
Net Changes of Items Other Than Shareholders' Equity			2	2
Total Changes during the Period	(79)	77	2	79
Balance at the End of the Period	\$ (451)	\$ 13,092	\$ 9	\$ 13,102

Financial Data:

Statement of Trust Account (Unaudited)

Sumitomo Mitsui Trust Holdings, Inc.
As of September 30, 2018 and March 31, 2018

	Millions of Yen		Millions of U.S. Dollars
	As of Sep. 30, 2018	As of Mar. 31, 2018	As of Sep. 30, 2018
Assets:			
Loans and Bills Discounted (Note 2)	¥ 1,341,701	¥ 1,306,319	\$ 11,813
Securities	115,227,785	111,014,187	1,014,508
Securities Held for Investment Trust	52,121,552	49,134,666	458,897
Foreign Investment for Investment Trust	26,097,908	26,155,659	229,776
Beneficiary Rights	873,328	726,548	7,689
Securities Held in Custody Accounts	19,931,869	19,411,005	175,487
Monetary Claims	26,236,443	26,591,821	230,995
Tangible Fixed Assets	15,107,626	14,717,476	133,013
Intangible Fixed Assets	210,325	205,595	1,852
Other Claims	10,373,374	8,860,410	91,331
Call Loans	3,572,856	4,388,669	31,457
Loans to Banking Account	11,102,964	11,070,725	97,755
Cash and Due from Banks	10,385,342	11,424,977	91,436
Total Assets	¥ 292,583,078	¥ 285,008,064	\$ 2,576,009
Liabilities:			
Money Trusts (Note 3)	¥ 36,667,527	¥ 35,660,283	\$ 322,834
Pension Trusts	13,783,407	13,720,536	121,354
Property Formation Benefit Trusts	18,110	17,930	159
Securities Investment Trusts	72,935,199	74,634,230	642,148
Money in Trust Other Than Money Trusts	26,448,274	23,687,206	232,860
Securities in Trust	19,931,906	19,411,004	175,488
Money Claims in Trust	21,716,483	20,748,468	191,200
Real Estate in Trust	78,150	89,431	688
Composite Trusts	101,004,017	97,038,972	889,276
Total Liabilities	¥ 292,583,078	¥ 285,008,064	\$ 2,576,009

See Notes to the Interim Statements of Trust Account (Unaudited).

Financial Data:

Notes to the Interim Statements of Trust Account (Unaudited)

1. Trust Accounts

Under the Trust Act of Japan, trust activities must be administered separately from a commercial banking business. As a result, assets accepted in trust must be segregated from the assets held by SuMi TRUST Holdings. Within the general category of trust accounts, each trust account is segregated from other trust assets. Accordingly, the interim 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 September 30, 2018, is ¥4,842,223 million (U.S. \$42,633 million).

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 ¥113.58 to U.S. \$1, the approximate rate of exchange as of September 28, 2018. 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 the sum of individual amounts.

Each amount presented in the interim statements of trust account as of March 31 and September 30, 2018, is the sum of trust accounts in SuMi TRUST Bank and JTSB. Entrusted amounts between these consolidated subsidiaries for asset management are excluded from the amounts presented in the statements of trust account.

2. Loans and Bills Discounted

Under certain trust agreements, repayment of the principal of customers' trust assets are guaranteed by SuMi TRUST Bank, and loans on such guaranteed trust assets as of September 30, 2018, include the following:

	Millions of Yen	Millions of U.S. Dollars
	Sep. 30, 2018	Sep. 30, 2018
Other Delinquent Loans	¥ 807	\$ 7
Restructured Loans	44	0
Total	¥ 852	\$ 8

3. Balance of Money Trusts

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

	Millions of Yen	Millions of U.S. Dollars
	Sep. 30, 2018	Sep. 30, 2018
Assets:		
Loans and Bills Discounted	¥ 33,635	\$ 296
Securities	29	0
Other	4,808,894	42,339
Total	¥ 4,842,560	\$ 42,636
Liabilities:		
Principal	¥ 4,842,223	\$ 42,633
Allowance for Impairment of Guaranteed Trust Principal	62	1
Other	274	2
Total	¥ 4,842,560	\$ 42,636

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

Financial Data:

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

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Financial Data:

Consolidated Balance Sheets (Unaudited)

Sumitomo Mitsui Trust Bank, Limited and its Consolidated Subsidiaries
As of September 30, 2018 and March 31, 2018

	Millions of Yen		Millions of U.S. Dollars
	As of Sep. 30, 2018	As of Mar. 31, 2018	As of Sep. 30, 2018
Assets:			
Cash and Due from Banks	¥ 16,696,717	¥ 15,661,926	\$ 147,004
Call Loans and Bills Bought	65,103	92,951	573
Receivables under Resale Agreements	32,319	63,531	285
Receivables under Securities Borrowing Transactions	726,971	624,048	6,401
Monetary Claims Bought	784,620	955,938	6,908
Trading Assets (Notes 1 and 7)	334,973	363,294	2,949
Money Held in Trust	1,406	1,357	12
Securities (Notes 1, 7, and 13)	6,135,068	5,523,148	54,015
Loans and Bills Discounted (Notes 2, 3, 4, 5, 6, 7, and 8)	28,715,747	28,000,640	252,824
Foreign Exchanges	29,651	25,554	261
Lease Receivables and Investment Assets	672,405	677,238	5,920
Other Assets (Note 7)	1,920,857	1,826,996	16,912
Tangible Fixed Assets (Notes 9 and 10)	216,428	221,961	1,906
Intangible Fixed Assets	170,485	178,131	1,501
Assets for Retirement Benefits	169,203	162,960	1,490
Deferred Tax Assets	25,263	25,098	222
Customers' Liabilities for Acceptances and Guarantees	570,127	508,930	5,020
Allowance for Loan Losses	(86,195)	(102,903)	(759)
Total Assets	¥ 57,181,155	¥ 54,810,805	\$ 503,444
Liabilities:			
Deposits (Note 7)	¥ 30,953,084	¥ 29,537,135	\$ 272,522
Negotiable Certificates of Deposit	7,013,240	6,616,336	61,747
Call Money and Bills Sold	606,022	436,931	5,336
Payables under Repurchase Agreements (Note 7)	1,789,950	1,454,855	15,759
Payables under Securities Lending Transactions (Note 7)	115,094	41,299	1,013
Trading Liabilities	224,905	266,148	1,980
Borrowed Money (Notes 7 and 11)	4,855,261	4,870,083	42,748
Foreign Exchanges	309	1,984	3
Short-Term Bonds Payable	1,320,540	1,062,869	11,627
Bonds Payable (Note 12)	980,857	969,966	8,636
Borrowed Money from Trust Account	4,963,929	5,172,463	43,704
Other Liabilities	976,962	919,098	8,602
Provision for Bonuses	13,900	16,023	122
Provision for Directors' Bonuses	60	276	1
Liabilities for Retirement Benefits	13,112	13,048	115
Provision for Reward Points Program	17,904	18,457	158
Provision for Reimbursement of Deposits	3,858	3,548	34
Provision for Contingent Losses	1,549	4,628	14
Deferred Tax Liabilities	174,139	176,113	1,533
Deferred Tax Liabilities for Land Revaluation (Note 9)	2,864	3,016	25
Acceptances and Guarantees	570,127	508,930	5,020
Total Liabilities	¥ 54,597,675	¥ 52,093,216	\$ 480,698
Net Assets:			
Total Shareholders' Equity:	¥ 2,064,278	¥ 2,064,444	\$ 18,175
Capital Stock	342,037	342,037	3,011
Capital Surplus	409,938	455,988	3,609
Retained Earnings	1,312,302	1,266,419	11,554
Total Accumulated Other Comprehensive Income:	484,682	509,704	4,267
Valuation Differences on Available-for-Sale Securities	492,645	531,047	4,337
Deferred Gains (Losses) on Hedges	(12,055)	(22,773)	(106)
Revaluation Reserve for Land (Note 9)	(1,796)	(1,412)	(16)
Foreign Currency Translation Adjustments	4,000	2,166	35
Adjustments for Retirement Benefits	1,887	677	17
Non-Controlling Interests	34,519	143,439	304
Total Net Assets	¥ 2,583,480	¥ 2,717,588	\$ 22,746
Total Liabilities and Net Assets	¥ 57,181,155	¥ 54,810,805	\$ 503,444
	Yen		U.S. Dollars
Net Assets per Share of Common Stock	¥ 1,522.18	¥ 1,537.23	\$ 13.40

See accompanying notes.

The figures in U.S. dollars are converted from yen for the convenience of readers outside Japan at the rate of ¥113.58 to U.S. \$1.00, the exchange rate as of September 28, 2018.

Financial Data:

Consolidated Statements of Income (Unaudited)

Sumitomo Mitsui Trust Bank, Limited and its Consolidated Subsidiaries
For the Six Months Ended September 30, 2018 and 2017

	Millions of Yen		Millions of U.S. Dollars
	Six Months Ended Sep. 30, 2018	Six Months Ended Sep. 30, 2017	Six Months Ended Sep. 30, 2018
Income:			
Trust Fees	¥ 50,545	¥ 45,695	\$ 445
Interest Income:	253,733	211,122	2,234
Interest on Loans and Discounts	179,169	153,924	1,577
Interest and Dividends on Securities	47,161	38,254	415
Fees and Commissions	190,905	183,753	1,681
Trading Income	6,729	3,981	59
Other Ordinary Income	173,367	149,586	1,526
Other Income (Note 1)	41,909	35,325	369
Total Income	¥ 717,190	¥ 629,465	\$ 6,314
Expenses:			
Interest Expenses:	¥ 174,950	¥ 118,833	\$ 1,540
Interest on Deposits	60,641	46,576	534
Fees and Commissions Payments	53,545	51,402	471
Trading Expenses	—	61	—
Other Ordinary Expenses	113,780	113,171	1,002
General and Administrative Expenses (Note 2)	203,282	207,212	1,790
Other Expenses (Note 3)	38,058	23,198	335
Total Expenses	¥ 583,617	¥ 513,878	\$ 5,138
Income before Income Taxes	¥ 133,573	¥ 115,586	\$ 1,176
Income Taxes:	38,986	36,366	343
Current	30,067	28,880	265
Deferred	8,918	7,486	79
Net Income	94,587	79,219	833
Net Income Attributable to Non-Controlling Interests	3,791	4,389	33
Net Income Attributable to Owners of the Parent	¥ 90,796	¥ 74,829	\$ 799
	Yen		U.S. Dollars
Net Income per Share of Common Stock	¥ 54.22	¥ 44.68	\$ 0.48

See accompanying notes.

Financial Data:

Consolidated Statements of Comprehensive Income (Unaudited)

Sumitomo Mitsui Trust Bank, Limited and its Consolidated Subsidiaries
For the Six Months Ended September 30, 2018 and 2017

	Millions of Yen		Millions of U.S. Dollars
	Six Months Ended Sep. 30, 2018	Six Months Ended Sep. 30, 2017	Six Months Ended Sep. 30, 2018
Net Income	¥ 94,587	¥ 79,219	\$ 833
Other Comprehensive Income (Loss):			
Valuation Differences on Available-for-Sale Securities	(37,539)	¥ 19,079	\$ (331)
Deferred Gains (Losses) on Hedges	9,879	(1,597)	87
Foreign Currency Translation Adjustments	1,858	3,125	16
Adjustments for Retirement Benefits	1,210	5,427	11
Attributable to Equity-Method Affiliated Companies	76	(104)	1
Total Other Comprehensive Income (Loss)	¥ (24,514)	¥ 25,930	\$ (216)
Comprehensive Income:	¥ 70,073	¥ 105,149	\$ 617
Comprehensive Income Attributable to Owners of the Parent	¥ 66,157	¥ 100,573	\$ 582
Comprehensive Income Attributable to Non-Controlling Interests	3,915	4,576	34

Financial Data:

Consolidated Statements of Changes in Net Assets (Unaudited)

Sumitomo Mitsui Trust Bank, Limited and its Consolidated Subsidiaries
For the Six Months Ended September 30, 2018 and 2017

For the Six Months Ended September 30, 2018

	Millions of Yen			
	Shareholders' Equity			
	Capital Stock	Capital Surplus	Retained Earnings	Total Shareholders' Equity
Balance at the Beginning of the Period	¥ 342,037	¥ 455,988	¥ 1,266,419	¥ 2,064,444
Changes during the Period				
Cash Dividends		(46,033)	(45,296)	(91,329)
Net Income Attributable to Owners of the Parent			90,796	90,796
Purchase of Shares of Consolidated Subsidiaries		(17)		(17)
Reversal of Revaluation Reserve for Land			383	383
Net Changes of Items Other Than Shareholders' Equity				
Total Changes during the Period	—	(46,050)	45,883	(166)
Balance at the End of the Period	¥ 342,037	¥ 409,938	¥ 1,312,302	¥ 2,064,278

	Millions of Yen							
	Accumulated Other Comprehensive Income						Non-Controlling Interests	Total Net Assets
	Valuation Differences on Available-for-Sale Securities	Deferred Gains (Losses) on Hedges	Revaluation Reserve for Land	Foreign Currency Translation Adjustments	Adjustments for Retirement Benefits	Total Accumulated Other Comprehensive Income		
Balance at the Beginning of the Period	¥ 531,047	¥ (22,773)	¥ (1,412)	¥ 2,166	¥ 677	¥ 509,704	¥ 143,439	¥ 2,717,588
Changes during the Period								
Cash Dividends								(91,329)
Net Income Attributable to Owners of the Parent								90,796
Purchase of Shares of Consolidated Subsidiaries								(17)
Reversal of Revaluation Reserve for Land								383
Net Changes of Items Other Than Shareholders' Equity	(38,401)	10,718	(383)	1,834	1,210	(25,022)	(108,919)	(133,941)
Total Changes during the Period	(38,401)	10,718	(383)	1,834	1,210	(25,022)	(108,919)	(134,108)
Balance at the End of the Period	¥ 492,645	¥ (12,055)	¥ (1,796)	¥ 4,000	¥ 1,887	¥ 484,682	¥ 34,519	¥ 2,583,480

See accompanying notes.

For the Six Months Ended September 30, 2017

	Millions of Yen			
	Shareholders' Equity			
	Capital Stock	Capital Surplus	Retained Earnings	Total Shareholders' Equity
Balance at the Beginning of the Period	¥ 342,037	¥ 492,039	¥ 1,165,558	¥ 1,999,635
Changes during the Period				
Cash Dividends		(36,019)	(34,227)	(70,246)
Net Income Attributable to Owners of the Parent			74,829	74,829
Purchase of Shares of Consolidated Subsidiaries		(32)		(32)
Reversal of Revaluation Reserve for Land			314	314
Net Changes of Items Other Than Shareholders' Equity				
Total Changes during the Period	—	(36,051)	40,916	4,864
Balance at the End of the Period	¥ 342,037	¥ 455,988	¥ 1,206,474	¥ 2,004,500

	Millions of Yen							
	Accumulated Other Comprehensive Income						Non-Controlling Interests	Total Net Assets
	Valuation Differences on Available-for-Sale Securities	Deferred Gains (Losses) on Hedges	Revaluation Reserve for Land	Foreign Currency Translation Adjustments	Adjustments for Retirement Benefits	Total Accumulated Other Comprehensive Income		
Balance at the Beginning of the Period	¥ 492,920	¥ (21,045)	¥ (1,067)	¥ 20	¥ (29,438)	¥ 441,390	¥ 191,979	¥ 2,633,005
Changes during the Period								
Cash Dividends								(70,246)
Net Income Attributable to Owners of the Parent								74,829
Purchase of Shares of Consolidated Subsidiaries								(32)
Reversal of Revaluation Reserve for Land								314
Net Changes of Items Other Than Shareholders' Equity	18,596	(1,226)	(314)	2,954	5,419	25,429	(49,145)	(23,715)
Total Changes during the Period	18,596	(1,226)	(314)	2,954	5,419	25,429	(49,145)	(18,850)
Balance at the End of the Period	¥ 511,517	¥ (22,271)	¥ (1,381)	¥ 2,974	¥ (24,018)	¥ 466,820	¥ 142,834	¥ 2,614,154

See accompanying notes.

For the Six Months Ended September 30, 2018

	Millions of U.S. Dollars			
	Shareholders' Equity			
	Capital Stock	Capital Surplus	Retained Earnings	Total Shareholders' Equity
Balance at the Beginning of the Period	\$ 3,011	\$ 4,015	\$ 11,150	\$ 18,176
Changes during the Period				
Cash Dividends		(405)	(399)	(804)
Net Income Attributable to Owners of the Parent			799	799
Purchase of Shares of Consolidated Subsidiaries		(0)		(0)
Reversal of Revaluation Reserve for Land			3	3
Net Changes of Items Other Than Shareholders' Equity				
Total Changes during the Period	—	(405)	404	(1)
Balance at the End of the Period	\$ 3,011	\$ 3,609	\$ 11,554	\$ 18,175

	Millions of U.S. Dollars							
	Accumulated Other Comprehensive Income						Non-Controlling Interests	Total Net Assets
	Valuation Differences on Available-for-Sale Securities	Deferred Gains (Losses) on Hedges	Revaluation Reserve for Land	Foreign Currency Translation Adjustments	Adjustments for Retirement Benefits	Total Accumulated Other Comprehensive Income		
Balance at the Beginning of the Period	\$ 4,676	\$ (201)	\$ (12)	\$ 19	\$ 6	\$ 4,488	\$ 1,263	\$ 23,927
Changes during the Period								
Cash Dividends								(804)
Net Income Attributable to Owners of the Parent								799
Purchase of Shares of Consolidated Subsidiaries								(0)
Reversal of Revaluation Reserve for Land								3
Net Changes of Items Other Than Shareholders' Equity	(338)	94	(3)	16	11	(220)	(959)	(1,179)
Total Changes during the Period	(338)	94	(3)	16	11	(220)	(959)	(1,181)
Balance at the End of the Period	\$ 4,337	\$ (106)	\$ (16)	\$ 35	\$ 17	\$ 4,267	\$ 304	\$ 22,746

See accompanying notes.

Financial Data:

Consolidated Statements of Cash Flows (Unaudited)

Sumitomo Mitsui Trust Bank, Limited and its Consolidated Subsidiaries
For the Six Months Ended September 30, 2018 and 2017

	Millions of Yen		Millions of U.S. Dollars
	Six Months Ended Sep. 30, 2018	Six Months Ended Sep. 30, 2017	Six Months Ended Sep. 30, 2018
Cash Flows from Operating Activities:			
Income before Income Taxes	¥ 133,573	¥ 115,586	\$ 1,176
Depreciation and Amortization	15,833	13,955	139
Impairment Losses	3,725	6,284	33
Amortization of Goodwill	4,984	4,984	44
Equity in Losses (Earnings) of Affiliated Companies	(658)	438	(6)
Increase (Decrease) in Allowance for Loan Losses	(16,707)	(11,631)	(147)
Increase (Decrease) in Provision for Bonuses	(2,123)	(2,554)	(19)
Increase (Decrease) in Provision for Directors' Bonuses	(216)	(199)	(2)
Decrease (Increase) in Assets for Retirement Benefits	(4,571)	2,575	(40)
Increase (Decrease) in Liabilities for Retirement Benefits	166	555	1
Increase (Decrease) in Provision for Reward Points Program	(552)	(30)	(5)
Increase (Decrease) in Provision for Reimbursement of Deposits	309	9	3
Increase (Decrease) in Provision for Contingent Losses	(3,079)	771	(27)
Interest Income	(253,733)	(211,122)	(2,234)
Interest Expenses	174,950	118,833	1,540
Loss (Gain) Related to Securities	10,534	(16,516)	93
Loss (Gain) on Money Held in Trust	(36)	(36)	(0)
Foreign Exchange Losses (Gains)	(75,697)	(23,070)	(666)
Loss (Gain) on Disposal of Fixed Assets	53	(8,766)	0
Net Decrease (Increase) in Trading Assets	28,321	(37,946)	249
Net Increase (Decrease) in Trading Liabilities	(41,243)	(20,920)	(363)
Net Decrease (Increase) in Loans and Bills Discounted	(710,976)	(154,554)	(6,260)
Net Increase (Decrease) in Deposit	1,422,282	203,127	12,522
Net Increase (Decrease) in Negotiable Certificates of Deposit	396,903	(357,379)	3,494
Net Increase (Decrease) in Borrowed Money (excluding Subordinated Borrowings)	(114,819)	1,128,670	(1,011)
Net Decrease (Increase) in Due from Banks (excluding Due from the Bank of Japan)	110,386	37,435	972
Net Decrease (Increase) in Call Loans	230,337	132,429	2,028
Net Decrease (Increase) in Receivables under Securities Borrowing Transactions	(102,922)	(151,019)	(906)
Net Increase (Decrease) in Call Money	504,186	1,870,088	4,439
Net Increase (Decrease) in Payables under Securities Lending Transactions	73,794	(1,817)	650
Net Decrease (Increase) in Foreign Exchange-Assets	(4,097)	(16,582)	(36)
Net Increase (Decrease) in Foreign Exchange-Liabilities	(1,675)	122	(15)
Net Decrease (Increase) in Lease Receivables and Investment Assets	4,832	(18,933)	43
Net Increase (Decrease) in Short-Term Bonds Payable	257,670	(209,110)	2,269
Increase (Decrease) in Straight Bonds-Issuance and Redemption	10,891	115,990	96
Net Increase (Decrease) in Borrowed Money from Trust Account	(208,534)	(526,479)	(1,836)
Proceeds from Fund Management	258,683	217,164	2,278
Payments for Finance	(176,048)	(124,162)	(1,550)
Other, Net	(167,000)	(168,227)	(1,470)
Subtotal	¥ 1,757,726	¥ 1,907,961	\$ 15,476
Income Taxes (Paid) Refunded	(37,535)	(12,156)	(330)
Net Cash Provided by (Used in) Operating Activities	¥ 1,720,191	¥ 1,895,804	\$ 15,145

(Continued)

	Millions of Yen		Millions of U.S. Dollars
	Six Months Ended Sep. 30, 2018	Six Months Ended Sep. 30, 2017	Six Months Ended Sep. 30, 2018
Cash Flows from Investing Activities:			
Purchase of Securities	¥ (3,188,311)	¥ (3,437,589)	\$ (28,071)
Proceeds from Sales of Securities	2,079,586	2,718,687	18,309
Proceeds from Redemption of Securities	671,413	445,849	5,911
Decrease in Money Held in Trust	—	150	—
Purchase of Tangible Fixed Assets	(2,994)	(4,226)	(26)
Proceeds from Sales of Tangible Fixed Assets	549	14,980	5
Purchase of Intangible Fixed Assets	(11,856)	(18,254)	(104)
Purchase of Shares of Affiliated Companies Accounted for by the Equity Method	(11,169)	(5,501)	(98)
Net Cash Provided by (Used in) Investing Activities	¥ (462,781)	¥ (285,905)	\$ (4,075)
Cash Flows from Financing Activities:			
Increase in Subordinated Borrowings	¥ 100,000	¥ 110,000	\$ 880
Payments for Redemption of Subordinated Bonds and Bonds with Subscription Rights to Shares	—	(50,000)	—
Purchase of Shares of Subsidiaries without Changes in the Scope of Consolidation	(47)	(113)	(0)
Repayments to Non-Controlling Interests	(110,000)	(50,170)	(968)
Cash Dividends Paid	(91,329)	(70,246)	(804)
Cash Dividends Paid to Non-Controlling Interests	(2,648)	(3,392)	(23)
Net Cash Provided by (Used in) Financing Activities	¥ (104,025)	¥ (63,922)	\$ (916)
Effect of Exchange Rate Change on Cash and Cash Equivalents	¥ (8,206)	¥ (12,102)	\$ (72)
Net Increase (Decrease) in Cash and Cash Equivalents	¥ 1,145,177	¥ 1,533,874	\$ 10,083
Cash and Cash Equivalents at the Beginning of the Period	¥13,361,241	¥ 11,856,847	\$ 117,637
Cash and Cash Equivalents at the End of the Period (Note 1)	¥14,506,418	¥ 13,390,721	\$ 127,720

See accompanying notes.

Financial Data:

Notes to the Interim Consolidated Financial Statements (Unaudited)

Basis of Presentation of Financial Statements

The accompanying interim consolidated financial statements (banking account) have been prepared from the accounts maintained by Sumitomo Mitsui Trust Bank, Limited ("SuMi TRUST Bank") and its consolidated subsidiaries (together, the "SuMi TRUST Bank Group") in accordance with 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 the application and disclosure requirements of International Financial Reporting Standards.

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

The interim consolidated financial statements are stated in Japanese yen, the currency of the country in which SuMi TRUST Bank is incorporated and operates. The translation of Japanese yen amounts into U.S. dollar amounts is included solely for the convenience of readers outside Japan. The translation has been made at the rate of ¥113.58 to U.S. \$1, the approximate rate of exchange as of September 28, 2018. 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 September 30, 2018:

56 companies

Principal Companies:

Sumitomo Mitsui Trust Panasonic Finance Co., Ltd.

Nikko Asset Management Co., Ltd.

Sumitomo Mitsui Trust Club Co., Ltd.

Sumitomo Mitsui Trust Realty Co., Ltd.

Sumitomo Mitsui Trust Loan & Finance Co., Ltd.

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

Changes in the consolidated subsidiaries during the interim period ended September 30, 2018, are as follows:

STB Preferred Capital 4 (Cayman) Limited is excluded from the scope of consolidation for this interim period due to their liquidation.

(2) Unconsolidated Subsidiaries

Principal Companies:

Hummingbird Co., Ltd.

ASIA GATEWAY I, L.P.

Hummingbird Co., Ltd. and 22 other companies are excluded from the scope of consolidation in accordance with Article 5, Paragraph 1, Item 2 of "Ordinance on Terminology, Forms and Preparation Methods of Interim Financial Statements, etc.," because those companies are operators engaged in leasing activities through silent partnership arrangements and their assets and profits/losses do not belong to them.

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

2. Application of the Equity Method

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

(2) Affiliated Companies Accounted for by the Equity Method:
27 companies
Principal Companies:
SBI Sumishin Net Bank, Ltd.
Japan Stockholders Data Service Company, Limited
Changes in the affiliated companies accounted for by the equity method during the interim period ended September 30, 2018, are as follows:

Cardif Assurance Vie Japan and two other companies are included in the scope of the application of the equity method due mainly to the acquisition of its shares during the interim period.

(3) Unconsolidated Subsidiaries and Affiliated Companies That Are Not Accounted for by the Equity Method
Principal Companies:
Hummingbird Co., Ltd.
ASIA GATEWAY I, L.P.

Hummingbird Co., Ltd. and 22 other companies are excluded from the scope of application of the equity method in accordance with Article 7, Paragraph 1, Item 2 of "Ordinance on Terminology, Forms and Preparation Methods of Interim Financial Statements, etc.," because those companies are operators engaged in leasing activities through silent partnership arrangements, and their assets and profits/losses do not belong to them.

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

3. Interim Balance Sheet Dates of the Consolidated Subsidiaries

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

October 31:	2 companies
November 30:	1 company
February 28:	1 company
March 31:	5 companies
May 31:	1 company
June 30:	8 companies
September 30:	38 companies

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

- Subsidiaries with an interim balance sheet date of October 31: Provisionally prepared interim financial statements as of July 31
- A subsidiary with an interim balance sheet date of November 30: Provisionally prepared interim financial statements as of August 31
- A subsidiary with an interim balance sheet date of February 28: Provisionally prepared interim financial statements as of August 31
- Subsidiaries with an interim balance sheet date of March 31: Provisionally prepared interim financial statements as of September 30
- A subsidiary with an interim balance sheet date of May 31: Provisionally prepared interim financial statements as of August 31
- Other subsidiaries: Interim financial statements as of their respective interim balance sheet dates.

Material transactions arising between the interim consolidated balance sheet date, September 30, 2018, and the above interim balance sheet dates of consolidated subsidiaries have been reflected in the interim consolidated financial statements.

4. Significant Accounting Policies

(1) Trading Assets/Liabilities and Income/Expenses

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

For the measurement of trading assets and trading liabilities, securities and monetary claims are stated at their fair values as of the interim 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 interim consolidated balance sheet date.

Trading income and trading expenses include interest income or expenses, adjusting valuation differences of securities and monetary claims during the interim period and differences in resulting gains or losses from the settlement of financial derivatives assuming that the settlement was made as of September 30, 2018.

(2) Securities

(a) Under the accounting standards for financial instruments in Japan, SuMi TRUST Bank is required to determine the purpose for holding each security and classify such security into (i) securities held for trading purposes ("Trading Securities"), (ii) debt securities intended to be held to maturity ("Held-to-Maturity Debt Securities"), (iii) equity securities issued by subsidiaries and affiliated companies, or (iv) all other securities that are not classified in any of the above categories ("Available-for-Sale Securities"). "Held-to-Maturity Debt Securities" are carried at amortized cost using the moving-average method (the straight-line method). Equity securities issued by unconsolidated subsidiaries and affiliated companies not accounted for by the equity method are stated at moving-average cost. "Available-for-Sale Securities" are, in principle, valued at the market price at the interim balance sheet date (cost of securities sold is calculated using primarily the moving-average method).

"Available-for-Sale Securities" for which their fair values are extremely difficult to be determined are carried at cost using the moving-average method.

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

(Changes in Accounting Policies)

The stocks classified as "Available-for-Sale Securities" with market values are valued at the market price at the interim consolidated balance sheet date effective from the six months ended September 30, 2018, which were previously valued at the average market price during the final month of the interim period.

SuMi TRUST Holdings is currently in the efforts of enhancing company-wide risk management, including reduction of market price fluctuation risk and control of economic value of the strategic shareholdings. In the midst of such circumstances, SuMi TRUST Holdings adopted the above change in accounting policies since it came to a conclusion that the market price at the interim consolidated balance sheet date is more appropriate to represent the financial position of the SuMi TRUST Group as of that date, considering the finalization of Basel III reforms in December 2017 and recent discussions over strategic shareholdings.

The new accounting policy is not applied retrospectively, as its effects on the consolidated profit and loss for the six months ended September 30, 2017, and cumulative effects up to the beginning of the six months ended September 30, 2018, are immaterial.

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

(3) Financial Derivatives

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

(4) Depreciation and Amortization Methods

(a) Tangible fixed assets other than lease assets

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

Useful lives of major asset categories:

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

(b) Intangible fixed assets other than lease assets

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

Goodwill is amortized over a reasonable number of years, determined for each case, up to a maximum of 20 years. However, if immaterial, goodwill is expensed in its entirety in the year in which it arises.

(c) Lease assets

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

(5) Allowance for Loan Losses

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

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

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

For claims that are classified as other than those above, the allowance is provided based on the historical loan-loss ratios during a certain period.

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

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

For claims against borrowers who are legally bankrupt or virtually bankrupt with collateral or guarantees, claims against borrowers in legal or virtual bankruptcy, net of amounts expected to be collected through the disposal of collateral or through the execution of guarantees, are directly deducted from the original amount of claims. The deducted amount was ¥18,108 million (U.S. \$159 million) for the six months ended September 30, 2018.

(6) Provision for Bonuses

A provision for bonuses is provided for the estimated employee bonuses attributable to the current interim period.

(7) Provision for Directors' Bonuses

A provision for directors' bonuses is provided at SuMi TRUST Bank and some of the consolidated subsidiaries for the estimated directors' bonuses attributable to the current interim period.

(8) Provision for Reward Points Program

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

(9) 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 condi-

tions. Such provision is provided against the estimated future reimbursement to be requested by customers based on the past reimbursement record.

(10) Provision for Contingent Losses

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

(11) Accounting for Retirement Benefits

In determining the retirement benefit obligations, SuMi TRUST Bank and some consolidated subsidiaries apply the method to attribute projected benefits to the interim period ended September 30, 2018, under the plan's benefit formula. Past service cost and actuarial gains or losses are expensed using the following methods:

Past service cost:

Past service cost is recognized using the straight-line method, primarily over 10 years, within the employees' average remaining service period at incurrence.

Actuarial gains or losses:

Actuarial differences are expensed using the straight-line method, primarily over 8 to 10 years, within the employees' average remaining service period, commencing from the next fiscal year of incurrence.

Some consolidated subsidiaries adopted the computational shortcut method in calculating liabilities for retirement benefits and retirement benefit expenses for lump-sum retirement benefit plans, recording liabilities at amounts to be required for voluntary termination at the end of the current interim period.

(12) Foreign Currency Translation

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

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

(13) Accounting for Leases

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

(14) Hedge Accounting

(a) Interest-related risk hedge

SuMi TRUST Bank manages interest rate risk arising from various assets and liabilities by using financial derivative transactions. Such transactions are generally treated as deferred hedges as specified in "Treatment for Accounting and Auditing of Application of Accounting Standard for Financial Instruments in Banking Industry" (Japanese Institute of Certified Public Accountants ("JICPA") Industry Auditing Committee Report No. 24 of February 13, 2002, "Report No. 24"). To evaluate the effectiveness of hedges designed to offset market fluctuations, hedged items, such as deposits, loans and bills discounted, and hedging instruments, such as interest rate swaps, are grouped by duration to maturity. The effectiveness of hedges designed to fix cash flow is evaluated by verifying the correlation between the interest volatility factors for the hedged items and those for the hedging instruments.

In accordance with "Temporary Treatment for Accounting and Auditing concerning Application of Accounting Standard for Financial Instruments in Banking Industry" (JICPA Industry Auditing Committee Report No. 15), SuMi TRUST Bank has adopted "Macro Hedge Accounting" to account for certain interest-related derivatives, which are utilized to manage interest rate risk arising from transactions, such as loans and bills discounted, and deposits. Deferred gains (losses) on hedges in the interim consolidated balance sheet as of the end of the current interim period that have resulted from existing "Macro Hedge Accounting" are amortized over the remaining period designated under "Macro Hedge Accounting" for each hedging transaction.

Deferred losses on hedges associated with “Macro Hedge Accounting” during the current interim period ended September 30, 2018, totaled ¥72 million (U.S. \$1 million) (before tax effect).

(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 derivative transactions. Such transactions are generally treated as deferred hedges as specified in “Treatment for Accounting and Auditing of Application of Accounting Standard for Foreign Currency Transactions in Banking Industry” (JICPA Industry Auditing Committee Report No. 25 of July 29, 2002, “Report No. 25”).

The effectiveness of hedging instruments, such as cross-currency swaps and foreign exchange swaps, as a means of mitigating the foreign exchange risk arising from monetary claims and debts denominated in foreign currencies, is evaluated by verifying that the foreign currency positions of such hedging instruments are in amounts equivalent to the corresponding monetary claims and debts denominated in foreign currencies, which are the hedged items.

Additionally, transactions intended to hedge the foreign exchange risk associated with foreign 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 forward obligations exist in excess of the acquisition cost of such foreign currency-denominated securities on a foreign currency basis.

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

(c) Internal hedge transactions and others

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

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

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

(15) Scope of Cash and Cash Equivalents in the Interim Consolidated Statements of Cash Flows

For SuMi TRUST Bank, the balance of “Cash and Cash Equivalents” in the interim consolidated statements of cash flows is equivalent to the balance of cash and due from the Bank of Japan under “Cash and Due from Banks” presented in the interim consolidated balance sheets. For the consolidated subsidiaries, the balance of “Cash and Cash Equivalents” in the interim consolidated statements of cash flows is equivalent to the balance of “Cash and Due from Banks” presented in the interim consolidated balance sheets.

(16) National and Local Consumption Taxes

National and local consumption taxes (“consumption taxes”) payable by SuMi TRUST Bank and its consolidated subsidiaries in Japan are accounted for by the tax-excluded method. However, any nondeductible consumption taxes associated with asset purchases are recorded as expenses in the current interim period.

Notes to the Interim Consolidated Balance Sheet

1. Securities

"Securities" include stocks and equity investments in unconsolidated subsidiaries and affiliated companies.

	Millions of Yen	Millions of U.S. Dollars
	Sep. 30, 2018	Sep. 30, 2018
Stocks	¥ 103,478	\$ 911
Equity Investments	35,190	310

Unsecured securities borrowed under loan agreements and securities purchased under resale agreements and borrowing transactions with cash collateral that SuMi TRUST Bank has a free disposal right to sell or (re)pledge.

	Millions of Yen	Millions of U.S. Dollars
	Sep. 30, 2018	Sep. 30, 2018
Securities That Are Further Loaned	¥ 1,282,606	\$ 11,293
Securities Held without Selling or Repledging as of the End of the Current Period	9,595	84

2. Loans and Bills Discounted

Loans and bills discounted as of September 30, 2018, consist of the following:

	Millions of Yen	Millions of U.S. Dollars
	Sep. 30, 2018	Sep. 30, 2018
Loans in Bankruptcy Proceedings	¥ 7,661	\$ 67
Delinquent Loans	46,265	407

Loans in bankruptcy proceedings are loans whose interest receivable is not recorded due to delinquency in principal or interest payments for a significant period or other reasons excluding loans that have been written off ("nonaccrual loans") and due to the reasons as prescribed in Paragraph 1, Items 3 and 4 of Article 96 of "Enforcement Ordinance for the Corporation Tax Act" (Cabinet Order

No. 97 of 1965).

Delinquent loans are nonaccrual loans other than (i) loans in bankruptcy proceedings and (ii) loans for which the terms of interest payments have been extended in connection with the borrower's business restructuring or to otherwise provide support.

3. Loans Past Due Three Months or More

There are no loans past due three months or more as of September 30, 2018.

Loans past due three months or more are those loans for

which principal or interest payments are more than three months past due (calculated from the day following the contractual payment date), excluding loans classified as loans in bankruptcy proceedings or delinquent loans.

4. Restructured Loans

Restructured loans as of September 30, 2018, consist of the following:

	Millions of Yen	Millions of U.S. Dollars
	Sep. 30, 2018	Sep. 30, 2018
Restructured Loans	¥ 26,860	\$ 236

Restructured loans are those loans whose terms have been modified by reducing or waiving interest, granting interest payment extensions, granting principal repayment extensions, forgiving debt, or otherwise providing some arrangements favorable to the borrower in connection with

the borrower's business restructuring or to otherwise provide support, excluding those loans classified as loans in bankruptcy proceedings, delinquent loans, or loans past due three months or more.

5. Total of Loans in Bankruptcy Proceedings, Delinquent Loans, Loans Past Due Three Months or More, and Restructured Loans

Total of loans in bankruptcy proceedings, delinquent loans, loans past due three months or more, and restructured loans as of September 30, 2018, consists of the following:

	Millions of Yen	Millions of U.S. Dollars
	Sep. 30, 2018	Sep. 30, 2018
Total of Loans in Bankruptcy Proceedings, Delinquent Loans, Loans Past Due Three Months or More, and Restructured Loans	¥ 80,787	\$ 711

The amounts presented in Notes 2 through 5 are before deducting allowances for loan losses.

6. Bills Discounted

Bills discounted are treated as financial transactions in accordance with Report No. 24. SuMi TRUST Bank has a free disposal right to sell or (re)pledge such commercial bills. The total face value of such bills is as follows:

	Millions of Yen	Millions of U.S. Dollars
	Sep. 30, 2018	Sep. 30, 2018
Bills Discounted	¥ 1,446	\$ 13

7. Assets Pledged as Collateral

Assets pledged as collateral as of September 30, 2018, consist of the following:

	Millions of Yen	Millions of U.S. Dollars
	Sep. 30, 2018	Sep. 30, 2018
Assets Pledged as Collateral:		
Trading Assets	¥ 21,793	\$ 192
Securities	1,157,533	10,191
Loans and Bills Discounted	5,351,848	47,120
Other Assets	220,779	1,944
Total	¥ 6,751,954	\$ 59,447
Corresponding Liabilities to Assets Pledged as Collateral:		
Deposits	¥ 7,236	\$ 64
Payables under Repurchase Agreements	1,082,041	9,527
Payables under Securities Lending Transactions	115,094	1,013
Borrowed Money	2,853,760	25,126

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
	Sep. 30, 2018	Sep. 30, 2018
Securities	¥ 455,695	\$ 4,012

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

	Millions of Yen	Millions of U.S. Dollars
	Sep. 30, 2018	Sep. 30, 2018
Initial Margins of Futures Markets	¥ 6,739	\$ 59
Security Deposits	30,377	267
Cash Collateral Pledged for Financial Instruments-Assets	567,025	4,992
Cash Collateral Pledged for Repurchase Agreement Transactions	10,852	96

8. Overdraft Facility Agreements and Commitment Lines of Credit

Overdraft facility agreements and committed lines of credit are agreements to extend a certain amount of credit at the customer's request as long as the terms of the agreement have not been violated. The amount of unused credit under such agreements is as follows:

	Millions of Yen	Millions of U.S. Dollars
	Sep. 30, 2018	Sep. 30, 2018
Amount of Unused Credit under Agreements	¥ 11,849,744	\$ 104,329
Attributable to Agreements Expiring within One Year or which May Be Unconditionally Canceled at Any Time	7,833,425	68,968

The balance of unused credit will not necessarily affect the future cash flows of SuMi TRUST Bank and its consolidated subsidiaries because most of these agreements expire without credit being extended. Most of these agreements contain clauses allowing SuMi TRUST Bank and its consolidated subsidiaries to reject requests for credit outright or reduce the credit limits due to changes in 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, the SuMi TRUST Bank Group has also adopted other measures to keep its credit sound, such as periodically assessing the condition of customers' businesses following internal procedures and revising agreements, as necessary.

9. Revaluation Reserve for Land

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 Liability for Land Revaluation” in liabilities, and the amount net of such differences was recorded as a “Revaluation Reserve for Land” in net assets.

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

Revaluation method prescribed by Paragraph 3 of Article

3 of the Act:

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

10. Accumulated Depreciation of Tangible Fixed Assets

Accumulated depreciation of tangible fixed assets as of September 30, 2018, consists of the following:

	Millions of Yen	Millions of U.S. Dollars
	Sep. 30, 2018	Sep. 30, 2018
Accumulated Depreciation of Tangible Fixed Assets	¥ 172,297	\$ 1,517

11. Borrowed Money

Borrowed money includes subordinated borrowings with lower priority for fulfillment of obligation than other debts.

	Millions of Yen	Millions of U.S. Dollars
	Sep. 30, 2018	Sep. 30, 2018
Subordinated Borrowings	¥ 680,000	\$ 5,987
Subordinated Borrowings with a Debt Relief Clause at the Contractual Point of Non-Viability	610,000	5,371

12. Bonds Payable

Bonds payable includes subordinated bonds.

	Millions of Yen	Millions of U.S. Dollars
	Sep. 30, 2018	Sep. 30, 2018
Subordinated Bonds	¥ 300,593	\$ 2,647

13. Guarantee Obligations on Corporate Bonds Placed through Private Securities Offerings

The bonds presented under "Securities" include guarantee obligations on corporate bonds that were placed through private securities offerings (Article 2, Paragraph 3 of the Financial Instruments and Exchange Act).

	Millions of Yen	Millions of U.S. Dollars
	Sep. 30, 2018	Sep. 30, 2018
Guarantee Obligations on Corporate Bonds Placed through Private Securities Offerings	¥ 92,658	\$ 816

14. Principal of Guaranteed Trust Accounts

The principal amount of the trusts held by SuMi TRUST Bank through guaranteed trust agreements is as follows:

	Millions of Yen	Millions of U.S. Dollars
	Sep. 30, 2018	Sep. 30, 2018
Money Trusts	¥ 4,842,223	\$ 42,633

Notes to the Interim Consolidated Statement of Income

1. Other Income

Other income for the six months ended September 30, 2018, consists of the following:

	Millions of Yen	Millions of U.S. Dollars
	Sep. 30, 2018	Sep. 30, 2018
Gains on Sales of Stocks and Other Securities	¥ 16,013	\$ 141
Reversal of Allowance for Loan Losses	14,626	129

2. General and Administrative Expenses

General and administrative expenses for the six months ended September 30, 2018, consist of the following:

	Millions of Yen	Millions of U.S. Dollars
	Sep. 30, 2018	Sep. 30, 2018
Salaries and Allowances	¥ 80,977	\$ 713

3. Other Expenses

Other expenses for the six months ended September 30, 2018, consist of the following:

	Millions of Yen	Millions of U.S. Dollars
	Sep. 30, 2018	Sep. 30, 2018
Losses on Sales of Stocks and Other Securities	¥ 22,058	\$ 194

Notes to the Interim Consolidated Statement of Changes in Net Assets

1. Class and Number of Issued Shares of Common Stock

The class and number of issued shares of common stock for the six months ended September 30, 2018, consist of the following:

	Thousands of Shares				Number of Shares Outstanding at the End of the Current Period
	Authorized	Number of Shares Outstanding at the Beginning of the Current Period	Increase	Decrease	
For the Six Months Ended September 30, 2018					
Number of Issued Shares:					
Common Share	3,000,000	1,674,537	—	—	1,674,537

2. Subscription Rights to Shares

Subscription rights to shares for the six months ended September 30, 2018, consist of the following:

	Millions of Yen	Millions of U.S. Dollars
	Sep. 30, 2018	Sep. 30, 2018
Consolidated Subsidiary (Nikko Asset Management Co., Ltd.)		
Subscription Rights to Shares as Stock Options	¥ —	\$ —

3. Dividends

(1) Dividends paid for the six months ended September 30, 2018, consist of the following:

Resolution	Type of Shares	Cash Dividends Declared Millions of Yen (U.S. Dollars)	Cash Dividends per Share Yen (U.S. Dollars)	Record Date	Effective Date
June 28, 2018					
Ordinary General Meeting of Shareholders	Common Share	¥ 45,296 (\$399)	¥ 27.05 (\$0.24)	March 31, 2018	June 29, 2018
		¥ 46,033 (\$405)	¥ 27.49 (\$0.24)	March 31, 2018	June 29, 2018

(2) Dividends with a record date during the current interim period ended September 30, 2018, but whose effective date is after September 30, 2018, are as follows:

Resolution	Type of Shares	Cash Dividends Declared Millions of Yen (U.S. Dollars)	Dividend Resources	Cash Dividends per Share Yen (U.S. Dollars)	Record Date	Effective Date
November 14, 2018						
Board of Directors' Meeting	Common Share	¥ 76,023 (\$669)	Retained Earnings	¥ 45.40 (\$0.40)	September 30, 2018	December 3, 2018

Note to the Interim Consolidated Statement of Cash Flows

1. Reconciliation of Cash and Cash Equivalents

The following table reconciles cash and cash equivalents in the interim consolidated statements of cash flows and cash and due from banks in the interim consolidated balance sheets as of September 30, 2018.

	Millions of Yen	Millions of U.S. Dollars
	Sep. 30, 2018	Sep. 30, 2018
Cash and Due from Banks	¥ 16,696,717	\$ 147,004
Due from Banks (excluding Due from the Bank of Japan)	(2,190,298)	(19,284)
Cash and Cash Equivalents	¥ 14,506,418	\$ 127,720

Leases

1. Finance Leases

As a lessee:

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

1) Description of lease assets

i) Tangible fixed assets

Mainly store buildings and office equipment

ii) Intangible fixed assets

Software

2) Method for depreciating and 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 September 30, 2018, are as follows:

	Millions of Yen	Millions of U.S. Dollars
	Sep. 30, 2018	Sep. 30, 2018
Due in One Year or Less	¥ 3,661	\$ 32
Due in More than One Year	17,169	151
Total	¥ 20,830	\$ 183

As a lessor:

Total future lease payments under non-cancelable operating leases as of September 30, 2018, are as follows:

	Millions of Yen	Millions of U.S. Dollars
	Sep. 30, 2018	Sep. 30, 2018
Due in One Year or Less	¥ 2,110	\$ 19
Due in More than One Year	3,611	32
Total	¥ 5,721	\$ 50

Financial Instruments

Fair Values of Financial Instruments

The carrying amounts on the interim consolidated balance sheets and fair values of financial instruments as of September 30, 2018, as well as the differences between these values are presented below. The fair values of unlisted shares are excluded from the following table because such fair values are extremely difficult to be determined (See Note 2).

	Millions of Yen			Millions of U.S. Dollars		
	Sep. 30, 2018			Sep. 30, 2018		
	Carrying Amount	Fair Value	Difference	Carrying Amount	Fair Value	Difference
(1) Cash and Due from Banks (*1)	¥ 16,696,639	¥ 16,696,639	¥ —	\$ 147,003	\$ 147,003	\$ —
(2) Call Loans and Bills Bought	65,103	65,103	—	573	573	—
(3) Receivables under Resale Agreements	32,319	32,319	—	285	285	—
(4) Receivables under Securities Borrowing Transactions	726,971	726,971	—	6,401	6,401	—
(5) Monetary Claims Bought (*1)	773,538	774,472	934	6,811	6,819	8
(6) Trading Assets						
Trading Securities	70,878	70,878	—	624	624	—
(7) Money Held in Trust	1,306	1,306	—	11	11	—
(8) Securities						
Held-to-Maturity Securities	190,408	209,366	18,957	1,676	1,843	167
Available-for-Sale Securities	5,647,572	5,647,572	—	49,723	49,723	—
(9) Loans and Bills Discounted	28,715,747			252,824		
Allowance for Loan Losses (*2)	(74,357)			(655)		
	28,641,389	28,833,954	192,564	252,169	253,865	1,695
(10) Foreign Exchanges	29,651	29,651	—	261	261	—
(11) Lease Receivables and Investment Assets (*1)	670,023	684,902	14,878	5,899	6,030	131
Total Assets	¥ 53,545,802	¥ 53,773,137	¥ 227,335	\$ 471,437	\$ 473,438	\$ 2,002
(1) Deposits	¥ 30,953,084	¥ 30,979,384	¥ 26,299	\$ 272,522	\$ 272,754	\$ 232
(2) Negotiable Certificates of Deposit	7,013,240	7,013,240	—	61,747	61,747	—
(3) Call Money and Bills Sold	606,022	606,022	—	5,336	5,336	—
(4) Payables under Repurchase Agreements	1,789,950	1,789,950	—	15,759	15,759	—
(5) Payables under Securities Lending Transactions	115,094	115,094	—	1,013	1,013	—
(6) Borrowed Money	4,855,261	4,868,490	13,228	42,748	42,864	116
(7) Foreign Exchanges	309	309	—	3	3	—
(8) Short-Term Bonds Payable	1,320,540	1,320,540	—	11,627	11,627	—
(9) Bonds Payable	980,857	997,760	16,903	8,636	8,785	149
(10) Borrowed Money from Trust Account	4,963,929	4,963,929	—	43,704	43,704	—
Total Liabilities	¥ 52,598,290	¥ 52,654,721	¥ 56,431	\$ 463,095	\$ 463,591	\$ 497
Derivative Transactions (*3)						
Derivative Transactions Not Qualifying for Hedge Accounting	¥ 157,714	¥ 157,714	¥ —	\$ 1,389	\$ 1,389	\$ —
Derivative Transactions Qualifying for Hedge Accounting	(74,406)	(74,406)	—	(655)	(655)	—
Total Derivative Transactions	¥ 83,308	¥ 83,308	¥ —	\$ 733	\$ 733	\$ —

(*1) The allowance for credit losses corresponding to "Cash and Due from Banks," "Monetary Claims Bought," and "Lease Receivables and Investment Assets" is directly deducted from the carrying amounts on the interim consolidated balance sheets because the balance of the allowance is immaterial.

(*2) A general allowance for loan losses and specific allowances for loan losses are deducted from "Loans and Bills Discounted."

(*3) 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.

(Note 1) Method for Calculating Fair Values of Financial Instruments

Assets

(1) Cash and Due from Banks, (2) Call Loans and Bills Bought, (3) Receivables under Resale Agreements, (4) Receivables under Securities Borrowing Transactions, and (10) Foreign Exchanges

These instruments with transactions without stated maturities are stated at their carrying amounts because the carrying amounts approximate fair value. For transactions with stated maturities, corresponding instruments are stated at their carrying amounts because most of such transactions have short contractual terms (one year or less) and the carrying amounts approximate fair value.

(5) Monetary Claims Bought

Monetary claims bought at counterparties' quoted prices or dealer/broker-quoted prices are stated at such prices. Fair values for all other such claims are calculated by classifying them according to their internal ratings and maturities, and discounting future cash flows to their present values.

(6) Trading Assets

Bonds and other securities held for trading purposes are stated at dealer association prices or counterparties' quoted prices. For short-term corporate bonds, their fair values are calculated by discounting future cash flows to their present values.

(7) Money Held in Trust

Securities managed as trust assets in money held in trust, which are individually managed with the principal objective of securities portfolio management, are stated at quoted market prices or dealer/broker-quoted prices. Notes regarding money held in trust by holding purposes are presented under the "Money Held in Trust" section.

(8) Securities

Stocks are stated at quoted market prices. Bonds are stated at quoted market prices, dealer association prices, counterparties' quoted prices, or dealer/broker-quoted prices. Investment trusts are stated at published reference prices.

Fair values of privately placed bonds guaranteed by SuMi TRUST Bank are calculated by classifying them according to their internal ratings and maturities, and discounting future cash flows to their present value.

Notes regarding securities by holding purposes are presented under the "Securities" section.

(9) Loans and Bills Discounted

Fair values of loans and bills discounted are calculated by grouping loans according to loan terms, internal ratings, and maturities and discounting the aggregate principal and interest by the assumed interest rate for similar new loans. However, variable-rate loans for which their carrying amounts are deemed to approximate fair value, due to the nature of the loan or the borrower's credit situation subsequent to the execution of the loans, are stated at their carrying amounts.

For claims executed to borrowers who went into legal bankruptcy, virtual bankruptcy, and possible bankruptcy, estimated loan losses are calculated based on the present value of estimated future cash flows or the expected recoverable amounts from collateral or guarantees. Therefore, fair values for these claims are stated at the amounts by deducting the allowance for loan losses from the amounts in the interim consolidated balance sheets at the interim 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.

(11) Lease Receivables and Lease Investment Assets

Fair values of lease receivables and investment assets are calculated by grouping these assets according to their internal ratings and maturities, and discounting the aggregate principal and interest by the assumed interest rate for similar new agreements.

Liabilities

(1) Deposits and (2) Negotiable Certificates of Deposit

Demand deposits are stated at the amount that would have to be paid on demand at the interim consolidated balance sheet date (carrying amount).

Yen fixed-rate time deposits are grouped by product type and stated at the present value of their future cash flows discounted by the rates that would be paid on new deposits. Fixed-rate time deposits with short maturities (one year or less) and floating-rate time deposits are generally stated at their carrying amounts because the carrying amounts approximate the fair value.

(3) Call Money and Bills Sold, (4) Payables under Repurchase Agreements, (5) Payables under Securities Lending Transactions, (7) Foreign Exchanges, (8) Short-Term Bonds Payable, and (10) Borrowed Money from Trust Accounts

The obligations without stated maturities are stated at the amounts that would have to be paid on demand at the interim consolidated balance sheet date (carrying amount). Obligations with stated maturities are stated at their carrying amounts because most of the obligations have short contractual terms (one year or less) and the carrying amounts approximate the fair values.

(6) Borrowed Money

Borrowed money at variable rates is stated at their carrying amounts. The carrying amounts are deemed to approximate fair value because such amounts reflect short-term market interest rates, and there have been no significant changes in credit condition subsequent to undertaking the borrowed money.

Fair values of borrowed money at fixed rates are calculated by discounting their future cash flows by the assumed interest rate on similar borrowings. Fair values for obligations with short maturities (one year or less) are stated at their carrying amounts because they approximate fair value.

(9) Bonds Payable

Bonds issued by SuMi TRUST Bank and its consolidated subsidiaries are stated at market prices, if such prices are available. Fair values for other bonds are calculated by discounting future cash flows to their present values by the assumed interest rate on issuance of similar bonds.

Derivatives

Notes regarding fair values of derivatives are presented under the "Derivatives" section.

(Note 2) The amounts of financial instruments on the interim consolidated balance sheets whose fair values are extremely difficult to be determined are as stated below, and such amounts are not included in the fair values information for financial instruments presented under the "Assets, (5) Monetary Claims Bought" or "Assets, (8) Available-for-Sale Securities" section.

	Millions of Yen	Millions of U.S. Dollars
	Sep. 30, 2018	Sep. 30, 2018
	Carrying Amount	Carrying Amount
Monetary Claims Bought	¥ 10,444	\$ 92
Securities	158,417	1,395
Unlisted Stocks (*3)	62,004	546
Investments in Associations	70,124	617
Others (*3)	26,288	231
Total	¥ 168,862	\$ 1,487

(*1) The above financial instruments are excluded from the fair value disclosure because there are no quoted market prices, and therefore, there is no reliable measure of fair value.

(*2) Stocks in subsidiaries and affiliated companies are not included in the above table.

(*3) During the current interim period ended September 30, 2018, impairment losses of ¥50 million (U.S. \$0.4 million) were recognized for "Unlisted Stocks."

Securities

- *1. In addition to the "Securities" presented in the interim consolidated balance sheets, the following information includes loan-backed trust deeds reported under "Monetary Claims Bought."
- *2. "Stocks in Subsidiaries and Affiliated Companies" are presented as a note to the interim financial statements.

1. Held-to-Maturity Securities with Fair Value

Held-to-maturity securities with fair value as of September 30, 2018, consist of the following:

September 30, 2018	Millions of Yen		
	Carrying Amount	Fair Value	Difference
Securities for which Fair Value Exceeds Carrying Amount			
Government Bonds	¥ 118,974	¥ 136,716	¥ 17,741
Local Government Bonds	—	—	—
Short-Term Corporate Bonds	—	—	—
Corporate Bonds	29,000	29,494	494
Other Securities	111,807	112,664	856
Foreign Bonds	35,035	35,765	730
Others	76,772	76,898	125
Subtotal	259,782	278,874	19,092
Securities for which Fair Value Does Not Exceed Carrying Amount			
Government Bonds	¥ —	¥ —	¥ —
Local Government Bonds	—	—	—
Short-Term Corporate Bonds	—	—	—
Corporate Bonds	—	—	—
Other Securities	7,399	7,389	(9)
Foreign Bonds	7,399	7,389	(9)
Others	—	—	—
Subtotal	7,399	7,389	(9)
Total	¥ 267,181	¥ 286,264	¥ 19,083

September 30, 2018	Millions of U.S. Dollars		
	Carrying Amount	Fair Value	Difference
Securities for which Fair Value Exceeds Carrying Amount			
Government Bonds	\$ 1,047	\$ 1,204	\$ 156
Local Government Bonds	—	—	—
Short-Term Corporate Bonds	—	—	—
Corporate Bonds	255	260	4
Other Securities	984	992	8
Foreign Bonds	308	315	6
Others	676	677	1
Subtotal	2,287	2,455	168
Securities for which Fair Value Does Not Exceed Carrying Amount			
Government Bonds	\$ —	\$ —	\$ —
Local Government Bonds	—	—	—
Short-Term Corporate Bonds	—	—	—
Corporate Bonds	—	—	—
Other Securities	65	65	(0)
Foreign Bonds	65	65	(0)
Others	—	—	—
Subtotal	65	65	(0)
Total	\$ 2,352	\$ 2,520	\$ 168

2. Available-for-Sale Securities

Available-for-sale securities as of September 30, 2018, consist of the following:

September 30, 2018	Millions of Yen		
	Carrying Amount	Acquisition Cost	Difference
Securities for which Carrying Amount Exceeds Acquisition Cost			
Stocks	¥ 1,546,701	¥ 549,281	¥ 997,420
Bonds	486,603	484,115	2,487
Government Bonds	116,457	116,427	29
Local Government Bonds	2,104	2,092	12
Short-Term Corporate Bonds	—	—	—
Corporate Bonds	368,042	365,596	2,446
Other Securities	579,702	555,987	23,715
Foreign Stocks	16,047	12,343	3,703
Foreign Bonds	396,626	393,870	2,755
Others	167,028	149,772	17,255
Subtotal	2,613,007	1,589,384	1,023,623
Securities for which Carrying Amount Does Not Exceed Acquisition Cost			
Stocks	¥ 30,877	¥ 38,074	¥ (7,196)
Bonds	412,859	414,015	(1,156)
Government Bonds	202,091	202,289	(197)
Local Government Bonds	4,434	4,468	(33)
Short-Term Corporate Bonds	—	—	—
Corporate Bonds	206,332	207,258	(925)
Other Securities	2,619,758	2,929,356	(309,597)
Foreign Stocks	910	1,368	(458)
Foreign Bonds	1,363,476	1,396,924	(33,448)
Others	1,255,372	1,531,063	(275,691)
Subtotal	3,063,495	3,381,446	(317,950)
Total	¥ 5,676,503	¥ 4,970,830	¥ 705,672

September 30, 2018	Millions of U.S. Dollars		
	Carrying Amount	Acquisition Cost	Difference
Securities for which Carrying Amount Exceeds Acquisition Cost			
Stocks	\$ 13,618	\$ 4,836	\$ 8,782
Bonds	4,284	4,262	22
Government Bonds	1,025	1,025	0
Local Government Bonds	19	18	0
Short-Term Corporate Bonds	—	—	—
Corporate Bonds	3,240	3,219	22
Other Securities	5,104	4,895	209
Foreign Stocks	141	109	33
Foreign Bonds	3,492	3,468	24
Others	1,471	1,319	152
Subtotal	23,006	13,994	9,012
Securities for which Carrying Amount Does Not Exceed Acquisition Cost			
Stocks	\$ 272	\$ 335	\$ (63)
Bonds	3,635	3,645	(10)
Government Bonds	1,779	1,781	(2)
Local Government Bonds	39	39	(0)
Short-Term Corporate Bonds	—	—	—
Corporate Bonds	1,817	1,825	(8)
Other Securities	23,065	25,791	(2,726)
Foreign Stocks	8	12	(4)
Foreign Bonds	12,005	12,299	(294)
Others	11,053	13,480	(2,427)
Subtotal	26,972	29,771	(2,799)
Total	\$ 49,978	\$ 43,765	\$ 6,213

3. Impairment of Securities

Securities other than securities whose fair values are extremely difficult to be determined, or those deemed to be trading securities, are treated as impaired when their fair values have declined significantly from the acquisition cost and it is deemed unlikely that the fair values will recover to their acquisition cost. Such securities are recorded at their fair values in the interim consolidated balance sheets. The difference between the acquisition cost and the fair values is recognized as an impairment loss.

Impairment losses of ¥93 million (U.S. \$1 million) on stocks were recognized during the current interim period.

The criteria for determining whether the fair values of se-

curities have significantly declined are as follows:

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

Money Held in Trust

1. Held-to-Maturity Money Held in Trust

There is no held-to-maturity money held in trust as of September 30, 2018.

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

Other money held in trust (other than those held for trading purposes or held-to-maturity) as of September 30, 2018, consists of the following:

September 30, 2018	Millions of Yen				
	Carrying Amount	Acquisition Cost	Difference	Positive Difference	Negative Difference
Other Money Held in Trust	¥ 1,406	¥ 976	¥ 429	¥ 429	¥ —

September 30, 2018	Millions of U.S. Dollars				
	Carrying Amount	Acquisition Cost	Difference	Positive Difference	Negative Difference
Other Money Held in Trust	\$ 12	\$ 9	\$ 4	\$ 4	\$ —

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

Valuation Differences on Available-for-Sale Securities

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

	Millions of Yen	Millions of U.S. Dollars
	Sep. 30, 2018	Sep. 30, 2018
Valuation Differences		
Available-for-Sale Securities	¥ 707,013	\$ 6,225
Other Money Held in Trust	429	4
Total Valuation Differences	707,442	6,229
Amount Equivalent to Deferred Tax Assets (Liabilities)	(214,633)	(1,890)
Total (before Adjustment for Non-Controlling Interests and Parent Company's Portions in Available-for-Sale Securities Owned by Its Affiliated Companies)	492,808	4,339
Non-Controlling Interests	(339)	(3)
Parent Company's Portions in Available-for-Sale Securities Owned by Its Affiliated Companies	176	2
Valuation Differences on Available-for-Sale Securities	¥ 492,645	\$ 4,337

(Notes)

- 1) Foreign currency translation adjustments on available-for-sale securities, for which fair values are extremely difficult to be determined, are included in the "Available-for-Sale Securities" under "Valuation Differences."
- 2) The valuation difference of ¥1,440 million (U.S. \$13 million) on available-for-sale securities composing assets held by associated companies is included in "Available-for-Sale

Securities" under "Valuation Differences."

- 3) The unamortized portion of valuation difference as of the interim consolidated balance sheet date arising from the reclassification of the holding purpose of securities is included in "Available-for-Sale Securities" under "Valuation Differences."

Derivatives

1. Derivative Transactions Not Qualifying for Hedge Accounting

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

(1) Interest-Related Transactions

Interest-related transactions not qualifying for hedge accounting as of September 30, 2018, consist of the following:

	Millions of Yen				Millions of U.S. Dollars			
	Sep. 30, 2018				Sep. 30, 2018			
	Notional Amount		Fair Value	Valuation Difference	Notional Amount		Fair Value	Valuation Difference
Total	Over One Year	Total			Over One Year			
Listed								
Interest Futures								
Sold	¥ 40,069,069	¥ 19,452,581	¥ 26,595	¥ 26,595	\$ 352,783	\$ 171,268	\$ 234	\$ 234
Purchased	36,230,436	18,108,816	(24,309)	(24,309)	318,986	159,437	(214)	(214)
Interest Options								
Sold	5,085,250	606,517	(787)	78	44,772	5,340	(7)	1
Purchased	4,488,269	327,947	892	18	39,516	2,887	8	0
OTC								
Forward Rate Agreements								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Interest Rate Swaps								
Fixed Interest Rate Receivable/ Floating Interest Rate Payable	68,871,628	50,192,160	341,265	341,265	606,371	441,910	3,005	3,005
Floating Interest Rate Receivable/ Fixed Interest Rate Payable	63,205,730	46,557,484	(325,232)	(325,232)	556,486	409,909	(2,863)	(2,863)
Floating Interest Rate Receivable/ Floating Interest Rate Payable	21,783,506	15,737,606	6,163	6,163	191,790	138,560	54	54
Interest Options								
Sold	6,646,943	6,623,917	20,287	35,721	58,522	58,319	179	315
Purchased	3,110,566	3,110,566	2,806	(3,858)	27,387	27,387	25	(34)
Others								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Total			¥ 47,681	¥ 56,442			\$ 420	\$ 497

(Notes)

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

2) The fair values of listed derivative transactions are based

on the closing prices on the Tokyo Financial Exchange and other exchanges. The fair values of over-the-counter (OTC) derivative transactions are calculated using the net present value method or option-pricing models.

(2) Currency-Related Transactions

Currency-related transactions not qualifying for hedge accounting as of September 30, 2018, consist of the following:

	Millions of Yen				Millions of U.S. Dollars			
	Sep. 30, 2018				Sep. 30, 2018			
	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	3,712,312	3,358,227	8,362	8,362	32,685	29,567	74	74
Forward Exchange Contracts								
Sold	13,036,052	492,092	(187,918)	(187,918)	114,774	4,333	(1,655)	(1,655)
Purchased	17,438,686	294,031	295,062	295,062	153,537	2,589	2,598	2,598
Currency Options								
Sold	1,393,010	651,025	(47,905)	14,953	12,265	5,732	(422)	132
Purchased	1,135,719	530,572	44,853	(11,932)	9,999	4,671	395	(105)
Others								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Total			¥ 112,454	¥ 118,526			\$ 990	\$ 1,044

(Notes)

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

2) The fair values are calculated using the net present value method or option-pricing models.

(3) Stock-Related Transactions

Stock-related transactions not qualifying for hedge accounting as of September 30, 2018, consist of the following:

	Millions of Yen				Millions of U.S. Dollars			
	Sep. 30, 2018				Sep. 30, 2018			
	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	¥ 77,415	¥ —	¥ (2,009)	¥ (2,009)	\$ 682	\$ —	\$ (18)	\$ (18)
Purchased	81,476	—	1,026	1,026	717	—	9	9
Stock Index Options								
Sold	54,680	—	(1,766)	(1,432)	481	—	(16)	(13)
Purchased	13,050	—	4	(55)	115	—	0	(0)
OTC								
OTC Stock Options								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
OTC Stock Swaps								
Volatility of Stock Price and Other Receivable/ Short-Term Floating Interest Rate Payable	—	—	—	—	—	—	—	—
Short-Term Floating Interest Rate Receivable/ Volatility of Stock Price and Other Payable	—	—	—	—	—	—	—	—
Others								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Total			¥ (2,745)	¥ (2,471)			\$ (24)	\$ (22)

(Notes)

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

2) The fair values of listed derivative transactions are based

on the closing prices on the Osaka Exchange and other exchanges. The fair values of OTC derivative transactions are calculated using the net present value method or option-pricing models.

(4) Bond-Related Transactions

Bond-related transactions not qualifying for hedge accounting as of September 30, 2018, consist of the following:

	Millions of Yen				Millions of U.S. Dollars			
	Sep. 30, 2018				Sep. 30, 2018			
	Notional Amount		Fair Value	Valuation Difference	Notional Amount		Fair Value	Valuation Difference
	Total	Over One Year			Total	Over One Year		
Listed								
Bond Futures								
Sold	¥ 1,681,289	¥ —	¥ 10,479	¥ 10,479	\$ 14,803	\$ —	\$ 92	\$ 92
Purchased	1,326,953	—	(9,605)	(9,605)	11,683	—	(85)	(85)
Bond Future Options								
Sold	281,628	—	(843)	16	2,480	—	(7)	0
Purchased	179,184	—	324	(52)	1,578	—	3	(0)
OTC								
Bond Forward Contracts								
Sold	231,565	—	10	10	2,039	—	0	0
Purchased	181,188	—	(93)	(93)	1,595	—	(1)	(1)
Bond Options								
Sold	—	—	—	—	—	—	—	—
Purchased	2,505	—	35	11	22	—	0	0
Others								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Total			¥ 306	¥ 764			\$ 3	\$ 7

(Notes)

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

2) The fair values of listed derivative transactions are based on the closing prices on the Osaka Exchange and other exchanges. The fair values of OTC derivative transactions are calculated using option-pricing models.

(5) Commodity-Related Transactions

There are no commodity-related transactions not qualifying for hedge accounting as of September 30, 2018.

(6) Credit Derivative Transactions

Credit derivative transactions not qualifying for hedge accounting as of September 30, 2018, consist of the following:

	Millions of Yen				Millions of U.S. Dollars			
	Sep. 30, 2018				Sep. 30, 2018			
	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	¥ 86,400	¥ 54,100	¥ 1,166	¥ 1,166	\$ 761	\$ 476	\$ 10	\$ 10
Purchased	86,532	54,232	(1,149)	(1,149)	762	477	(10)	(10)
Others								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Total			¥ 17	¥ 17			\$ 0	\$ 0

(Notes)

- 1) The above transactions are stated at their fair values and valuation differences are recorded in the interim consolidated statements of income.
- 2) The fair values are calculated using the net present value method.

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

2. Derivative Transactions Qualifying for Hedge Accounting

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

(1) Interest-Related Transactions

Interest-related transactions qualifying for hedge accounting as of September 30, 2018, consist of the following:

		Millions of Yen			Millions of U.S. Dollars		
		Sep. 30, 2018			Sep. 30, 2018		
		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		¥ 2,185,296	¥ 1,204,024	¥ (1,795)	\$ 19,240	\$ 10,601	\$ (16)
Floating Interest Rate Receivable/ Fixed Interest Rate Payable	Interest-Earning/ Bearing Financial Assets/Liabilities such as Loans and Bills Discounted, Available-for-Sale Securities (Bonds), Deposits, and Bonds Payable	1,507,417	1,444,659	(18,821)	13,272	12,719	(166)
Interest Futures							
Sold		—	—	—	—	—	—
Purchased		—	—	—	—	—	—
Interest Options							
Sold		—	—	—	—	—	—
Purchased		—	—	—	—	—	—
Others							
Sold		—	—	—	—	—	—
Purchased		—	—	—	—	—	—
Exceptional Treatment for Interest Rate Swaps							
Interest Rate Swaps							
Fixed Interest Rate Receivable/ Floating Interest Rate Payable	Borrowed Money	—	—	(Note3)	—	—	(Note3)
Floating Interest Rate Receivable/ Fixed Interest Rate Payable		400	300		4	3	
Total				¥ (20,617)			\$ (182)

(Notes)

1) Deferred hedge accounting stipulated in Report No. 24 is applied, in principle.

2) Fair values are calculated mainly using the net present value method or option-pricing models.

3) Interest rate swaps to which exceptional treatment is applied are accounted for as part of the borrowings being hedged; therefore, their fair values are included in the fair value of "Borrowed Money" presented under "Financial Instruments."

(2) Currency-Related Transactions

Currency-related transactions qualifying for hedge accounting as of September 30, 2018, consist of the following:

Major Hedged Item		Millions of Yen			Millions of U.S. Dollars		
		Sep. 30, 2018			Sep. 30, 2018		
		Notional Amount		Fair Value	Notional Amount		Fair Value
		Total	Over One Year		Total	Over One Year	
Deferral Method							
Currency Swaps		¥ 1,715,852	¥ 790,838	¥ (52,606)	\$ 15,107	\$ 6,963	\$ (463)
Forward Exchange Contracts							
Sold	Loans and Bills Discounted and Securities Denominated in Foreign Currencies	9,793	—	(47)	86	—	(0)
Purchased		12,449	—	32	110	—	0
Others							
Sold		—	—	—	—	—	—
Purchased		—	—	—	—	—	—
Method of Including Foreign Currency Translation Adjustments Arising from the Hedging Instruments in “Foreign Currency Translation Adjustments”							
Forward Exchange Contracts	Investment in the Shares of Subsidiaries and Affiliated Companies						
Sold		¥ 48,645	¥ —	¥ (1,166)	\$ 428	\$ —	\$ (10)
Purchased		—	—	—	—	—	—
Total				¥ (53,788)			\$ (474)

(Notes)

- 1) Deferred hedge accounting stipulated in Report No. 25 is applied, in principle. 2) Fair values are calculated mainly using the net present value method.

(3) Stock-Related Transactions

There are no stock-related transactions qualifying for hedge accounting as of September 30, 2018.

(4) Bond-Related Transactions

There are no bond-related transactions qualifying for hedge accounting as of September 30, 2018.

Stock Option Plans

Consolidated Subsidiary (Nikko Asset Management Co., Ltd.)

Nikko Asset Management Co., Ltd. granted stock options during the six months ended September 30, 2018. However, disclosure is omitted as the effects of the stock options granted on the SuMi TRUST Bank Group's financial position, financial results, and cash flows are immaterial.

Segment Information

1. Reportable Segment Information

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

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

Retail Total Solution Services:

Provision of services to individual customers

Wholesale Financial Services:

Provision of services to corporate customers

Stock Transfer Agency Services:

Undertaking of stock-related services on behalf of customers

Real Estate:

Provision of services related to the real estate business

Fiduciary Services:

Operation of the pension business, the asset management business, and the asset administration business

Global Markets:

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

(Changes in Reportable Segments)

With an aim to gain clarity around its business model that places focal points in provision of optimal and total solutions to suit the varying need of both individual and corporate customers, the SuMi TRUST Bank Group has been reforming its business portfolio since the fiscal year ended March 31, 2018. Based on the solid progress made during the previous fiscal year, the reportable segments have been revised to operating segments that are based on the components of services provided by the SuMi TRUST Bank Group.

2. Method for Calculating Gross Business Profit and Net Business Profit

Segment information is prepared based on internal management reports and the accounting policies used for the reportable segments are generally the same as those presented under "Significant Accounting Policies and Practices"; however, the reportable segments are accounted for in accordance with the rules for the internal management. Since each segment's information will not be used to make decisions about the allocation of resources or assess business performance at the management level, information about assets by reportable segment has not been generated.

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

(Changes in the Calculation of Profit or Loss by Each Reportable Segment)

Following the changes in reportable segments effective from the six months ended September 30, 2018, income earned from inter-segment and cross-segment transactions, which was previously calculated using third-party transaction prices, is calculated in accordance with the rules for internal management (using market prices).

3. Profit or Loss by Reportable Segment

The details and amounts of profit or loss by reportable segment for the six months ended September 30, 2018, are as follows:

	Millions of Yen							
	SuMi TRUST Bank							Total
	Retail Total Solution Services	Wholesale Financial Services	Stock Transfer Agency Services	Real Estate	Fiduciary Services	Global Markets	Others	
Six Months Ended September 30, 2018								
Gross Business Profit	¥ 68,869	¥ 67,314	¥ 11,370	¥ 13,027	¥ 31,351	¥ 29,255	¥ 31,464	¥ 252,653
General and Administrative Expenses	(61,660)	(21,256)	(1,871)	(4,598)	(12,971)	(7,601)	(8,741)	(118,700)
Net Business Profit	¥ 7,208	¥ 46,058	¥ 9,498	¥ 8,429	¥ 18,379	¥ 21,654	¥ 22,723	¥ 133,952

	Millions of U.S. Dollars							
	SuMi TRUST Bank							Total
	Retail Total Solution Services	Wholesale Financial Services	Stock Transfer Agency Services	Real Estate	Fiduciary Services	Global Markets	Others	
Six Months Ended September 30, 2018								
Gross Business Profit	\$ 606	\$ 593	\$ 100	\$ 115	\$ 276	\$ 258	\$ 277	\$ 2,224
General and Administrative Expenses	(543)	(187)	(16)	(40)	(114)	(67)	(77)	(1,045)
Net Business Profit	\$ 63	\$ 406	\$ 84	\$ 74	\$ 162	\$ 191	\$ 200	\$ 1,179

(Notes)

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

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

3) "General and Administrative Expenses" include personnel expenses and rent expenses.

4) "Others" include costs of capital funding, dividends for shares for cross-shareholdings, general and administrative expenses of headquarters, and internal transactions to be eliminated.

Related Information

1. Information by Services

Disclosure of information by services is omitted as similar disclosure is included in the "3. Profit or Loss by Reportable Segment" in the "Segment Information" section.

2. Geographic Information

(1) Income

Income by geographical area for the six months ended September 30, 2018, consists of the following:

Millions of Yen					
Six Months Ended September 30, 2018	Japan	Americas	Europe	Asia and Oceania	Total
	¥ 540,681	¥ 75,763	¥ 41,161	¥ 59,453	¥ 717,058

Millions of U.S. Dollars					
Six Months Ended September 30, 2018	Japan	Americas	Europe	Asia and Oceania	Total
	\$ 4,760	\$ 667	\$ 362	\$ 523	\$ 6,313

(Notes)

1) The figures represent income in substitution for net sales to be presented by companies in other industries.
 2) Income related to transactions by SuMi TRUST Bank (excluding overseas branches) and its domestic consolidated subsidiaries is 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 Bank Group's tangible fixed assets on the interim consolidated balance sheets are located in Japan; accordingly, tangible fixed assets by geographical area are not presented.

3. Information by Major Customer

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

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

Impairment losses of fixed assets are not allocated to reportable segments. Impairment losses for the six months ended September 30, 2018, are ¥3,725 million (U.S. \$33 million).

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 reportable segments. Amortization of goodwill is ¥4,984 million (U.S. \$44 million) for the six months ended September 30, 2018. The unamortized balance of goodwill is ¥79,586 million (U.S. \$701 million) as of September 30, 2018.

Information Related to Gain on Negative Goodwill by Reportable Segment

There is no gain on negative goodwill by reportable segment during the six months ended September 30, 2018.

Per Share of Common Stock Information

1. Net Assets per Share of Common Stock and Basis for Calculation

The details of net assets per share of common stock and the basis for calculation for the six months ended September 30, 2018, are as follows:

Six Months Ended September 30, 2018	Net Assets [Millions of Yen] (Numerator)	The Number of Shares of Common Stock Outstanding [Thousands of Shares] (Denominator)	Amount per Share of Common Stock [Yen]
Net Assets as Reported	¥ 2,583,480		
Less:	34,519		
Non-Controlling Interests	34,519		
Net Assets Attributable to Common Shareholders	¥ 2,548,960	1,674,537	¥ 1,522.18

Six Months Ended September 30, 2018	Net Assets [Millions of U.S. Dollars] (Numerator)	The Number of Shares of Common Stock Outstanding [Thousands of Shares] (Denominator)	Amount per Share of Common Stock [U.S. Dollars]
Net Assets as Reported	\$ 22,746		
Less:	304		
Non-Controlling Interests	304		
Net Assets Attributable to Common Shareholders	\$ 22,442	1,674,537	\$ 13.40

2. Net Income per Share of Common Stock and Basis for Calculation

The details of net income per share of common stock and the basis for calculation for the six months ended September 30, 2018, are as follows:

Six Months Ended September 30, 2018	Net Income (Loss) [Millions of Yen] (Numerator)	Average Number of Shares of Common Stock Outstanding [Thousands of Shares] (Denominator)	Amount per Share of Common Stock [Yen]
Net Income per Share of Common Stock			
Net Income Attributable to Owners of the Parent	¥ 90,796		
Net Income Not Attributable to Common Shareholders	—		
Net Income Related to Common Stock That Is Attributable to Owners of the Parent	¥ 90,796	1,674,537	¥ 54.22

Six Months Ended September 30, 2018	Net Income (Loss) [Millions of U.S. Dollars] (Numerator)	Average Number of Shares of Common Stock Outstanding [Thousands of Shares] (Denominator)	Amount per Share of Common Stock [U.S. Dollars]
Net Income per Share of Common Stock			
Net Income Attributable to Owners of the Parent	\$ 799		
Net Income Not Attributable to Common Shareholders	—		
Net Income Related to Common Stock That Is Attributable to Owners of the Parent	\$ 799	1,674,537	\$ 0.48

(Note) Fully diluted net income per share of common stock is not presented because there are no dilutive potential shares. The potential shares that are excluded from the calculation of fully diluted net income per share of common stock because they have no dilutive effect are as follows:

Consolidated Subsidiary (Nikko Asset Management Co., Ltd.)		
Subscription Rights to Shares (Stock Options)	Nikko Asset Management Common Stock	15,811,000 shares

Significant Subsequent Event

Transactions Involving Entities or Businesses under Common Control

Split and integration of the asset management function

1. Overview of transaction

(1) Name and description of the business subject to the split and integration

Name:

Asset administration business of SuMi TRUST Bank

Description:

Provision of asset management services to corporate customers and institutional investors

(2) Date of the business split and integration

October 1, 2018

(3) Form of the business combination

Absorption-type split:

Split the asset management function from SuMi TRUST Bank and integrate it into Sumitomo Mitsui Trust Asset Management Co., Ltd. ("SMTAM"), which is a consolidated subsidiary of SuMi TRUST Holdings, a parent company of SuMi TRUST Bank.

(4) Name of the post-integration company

Sumitomo Mitsui Trust Asset Management Co., Ltd.

(5) Other transaction-related information

In order to strengthen the asset management business, which is identified as a growing business area of the SuMi TRUST Group, this business split and integration separates the asset management function of SuMi TRUST Bank that has technical know-how and maintains high quality standards in provision of services to corporate and institutional investors, and integrates that function into SMTAM, anticipating the further growth of the business, that has expanded its business targeting individual customers, primarily in the field of defined benefit pension plans, fund wrap services, and index investment.

2. Overview of accounting treatment

In accordance with the "Accounting Standard for Business Combinations" and "Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures," this business split and integration will be accounted for as a transaction between entities or businesses under common control.

Financial Data:

Non-Consolidated Balance Sheets (Unaudited)

Sumitomo Mitsui Trust Bank, Limited
As of September 30, 2018 and March 31, 2018

	Millions of Yen		Millions of U.S. Dollars
	As of Sep. 30, 2018	As of Mar. 31, 2018	As of Sep. 30, 2018
Assets:			
Cash and Due from Banks	¥ 16,413,891	¥ 15,408,170	\$ 144,514
Call Loans	65,103	92,951	573
Receivables under Resale Agreements	32,319	63,531	285
Receivables under Securities Borrowing Transactions	726,971	624,048	6,401
Monetary Claims Bought	56,455	67,769	497
Trading Assets	406,180	470,899	3,576
Money Held in Trust	99	99	1
Securities	6,583,179	5,972,337	57,961
Loans and Bills Discounted	28,870,898	28,259,093	254,190
Foreign Exchanges	29,651	25,554	261
Other Assets:	1,503,743	1,428,871	13,240
Other Assets	1,503,743	1,428,871	13,240
Tangible Fixed Assets	193,853	198,328	1,707
Intangible Fixed Assets	65,478	66,969	576
Prepaid Pension Expenses	165,758	161,208	1,459
Customers' Liabilities for Acceptances and Guarantees	390,766	398,773	3,440
Allowance for Loan Losses	(61,147)	(77,169)	(538)
Total Assets	¥ 55,443,203	¥ 53,161,437	\$ 488,142
Liabilities:			
Deposits	¥ 30,717,721	¥ 29,392,255	\$ 270,450
Negotiable Certificates of Deposit	7,131,640	6,758,936	62,790
Call Money	666,992	494,864	5,872
Payables under Repurchase Agreements	1,789,950	1,454,855	15,759
Payables under Securities Lending Transactions	115,094	41,299	1,013
Trading Liabilities	224,905	266,148	1,980
Borrowed Money	4,306,957	4,367,179	37,920
Foreign Exchanges	18,837	1,984	166
Short-Term Bonds Payable	839,757	605,290	7,394
Bonds Payable	955,857	944,966	8,416
Borrowed Money from Trust Account	4,963,929	5,172,463	43,704
Other Liabilities:	773,106	695,820	6,807
Income Taxes Payable	9,606	14,864	85
Lease Obligations	6,166	6,320	54
Asset Retirement Obligations	3,815	3,826	34
Other	753,518	670,809	6,634
Provision for Bonuses	8,462	8,923	75
Provision for Directors' Bonuses	—	78	—
Provision for Retirement Benefits	726	724	6
Provision for Reimbursement of Deposits	3,858	3,548	34
Provision for Contingent Losses	1,549	4,628	14
Deferred Tax Liabilities	170,493	173,412	1,501
Deferred Tax Liabilities for Land Revaluation	2,864	3,016	25
Acceptances and Guarantees	390,766	398,773	3,440
Total Liabilities	¥ 53,083,471	¥ 50,789,170	\$ 467,366
Net Assets:			
Total Shareholders' Equity:	¥ 1,881,161	¥ 1,865,959	\$ 16,562
Capital Stock	342,037	342,037	3,011
Capital Surplus:	410,200	456,233	3,612
Legal Capital Surplus	273,016	273,016	2,404
Other Capital Surplus	137,184	183,217	1,208
Retained Earnings:	1,128,923	1,067,688	9,939
Legal Retained Earnings	69,020	69,020	608
Other Retained Earnings:	1,059,902	998,667	9,332
Other Voluntary Reserves	371,870	371,870	3,274
Retained Earnings Brought Forward	688,032	626,797	6,058
Total Valuation and Translation Adjustments:	478,570	506,307	4,214
Valuation Differences on Available-for-Sale Securities	488,415	525,874	4,300
Deferred Gains (Losses) on Hedges	(8,048)	(18,154)	(71)
Revaluation Reserve for Land	(1,796)	(1,412)	(16)
Total Net Assets	¥ 2,359,732	¥ 2,372,266	\$ 20,776
Total Liabilities and Net Assets	¥ 55,443,203	¥ 53,161,437	\$ 488,142

Financial Data:

Non-Consolidated Statements of Income (Unaudited)

Sumitomo Mitsui Trust Bank, Limited
For the Six Months Ended September 30, 2018 and 2017

	Millions of Yen		Millions of U.S. Dollars
	Six Months Ended Sep. 30, 2018	Six Months Ended Sep. 30, 2017	Six Months Ended Sep. 30, 2018
Income:			
Trust Fees	¥ 50,545	¥ 45,797	\$ 445
Interest Income:	271,845	202,038	2,393
Interest on Loans and Discounts	168,724	145,422	1,486
Interest and Dividends on Securities	80,039	41,330	705
Fees and Commissions	94,800	92,924	835
Trading Income	6,729	3,981	59
Other Ordinary Income	58,002	36,885	511
Other Income	39,509	24,732	348
Total Income	¥ 521,432	¥ 406,360	\$ 4,591
Expenses:			
Interest Expenses:	¥ 174,055	¥ 119,068	\$ 1,532
Interest on Deposits	58,539	45,671	515
Fees and Commissions Payments	43,571	43,376	384
Trading Expenses	—	61	—
Other Ordinary Expenses	11,642	14,130	103
General and Administrative Expenses	120,519	127,481	1,061
Other Expenses	35,780	20,149	315
Total Expenses	¥ 385,569	¥ 324,267	\$ 3,395
Income before Income Taxes	¥ 135,863	¥ 82,093	\$ 1,196
Income Taxes:	29,715	22,851	262
Current	20,965	16,034	185
Deferred	8,749	6,817	77
Net Income	¥ 106,148	¥ 59,241	\$ 935
	Yen		U.S. Dollars
Net Income per Share of Common Stock	¥ 63.38	¥ 35.37	\$ 0.56

Financial Data:

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

Sumitomo Mitsui Trust Bank, Limited

For the Six Months Ended September 30, 2018 and 2017

For the Six Months Ended September 30, 2018

	Millions of Yen							
	Shareholders' Equity							
	Capital Stock	Capital Surplus			Retained Earnings			Total Shareholders' Equity
		Legal Capital Surplus	Other Capital Surplus	Total Capital Surplus	Legal Retained Earnings	Other Retained Earnings	Total Retained Earnings	
Balance at the Beginning of the Period	¥ 342,037	¥ 273,016	¥ 183,217	¥ 456,233	¥ 69,020	¥ 998,667	¥ 1,067,688	¥ 1,865,959
Changes during the Period								
Cash Dividends			(46,033)	(46,033)		(45,296)	(45,296)	(91,329)
Net Income						106,148	106,148	106,148
Reversal of Revaluation Reserve for Land						383	383	383
Net Changes of Items Other Than Shareholders' Equity								
Total Changes during the Period	—	—	(46,033)	(46,033)	—	61,235	61,235	15,202
Balance at the End of the Period	¥ 342,037	¥ 273,016	¥ 137,184	¥ 410,200	¥ 69,020	¥1,059,902	¥ 1,128,923	¥ 1,881,161

	Millions of Yen				
	Valuation and Translation Adjustments				Total Net Assets
	Valuation Differences on Available-for-Sale Securities	Deferred Gains (Losses) on Hedges	Revaluation Reserve for Land	Total Valuation and Translation Adjustments	
Balance at the Beginning of the Period	¥ 525,874	¥ (18,154)	¥ (1,412)	¥ 506,307	¥ 2,372,266
Changes during the Period					
Cash Dividends					(91,329)
Net Income					106,148
Reversal of Revaluation Reserve for Land					383
Net Changes of Items Other Than Shareholders' Equity	(37,459)	10,105	(383)	(27,736)	(27,736)
Total Changes during the Period	(37,459)	10,105	(383)	(27,736)	(12,534)
Balance at the End of the Period	¥ 488,415	¥ (8,048)	¥ (1,796)	¥ 478,570	¥ 2,359,732

For the Six Months Ended September 30, 2017

	Millions of Yen							
	Shareholders' Equity							Total Shareholders' Equity
	Capital Stock	Capital Surplus			Retained Earnings			
		Legal Capital Surplus	Other Capital Surplus	Total Capital Surplus	Legal Retained Earnings	Other Retained Earnings	Total Retained Earnings	
Balance at the Beginning of the Period	¥ 342,037	¥ 273,016	¥ 219,236	¥ 492,252	¥ 69,020	¥ 935,702	¥ 1,004,722	¥ 1,839,012
Changes during the Period								
Cash Dividends			(36,019)	(36,019)		(34,227)	(34,227)	(70,246)
Net Income						59,241	59,241	59,241
Reversal of Revaluation Reserve for Land						314	314	314
Net Changes of Items Other Than Shareholders' Equity								
Total Changes during the Period	—	—	(36,019)	(36,019)	—	25,327	25,327	(10,691)
Balance at the End of the Period	¥ 342,037	¥ 273,016	¥ 183,217	¥ 456,233	¥ 69,020	¥ 961,030	¥ 1,030,050	¥ 1,828,321

	Millions of Yen				
	Valuation and Translation Adjustments				Total Net Assets
	Valuation Differences on Available-for-Sale Securities	Deferred Gains (Losses) on Hedges	Revaluation Reserve for Land	Total Valuation and Translation Adjustments	
Balance at the Beginning of the Period	¥ 487,623	¥ (15,844)	¥ (1,067)	¥ 470,711	¥ 2,309,724
Changes during the Period					
Cash Dividends					(70,246)
Net Income					59,241
Reversal of Revaluation Reserve for Land					314
Net Changes of Items Other Than Shareholders' Equity	17,927	(939)	(314)	16,673	16,673
Total Changes during the Period	17,927	(939)	(314)	16,673	5,982
Balance at the End of the Period	¥ 505,551	¥ (16,784)	¥ (1,381)	¥ 487,385	¥ 2,315,707

For the Six Months Ended September 30, 2018

	Millions of U.S. Dollars							
	Shareholders' Equity							Total Shareholders Equity
	Capital Stock	Capital Surplus			Retained Earnings			
		Legal Capital Surplus	Other Capital Surplus	Total Capital Surplus	Legal Retained Earnings	Other Retained Earnings	Total Retained Earnings	
Balance at the Beginning of the Period	\$ 3,011	\$ 2,404	\$ 1,613	\$ 4,017	\$ 608	\$ 8,793	\$ 9,400	\$ 16,429
Changes during the Period								
Cash Dividends			(405)	(405)		(399)	(399)	(804)
Net Income						935	935	935
Reversal of Revaluation Reserve for Land						3	3	3
Net Changes of Items Other Than Shareholders' Equity								
Total Changes during the Period	—	—	(405)	(405)	—	539	539	134
Balance at the End of the Period	\$ 3,011	\$ 2,404	\$ 1,208	\$ 3,612	\$ 608	\$ 9,332	\$ 9,939	\$ 16,562

	Millions of U.S. Dollars				
	Valuation and Translation Adjustments				Total Net Assets
	Valuation Differences on Available-for-Sale Securities	Deferred Gains (Losses) on Hedges	Revaluation Reserve for Land	Total Valuation and Translation Adjustments	
Balance at the Beginning of the Period	\$ 4,630	\$ (160)	\$ (12)	\$ 4,458	\$ 20,886
Changes during the Period					
Cash Dividends					(804)
Net Income					935
Reversal of Revaluation Reserve for Land					3
Net Changes of Items Other Than Shareholders' Equity	(330)	89	(3)	(244)	(244)
Total Changes during the Period	(330)	89	(3)	(244)	(110)
Balance at the End of the Period	\$ 4,300	\$ (71)	\$ (16)	\$ 4,214	\$ 20,776

Basel III Disclosure Data

Sumitomo Mitsui Trust Holdings, Inc.

This section outlines and discloses matters to be stated in explanatory documents relating to the first half of fiscal year, separately stipulated by the Director-General of the Financial Services Agency (Notification No.7 of Financial Services Agency, 2014) with regard to the status of capital adequacy, as set forth in Article 19-2, Paragraph 1, Item 5-(d) of the Ordinance for Enforcement of the Banking Act (Ministry of Finance Ordinance No.10, 1982), as well as separately stipulated by the Director-General of the Financial Services Agency (Notification No.7 of Financial Services Agency, 2015) with regard to the status of management soundness relating to liquidity, as set forth in Article 19-2, Paragraph 1, Item 5-(e) of the Ordinance for Enforcement of the Banking Act.

[Quantitative Disclosure Data: SuMi TRUST Holdings]

Consolidated	
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* Disclosure items and formats have been changed from first half of fiscal year 2018 (the year ended September 30, 2018), therefore, disclosure data of first half of fiscal year 2017 (the year ended September 30, 2017) has been stated separately.

Sumitomo Mitsui Trust Holdings, Inc.

Disclosure Data for First Half of Fiscal Year 2018 (as of September 30, 2018)

KM1: Key Metrics

Consolidated

KM1 Basel III Template No.	Millions of yen, %				
	a	b	c	d	e
	September 30, 2018	June 30, 2018	March 31, 2018	December 31, 2017	September 30, 2017
Available capital (amounts)					
1 Common Equity Tier 1 (CET1)	¥ 2,353,897	¥ 2,349,477	¥ 2,325,854	¥ 2,282,732	¥ 2,210,988
2 Tier 1	2,748,224	2,845,760	2,821,417	2,760,093	2,688,896
3 Total capital	3,301,843	3,411,597	3,348,183	3,361,003	3,280,504
Risk-weighted assets (amounts)					
4 Total risk-weighted assets (RWA)	19,971,261	20,322,781	20,522,957	21,027,701	19,570,897
Risk-based capital ratios as a percentage of RWA					
5 Common Equity Tier 1 ratio (%)	11.78%	11.56%	11.33%	10.85%	11.29%
6 Tier 1 ratio (%)	13.76%	14.00%	13.74%	13.12%	13.73%
7 Total capital ratio (%)	16.53%	16.78%	16.31%	15.98%	16.76%
Additional CET1 buffer requirements as a percentage of RWA					
8 Capital conservation buffer requirement (2.5% from 2019) (%)	1.87%	1.87%	1.87%	1.25%	1.25%
9 Countercyclical buffer requirement (%)	—%	—%	—%	—%	—%
10 Bank G-SIB and/or D-SIB additional requirements (%)	0.37%	0.37%	0.37%	0.25%	0.25%
11 Total of bank CET1 specific buffer requirements (%)	2.25%	2.25%	2.25%	1.50%	1.50%
12 CET1 available after meeting the bank's minimum capital requirements (%)	7.28%	7.06%	6.83%	6.35%	6.79%
Basel III leverage ratio					
13 Total Basel III leverage ratio exposure measure	72,436,378	69,699,354	70,807,838	66,564,532	68,339,449
14 Basel III leverage ratio (%)	3.79%	4.08%	3.98%	4.14%	3.93%

KM1 Basel III Template No.	Millions of yen, %				
	Fiscal Year 2018 2nd Quarter	Fiscal Year 2018 1st Quarter	Fiscal Year 2017 4th Quarter	Fiscal Year 2017 3rd Quarter	Fiscal Year 2017 2nd Quarter
Liquidity Coverage Ratio (LCR)					
15 Total HQLA allowed to be included in the calculation	¥ 28,164,041	¥ 28,382,568	¥ 27,250,018	¥ 26,931,895	¥ 25,662,551
16 Net cash outflows	21,360,394	20,468,187	19,016,174	18,729,160	17,845,124
17 Consolidated LCR (%)	131.8%	138.6%	143.2%	143.7%	143.8%

Capital Adequacy Ratio

Consolidated

We calculate the consolidated BIS capital adequacy ratio in line with provisions of Article 52-25 of the Banking Act and on the basis of calculation formula prescribed under the criteria for judging whether a bank holding company and its subsidiaries' capital adequacy ratios are appropriate in light of assets held (the Financial Services Agency 2006 Notification No. 20, hereinafter referred to as the "Notification").

As of the end of September 2018, we used the Advanced Internal Ratings-Based (IRB) Approach for the calculation of credit risk-weighted assets, the Advanced Measurement Approach for the calculation of operational risk, and market risk regulations.

Scope of Consolidation

Consolidated

(1) There is no difference between companies belonging to the group of companies subject to the consolidated BIS capital adequacy ratio as prescribed by the Basel Notification, Article 3 (hereinafter referred to as the "SuMi TRUST Holdings Group") and the companies included in the scope of accounting consolidation.

(2) The number of consolidated subsidiaries that belong to the SuMi TRUST Holdings Group is 62. The principal company is the following.

Name	Principal Business Operations
Sumitomo Mitsui Trust Bank, Limited	Trust and Banking Businesses

(3) There is no affiliated company that undertakes financial services subject to the Basel Notification, Article 9.

(4) There are no particular restrictions etc. on the transfer of funds and capital within the SuMi TRUST Holdings Group.

(5) Of the subsidiaries which are banking, financial and insurance entities that are outside the scope of regulatory consolidation, none failed to meet the regulatory required capital.

Composition of Capital (Consolidated BIS capital adequacy ratio)

Consolidated

As of September 30		Millions of Yen, %			
Basel III Template No.	Items	2018	Amounts Excluded under Transitional Arrangements	2017	Amounts Excluded under Transitional Arrangements
Common Equity Tier 1 Capital: Instruments and Reserves					
1a+2-1c-26	Directly Issued Qualifying Common Share Capital Plus Related Capital Surplus and Retained Earnings	¥ 2,160,574		¥ 2,049,591	
1a	of Which: Capital Stock and Capital Surplus	906,611		906,624	
2	of Which: Retained Earnings	1,329,783		1,209,904	
1c	of Which: Treasury Stock (Deduction)	51,212		42,203	
26	of Which: Earnings to be Distributed (Deduction)	24,608		24,734	
	of Which: Others	—		—	
1b	Subscription Rights to Common Shares	1,067		803	
3	Accumulated Other Comprehensive Income	470,604		363,518	¥ 90,879
5	Common Share Capital Issued by Subsidiaries and Held by Third Parties (Amount Allowed in Group Common Equity Tier 1)	1,936		2,025	
	Amount Allowed in Group Common Equity Tier 1 Subject to Transitional Arrangements			6,597	
	of Which: Common Share Capital Issued by Subsidiaries and Held by Third Parties			6,597	
6	Common Equity Tier 1 Capital: Instruments and Reserves (A)	2,634,182		2,422,536	
Common Equity Tier 1 Capital: Regulatory Adjustments					
8+9	Intangible Assets Other than Mortgage Servicing Rights (Net of Related Deferred Tax Liabilities)	163,161		144,830	36,207
8	of Which: Goodwill (Including Those Equivalent)	84,165		77,097	19,274
9	of Which: Other Intangible Assets	78,996		67,733	16,933
10	Deferred Tax Assets That Rely on Future Profitability Excluding Those Arising from Temporary Differences (Net of Related Deferred Tax Liabilities)	341		78	19
11	Deferred Gains or Losses on Derivatives under Hedge Accounting	(11,171)		(16,163)	(4,040)
12	Shortfall of Eligible Provisions to Expected Losses	8,797		12,092	3,023
13	Securitisation Gain on Sale	1,567		1,524	381
14	Gains and Losses Due to Changes in Own Credit Risk on Fair Valued Liabilities	—		—	—
15	Defined-Benefit Pension Fund Net Assets (Assets for Retirement Benefits) (Net of Related Deferred Tax Liabilities)	117,572		69,171	17,292
16	Investments in Own Shares (Excluding Those Reported in the Net Assets Section)	16		13	3
17	Reciprocal Cross-Holdings in Common Equity	—		—	—
	Investments in the Common Stock of Banking, Financial and Insurance Entities That are Outside the Scope of Regulatory Consolidation, Net of Eligible Short Positions, Where the Bank Does Not Own More than 10% of the Issued Share Capital (Amount above 10% Threshold)	—		—	—
18		—		—	—
19+20+21	Amount above the 10% Threshold on the Specified Items	—		—	—
	of Which: Significant Investments in the Common Stock of Banking, Financial and Insurance Entities That are Outside the Scope of Regulatory Consolidation, Net of Eligible Short Positions	—		—	—
19		—		—	—
20	of Which: Mortgage Servicing Rights	—		—	—
	of Which: Deferred Tax Assets Arising from Temporary Differences (Net of Related Deferred Tax Liabilities)	—		—	—
21		—		—	—
22	Amount Exceeding the 15% Threshold on the Specified Items	—		—	—
	of Which: Significant Investments in the Common Stock of Banking, Financial and Insurance Entities That are Outside the Scope of Regulatory Consolidation, Net of Eligible Short Positions	—		—	—
23		—		—	—
24	of Which: Mortgage Servicing Rights	—		—	—
	of Which: Deferred Tax Assets Arising from Temporary Differences (Net of Related Deferred Tax Liabilities)	—		—	—
25		—		—	—
27	Regulatory Adjustments Applied to Common Equity Tier 1 Due to Insufficient Additional Tier 1 and Tier 2 to Cover Deductions	—		—	—
28	Common Equity Tier 1 Capital: Regulatory Adjustments (B)	280,285		211,548	
Common Equity Tier 1 Capital (CET1)					
29	Common Equity Tier 1 Capital (C) = (A)-(B)	¥ 2,353,897		¥ 2,210,988	

As of September 30		Millions of Yen, %			
Basel III Template No.	Items	2018	Amounts Excluded under Transitional Arrangements	2017	Amounts Excluded under Transitional Arrangements
Additional Tier 1 Capital: Instruments					
30	31a Directly Issued Qualifying Additional Tier 1 Instruments Plus Related Capital Surplus of Which Classified as Equity under Applicable Accounting Standards	¥ —		¥ —	
	31b Subscription Rights to Additional Tier 1 Instruments	—		—	
	32 Directly Issued Qualifying Additional Tier 1 Instruments Plus Related Capital Surplus of Which Classified as Liabilities under Applicable Accounting Standards	340,000		290,000	
	Qualifying Additional Tier 1 Instruments Issued by Special Purpose Vehicles	—		—	
	Additional Tier 1 Instruments Issued by Subsidiaries and Held by Third Parties				
34–35	(Amount Allowed in Group Additional Tier 1)	13,326		13,965	
33+35	Eligible Tier 1 Capital Instruments Subject to Phase out from Additional Tier 1 Capital	41,000		193,000	
33	of Which: Directly Issued and Issued by Special Purpose Vehicles	41,000		83,000	
35	of Which: Issued by Subsidiaries	—		110,000	
	Amount Allowed in Group Additional Tier 1 Subject to Transitional Arrangements			1,017	
	of Which: Foreign Currency Translation Adjustment			1,017	
36	Additional Tier 1 Capital: Instruments (D)	394,326		497,983	
Additional Tier 1 Capital: Regulatory Adjustments					
37	Investments in Own Additional Tier 1 Instruments	—		—	¥ —
38	Reciprocal Cross-Holdings in Additional Tier 1 Instruments	—		—	—
	Investments in the Additional Tier 1 Instruments of Banking, Financial and Insurance Entities That are Outside the Scope of Regulatory Consolidation, Net of Eligible Short Positions, Where the Bank Does not Own More than 10% of the Issued Common Share Capital of the Entity (Amount above 10% Threshold)	—		—	—
39	Significant Investments in the Additional Tier 1 Instruments of Banking, Financial and Insurance Entities That are Outside the Scope of Regulatory Consolidation, Net of Eligible Short Positions	—		—	—
40	Regulatory Adjustments Applied to Additional Tier 1 Subject to Transitional Arrangements			20,075	
	of Which: Goodwill Equivalents			17,161	
	of Which: Equivalent to Intangible Fixed Assets Recorded through Business Combination			1,021	
	of Which: Equivalent to Capital Increase Due to Securitisation Transactions			381	
	of Which: Equivalent to 50% of Shortfall of Eligible Provisions to Expected Losses			1,511	
	Regulatory Adjustments Applied to Additional Tier 1 Due to Insufficient Tier 2 to Cover Deductions	—		—	
42	Additional Tier 1 Capital: Regulatory Adjustments (E)	—		20,075	
Additional Tier 1 Capital (ATI)					
44	Additional Tier 1 Capital (F) = (D) - (E)	394,326		477,907	
Tier 1 Capital (TI = CETI + ATI)					
45	Tier 1 Capital (G) = (C) + (F)	2,748,224		2,688,896	
Tier 2 Capital: Instruments and Provisions					
46	Directly Issued Qualifying Tier 2 Instruments Plus Related Capital Surplus of Which Classified as Equity under Applicable Accounting Standards	—		—	
	Subscription Rights to Tier 2 Instruments	—		—	
	Directly Issued Qualifying Tier 2 Instruments Plus Related Capital Surplus of Which Classified as Liabilities under Applicable Accounting Standards	270,000		180,000	
	Qualifying Tier 2 Instruments Issued by Special Purpose Vehicles	—		—	
	Tier 2 Instruments Issued by Subsidiaries and Held by Third Parties				
48–49	(Amount Allowed in Group Tier 2)	3,377		3,524	
47+49	Eligible Tier 2 Capital Instruments Subject to Phase out from Tier 2	279,192		344,156	
47	of Which: Directly Issued and Issued by Special Purpose Vehicles	—		—	
49	of Which: Issued by Subsidiaries	279,192		344,156	
50	Provisions Allowed in Group Tier 2	2,588		4,293	
50a	of Which: General Allowance for Credit Losses	2,588		4,293	
50b	of Which: Excess Amount of Eligible Provisions to Expected Losses	—		—	
	Amount Allowed in Group Tier 2 Subject to Transitional Arrangements			63,258	
	of Which: 45% of Net Unrealized Gain on Available-for-Sale Securities			63,561	
	of Which: 45% of Revaluation Reserve for Land			(302)	
51	Tier 2 Capital: Instruments and Provisions (H)	¥ 555,158		¥ 595,233	

As of September 30		Millions of Yen, %			
Basel III Template No.	Items	2018	Amounts Excluded under Transitional Arrangements	2017	Amounts Excluded under Transitional Arrangements
Tier 2 Capital: Regulatory Adjustments					
52	Investments in Own Tier 2 Instruments	¥ —	¥ —	¥ —	¥ —
53	Reciprocal Cross-Holdings in Tier 2 Instruments	—	—	—	—
54	Investments in the Tier 2 Instruments of Banking, Financial and Insurance Entities That are Outside the Scope of Regulatory Consolidation, Net of Eligible Short Positions, Where the Bank Does Not Own More than 10% of the Issued Common Share Capital of the Entity (Amount above 10% Threshold)	—	—	—	—
55	Significant Investments in the Tier 2 Instruments of Banking, Financial and Insurance Entities That are Outside the Scope of Regulatory Consolidation, Net of Eligible Short Positions	1,540	—	—	—
	Regulatory Adjustments Applied to Tier 2 Subject to Transitional Arrangements			3,624	
	of Which: Investments in the Instruments of Banking, Financial and Insurance Entities That are Outside the Scope of Regulatory Consolidation, Net of Eligible Short Positions			2,112	
	of Which: Equivalent to 50% of Shortfall of Eligible Provisions to Expected Losses			1,511	
57	Tier 2 Capital: Regulatory Adjustments (I)	1,540		3,624	
Tier 2 Capital (TII)					
58	Tier 2 Capital (J) = (H) - (I)	553,618		591,608	
Total Capital (TC = T1 + TII)					
59	Total Capital (K) = (G) + (J)	3,301,843		3,280,504	
Total Risk Weighted Assets					
	Risk Weighted Assets Subject to Transitional Arrangements			33,234	
	of Which: Intangible Assets Other than Mortgage Servicing Rights (Net of Related Deferred Tax Liabilities)			15,912	
	of Which: Deferred Tax Assets That Rely on Future Profitability Excluding Those Arising from Temporary Differences (Net of Related Deferred Tax Liabilities)			19	
	of Which: Defined-Benefit Pension Fund Net Assets (Net of Related Deferred Tax Liabilities)			17,292	
	of Which: Investments in Own Shares (Excluding Those Reported in the Net Assets Section)			9	
	of Which: Investments in the Instruments of Banking, Financial and Insurance Entities That are Outside the Scope of Regulatory Consolidation, Net of Eligible Short Positions			—	
60	Total Risk Weighted Assets (L)	19,971,261		19,570,897	
Capital Ratios (Consolidated)					
61	Common Equity Tier 1 Capital Ratio (C)/(L)	11.78%		11.29%	
62	Tier 1 Capital Ratio (G)/(L)	13.76%		13.73%	
63	Total Capital Ratio (K)/(L)	16.53%		16.76%	
Regulatory Adjustments (before Risk Weighting)					
72	Investments in the Instruments of Banking, Financial and Insurance Entities That are Outside the Scope of Regulatory Consolidation, Where the Bank Does Not Own More than 10% of the Issued Share Capital (Amount below the Threshold for Deduction)	174,806		199,341	
73	Significant Investments in the Common Stock of Banking, Financial and Insurance Entities (Amount below the Thresholds for Deduction)	98,316		80,926	
74	Mortgage Servicing Rights (Amount below the Thresholds for Deduction)	—		—	
75	Deferred Tax Assets Arising from Temporary Differences (Amount below the Thresholds for Deduction)	—		—	
Provisions Included in Tier 2 Capital: Instruments and Provisions					
76	Provisions Eligible for Inclusion in Tier 2 in Respect of Exposures Subject to Standardised Approach (Prior to Applicable of Cap)	2,588		4,293	
77	Cap on Inclusion of Provisions in Tier 2 under Standardised Approach	8,237		9,690	
78	Provisions Eligible for Inclusion in Tier 2 in Respect of Exposures Subject to Internal Ratings-Based Approach (Prior to Applicable of Cap)	—		—	
79	Cap on Inclusion of Provisions in Tier 2 under Internal Ratings-Based Approach	100,647		99,623	
Capital Instruments Subject to Phase out Arrangements					
82	Current Cap on Additional Tier 1 Instruments Subject to Phase out Arrangements	218,000		272,500	
83	Amount Excluded from Additional Tier 1 Due to Cap (Excess over Cap after Redemptions and Maturities)	—		—	
84	Current Cap on Tier 2 Instruments Subject to Phase out Arrangements	343,163		428,954	
85	Amount Excluded from Tier 2 Due to Cap (Excess over Cap after Redemptions and Maturities)	¥ —	¥ —	—	—

Note: SuMi TRUST Holdings received an external audit by KPMG AZSA LLC of the calculation of the consolidated BIS capital adequacy ratio in line with "Agreed Upon Methods for the Implementation of Capital Adequacy Ratio Audits" (Pronouncement 30 of the Japanese Institute of Certified Public Accountants, Bank Auditing Committee, May 13, 2014). The external audit is not part of the accounting audit of the consolidated financial statements but was conducted by the external auditor as part of the internal risk management framework concerning the calculation of the consolidated BIS capital adequacy ratio under agreed-upon examination procedures, which we considered it necessary, and is a report of the results presented to us. It thus does not represent an opinion by the external auditor regarding the consolidated BIS capital adequacy ratio itself or parts of internal risk management framework which concern the ratio.

Main Features and Further Information of Regulatory Capital Instruments

Consolidated

Outline and Details of Agreements Concerning Capital Funding Instruments are available on our website (<https://www.smth.jp/en/ir/basel/index.html>).

Explanation on Reconciliation between Balance Sheet Items and Regulatory Capital Elements

Consolidated

As of September 30, 2018

Items	Consolidated Balance Sheet ^(*)	Ref. No. of Appendix	Basel III Template No. under the Composition of Capital Disclosure
	Amount (Millions of Yen)		
(Assets)			
Cash and Due from Banks	¥ 29,161,889		
Call Loans and Bills Bought	153,103		
Receivables under Resale Agreements	32,319		
Receivables under Securities Borrowing Transactions	726,971		
Monetary Claims Bought	784,620		
Trading Assets	334,973		
Money Held in Trust	1,406		
Securities	6,183,052	2-b, 6-a	
Loans and Bills Discounted	28,866,578	6-b	
Foreign Exchanges	29,651		
Lease Receivables and Investment Assets	672,405		
Other Assets	1,978,658	6-c	
Tangible Fixed Assets	209,577		
Intangible Fixed Assets	189,292	2-a	
Assets for Retirement Benefits	169,476	3	
Deferred Tax Assets	23,295	4-a	
Customers' Liabilities for Acceptances and Guarantees	570,127		
Allowance for Loan Losses	(86,195)		
Total Assets	¥ 70,001,204		

Items	Consolidated Balance Sheet ^(*)	Ref. No. of Appendix	Basel III Template No. under the Composition of Capital Disclosure
	Amount (Millions of Yen)		
(Liabilities)			
Deposits	¥ 37,801,732		
Negotiable Certificates of Deposit	6,947,240		
Call Money and Bills Sold	316,022		
Payables under Repurchase Agreements	1,789,950		
Payables under Securities Lending Transactions	115,094		
Trading Liabilities	224,905		
Borrowed Money	4,255,261	8-a	
Foreign Exchanges	309		
Short-term Bonds Payable	1,320,540		
Bonds Payable	1,581,479	8-b	
Borrowed Money from Trust Account	11,102,964		
Other Liabilities	989,418	6-d	
Provision for Bonuses	14,636		
Provision for Director's Bonuses	60		
Retirement Benefits Liabilities	14,278		
Provision for Reward Points Program	17,904		
Provision for Reimbursement of Deposits	3,858		
Provision for Contingent Loss	1,549		
Deferred Tax Liabilities	178,566	4-b	
Deferred Tax Liabilities for Land Revaluation	2,864	4-c	
Acceptances and Guarantees	570,127		
Total Liabilities	67,248,764		
(Net Assets)			
Capital Stock	261,608	1-a	
Capital Surplus	645,003	1-b	
Retained Earnings	1,329,783	1-c	
Treasury Stock	(51,212)	1-d	
Total Shareholders' Equity	2,185,183		
Valuation Difference on Available-for-Sale Securities	476,542		
Deferred Gains or Losses on Hedges	(12,028)	5	
Revaluation Reserve for Land	(5,659)		
Foreign Currency Translation Adjustment	6,115		
Remeasurements of Retirement Benefits	5,635		
Total Accumulated Other Comprehensive Income	470,604		3
Subscription Rights to Shares	1,067		1b
Non-controlling Interests	95,584	7	
Total Net Assets	2,752,440		
Total Liabilities and Net Assets	¥ 70,001,204		

(*) The regulatory scope of consolidation is the same as the accounting scope of consolidation.

(Appendix)

Note: Amounts in the "Composition of capital" exclude items for regulatory purpose under transitional arrangement.

1. Shareholders' equity

(1) Consolidated balance sheet

Consolidated Balance Sheet Items	Amount (Millions of Yen)	Remarks	Ref. No.
Capital Stock	¥ 261,608		1-a
Capital Surplus	645,003		1-b
Retained Earnings	1,329,783		1-c
Treasury Stock	(51,212)		1-d
Total Shareholders' Equity	¥ 2,185,183		

(2) Composition of capital

Items in the Composition of Capital Disclosure	Amount (Millions of Yen)	Remarks	Basel III Template No.
Directly Issued Qualifying Common Share Capital Plus Related Capital Surplus and Retained Earnings	¥ 2,185,183	Shareholders' Equity Attributable to Common Shares (before Adjusting National Specific Regulatory Adjustments (Earnings to be Distributed))	
of Which: Capital Stock and Capital Surplus	906,611		1a
of Which: Retained Earnings	1,329,783		2
of Which: Treasury Stock (Deduction)	51,212		1c
of Which: Others	—		
Directly Issued Qualifying Additional Tier 1 Instruments Plus Related Capital Surplus of Which Classified as Equity under Applicable Accounting Standards	—	Shareholders' Equity Attributable to Preferred Shares with a Loss Absorbency at the Point of Non-Viability	31a

2. Intangible assets

(1) Consolidated balance sheet

Consolidated Balance Sheet Items	Amount (Millions of Yen)	Remarks	Ref. No.
Intangible Fixed Assets	¥ 189,292		2-a
Securities	6,183,052		2-b
of Which: Goodwill Arising on the Application of the Equity Method	7,828		
Associated Deferred Tax Liabilities	33,959		

(2) Composition of capital

Items in the Composition of Capital Disclosure	Amount (Millions of Yen)	Remarks	Basel III Template No.
Goodwill (Net of Related Deferred Tax Liabilities, Including Those Equivalent)	¥ 84,165		8
Other Intangible Assets (Net of Related Deferred Tax Liabilities)	78,996	Excluding Goodwill, Mortgage Servicing Rights (Software, etc.)	9
Mortgage Servicing Rights (Net of Related Deferred Tax Liabilities)	—		
Amount above the 10% Threshold on the Specified Items	—		20
Amount exceeding the 15% Threshold on the Specified Items	—		24
Amount below the Thresholds for Deduction (before Risk Weighting)	—		74

3. Defined-Benefit Pension Fund Net Assets (Assets for Retirement Benefits)**(1) Consolidated balance sheet**

Consolidated Balance Sheet Items	Amount (Millions of Yen)	Remarks	Ref. No.
Assets for Retirement Benefits	¥ 169,476		3
Associated Deferred Tax Liabilities	51,904		

(2) Composition of capital

Items in the Composition of Capital Disclosure	Amount (Millions of Yen)	Remarks	Basel III Template No.
Defined-Benefit Pension Fund Net Assets (Assets for Retirement Benefits) (Net of Related Deferred Tax Liabilities)	¥ 117,572		15

4. Deferred tax assets**(1) Consolidated balance sheet**

Consolidated Balance Sheet Items	Amount (Millions of Yen)	Remarks	Ref. No.
Deferred Tax Assets	¥ 23,295		4-a
Deferred Tax Liabilities	178,566		4-b
Deferred Tax Liabilities for Land Revaluation	2,864		4-c
Associated Intangible Fixed Assets	33,959		
Associated Assets for Retirement Benefits	51,904		

(2) Composition of capital

Items in the Composition of Capital Disclosure	Amount (Millions of Yen)	Remarks	Basel III Template No.
Deferred Tax Assets That Rely on Future Profitability excluding Those Arising from Temporary Differences (Net of Related Deferred Tax Liabilities)	¥ 341	This Item Does not Agree with the Amount Reported on the Consolidated Balance Sheet Due to Offsetting of Assets and Liabilities.	10
Deferred Tax Assets Arising from Temporary Differences (Net of Related Deferred Tax Liabilities)	—	This Item Does not Agree with the Amount Reported on the Consolidated Balance Sheet Due to Offsetting of Assets and Liabilities.	
Amount above the 10% Threshold on the Specified Items	—		21
Amount exceeding the 15% Threshold on the Specified Items	—		25
Amount below the Thresholds for Deduction (before Risk Weighting)	—		75

5. Deferred gains or losses on hedges

(1) Consolidated balance sheet

Consolidated Balance Sheet Items	Amount (Millions of Yen)	Remarks	Ref. No.
Deferred Gains or Losses on Hedges	¥ (12,028)		5

(2) Composition of capital

Items in the Composition of Capital Disclosure	Amount (Millions of Yen)	Remarks	Basel III Template No.
Deferred Gains or Losses on Derivatives under Hedge Accounting	¥ (11,171)	Excluding those items whose valuation differences arising from hedged items are recognized as "Accumulated other comprehensive income"	11

6. Investments in the capital of financial entities

(1) Consolidated balance sheet

Consolidated Balance Sheet Items	Amount (Millions of Yen)	Remarks	Ref. No.
Securities	¥ 6,183,052		6-a
Loans and Bills Discounted	28,866,578	Including subordinated loans	6-b
Other Assets	1,978,658	Including derivatives	6-c
Other Liabilities	¥ 989,418	Including derivatives	6-d

(2) Composition of capital

Items in the Composition of Capital Disclosure	Amount (Millions of Yen)	Remarks	Basel III Template No.
Investments in Own Capital Instruments	¥ 16		
Common Equity Tier 1 Capital	16		16
Additional Tier 1 Capital	—		37
Tier 2 Capital	—		52
Reciprocal Cross-Holdings in Capital Instruments	—		
Common Equity Tier 1 Capital	—		17
Additional Tier 1 Capital	—		38
Tier 2 Capital	—		53
Investments in the Instruments of Banking, Financial and Insurance Entities That are Outside the Scope of Regulatory Consolidation, Where the Bank Does not Own More than 10% of the Issued Share Capital	174,806		
Common Equity Tier 1 Capital	—		18
Additional Tier 1 Capital	—		39
Tier 2 Capital	—		54
Amount below the Thresholds for Deduction (before Risk Weighting)	174,806		72
Significant Investments in the Instruments of Banking, Financial and Insurance Entities That are Outside the Scope of Regulatory Consolidation, Net of Eligible Short Positions	99,856		
Amount above the 10% Threshold on the Specified Items	—		19
Amount exceeding the 15% Threshold on the Specified Items	—		23
Additional Tier 1 Capital	—		40
Tier 2 Capital	1,540		55
Amount below the Thresholds for Deduction (before Risk Weighting)	98,316		73

7. Non-controlling Interests

(1) Consolidated balance sheet

Consolidated Balance Sheet Items	Amount (Millions of Yen)	Remarks	Ref. No.
Non-controlling Interests	¥ 95,584		7

(2) Composition of capital

Items in the Composition of Capital Disclosure	Amount (Millions of Yen)	Remarks	Basel III Template No.
Common Share Capital Issued by Subsidiaries and Held by Third Parties (Amount Allowed in Group Common Equity Tier 1)	¥ 1,936	Maximum Amount (after Accounting for Adjustments for Non-controlling Interests)	5
Qualifying Additional Tier 1 Instruments Issued by Special Purpose Vehicles	—		30–31ab–32
Additional Tier 1 Instruments Issued by Subsidiaries and Held by Third Parties (Amount Allowed in Group Additional Tier 1)	13,326	Maximum Amount (after Accounting for Adjustments for Non-controlling Interests)	34–35
Qualifying Tier 2 Instruments Issued by Special Purpose Vehicles	—		46
Tier 2 Instruments Issued by Subsidiaries and Held by Third Parties (Amount Allowed in Group Tier 2)	3,377	Maximum Amount (after Accounting for Adjustments for Non-controlling Interests)	48–49

8. Other Capital Instruments

(1) Consolidated balance sheet

Consolidated Balance Sheet Items	Amount (Millions of Yen)	Remarks	Ref. No.
Borrowed Money	¥ 4,255,261		8–a
Bonds Payable	1,581,479		8–b

(2) Composition of capital

Items in the Composition of Capital Disclosure	Amount (Millions of Yen)	Remarks	Basel III Template No.
Directly Issued Qualifying Additional Tier 1 Instruments Plus Related Capital Surplus of Which Classified as Liabilities under Applicable Accounting Standards	¥ 340,000		32
Directly Issued Qualifying Tier 2 Instruments Plus Related Capital Surplus of Which Classified as Liabilities under Applicable Accounting Standards	270,000		46

As of September 30, 2017

Items	Consolidated Balance Sheet ^(*)	Ref. No. of Appendix	Basel III Template No. under the Composition of Capital Disclosure
	Amount (Millions of Yen)		
(Assets)			
Cash and Due from Banks	¥ 26,142,143		
Call Loans and Bills Bought	159,904		
Receivables under Resale Agreements	75,310		
Receivables under Securities Borrowing Transactions	631,532		
Monetary Claims Bought	747,500		
Trading Assets	534,510		
Money Held in Trust	1,490		
Securities	5,234,392	2-b, 6-a	
Loans and Bills Discounted	28,342,609	6-b	
Foreign Exchanges	32,772		
Lease Receivables and Investment Assets	686,741		
Other Assets	2,049,302	6-c	
Tangible Fixed Assets	217,944		
Intangible Fixed Assets	206,893	2-a	
Assets for Retirement Benefits	124,637	3	
Deferred Tax Assets	22,632	4-a	
Customers' Liabilities for Acceptances and Guarantees	423,483		
Allowance for Loan Losses	(104,181)		
Total Assets	¥ 65,529,618		

Items	Consolidated Balance Sheet ^(*)	Ref. No. of Appendix	Basel III Template No. under the Composition of Capital Disclosure
	Amount (Millions of Yen)		
(Liabilities)			
Deposits	¥ 35,044,955		
Negotiable Certificates of Deposit	6,966,238		
Call Money and Bills Sold	1,363,588		
Payables under Repurchase Agreements	1,624,326		
Payables under Securities Lending Transactions	11,881		
Trading Liabilities	345,958		
Borrowed Money	4,591,776	8-a	
Foreign Exchanges	358		
Short-term Bonds Payable	695,138		
Bonds Payable	1,560,962	8-b	
Borrowed Money from Trust Account	8,750,039		
Other Liabilities	1,160,072	6-d	
Provision for Bonuses	13,828		
Provision for Director's Bonuses	60		
Retirement Benefits Liabilities	14,530		
Provision for Reward Points Program	17,488		
Provision for Reimbursement of Deposits	3,593		
Provision for Contingent Loss	8,545		
Deferred Tax Liabilities	153,969	4-b	
Deferred Tax Liabilities for Land Revaluation	3,016	4-c	
Acceptances and Guarantees	423,483		
Total Liabilities	62,753,814		
(Net Assets)			
Capital Stock	261,608	1-a	
Capital Surplus	645,015	1-b	
Retained Earnings	1,209,904	1-c	
Treasury Stock	(42,203)	1-d	
Total Shareholders' Equity	2,074,326		
Valuation Difference on Available-for-Sale Securities	495,663		
Deferred Gains or Losses on Hedges	(22,244)	5	
Revaluation Reserve for Land	(6,381)		
Foreign Currency Translation Adjustment	5,089		
Remeasurements of Retirement Benefits	(17,728)		
Total Accumulated Other Comprehensive Income	454,398		3
Subscription Rights to Shares	803		1b
Non-controlling Interests	246,276	7	
Total Net Assets	2,775,804		
Total Liabilities and Net Assets	¥ 65,529,618		

(*) The regulatory scope of consolidation is the same as the accounting scope of consolidation.

(Appendix)

Note: Amounts in the "Composition of capital" are based on those before considering under transitional arrangements. Therefore, they include "Amounts excluded under transitional arrangements" disclosed in "Composition of capital disclosure" and exclude items for regulatory purpose under transitional arrangement from these tables.

1. Shareholders' equity

(1) Consolidated balance sheet

Consolidated Balance Sheet Items	Amount (Millions of Yen)	Remarks	Ref. No.
Capital Stock	¥ 261,608		1-a
Capital Surplus	645,015		1-b
Retained Earnings	1,209,904		1-c
Treasury Stock	(42,203)		1-d
Total Shareholders' Equity	¥ 2,074,326		

(2) Composition of capital

Items in the Composition of Capital Disclosure	Amount (Millions of Yen)	Remarks	Basel III Template No.
Directly Issued Qualifying Common Share Capital Plus Related Capital Surplus and Retained Earnings	¥ 2,074,326	Shareholders' Equity Attributable to Common Shares (before Adjusting National Specific Regulatory Adjustments (Earnings to be Distributed))	
of Which: Capital Stock and Capital Surplus	906,624		1a
of Which: Retained Earnings	1,209,904		2
of Which: Treasury Stock (Deduction)	42,203		1c
of Which: Others	—		
Directly Issued Qualifying Additional Tier 1 Instruments Plus Related Capital Surplus of Which Classified as Equity under Applicable Accounting Standards	—	Shareholders' Equity Attributable to Preferred Shares with a Loss Absorbency at the Point of Non-Viability	31a

2. Intangible assets

(1) Consolidated balance sheet

Consolidated Balance Sheet Items	Amount (Millions of Yen)	Remarks	Ref. No.
Intangible Fixed Assets	¥ 206,893		2-a
Securities	5,234,392		2-b
of Which: Goodwill Arising on the Application of the Equity Method	10,563		
Associated Deferred Tax Liabilities	36,418		

(2) Composition of capital

Items in the Composition of Capital Disclosure	Amount (Millions of Yen)	Remarks	Basel III Template No.
Goodwill (Net of Related Deferred Tax Liabilities, Including Those Equivalent)	¥ 96,372		8
Other Intangible Assets (Net of Related Deferred Tax Liabilities)	84,666	Excluding Goodwill, Mortgage Servicing Rights (Software, etc.)	9
Mortgage Servicing Rights (Net of Related Deferred Tax Liabilities)	—		
Amount above the 10% Threshold on the Specified Items	—		20
Amount exceeding the 15% Threshold on the Specified Items	—		24
Amount below the Thresholds for Deduction (before Risk Weighting)	—		74

3. Defined-Benefit Pension Fund Net Assets (Assets for Retirement Benefits)**(1) Consolidated balance sheet**

Consolidated Balance Sheet Items	Amount (Millions of Yen)	Remarks	Ref. No.
Assets for Retirement Benefits	¥ 124,637		3
Associated Deferred Tax Liabilities	38,173		

(2) Composition of capital

Items in the Composition of Capital Disclosure	Amount (Millions of Yen)	Remarks	Basel III Template No.
Defined-Benefit Pension Fund Net Assets (Assets for Retirement Benefits) (Net of Related Deferred Tax Liabilities)	¥ 86,464		15

4. Deferred tax assets**(1) Consolidated balance sheet**

Consolidated Balance Sheet Items	Amount (Millions of Yen)	Remarks	Ref. No.
Deferred Tax Assets	¥ 22,632		4-a
Deferred Tax Liabilities	153,969		4-b
Deferred Tax Liabilities for Land Revaluation	3,016		4-c
Associated Intangible Fixed Assets	36,418		
Associated Assets for Retirement Benefits	38,173		

(2) Composition of capital

Items in the Composition of Capital Disclosure	Amount (Millions of Yen)	Remarks	Basel III Template No.
Deferred Tax Assets That Rely on Future Profitability excluding Those Arising from Temporary Differences (Net of Related Deferred Tax Liabilities)	¥ 98	This Item Does not Agree with the Amount Reported on the Consolidated Balance Sheet Due to Offsetting of Assets and Liabilities.	10
Deferred Tax Assets Arising from Temporary Differences (Net of Related Deferred Tax Liabilities)	—	This Item Does not Agree with the Amount Reported on the Consolidated Balance Sheet Due to Offsetting of Assets and Liabilities.	
Amount above the 10% Threshold on the Specified Items	—		21
Amount exceeding the 15% Threshold on the Specified Items	—		25
Amount below the Thresholds for Deduction (before Risk Weighting)	—		75

5. Deferred gains or losses on hedges

(1) Consolidated balance sheet

Consolidated Balance Sheet Items	Amount (Millions of Yen)	Remarks	Ref. No.
Deferred Gains or Losses on Hedges	¥ (22,244)		5

(2) Composition of capital

Items in the Composition of Capital Disclosure	Amount (Millions of Yen)	Remarks	Basel III Template No.
Deferred Gains or Losses on Derivatives under Hedge Accounting	¥ (20,203)	Excluding those items whose valuation differences arising from hedged items are recognized as "Accumulated other comprehensive income"	11

6. Investments in the capital of financial entities

(1) Consolidated balance sheet

Consolidated Balance Sheet Items	Amount (Millions of Yen)	Remarks	Ref. No.
Securities	¥ 5,234,392		6-a
Loans and Bills Discounted	28,342,609	Including subordinated loans	6-b
Other Assets	2,049,302	Including derivatives	6-c
Other Liabilities	¥ 1,160,072	Including derivatives	6-d

(2) Composition of capital

Items in the Composition of Capital Disclosure	Amount (Millions of Yen)	Remarks	Basel III Template No.
Investments in Own Capital Instruments	¥ 16		
Common Equity Tier 1 Capital	16		16
Additional Tier 1 Capital	—		37
Tier 2 Capital	—		52
Reciprocal Cross-Holdings in Capital Instruments	—		
Common Equity Tier 1 Capital	—		17
Additional Tier 1 Capital	—		38
Tier 2 Capital	—		53
Investments in the Instruments of Banking, Financial and Insurance Entities That are Outside the Scope of Regulatory Consolidation, Where the Bank Does not Own More than 10% of the Issued Share Capital	199,341		
Common Equity Tier 1 Capital	—		18
Additional Tier 1 Capital	—		39
Tier 2 Capital	—		54
Amount below the Thresholds for Deduction (before Risk Weighting)	199,341		72
Significant Investments in the Instruments of Banking, Financial and Insurance Entities That are Outside the Scope of Regulatory Consolidation, Net of Eligible Short Positions	80,926		
Amount above the 10% Threshold on the Specified Items	—		19
Amount exceeding the 15% Threshold on the Specified Items	—		23
Additional Tier 1 Capital	—		40
Tier 2 Capital	—		55
Amount below the Thresholds for Deduction (before Risk Weighting)	80,926		73

7. Non-controlling Interests

(1) Consolidated balance sheet

Consolidated Balance Sheet Items	Amount (Millions of Yen)	Remarks	Ref. No.
Non-controlling Interests	¥ 246,276		7

(2) Composition of capital

Items in the Composition of Capital Disclosure	Amount (Millions of Yen)	Remarks	Basel III Template No.
Common Share Capital Issued by Subsidiaries and Held by Third Parties (Amount Allowed in Group Common Equity Tier 1)	¥ 2,025	Maximum Amount (after Accounting for Adjustments for Non-controlling Interests)	5
Qualifying Additional Tier 1 Instruments Issued by Special Purpose Vehicles	—		30–31ab–32
Additional Tier 1 Instruments Issued by Subsidiaries and Held by Third Parties (Amount Allowed in Group Additional Tier 1)	13,965	Maximum Amount (after Accounting for Adjustments for Non-controlling Interests)	34–35
Qualifying Tier 2 Instruments Issued by Special Purpose Vehicles	—		46
Tier 2 Instruments Issued by Subsidiaries and Held by Third Parties (Amount Allowed in Group Tier 2)	3,524	Maximum Amount (after Accounting for Adjustments for Non-controlling Interests)	48–49

8. Other Capital Instruments

(1) Consolidated balance sheet

Consolidated Balance Sheet Items	Amount (Millions of Yen)	Remarks	Ref. No.
Borrowed Money	¥ 4,591,776		8–a
Bonds Payable	1,560,962		8–b

(2) Composition of capital

Items in the Composition of Capital Disclosure	Amount (Millions of Yen)	Remarks	Basel III Template No.
Directly Issued Qualifying Additional Tier 1 Instruments Plus Related Capital Surplus of Which Classified as Liabilities under Applicable Accounting Standards	¥ 290,000		32
Directly Issued Qualifying Tier 2 Instruments Plus Related Capital Surplus of Which Classified as Liabilities under Applicable Accounting Standards	180,000		46

Exposures Relating to Funds

Consolidated

Exposures Relating to Funds

As of September 30	Millions of Yen	
	2018	2017
Total exposures relating to funds	¥ 2,124,135	¥ 1,878,782
Look-through Approach	1,983,583	1,759,337
Simple Majority Approach	81,985	58,537
Mandate-based Approach	28,872	25,901
Internal Model Approach	—	—
Fall-back Approach (subject to 400% risk weight)	28,212	33,929
Others (Exposures not included in any categories above)	1,481	1,076

Note: Exposures subject to the calculation of credit risk-weighted assets under the provisions of Article 145 of the FSA Capital Adequacy Notification are shown.

Disclosure Data Designated as Per the Appended Forms

Consolidated

OV1: Overview of Risk-weighted assets (RWA)

OV1 Basel III Template No.		Millions of yen			
		Risk-weighted assets (RWA)		Minimum capital requirements	
		September 30, 2018	September 30, 2017	September 30, 2018	September 30, 2017
1	Credit risk (excluding counterparty credit risk)	¥ 13,135,981		¥ 1,109,903	
2	of Which: Standardised Approach (SA)	298,109		23,848	
3	of Which: Internal Ratings-Based (IRB) Approach	12,296,829		1,042,771	
	of Which: Significant investments in commercial entities	—		—	
	of Which: Lease residual value	15,519		1,241	
	Other assets	525,523		42,041	
4	Counterparty credit risk (CCR)	733,633		59,891	
5	of Which: Standardised Approach for Counterparty Credit Risk (SA-CCR)	—		—	
	of Which: Current Exposure Method (CEM)	232,794		19,728	
6	of Which: Expected Positive Exposure (EPE)	—		—	
	of Which: Credit Valuation Adjustment (CVA)	375,779		30,062	
	of Which: Central Counterparty (CCP)	42,935		3,434	
	Others	82,124		6,665	
7	Equity positions in banking book under market-based approach	364,077		30,873	
	Equity investment in funds (SA)	—		—	
	Equity investment in funds (IRB)	2,283,869		193,672	
11	Settlement risk	—		—	
12	Securitisation exposures in banking book	153,263		12,996	
13	of Which: IRB Ratings-Based Approach (RBA)	43,509		3,689	
14	of Which: IRB Supervisory Formula Approach (SFA)	61,565		5,220	
15	of Which: Standardised Approach (SA)	—		—	
	of Which: subject to 1,250% risk weight	48,188		4,086	
16	Market risk	1,125,470		90,037	
17	of Which: Standardised Approach (SA)	19,683		1,574	
18	of Which: Internal Model Approaches (IMA)	1,105,786		88,462	
19	Operational risk	993,538		79,483	
20	of Which: Basic Indicator Approach (BIA)	165,442		13,235	
21	of Which: The Standardised Approach (TSA)	—		—	
22	of Which: Advanced Measurement Approach (AMA)	828,096		66,247	
23	Amounts below the thresholds for deduction (subject to 250% risk weight)	245,790		20,843	
	Amounts included under transitional arrangements	—		—	
24	Floor adjustment	—		—	
25	Total (after applying scaling factor)	¥ 19,971,261		¥ 1,597,700	

Note: Total risk-weighted assets of Template No.25 are only applied scaling factor.

CR1: Credit quality of assets

CR1 Item No.		Millions of yen			
		September 30, 2018			
		a	b	c	d
		Gross carrying values of		Allowances	Net values (a+b-c)
Defaulted exposures	Non-defaulted exposures				
On-balance sheet assets					
1	Loans and Bills Discounted	¥ 94,747	¥ 27,711,280	¥ 74,457	¥ 27,731,570
2	Debt Securities	0	2,531,610	—	2,531,610
3	Other on-balance sheet assets (debt-based assets)	22,302	29,551,770	10,577	29,563,494
4	Total on-balance sheet assets (1+2+3)	117,049	59,794,661	85,035	59,826,675
Off-balance sheet assets					
5	Acceptances and Guarantees, etc.	117	570,009	1,159	568,967
6	Commitments, etc.	948	3,487,598	1,549	3,486,997
7	Total off-balance sheet assets (5+6)	1,066	4,057,608	2,709	4,055,965
Total					
8	Total (4+7)	¥ 118,116	¥ 63,852,269	¥ 87,744	¥ 63,882,640

Note: The aggregate calculation on this statement does not include counterparty credit risk, the credit risk related to securitisation transactions, or the credit risk related to funds.

CR2: Changes in stock of defaulted loans and debt securities

Item No.		Millions of yen	
		September 30, 2018	
		Amounts	
1	Stock of defaulted loans and debt securities at the end of the previous fiscal year	¥ 109,458	
2	Of which: Newly defaulted	24,443	
3	Changes in stock of loans and debt securities	Of which: Returning to non-defaulted status	
4	for each factor during the first half	Of which: Written-offs	
5	Of which: Other factors	(6,970)	
6	Stock of defaulted loans and debt securities at the end of the first half (1+2-3-4+5)	117,049	

Notes: 1. The end of the previous fiscal year indicates March 31, 2018, and the end of the first half indicates September 30, 2018.

2. The main factor for the item 5. "Of which: Other factors" is the stock decrease caused by the collection of defaulted exposures.

CR3: Credit risk mitigation techniques (CRM) – overview

Item No.		Millions of yen				
		September 30, 2018				
		a	b	c	d	e
		Exposures unsecured	Exposures secured	Exposures secured by collateral	Exposures secured by financial guarantees	Exposures secured by credit derivatives
1	Loans and Bills Discounted	¥ 27,191,315	¥ 540,254	¥ 247,677	¥ 186,319	¥ —
2	Debt Securities	2,454,468	77,142	3,668	72,288	—
3	Other on-balance sheet assets (debt-based assets)	29,498,347	65,147	38,925	5,003	—
4	Total (1+2+3)	¥ 59,144,131	¥ 682,544	¥ 290,271	¥ 263,611	¥ —
5	Of which defaulted	96,078	5,581	4,690	7	—

CR4: Standardised approach – Credit risk exposure and Credit risk mitigation (CRM) effects

Item No.	Asset classes	Millions of Yen, %					
		September 30, 2018					
		a		b		c	
		Exposures pre-CCF and pre-CRM		Exposures post-CCF and post-CRM		Credit RWA amount	
		On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount		RWA density
1	Cash	¥ 75	¥ —	¥ 75	¥ —	¥ 0	0.00%
2	Government of Japan and Bank of Japan (BOJ)	12,645,585	—	12,645,585	—	0	0.00
3	Foreign central governments and foreign central banks	352,104	—	352,104	—	22,301	6.33
4	Bank for International Settlements, etc.	—	—	—	—	—	—
5	Local governments of Japan	—	—	—	—	—	—
6	Foreign non-central government public sector entities (PSEs)	42	—	42	—	18	44.33
7	Multilateral development banks (MDBs)	—	—	—	—	—	—
8	Japan Finance Organization for Municipalities (JFM)	—	—	—	—	—	—
9	Government-affiliated agencies of Japan	28,304	—	28,304	—	2,830	10.00
10	The three local public corporations	—	—	—	—	—	—
11	Financial institutions and type I financial instruments business operators	199,262	—	199,262	—	53,182	26.68
12	Corporates, etc.	266,388	382,529	227,602	593	219,772	96.30
13	SMEs, etc. and individuals	—	—	—	—	—	—
14	Residential mortgage loans	—	—	—	—	—	—
15	Real estate acquisition activities, etc.	—	—	—	—	—	—
16	Past due loans for three months or more, etc. (excluding residential mortgage loans)	2	—	2	—	3	113.82
17	Past due loans for three months or more (residential mortgage loans)	—	—	—	—	—	—
18	Uncollected notes	—	—	—	—	—	—
19	Guaranteed by credit guarantee corporations, etc.	—	—	—	—	—	—
20	Guaranteed by the Regional Economy Vitalization Corporation of Japan (REVIC), etc.	—	—	—	—	—	—
21	Investments, etc. (excluding significant investments)	—	—	—	—	—	—
22	Total	¥ 13,491,767	¥ 382,529	¥ 13,452,980	¥ 593	¥ 298,109	2.21%

CR5: Standardised approach – Exposures by asset classes and risk weights

CR5		Millions of Yen											
Item No.	Asset classes	Risk weight	September 30, 2018										
			a	b	c	d	e	f	g	h	i	j	k
			Credit risk exposure amounts (post-CCF and post-CRM)										
			0%	10%	20%	35%	50%	75%	100%	150%	250%	1,250%	Total
1	Cash	¥	75	¥	—	¥	—	¥	—	¥	—	¥	75
2	Government of Japan and Bank of Japan (BOJ)		12,645,585	—	—	—	—	—	—	—	—	—	12,645,585
3	Foreign central governments and foreign central banks		307,502	—	—	—	44,602	—	—	—	—	—	352,104
4	Bank for International Settlements, etc.		—	—	—	—	—	—	—	—	—	—	—
5	Local governments of Japan		—	—	—	—	—	—	—	—	—	—	—
6	Foreign non-central government public sector entities (PSEs)		—	—	15	—	22	—	4	—	—	—	42
7	Multilateral development banks (MDBs)		—	—	—	—	—	—	—	—	—	—	—
8	Japan Finance Organization for Municipalities (JFM)		—	—	—	—	—	—	—	—	—	—	—
9	Government-affiliated agencies of Japan		—	28,304	—	—	—	—	—	—	—	—	28,304
10	The three local public corporations		—	—	—	—	—	—	—	—	—	—	—
11	Financial institutions and type I financial instruments business operators		—	—	159,774	—	36,520	—	2,967	—	—	—	199,262
12	Corporates, etc.		—	—	15	—	16,821	—	211,358	—	—	—	228,195
13	SMEs, etc. and individuals		—	—	—	—	—	—	—	—	—	—	—
14	Residential mortgage loans		—	—	—	—	—	—	—	—	—	—	—
15	Real estate acquisition activities, etc.		—	—	—	—	—	—	—	—	—	—	—
16	Past due loans for three months or more, etc. (excluding residential mortgage loans)		—	—	—	—	1	—	—	1	—	—	2
17	Past due loans for three months or more (residential mortgage loans)		—	—	—	—	—	—	—	—	—	—	—
18	Uncollected notes		—	—	—	—	—	—	—	—	—	—	—
19	Guaranteed by credit guarantee corporations, etc.		—	—	—	—	—	—	—	—	—	—	—
20	Guaranteed by the Regional Economy Vitalization Corporation of Japan (REVIC), etc.		—	—	—	—	—	—	—	—	—	—	—
21	Investments, etc. (excluding significant investments)		—	—	—	—	—	—	—	—	—	—	—
22	Total		¥12,953,163	¥28,304	¥159,805	¥—	¥97,968	¥—	¥214,331	¥1	¥—	¥—	¥13,453,574

CR6: IRB – Credit risk exposures by portfolio and PD range

CR6		Millions of Yen, %, 1,000 cases, Year											
Item No.	PD scale	September 30, 2018											
		a	b	c	d	e	f	g	h	i	j	k	l
		On-balance sheet gross exposures	Off-balance sheet exposures pre-CCF and pre-CRM	Average CCF	EAD post-CCF and post-CRM	Average PD	Number of obligors	Average LGD	Average maturity	Credit RWA amounts	RWA density	EL	Eligible provisions
Sovereign exposures (Advanced Internal Ratings-Based Approach (AIRB))													
1	0.00 to < 0.15	¥ 1,056,136	¥ 33	75.00%	¥ 1,094,347	0.00%	0.0	32.52%	1.7	¥ 15,641	1.42%	¥ 9	
2	0.15 to < 0.25	4,586	454	75.00	1,390	0.21	0.0	32.19	1.1	327	23.52	0	
3	0.25 to < 0.50	1,416	476	75.00	6	0.32	0.0	32.53	1.0	1	29.60	0	
4	0.50 to < 0.75	1	—	—	1	0.56	0.0	32.53	5.0	1	74.56	0	
5	0.75 to < 2.50	—	—	—	—	—	—	—	—	—	—	—	
6	2.50 to < 10.00	—	—	—	—	—	—	—	—	—	—	—	
7	10.00 to < 100.00	—	—	—	—	—	—	—	—	—	—	—	
8	100.00 (Default)	—	—	—	—	—	—	—	—	—	—	—	
9	Sub-total	1,062,140	963	75.00	1,095,746	0.00	0.0	32.52	1.7	15,971	1.45	10	¥ 82
Sovereign exposures (Foundation Internal Ratings-Based Approach (FIRB))													
1	0.00 to < 0.15	17,124,329	25,540	79.73	17,204,961	0.00	0.0	44.99	1.2	71,208	0.41	93	
2	0.15 to < 0.25	0	—	—	0	0.21	0.0	45.00	1.0	0	31.87	0	
3	0.25 to < 0.50	56,090	4,889	75.00	24,258	0.29	0.0	43.14	1.9	12,788	52.71	30	
4	0.50 to < 0.75	0	—	—	0	0.56	0.0	45.00	1.0	0	55.62	0	
5	0.75 to < 2.50	2,881	86	100.00	2,676	1.78	0.0	44.67	1.4	2,583	96.54	21	
6	2.50 to < 10.00	28,242	—	—	1,582	6.44	0.0	20.29	3.5	967	61.16	10	
7	10.00 to < 100.00	—	—	—	—	—	—	—	—	—	—	—	
8	100.00 (Default)	—	—	—	—	—	—	—	—	—	—	—	
9	Sub-total	17,211,545	30,516	79.03	17,233,479	0.00	0.1	44.98	1.2	87,548	0.50	156	580
Financial Institution exposures (AIRB)													
1	0.00 to < 0.15	393,847	348	75.00	394,844	0.05	0.0	32.53	2.9	85,556	21.66	66	
2	0.15 to < 0.25	29,000	6,000	75.00	33,500	0.21	0.0	32.53	1.4	8,648	25.81	23	
3	0.25 to < 0.50	1,135	—	—	1,135	0.32	0.0	11.99	1.0	123	10.91	0	
4	0.50 to < 0.75	1,400	1,000	75.00	2,150	0.56	0.0	32.53	1.0	864	40.21	3	
5	0.75 to < 2.50	13,219	5,896	83.48	18,141	1.16	0.0	32.53	1.0	10,228	56.38	68	
6	2.50 to < 10.00	—	—	—	—	—	—	—	—	—	—	—	
7	10.00 to < 100.00	—	—	—	—	—	—	—	—	—	—	—	
8	100.00 (Default)	—	—	—	—	—	—	—	—	—	—	—	
9	Sub-total	438,601	13,244	78.77	449,771	0.11	0.0	32.48	2.7	105,421	23.43	163	316
Financial Institution exposures (FIRB)													
1	0.00 to < 0.15	539,028	108,112	80.90	626,226	0.06	0.0	43.16	1.0	108,185	17.27	188	
2	0.15 to < 0.25	1,580	—	—	1,580	0.21	0.0	73.47	1.0	822	52.05	2	
3	0.25 to < 0.50	37,548	366	75.00	35,323	0.30	0.0	64.33	3.4	45,523	128.87	69	
4	0.50 to < 0.75	1,144	—	—	1,144	0.64	0.0	45.00	1.0	683	59.69	3	
5	0.75 to < 2.50	4,060	—	—	4,060	1.77	0.0	45.00	4.8	5,743	141.45	32	
6	2.50 to < 10.00	1	—	—	1	3.05	0.0	45.00	1.0	1	110.47	0	
7	10.00 to < 100.00	—	—	—	—	—	—	—	—	—	—	—	
8	100.00 (Default)	—	—	—	—	—	—	—	—	—	—	—	
9	Sub-total	583,363	108,478	80.88	668,336	0.09	0.1	44.36	1.1	160,959	24.08	296	270

CR6		Millions of Yen, %, 1,000 cases, Year											
		September 30, 2018											
		a	b	c	d	e	f	g	h	i	j	k	l
Item No.	PD scale	On-balance sheet gross exposures	Off-balance sheet exposures pre-CCF and pre-CRM	Average CCF	EAD post-CCF and post-CRM	Average PD	Number of obligors	Average LGD	Average maturity	Credit RWA amounts	RWA density	EL	Eligible provisions
Corporate exposures (excluding SME exposures and specialised lending) (AIRB)													
1	0.00 to < 0.15	¥ 6,118,762	¥ 2,220,301	75.63%	¥ 7,861,109	0.08%	0.6	32.07%	2.5	¥ 1,544,162	19.64%	¥2,028	
2	0.15 to < 0.25	2,385,995	537,916	75.69	2,773,392	0.21	0.4	31.62	2.4	931,927	33.60	1,923	
3	0.25 to < 0.50	1,209,393	186,492	75.18	1,351,880	0.32	0.5	31.27	2.4	558,556	41.31	1,385	
4	0.50 to < 0.75	933,299	199,835	75.76	1,071,673	0.56	0.7	29.81	2.3	525,785	49.06	1,801	
5	0.75 to < 2.50	809,726	102,752	68.46	832,315	1.49	0.8	28.84	2.4	557,196	66.94	3,581	
6	2.50 to < 10.00	244,596	26,547	85.40	269,822	7.16	0.0	28.16	2.2	299,667	111.06	5,538	
7	10.00 to < 100.00	7,836	97	59.66	6,093	21.43	0.0	23.08	1.6	7,205	118.25	301	
8	100.00 (Default)	9,100	880	75.00	14,345	100.00	0.0	30.05	1.0	6,081	42.39	3,824	
9	Sub-total	11,718,710	3,274,824	75.48	14,180,633	0.49	3.3	31.47	2.5	4,430,582	31.24	20,384	¥ 39,201
Corporate exposures (excluding SME exposures and specialised lending) (FIRB)													
1	0.00 to < 0.15	802,546	110,495	76.81	897,159	0.07	0.8	53.21	3.0	334,140	37.24	359	
2	0.15 to < 0.25	93,878	188	100.00	95,092	0.21	0.4	57.59	3.1	68,758	72.30	120	
3	0.25 to < 0.50	293,365	47,240	75.83	329,269	0.29	0.6	45.73	2.5	200,194	60.79	444	
4	0.50 to < 0.75	110,479	8,966	75.91	117,661	0.61	0.6	50.22	3.7	129,610	110.15	359	
5	0.75 to < 2.50	395,386	34,169	74.62	420,200	1.49	1.2	43.56	3.9	524,283	124.76	2,711	
6	2.50 to < 10.00	164,730	16,626	91.74	179,908	6.05	0.3	44.61	4.4	331,481	184.24	4,850	
7	10.00 to < 100.00	28,402	1,765	73.16	27,522	30.85	0.0	44.57	4.3	73,106	265.62	3,780	
8	100.00 (Default)	17,752	533	77.52	20,274	100.00	0.0	43.89	1.0	0	0.00	8,900	
9	Sub-total	1,906,540	219,988	77.34	2,087,089	2.32	4.2	49.17	3.3	1,661,575	79.61	21,526	11,889
SME exposures (AIRB)													
1	0.00 to < 0.15	61,917	4,830	75.00	63,710	0.13	0.0	32.53	3.6	19,340	30.35	27	
2	0.15 to < 0.25	71,831	—	—	68,293	0.21	0.0	30.12	3.5	22,815	33.40	45	
3	0.25 to < 0.50	5,804	—	—	5,804	0.32	0.0	24.76	2.0	1,412	24.33	4	
4	0.50 to < 0.75	34,326	5,655	75.00	37,185	0.56	0.0	19.72	3.7	11,836	31.82	41	
5	0.75 to < 2.50	115,995	11,555	76.54	116,100	1.64	0.1	21.45	2.9	53,818	46.35	407	
6	2.50 to < 10.00	10,402	545	75.00	10,720	7.59	0.0	22.29	1.7	6,925	64.60	184	
7	10.00 to < 100.00	5,601	—	—	4,840	21.43	0.0	15.43	1.6	3,108	64.21	160	
8	100.00 (Default)	1,356	—	—	2,196	100.00	0.0	28.05	1.0	864	39.36	547	
9	Sub-total	307,236	22,585	75.78	308,851	2.07	0.3	25.49	3.2	120,122	38.89	1,417	3,098
SME exposures (FIRB)													
1	0.00 to < 0.15	58	—	—	58	0.13	0.0	45.00	1.0	13	22.27	0	
2	0.15 to < 0.25	39	—	—	39	0.21	0.0	45.00	1.0	10	27.52	0	
3	0.25 to < 0.50	1	—	—	1	0.32	0.0	45.00	1.0	0	38.38	0	
4	0.50 to < 0.75	95,994	770	75.00	95,497	0.56	0.5	38.78	4.7	66,204	69.32	208	
5	0.75 to < 2.50	247,404	1,184	77.10	245,773	1.72	1.3	39.18	4.5	225,177	91.61	1,677	
6	2.50 to < 10.00	14,060	—	—	13,990	8.01	0.0	41.98	2.7	19,387	138.57	470	
7	10.00 to < 100.00	404	—	—	404	21.43	0.0	44.71	1.0	763	188.86	38	
8	100.00 (Default)	8,076	250	99.88	8,536	100.00	0.0	44.39	1.0	0	0.00	3,789	
9	Sub-total	366,038	2,204	78.96	364,300	3.98	2.0	39.31	4.4	311,557	85.52	6,184	757

CR6		Millions of Yen, %, 1,000 cases, Year											
		September 30, 2018											
Item No.	PD scale	a	b	c	d	e	f	g	h	i	j	k	l
		On-balance sheet gross exposures	Off-balance sheet exposures pre-CCF and pre-CRM	Average CCF	EAD post-CCF and post-CRM	Average PD	Number of obligors	Average LGD	Average maturity	Credit RWA amounts	RWA density	EL	Eligible provisions
Specialised lending (AIRB)													
1	0.00 to < 0.15	¥ 598,272	¥ 11,915	75.00%	¥ 607,209	0.06%	0.0	18.07%	3.0	¥ 62,611	10.31%	¥ 73	
2	0.15 to < 0.25	88,082	—	—	88,082	0.21	0.0	18.07	2.7	17,168	19.49	34	
3	0.25 to < 0.50	75,290	—	—	75,290	0.32	0.0	18.07	1.9	15,588	20.70	44	
4	0.50 to < 0.75	218,253	3,668	75.00	221,005	0.56	0.0	18.07	3.9	80,487	36.41	225	
5	0.75 to < 2.50	70,410	6,050	75.00	74,947	1.17	0.0	18.07	4.3	36,214	48.31	159	
6	2.50 to < 10.00	181	—	—	181	8.23	0.0	18.07	1.4	122	67.39	2	
7	10.00 to < 100.00	—	—	—	—	—	—	—	—	—	—	—	
8	100.00 (Default)	—	—	—	—	—	—	—	—	—	—	—	
9	Sub-total	1,050,490	21,634	75.00	1,066,716	0.27	0.1	18.07	3.2	212,192	19.89	539	¥ 1,140
Specialised lending (FIRB)													
1	0.00 to < 0.15	231	—	—	231	0.09	0.0	45.00	1.0	38	16.62	0	
2	0.15 to < 0.25	72	—	—	72	0.21	0.0	45.00	1.0	23	31.87	0	
3	0.25 to < 0.50	37	—	—	37	0.32	0.0	45.00	1.0	15	40.94	0	
4	0.50 to < 0.75	82	—	—	82	0.56	0.0	45.00	1.0	45	55.62	0	
5	0.75 to < 2.50	14	—	—	14	1.85	0.0	45.00	1.0	13	92.32	0	
6	2.50 to < 10.00	0	—	—	0	8.23	0.0	45.00	1.0	1	161.92	0	
7	10.00 to < 100.00	—	—	—	—	—	—	—	—	—	—	—	
8	100.00 (Default)	—	—	—	—	—	—	—	—	—	—	—	
9	Sub-total	440	—	—	440	0.29	0.1	45.00	1.0	137	31.35	0	—
Equity exposures (PD/LGD Approach)													
1	0.00 to < 0.15	1,428,583	29	100.00	553,014	0.08	0.3	90.00	5.0	669,781	121.11	—	
2	0.15 to < 0.25	149,511	—	—	54,700	0.21	0.1	90.00	5.0	85,622	156.53	—	
3	0.25 to < 0.50	73,211	—	—	26,629	0.32	0.2	90.00	5.0	46,899	176.11	—	
4	0.50 to < 0.75	62,230	—	—	26,057	0.56	0.2	90.00	5.0	56,702	217.60	—	
5	0.75 to < 2.50	37,600	—	—	32,645	1.25	0.2	90.00	5.0	89,450	274.00	—	
6	2.50 to < 10.00	5,815	—	—	3,148	6.83	0.0	90.00	5.0	14,741	468.13	—	
7	10.00 to < 100.00	16	—	—	5	21.43	0.0	90.00	5.0	40	773.53	—	
8	100.00 (Default)	133	—	—	41	100.00	0.0	90.00	5.0	461	1,125.00	—	
9	Sub-total	1,757,103	29	100.00	696,242	0.21	1.3	90.00	5.0	963,699	138.41	—	
Purchased receivables for corporates, etc. (default risk) (AIRB)													
1	0.00 to < 0.15	8,682	—	—	8,682	0.08	0.0	32.53	3.3	2,275	26.20	2	
2	0.15 to < 0.25	31,748	—	—	31,748	0.21	0.0	32.53	2.4	10,517	33.12	22	
3	0.25 to < 0.50	1,945	—	—	1,945	0.32	0.0	32.53	4.3	1,076	55.34	2	
4	0.50 to < 0.75	505	570	75.00	932	0.56	0.0	32.53	1.0	498	53.41	1	
5	0.75 to < 2.50	30,298	—	—	30,298	1.83	0.0	32.49	4.1	28,866	95.27	180	
6	2.50 to < 10.00	—	—	—	—	—	—	—	—	—	—	—	
7	10.00 to < 100.00	—	—	—	—	—	—	—	—	—	—	—	
8	100.00 (Default)	—	—	—	—	—	—	—	—	—	—	—	
9	Sub-total	73,180	570	75.00	73,608	0.87	0.0	32.51	3.2	43,234	58.73	209	6

CR6		Millions of Yen, %, 1,000 cases, Year															
		September 30, 2018															
		a	b	c	d	e	f	g	h	i	j	k	l				
Item No.	PD scale	On-balance sheet gross exposures	Off-balance sheet exposures pre-CCF and pre-CRM	Average CCF	EAD post-CCF and post-CRM	Average PD	Number of obligors	Average LGD	Average maturity	Credit RWA amounts	RWA density	EL	Eligible provisions				
Purchased receivables for corporates, etc. (dilution risk and originator risk of loan participation) (AIRB)																	
1	0.00 to < 0.15	¥	2	¥	—	—%	¥	2	0.06%	0.0	100.00%	1.0	¥	0	29.46%	¥	—
2	0.15 to < 0.25		—		—		—		—		—		—		—		
3	0.25 to < 0.50		1,140		570		75.00		1,567		0.25		0.0	99.99		1.0	
4	0.50 to < 0.75		—		—		—		—		—		—		—		—
5	0.75 to < 2.50		—		—		—		—		—		—		—		—
6	2.50 to < 10.00		—		—		—		—		—		—		—		—
7	10.00 to < 100.00		—		—		—		—		—		—		—		—
8	100.00 (Default)		—		—		—		—		—		—		—		—
9	Sub-total		1,142		570		75.00		1,570		0.25		0.0	99.99		1.0	
Purchased receivables for corporates, etc. (default risk) (FIRB)																	
1	0.00 to < 0.15		370,061		—		—		370,061		0.06		0.2	45.00		1.2	
2	0.15 to < 0.25		73,964		—		—		73,964		0.21		0.1	45.00		1.0	
3	0.25 to < 0.50		54,591		—		—		54,591		0.32		0.2	45.00		1.0	
4	0.50 to < 0.75		83,118		—		—		83,118		0.56		1.2	45.00		1.1	
5	0.75 to < 2.50		49,921		—		—		49,921		1.72		4.4	45.00		1.7	
6	2.50 to < 10.00		19,402		—		—		19,402		3.98		1.3	45.00		2.0	
7	10.00 to < 100.00		939		—		—		939		34.43		0.0	45.00		4.8	
8	100.00 (Default)		—		—		—		—		—		—	—		—	
9	Sub-total		652,000		—		—		652,000		0.46		7.8	45.00		1.2	
Purchased receivables for corporates, etc. (dilution risk and originator risk of loan participation) (FIRB)																	
1	0.00 to < 0.15		430,694		—		—		430,694		0.06		0.2	90.51		1.1	
2	0.15 to < 0.25		320		—		—		320		0.21		0.0	45.00		1.6	
3	0.25 to < 0.50		23,570		—		—		23,570		0.29		0.1	98.99		1.0	
4	0.50 to < 0.75		513		—		—		513		0.56		0.0	45.00		4.3	
5	0.75 to < 2.50		9,370		—		—		9,370		1.17		0.3	87.43		1.4	
6	2.50 to < 10.00		—		—		—		—		—		—	—		—	
7	10.00 to < 100.00		—		—		—		—		—		—	—		—	
8	100.00 (Default)		—		—		—		—		—		—	—		—	
9	Sub-total		464,469		—		—		464,469		0.10		0.7	90.80		1.1	
Purchased receivables for retail (default risk)																	
1	0.00 to < 0.15		—		—		—		—		—		—	—		—	
2	0.15 to < 0.25		—		—		—		—		—		—	—		—	
3	0.25 to < 0.50		60,835		—		—		60,835		0.31		20.7	73.62		—	
4	0.50 to < 0.75		—		—		—		—		—		—	—		—	
5	0.75 to < 2.50		—		—		—		—		—		—	—		—	
6	2.50 to < 10.00		—		—		—		—		—		—	—		—	
7	10.00 to < 100.00		—		—		—		—		—		—	—		—	
8	100.00 (Default)		—		—		—		—		—		—	—		—	
9	Sub-total		60,835		—		—		60,835		0.31		20.7	73.62		—	

CR6		Millions of Yen, %, 1,000 cases, Year																	
		September 30, 2018																	
		a	b	c	d	e	f	g	h	i	j	k	l						
		On-balance sheet gross exposures	Off-balance sheet exposures pre-CCF and pre-CRM	Average CCF	EAD post-CCF and post-CRM	Average PD	Number of obligors	Average LGD	Average maturity	Credit RWA amounts	RWA density	EL	Eligible provisions						
Item No.	PD scale	Qualifying revolving retail exposures																	
		1	0.00 to < 0.15	¥	0	¥	43,157	28.79%	¥	12,427	0.12%	43.5	65.05%	—	¥	569	4.57%	¥	9
		2	0.15 to < 0.25		41,375	854,735	11.58		140,404	0.24	200.9	58.14	—		10,396	7.40		202	
		3	0.25 to < 0.50		19,709	643,820	8.60		75,080	0.38	153.2	72.54	—		9,743	12.97		206	
		4	0.50 to < 0.75		34,057	295,363	11.58		68,278	0.62	88.3	58.14	—		10,615	15.54		249	
		5	0.75 to < 2.50		17,173	202,193	11.77		40,974	0.97	97.2	62.41	—		9,547	23.30		248	
		6	2.50 to < 10.00		37,584	132,683	13.39		55,360	4.51	95.8	58.79	—		35,247	63.66		1,466	
		7	10.00 to < 100.00		481	1,118	12.47		620	49.00	0.9	62.09	—		1,016	163.66		189	
		8	100.00 (Default)		247	3,728	8.13		17,678	100.00	21.8	59.34	—		4,890	27.66		10,100	
9	Sub-total		150,629	2,176,802	11.16		410,825	5.34	702.0	61.55	—		82,025	19.96		12,674	¥	19,263	
Residential mortgage exposures																			
1	0.00 to < 0.15		3,281,501	19,562	100.00		3,301,063	0.11	117.2	20.74	—		175,573	5.31		763			
2	0.15 to < 0.25		2,835,129	164	100.00		2,835,386	0.19	135.6	19.10	—		209,457	7.38		1,031			
3	0.25 to < 0.50		2,113,000	2,556	100.00		2,115,567	0.35	109.1	18.91	—		242,096	11.44		1,409			
4	0.50 to < 0.75		695,932	73	100.00		696,006	0.52	45.8	21.29	—		120,243	17.27		784			
5	0.75 to < 2.50		129,589	19	100.00		129,608	0.95	12.7	23.80	—		37,256	28.74		292			
6	2.50 to < 10.00		—	—	—		—	—	—	—	—		—	—		—			
7	10.00 to < 100.00		93,093	74	100.00		93,167	20.71	4.7	20.16	—		105,614	113.36		3,980			
8	100.00 (Default)		32,382	36	100.00		33,770	100.00	1.9	22.23	—		9,333	27.63		6,761			
9	Sub-total		9,180,628	22,487	100.00		9,204,570	0.81	427.3	19.90	—		899,575	9.77		15,024		23,770	
Other retail exposures																			
1	0.00 to < 0.15		0	26,008	23.24		6,044	0.12	23.8	25.15	—		432	7.15		1			
2	0.15 to < 0.25		—	—	—		—	—	—	—	—		—	—		—			
3	0.25 to < 0.50		272,335	—	—		272,335	0.32	125.0	56.22	—		83,351	30.60		487			
4	0.50 to < 0.75		344,991	578	100.00		345,675	0.59	101.5	40.02	—		109,297	31.61		821			
5	0.75 to < 2.50		147,542	148,044	28.93		190,403	1.19	284.2	64.71	—		134,010	70.38		1,540			
6	2.50 to < 10.00		65,008	24,287	53.88		78,096	4.66	64.3	47.13	—		54,040	69.19		1,710			
7	10.00 to < 100.00		3,831	957	92.30		4,766	41.77	1.1	38.40	—		4,104	86.12		900			
8	100.00 (Default)		10,693	1,457	36.29		23,673	100.00	13.7	48.65	—		6,883	29.07		10,967			
9	Sub-total		844,403	201,333	31.77		920,995	3.75	613.8	50.64	—		392,118	42.57		16,430		16,012	
Lease transactions																			
1	0.00 to < 0.15		124,476	—	—		124,476	0.06	0.3	45.00	3.1		31,920	25.64		33			
2	0.15 to < 0.25		201,245	—	—		201,245	0.21	0.1	45.00	3.4		110,519	54.91		198			
3	0.25 to < 0.50		23,174	—	—		23,174	0.32	0.1	45.00	1.9		12,033	51.92		34			
4	0.50 to < 0.75		30,387	—	—		30,387	0.56	0.2	45.00	3.1		24,753	81.46		77			
5	0.75 to < 2.50		42,180	—	—		42,180	1.60	0.3	45.00	2.6		43,290	102.63		304			
6	2.50 to < 10.00		2,138	—	—		2,138	7.01	0.0	45.00	3.0		3,449	161.24		67			
7	10.00 to < 100.00		431	—	—		431	21.43	0.0	45.00	3.9		931	215.71		41			
8	100.00 (Default)		—	—	—		669	100.00	0.0	45.00	1.0		0	0.00		301			
9	Sub-total		424,034	—	—		424,704	0.55	1.3	45.00	3.1		226,898	53.42		1,058		3,554	
Total (all portfolios)			¥ 48,253,536	¥ 6,096,233	51.35%		¥ 50,365,187	0.56%	1,785.8	36.95%	2.0		¥ 10,125,106	20.10%		¥ 97,625	¥ 121,030		

Notes: 1. "Number of obligors" in Column f: "Qualifying revolving retail exposures," "Residential mortgage exposures," and "Other retail exposures" are tallied with the number of loans, because it is difficult to grasp the number of some obligors.

2. Purchased receivables for retail (dilution risk and originator risk of loan participation) are not applicable.

CR7: IRB – Effect on RWA of credit derivatives used as CRM technique

CR7		Millions of yen	
		September 30, 2018	
		a	b
Item No.	Portfolio	Pre-credit derivatives credit RWA amounts	Actual credit RWA amounts
1	Sovereign Exposures – FIRB	¥ 88,218	¥ 88,218
2	Sovereign Exposures – AIRB	15,145	15,145
3	Financial Institution Exposures – FIRB	161,115	161,115
4	Financial Institution Exposures – AIRB	105,121	105,121
5	Corporate exposures (excluding specialised lending) – FIRB	1,972,306	1,972,306
6	Corporate exposures (excluding specialised lending) – AIRB	4,551,830	4,551,830
7	Specialised lending – FIRB	2,171,861	2,171,861
8	Specialised lending – AIRB	212,192	212,192
9	Retail – Qualifying revolving retail exposures	82,025	82,025
10	Retail – Residential mortgage exposures	899,575	899,575
11	Retail – Other retail exposures	392,118	392,118
12	Equity Exposures – FIRB	1,327,776	1,327,776
13	Equity Exposures – AIRB	—	—
14	Purchased receivables – FIRB	410,266	410,266
15	Purchased receivables – AIRB	44,453	44,453
16	Total	¥ 12,434,009	¥ 12,434,009

Note: The SuMi TRUST Group does not use credit derivatives as credit risk mitigation techniques.

CR10: IRB – Specialised Lending (Supervisory Slotting Criteria Approach) and Equity Exposures (Market-Based Approach, etc.)

CR10		Millions of Yen, %										
September 30, 2018												
a	b	c	d	e	f	g	h	i	j	k	l	
Specialised lending (supervisory slotting criteria approach)												
Other than high-volatility commercial real estate (HVCRE)												
Regulatory categories	Remaining maturity	On-balance sheet amounts	Off-balance sheet amounts	RW	Exposure amounts (EAD)					Credit RWA amounts	Expected losses	
					PF	OF	CF	IPRE	Total			
Strong	< 2.5 years	¥ 48,052	¥ 10,031	50%	¥ 31,722	¥ 7,135	¥ —	¥ 16,734	¥ 55,593	¥ 27,796	¥ —	
	2.5 years≤	514,797	96,734	70%	386,601	200,665	—	80	587,348	411,143	2,349	
Good	< 2.5 years	103,331	25,304	70%	31,027	56,668	—	34,614	122,310	85,617	489	
	2.5 years≤	656,480	220,981	90%	538,283	235,432	—	47,840	821,555	739,400	6,572	
Satisfactory		245,504	72,762	115%	167,647	98,131	—	33,513	299,292	344,186	8,380	
Weak		58,402	2,609	250%	6,578	41,842	—	11,938	60,359	150,899	4,828	
Default		4,471	—	—	4,471	—	—	—	4,471	—	2,235	
Total		¥ 1,631,039	¥ 428,424	—	¥ 1,166,333	¥ 639,876	¥ —	¥ 144,722	¥ 1,950,931	¥ 1,759,043	¥ 24,855	
HVCRE												
Regulatory categories	Remaining maturity	On-balance sheet amounts	Off-balance sheet amounts	RW						Exposure amounts (EAD)	Credit RWA amounts	Expected losses
Strong	< 2.5 years	34,426	—	70%						34,426	24,098	137
	2.5 years≤	82	—	95%						82	77	0
Good	< 2.5 years	12,920	—	95%						12,920	12,274	51
	2.5 years≤	11,247	40,363	120%						41,520	49,824	166
Satisfactory		98,821	102,983	140%						176,059	246,482	4,929
Weak		8,672	31,061	250%						31,968	79,921	2,557
Default		—	—	—						—	—	—
Total		¥ 166,169	¥ 174,409	—						¥ 296,976	¥ 412,679	¥ 7,842
Equity exposures (Market-Based Approach, etc.)												
Equity exposures subject to market-based approach												
Categories		On-balance sheet amounts	Off-balance sheet amounts	RW						Exposure amounts (EAD)	Credit RWA amounts	
Simple risk weight method – Listed shares		34,640	61,445	300%						96,086	288,259	
Simple risk weight method – Unlisted shares		18,906	62	400%						18,954	75,818	
Internal Models Approach		—	—	—						—	—	
Total		¥ 53,547	¥ 61,508	—						¥ 115,041	¥ 364,077	
Equity exposures subject to 100% risk weight												
Equity exposures subject to 100% risk weight in accordance with the provisions of Article 166, Paragraph 1 of the FSA Capital Adequacy Notification or Paragraph 1 of Article 144 of the FSA Bank Holding Company Capital Adequacy Notification		—	—	100%						—	—	

CCR1: Analysis of counterparty credit risk (CCR) exposure by approach

CCR1		Millions of yen					
		September 30, 2018					
		a	b	c	d	e	f
Item No.		Replacement cost	Potential future exposure (add-on)	Effective EPE (EEPE)	Alpha used for computing regulatory EAD	EAD post-CRM	RWA amounts
1	SA-CCR	¥ —	¥ —		1.4	¥ —	¥ —
	Current Exposure Method (CEM)	288,176	462,277			750,453	232,794
2	Expected Exposure Method (IMM)			—	—	—	—
3	Simple Approach for credit risk mitigation					—	—
4	Comprehensive Approach for credit risk mitigation					500,869	82,124
5	Exposure variation estimation model					—	—
6	Total						¥ 314,918

CCR2: Credit valuation adjustment (CVA) capital charge

CCR2		Millions of yen	
		September 30, 2018	
		a	b
Item No.		EAD post-CRM	RWA amounts (Amounts calculated by dividing CVA risk equivalent amounts by 8%)
1	Total portfolios subject to advanced risk measurement method	¥ —	¥ —
2	(i) Amount of CVA Value at Risk (including the multiplier)		—
3	(ii) Amount of CVA Stressed Value at Risk (including the multiplier)		—
4	Total portfolios subject to the standardised risk measurement method	708,409	375,779
5	Total portfolios subject to the CVA capital charge	¥ 708,409	¥ 375,779

CCR3: CCR exposures by regulatory portfolio and risk weights

CCR3		Millions of yen									
		September 30, 2018									
Item No.	Regulatory portfolio	Credit equivalent amounts (post-CRM)									
		Risk weight	0%	10%	20%	50%	75%	100%	150%	Other	Total
1	Government of Japan and Bank of Japan (BOJ)		¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —
2	Foreign central governments and foreign central banks		—	—	—	—	—	—	—	—	—
3	Bank for International Settlements, etc.		—	—	—	—	—	—	—	—	—
4	Local governments of Japan		—	—	—	—	—	—	—	—	—
5	Foreign non-central government public sector entities (PSEs)		—	—	—	—	—	—	—	—	—
6	Multilateral development banks (MDBs)		—	—	—	—	—	—	—	—	—
7	Japan Finance Organization for Municipalities (JFM)		—	—	—	—	—	—	—	—	—
8	Government-affiliated agencies of Japan		—	—	—	—	—	—	—	—	—
9	The three local public corporations		—	—	—	—	—	—	—	—	—
10	Financial institutions and type I financial instruments business operators		—	—	311,819	—	—	—	—	—	311,819
11	Corporates, etc.		—	—	—	—	—	—	—	—	—
12	SMEs, etc. and individuals		—	—	—	—	—	—	—	—	—
13	Other than the above		—	—	—	—	—	—	—	—	—
14	Total		¥ —	¥ —	¥ 311,819	¥ —	¥ —	¥ —	¥ —	¥ —	¥ 311,819

Note: The aggregate calculation on this statement includes exposures based on the standardised approach only.

CCR4: IRB – CCR exposures by portfolio and PD scale

CCR4		Millions of Yen, %, 1,000 cases, Year						
Item No.	PD scale	September 30, 2018						
		a	b	c	d	e	f	g
		EAD post-CRM	Average PD	Number of obligors	Average LGD	Average maturity	Credit RWA	RWA density
Sovereign exposures								
1	0.00 to < 0.15	¥ 40,967	0.01%	0.0	25.12%	1.5	¥ 2,693	6.57%
2	0.15 to < 0.25	—	—	—	—	—	—	—
3	0.25 to < 0.50	557	0.26	0.0	45.00	2.0	346	62.22
4	0.50 to < 0.75	—	—	—	—	—	—	—
5	0.75 to < 2.50	—	—	—	—	—	—	—
6	2.50 to < 10.00	—	—	—	—	—	—	—
7	10.00 to < 100.00	—	—	—	—	—	—	—
8	100.00 (Default)	—	—	—	—	—	—	—
9	Sub-total	41,524	0.01	0.0	25.27	1.5	3,040	7.32
Financial Institution exposures								
1	0.00 to < 0.15	471,170	0.05	0.1	8.51	2.3	99,967	21.21
2	0.15 to < 0.25	405	0.21	0.0	45.00	1.7	162	40.15
3	0.25 to < 0.50	13,835	0.32	0.0	22.17	3.4	11,938	86.28
4	0.50 to < 0.75	898	0.56	0.0	45.00	1.0	499	55.62
5	0.75 to < 2.50	1,181	1.09	0.0	45.00	1.0	901	76.32
6	2.50 to < 10.00	—	—	—	—	—	—	—
7	10.00 to < 100.00	—	—	—	—	—	—	—
8	100.00 (Default)	—	—	—	—	—	—	—
9	Sub-total	487,492	0.06	0.1	8.70	2.3	113,470	23.27
Corporate exposures and SME exposures								
1	0.00 to < 0.15	272,469	0.06	0.4	9.39	2.2	64,046	23.50
2	0.15 to < 0.25	24,211	0.21	0.1	45.00	3.7	13,955	57.63
3	0.25 to < 0.50	9,166	0.32	0.1	45.00	3.9	6,518	71.11
4	0.50 to < 0.75	7,931	0.56	0.1	45.00	4.1	7,324	92.33
5	0.75 to < 2.50	27,754	1.86	0.1	45.00	4.7	38,683	139.37
6	2.50 to < 10.00	1,783	5.73	0.0	45.00	3.4	2,900	162.64
7	10.00 to < 100.00	72	25.57	0.0	45.00	2.4	159	218.85
8	100.00 (Default)	2	100.00	0.0	45.00	1.0	0	0.00
9	Sub-total	343,392	0.27	0.9	11.18	2.6	133,588	38.90
Total (all portfolios)		¥ 872,408	0.14%	1.1	9.88%	2.4	¥ 250,098	28.66%

Note: The SuMi TRUST Group applies the Foundation Internal Ratings-Based Approach to the calculation of risk-weighted assets related to counterparty credit risk.

CCR5: Composition of collateral for CCR exposure

CCR5		Millions of yen					
		September 30, 2018					
		a	b	c	d	e	f
		Collateral used in derivative transactions				Collateral used in repo transactions	
		Fair value of collateral received		Fair value of posted collateral		Fair value of collateral received	Fair value of posted collateral
Item No.		Segregated	Unsegregated	Segregated	Unsegregated		
1	Cash (domestic currency)	¥ —	¥ 139,262	¥ —	¥ 254,332	¥ 10,818	¥ 748,129
2	Cash (other currency)	—	1,432	—	85,639	1,879,221	45,155
3	Domestic sovereign debt	—	11,943	—	6,764	19,132	170,829
4	Other sovereign debt	—	—	—	—	1,241,765	2,398,037
5	Government agency debt	—	—	—	—	638,572	561,645
6	Corporate bonds	—	—	—	—	17,285	—
7	Equity securities	—	—	—	11,132	531,027	785,994
8	Other collateral	—	—	—	—	—	9,066
9	Total	¥ —	¥ 152,638	¥ —	¥ 357,869	¥ 4,337,823	¥ 4,718,858

CCR6: Credit derivatives exposures

CCR6		Millions of yen	
		September 30, 2018	
		a	b
		Protection bought	Protection sold
Notionals			
1	Single-name credit default swaps	¥ 74,400	¥ 86,400
2	Index credit default swaps	—	—
3	Total return swaps	—	—
4	Credit options	—	—
5	Other credit derivatives	—	—
6	Total notionals	¥ 74,400	¥ 86,400
Fair values			
7	Positive fair value (asset)	23	1,217
8	Negative fair value (liability)	(903)	(50)

CCR8: Exposures to central counterparties (CCP)

Item No.		Millions of yen	
		September 30, 2018	
		a	b
		EAD to CCP (post-CRM)	RWA amounts
1	Exposures to qualifying central counterparties (QCCPs) (total)		¥ 42,935
2	Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which	1,123,945	22,478
3	(i) OTC derivatives	871,070	17,421
4	(ii) Exchange-traded derivatives	252,316	5,046
5	(iii) Repo transactions	557	11
6	(iv) Netting sets where cross-product netting has been approved	—	—
7	Segregated initial margin	—	—
8	Non-segregated initial margin	75,819	1,516
9	Pre-funded default fund contributions	21,812	18,940
10	Unfunded default fund contributions	—	—
11	Exposures to non-QCCPs (total)		¥ —
12	Exposures for trades at non-QCCPs (excluding initial margin and default fund contributions); of which	—	—
13	(i) OTC derivatives	—	—
14	(ii) Exchange-traded derivatives	—	—
15	(iii) Repo transactions	—	—
16	(iv) Netting sets where cross-product netting has been approved	—	—
17	Segregated initial margin	—	—
18	Non-segregated initial margin	—	—
19	Pre-funded default fund contributions	—	—
20	Unfunded default fund contributions	—	—

SEC1: Securitisation exposures by underlying asset type (securitisation exposures subject to the calculation of the amount of credit risk-weighted assets only)

Item No.		Millions of yen								
		September 30, 2018								
		a	b	c	d	e	f	g	h	i
	Type of underlying asset	Bank acts as originator			Bank acts as sponsor			Banks acts as investor		
		Traditional	Synthetic	Sub-total	Traditional	Synthetic	Sub-total	Traditional	Synthetic	Sub-total
1	Retail (total) – of which	¥ 42,865	¥ —	¥ 42,865	¥ 108,945	¥ —	¥ 108,945	¥ 300,898	¥ —	¥ 300,898
2	Residential mortgage	42,865	—	42,865	95,730	—	95,730	72,242	—	72,242
3	Credit card	—	—	—	1,695	—	1,695	56,151	—	56,151
4	Other retail exposures	—	—	—	11,520	—	11,520	172,504	—	172,504
5	Re-securitisation	—	—	—	—	—	—	—	—	—
6	Wholesale (total) – of which	¥ 5,679	¥ —	¥ 5,679	¥ 696	¥ —	¥ 696	¥ 485,902	¥ —	¥ 485,902
7	Loans to corporates	—	—	—	—	—	—	454,430	—	454,430
8	Commercial mortgage	—	—	—	—	—	—	—	—	—
9	Lease and receivables	5,679	—	5,679	—	—	—	31,471	—	31,471
10	Other wholesale	—	—	—	696	—	696	—	—	—
11	Re-securitisation	—	—	—	—	—	—	—	—	—

SEC2: Securitisation exposures by underlying asset type (securitisation exposures subject to the calculation of the market risk equivalent amounts only)

Not applicable.

SEC3: Securitisation exposures subject to the calculation of the amount of credit risk-weighted assets and related capital requirements (bank acting as originator or sponsor)

Item No.		Millions of yen															
		September 30, 2018															
		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	
		Total															
		Traditional securitisations (sub-total)							Synthetic securitisations (sub-total)								
		Securitisation				Re-securitisation					Securitisation			Re-securitisation			
				Retail underlying	Wholesale			Senior	Non-senior			Retail underlying	Wholesale			Senior	Non-senior
Exposure values (by RW bands)																	
1	≤ 20% risk weight	¥112,182	¥112,182	¥112,182	¥111,485	¥ 696	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	
2	> 20% to 50% risk weight	32,700	32,700	32,700	32,700	—	—	—	—	—	—	—	—	—	—	—	
3	> 50% to 100% risk weight	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
4	> 100% to < 1,250% risk weight	9,450	9,450	9,450	3,770	5,679	—	—	—	—	—	—	—	—	—	—	
5	1,250% risk weight	3,855	3,855	3,855	3,855	—	—	—	—	—	—	—	—	—	—	—	
Exposure Values (by regulatory approach)																	
6	Subject to the Ratings-Based Approach (RBA) or Internal Assessment Approach (IAA) in the IRB Approach	109,523	109,523	109,523	108,826	696	—	—	—	—	—	—	—	—	—	—	
7	Subject to the Supervisory Formula Approach (SFA) in the IRB Approach	44,809	44,809	44,809	39,129	5,679	—	—	—	—	—	—	—	—	—	—	
8	Subject to the Standardised Approach (SA)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
9	Subject to 1,250% risk weight in accordance with Article 247, Paragraph 1 of the FSA Capital Adequacy Notification or Article 225, Paragraph 1 of the FSA Bank Holding Company Capital Adequacy Notification	3,855	3,855	3,855	3,855	—	—	—	—	—	—	—	—	—	—	—	
RWA (by regulatory approach)																	
10	Subject to the Ratings-Based Approach (RBA) or Internal Assessment Approach (IAA) in the IRB Approach	7,782	7,782	7,782	7,734	48	—	—	—	—	—	—	—	—	—	—	
11	Subject to the Supervisory Formula Approach (SFA) in the IRB Approach	29,375	29,375	29,375	14,048	15,326	—	—	—	—	—	—	—	—	—	—	
12	Subject to the Standardised Approach (SA)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
13	Subject to 1,250% risk weight in accordance with Article 247, Paragraph 1 of the FSA Capital Adequacy Notification or Article 225, Paragraph 1 of the FSA Bank Holding Company Capital Adequacy Notification	48,188	48,188	48,188	48,188	—	—	—	—	—	—	—	—	—	—	—	
Capital requirement values (by regulatory approach)																	
14	Subject to the Ratings-Based Approach (RBA) or Internal Assessment Approach (IAA) in the IRB Approach	659	659	659	655	4	—	—	—	—	—	—	—	—	—	—	
15	Subject to the Supervisory Formula Approach (SFA) in the IRB Approach	2,491	2,491	2,491	1,191	1,299	—	—	—	—	—	—	—	—	—	—	
16	Subject to the Standardised Approach (SA)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
17	Subject to 1,250% risk weight in accordance with Article 247, Paragraph 1 of the FSA Capital Adequacy Notification or Article 225, Paragraph 1 of the FSA Bank Holding Company Capital Adequacy Notification	4,086	4,086	4,086	4,086	—	—	—	—	—	—	—	—	—	—	—	

SEC4: Securitisation exposures subject to the calculation of the amount of credit risk-weighted assets and related capital requirements (bank acting as investor)

SEC4		Millions of yen														
		September 30, 2018														
		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
		Total														
		Item No.	Traditional securitisations (sub-total)							Synthetic securitisations (sub-total)						
Securitisation			Re-securitisation					Securitisation			Re-securitisation					
	Retail underlying		Wholesale		Senior	Non-senior			Retail underlying	Wholesale		Senior	Non-senior			
Exposure values (by RW bands)																
1	≤ 20% risk weight	¥763,394	¥763,394	¥763,394	¥290,293	¥473,100	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —
2	> 20% to 50% risk weight	8,457	8,457	8,457	8,457	—	—	—	—	—	—	—	—	—	—	—
3	> 50% to 100% risk weight	14,948	14,948	14,948	2,146	12,801	—	—	—	—	—	—	—	—	—	—
4	> 100% to < 1,250% risk weight	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
5	1,250% risk weight	0	0	0	0	—	—	—	—	—	—	—	—	—	—	—
Exposure Values (by regulatory approach)																
6	Subject to the Ratings-Based Approach (RBA) or Internal Assessment Approach (IAA) in the IRB Approach	463,157	463,157	463,157	140,920	322,236	—	—	—	—	—	—	—	—	—	—
7	Subject to the Supervisory Formula Approach (SFA) in the IRB Approach	323,643	323,643	323,643	159,977	163,665	—	—	—	—	—	—	—	—	—	—
8	Subject to the Standardised Approach (SA)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
9	Subject to 1,250% risk weight in accordance with Article 247, Paragraph 1 of the FSA Capital Adequacy Notification or Article 225, Paragraph 1 of the FSA Bank Holding Company Capital Adequacy Notification	0	0	0	0	—	—	—	—	—	—	—	—	—	—	—
RWA (by regulatory approach)																
10	Subject to the Ratings-Based Approach (RBA) or Internal Assessment Approach (IAA) in the IRB Approach	35,726	35,726	35,726	13,170	22,556	—	—	—	—	—	—	—	—	—	—
11	Subject to the Supervisory Formula Approach (SFA) in the IRB Approach	32,190	32,190	32,190	13,517	18,672	—	—	—	—	—	—	—	—	—	—
12	Subject to the Standardised Approach (SA)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
13	Subject to 1,250% risk weight in accordance with Article 247, Paragraph 1 of the FSA Capital Adequacy Notification or Article 225, Paragraph 1 of the FSA Bank Holding Company Capital Adequacy Notification	0	0	0	0	—	—	—	—	—	—	—	—	—	—	—
Capital requirement values (by regulatory approach)																
14	Subject to the Ratings-Based Approach (RBA) or Internal Assessment Approach (IAA) in the IRB Approach	3,029	3,029	3,029	1,116	1,912	—	—	—	—	—	—	—	—	—	—
15	Subject to the Supervisory Formula Approach (SFA) in the IRB Approach	2,729	2,729	2,729	1,146	1,583	—	—	—	—	—	—	—	—	—	—
16	Subject to the Standardised Approach (SA)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
17	Subject to 1,250% risk weight in accordance with Article 247, Paragraph 1 of the FSA Capital Adequacy Notification or Article 225, Paragraph 1 of the FSA Bank Holding Company Capital Adequacy Notification	0	0	0	0	—	—	—	—	—	—	—	—	—	—	—

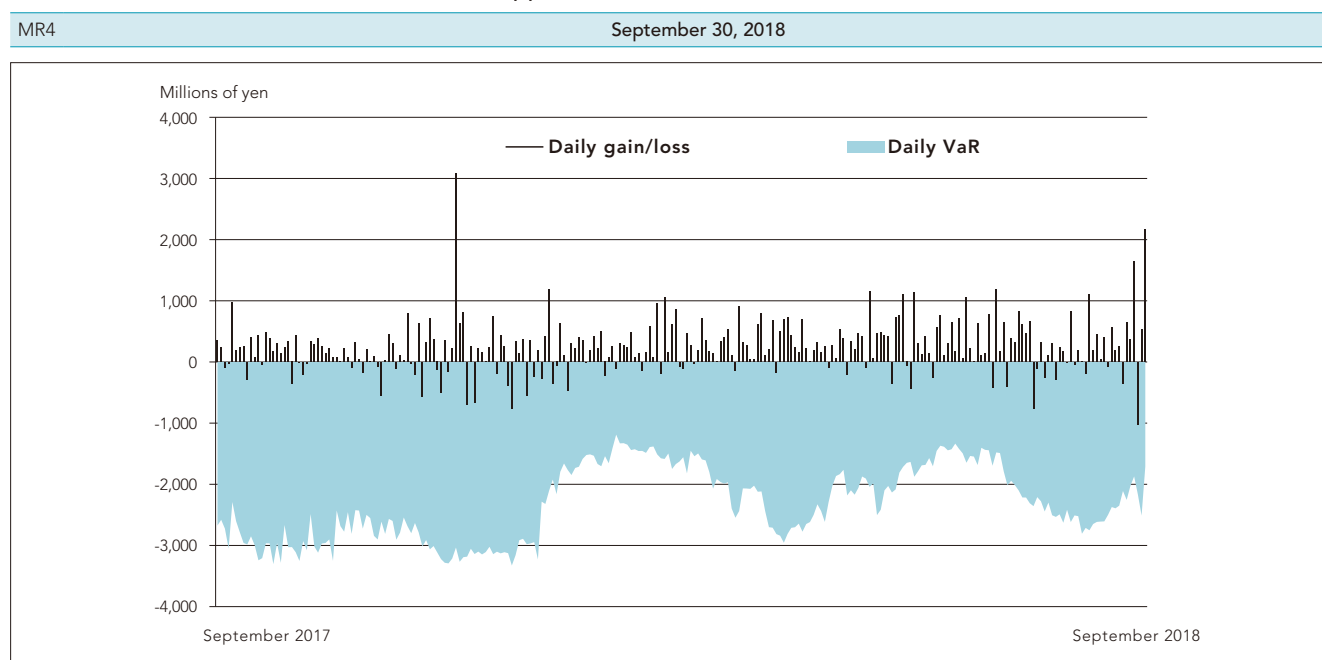
MR1: Market risk under standardised approach

Item No.	MR1	Millions of yen	
		September 30, 2018	
		RWA (Amounts calculated by dividing risk equivalent amounts by 8%)	
1	Interest rate risk (general and specific)	¥	3,750
2	Equity risk (general and specific)		—
3	Foreign exchange risk		15,933
4	Commodity risk		—
	Options transactions		—
5	Simplified approach		—
6	Delta-plus method		—
7	Scenario approach		—
8	Specific risk related to securitisation exposures		—
9	Total	¥	19,683

MR3: Values of Internal Model Approaches (IMA) (Market risk)

MR3	Millions of yen	
Item No.	September 30, 2018	
VaR (holding period:10 business days, one-sided confidence interval:99%)		
1	Maximum value	¥ 9,631
2	Average value	6,992
3	Minimum value	4,111
4	Period end	5,321
Stressed VaR (holding period:10 business days, one-sided confidence interval:99%)		
5	Maximum value	26,524
6	Average value	21,485
7	Minimum value	15,276
8	Period end	21,666
Incremental risk charge (one-sided confidence interval: 99.9%)		
9	Maximum value	—
10	Average value	—
11	Minimum value	—
12	Period end	—
Comprehensive risk capital charge (one-sided confidence interval: 99.9%)		
13	Maximum value	—
14	Average value	—
15	Minimum value	—
16	Period end	—
17	Floor (modified standardised measurement method)	—

MR4: Backtesting results by Internal Model Approaches (IMA)



Note: As shown above, during the reported period, there was no exceedance occurred in backtesting.

IRRBB1: Interest rate risk

IRRBB1		Millions of yen			
		a	b	c	d
		ΔEVE		ΔNII	
		September 30, 2018	September 30, 2017	September 30, 2018	September 30, 2017
Item No.					
1	Parallel up	¥ 97,502		¥ (69,859)	
2	Parallel down	46,907		73,334	
3	Steepener	75,653			
4	Flattener	11,051			
5	Short rate up	35,977			
6	Short rate down	40,310			
7	Maximum	97,502		73,334	
		e		f	
		September 30, 2018		September 30, 2017	
8	Tier 1 Capital	¥ 2,748,224			

Composition of Basel III Leverage Ratio

Consolidated

As of September 30			Millions of Yen, %	
Basel III Template No. (Table 2)	Basel III Template No. (Table 1)	Items	2018	2017
On-Balance Sheet Exposures				
1		On-Balance Sheet Exposures before Deducting Adjustment Items	¥ 67,355,088	¥ 62,858,786
1a	1	Total Assets Reported in the Consolidated Balance Sheet	70,001,204	65,529,618
1b	2	The Amount of Assets of Subsidiaries that are not Included in the Scope of the Basel III leverage ratio on a Consolidated Basis (Deduction)	—	—
1c	7	The Amount of Assets of Subsidiaries that are Included in the Scope of the Basel III leverage ratio on a Consolidated Basis (except Those Included in the Total Assets Reported in the Consolidated Balance Sheet)	—	—
1d	3	The Amount of Assets that are Deducted from the Total Assets Reported in the Consolidated Balance Sheet (except Adjustment Items) (Deduction)	2,646,115	2,670,831
2	7	The Amount of Adjustment Items Pertaining to Tier 1 Capital (Deduction)	289,889	245,881
3		Total On-Balance Sheet Exposures (A)	67,065,199	62,612,905
Exposures Related to Derivative Transactions				
4		Replacement Cost Associated with Derivatives Transactions, etc.	475,917	630,066
5		Add-On Amount Associated with Derivatives Transactions, etc.	973,174	1,167,951
		The Amount of Receivables Arising from Providing Cash Margin in Relation to Derivatives Transactions, etc.	605,319	688,175
6		The Amount of Receivables Arising from Providing Cash Margin, Provided where Deducted from the Consolidated Balance Sheet Pursuant to the Operative Accounting Framework	—	—
7		The Amount of Deductions of Receivables (out of those Arising from Providing Cash Variation Margin) (Deduction)	186,460	239,508
8		The Amount of Client-Cleared Trade Exposures for which a Bank or Bank Holding Company Acting as Clearing Member is not Obligated to Make Any Indemnification (Deduction)		
9		Adjusted Effective Notional Amount of Written Credit Derivatives	86,400	77,900
10		The Amount of Deductions from Effective Notional Amount of Written Credit Derivatives (Deduction)	86,400	77,900
11	4	Total Exposures Related to Derivative Transactions (B)	1,867,950	2,246,684
Exposures Related to Repo Transactions				
12		The Amount of Assets Related to Repo Transactions, etc.	759,290	706,843
13		The Amount of Deductions from the Assets Above (Line 12) (Deduction)	—	—
14		The Exposures for Counterparty Credit Risk for Repo Transactions, etc.	144,227	200,120
15		The Exposures for Agent Repo Transaction		
16	5	The Total Exposures Related to Repo Transactions, etc. (C)	903,518	906,963
Exposures Related to Off-Balance Sheet Transactions				
17		Notional Amount of Off-Balance Sheet Transactions	7,355,303	7,322,876
18		The Amount of Adjustments for Conversion in Relation to Off-Balance Sheet Transactions (Deduction)	4,755,593	4,749,980
19	6	Total Exposures Related to Off-Balance Sheet Transactions (D)	2,599,709	2,572,895
Basel III leverage ratio on a Consolidated Basis				
20		The Amount of Capital (Tier 1 Capital) (E)	2,748,224	2,688,896
21	8	Total Exposures (F) = (A)+(B)+(C)+(D)	¥ 72,436,378	¥ 68,339,449
22		Basel III leverage ratio on a Consolidated Basis (G) = (E)/(F)	3.79%	3.93%

Liquidity Coverage Ratio (LCR)

Consolidated

Quantitative Disclosure Items for the Liquidity Coverage Ratio (LCR) on a consolidated basis

Items		Millions of Yen, %, the Number of Data			
		Fiscal Year 2018 2nd Quarter		Fiscal Year 2018 1st Quarter	
High-Quality Liquid Assets (1)					
1	Total high-quality liquid assets (HQLA)	¥ 28,164,041		¥ 28,382,568	
Cash Outflows (2)		Total Unweighted Value	Total Weighted Value	Total Unweighted Value	Total Weighted Value
2	Cash outflows related to unsecured retail funding	¥ 17,553,696	¥ 801,154	¥ 17,551,900	¥ 791,015
3	of which: Stable deposits	650,216	19,506	628,482	18,854
4	of which: Less stable deposits	7,778,127	781,648	7,679,725	772,160
5	Cash outflows related to unsecured wholesale funding	24,854,808	20,657,218	25,206,733	21,070,360
6	of which: Qualifying operational deposits	357,905	89,476	389,106	97,276
7	of which: Cash outflows related to unsecured wholesale funding other than qualifying operational deposits and debt securities	22,241,900	18,312,739	22,504,528	18,659,985
8	of which: Debt securities	2,255,003	2,255,003	2,313,099	2,313,099
9	Cash outflows related to secured funding, etc.		78,963		69,245
10	Cash outflows related to derivative transactions, etc. funding programs, credit and liquidity facilities	5,262,301	1,260,406	5,349,309	1,344,549
11	of which: Cash outflows related to derivative transactions, etc.	478,788	478,788	545,240	545,240
12	of which: Cash outflows related to funding programs	0	0	0	0
13	of which: Cash outflows related to credit and liquidity facilities	4,783,513	781,618	4,804,069	799,309
14	Cash outflows related to contractual funding obligations, etc.	667,995	538,482	704,360	338,089
15	Cash outflows related to contingencies	10,614,231	23,327	10,795,703	24,291
16	Total cash outflows		23,359,550		23,637,549
Cash Inflows (3)		Total Unweighted Value	Total Weighted Value	Total Unweighted Value	Total Weighted Value
17	Cash inflows related to secured lending, etc.	18,320	272	33,210	16,467
18	Cash inflows related to collection of loans, etc.	2,629,141	1,817,369	4,630,898	2,985,067
19	Other cash inflows	336,489	181,515	263,873	167,828
20	Total cash inflows	2,983,950	1,999,156	4,927,981	3,169,362
Consolidated Liquidity Coverage Ratio (4)					
21	Total HQLA allowed to be included in the calculation		28,164,041		28,382,568
22	Net cash outflows		21,360,394		20,468,187
23	Consolidated Liquidity Coverage Ratio (LCR)		131.8		138.6
24	The number of data used to calculate the average value		62		62

Qualitative Disclosure Items for the Liquidity Coverage Ratio (LCR) on a consolidated basis

(1) Items concerning fluctuations in the LCR over time

Our consolidated LCR has trended steadily for the most part in the past two years.

(2) Items concerning evaluation of the LCR level

Our consolidated LCR satisfies the required criteria and the actual LCR is not significantly different from our primary forecast.

Going forward, our consolidated LCR is expected to increase due to the change in our consolidated scope accompanied by Japan Trustee Services Bank (JTSB) becoming a wholly owned subsidiary of JTC Holdings established between JTSB and Trust & Custody Services Bank (TCSB) on October 1, 2018.

(3) Items concerning the composition of totals for eligible high-quality liquid assets

The majority of our eligible high-quality liquid assets are reserve deposit held at central banks and sovereign bonds. There have been no material fluctuations in the composition of currencies, their types and locations. Furthermore, there has been no material difference between totals for eligible high-quality assets and net cash outflows in major currencies.

(4) Other items concerning LCR

For some of borrowings from the trust funds (trust accounts), we apply the "treatment for qualifying operational deposit." We regularly estimate the amount held from the sum circulating based on monthly outflows and inflows. We do not apply the "additional collateral required to market valuation changes based on the scenario approach."

Furthermore, taking account of the impact to LCR, we are using month-end data in lieu of daily data for the consolidated subsidiary companies of minor importance with practical restrictions.

Disclosure Data for First Half of Fiscal Year 2017 (as of September 30, 2017)

Capital Adequacy

Consolidated

Amounts of Required Capital

(1) Amounts of required capital against credit risk (excluding equity exposures to which the IRB Approach is applied and exposures held in funds)

As of September 30	Millions of Yen	
	2017	
Portfolios to Which the Standardised Approach is Applied	¥	63,929
Exposures to Business Units Set for Phased Roll-out Application		21,433
Exposures Excluded from Application		42,495
Portfolios to Which the IRB Approach is Applied and Breakdown by Portfolio		1,213,580
Corporate Exposures		868,882
Sovereign Exposures		16,085
Financial Institution Exposures		35,581
Residential Mortgage Exposures		115,900
Qualifying Revolving Retail Exposures		1,666
Other Retail Exposures		25,387
Other Exposures* ¹		150,076
Securitisation Exposures		12,002

*1. Other exposures refer to the exposures below.

Purchased receivables, unsettled transactions, lease transactions, CVA risk, central counterparty-related, equities, with 250% risk-weight applied and other assets

*2. The calculation method of the amounts of required capital against credit risk is as follows:

Portfolios to which the Standardised Approach is applied: amount of credit risk-weighted assets x 8%

Portfolios to which the IRB Approach is applied: (amount of credit risk-weighted assets x 1.06) x 8% + expected loss amount

Securitisation exposures: (amount of credit risk-weighted assets x 1.06) x 8% + expected loss amount

(2) Amounts of required capital against credit risk concerning equity exposures to which the IRB Approach is applied

As of September 30	Millions of Yen	
	2017	
Equity Exposures	¥	132,775
PD/LGD Approach		111,094
Simple Risk-Weight Method of the Market-based Approach		21,681
Internal Model Method of the Market-based Approach		—

Note: The calculation method of the amounts of required capital against credit risk concerning equity exposures to which the IRB Approach is applied is as follows:

Those applicable to the PD/LGD approach: (amount of credit risk-weighted assets x 1.06) x 8%

Those applicable to the simple risk-weight method of the market-based approach: (amount of credit risk-weighted assets x 1.06) x 8%

(3) Amounts of required capital against credit risk concerning exposures held in funds

As of September 30	Millions of Yen	
	2017	
Exposures Held in Funds*	¥	144,888

* (Amount of credit risk-weighted assets x 1.06) x 8% + expected loss amount

(4) Amounts of required capital against market risk

	Millions of Yen
As of September 30	2017
Market Risk	¥ 59,296
Amounts of Required Capital by Category under the Standardised Approach	11,139
Interest Rate Risk	6,198
Equity Position Risk	—
Foreign Exchange Risk	4,941
Commodities Risk	—
Options Transactions	—
Internal Model Approach	48,156

(5) Amounts of required capital against operational risk

	Millions of Yen
As of September 30	2017
Operational Risk	¥ 79,153
Advanced Measurement Approach	66,340
Standardised Approach	—
Basic Indicator Approach	12,813

(6) Consolidated total required capital

	Millions of Yen
As of September 30	2017
Consolidated Total Required Capital*	¥ 1,565,671

* (Total amount of credit risk-weighted assets + market risk equivalents/8% + operational risk equivalents/8%) x 8%

Credit Risk

Consolidated

Term-end Balance of Credit Risk Exposures by Category and their Breakdown by Major Type of Assets

As of September 30	Millions of Yen					
	2017					
	Credit Risk Exposures					Exposures Three Months or Longer Overdue or Exposures in Default
		Loans, Call Loans, Deposits, etc.	Securities	Derivative Transactions	Other Off-balance Sheet Transactions	
Japan	¥ 44,399,550	¥ 39,042,021	¥ 1,995,931	¥ 389,911	¥ 2,971,686	¥ 114,471
Outside Japan	7,023,193	4,942,182	1,167,751	339,685	573,574	17,300
Total for Geographic Regions	¥ 51,422,743	¥ 43,984,203	¥ 3,163,683	¥ 729,596	¥ 3,545,260	¥ 131,772
Manufacturing	4,380,128	2,818,853	494,300	28,905	1,038,069	11,005
Agriculture and Forestry	4,992	4,865	10	100	15	—
Fisheries	88	43	44	—	—	—
Mining and Quarrying of Stones and Gravel	22,340	7,302	201	—	14,836	—
Construction	219,123	132,086	28,088	861	58,087	13
Electricity, Gas, Heat Supply and Water	1,170,895	939,214	17,007	15,698	198,973	—
Information and Communication	594,771	531,039	5,579	807	57,344	—
Transport and Postal Activities	1,428,620	1,155,644	149,463	16,619	106,892	58
Wholesale and Retail Trade	1,873,426	1,502,918	81,448	3,353	285,706	1,690
Finance and Insurance	2,376,759	1,616,073	312,160	265,795	182,729	228
Real Estate	3,975,658	3,247,911	399,911	26,543	301,292	12,559
Goods Rental and Leasing	958,027	855,081	6,920	1,016	95,009	224
Local Public Bodies	91,921	77,152	4,808	—	9,960	—
Individuals	9,728,845	9,589,169	—	—	139,675	71,336
Others	24,597,144	21,506,847	1,663,737	369,893	1,056,666	34,656
Total for Industry Sectors	¥ 51,422,743	¥ 43,984,203	¥ 3,163,683	¥ 729,596	¥ 3,545,260	¥ 131,772
To 1 year	8,960,428	6,713,577	526,464	242,572	1,477,814	
> 1 year to 3 years	5,423,968	4,377,030	281,530	84,383	681,023	
> 3 years to 5 years	18,915,931	17,814,652	486,582	109,348	505,348	
> 5 years	18,122,415	15,078,942	1,869,106	293,291	881,074	
Total for Residual Maturity	¥ 51,422,743	¥ 43,984,203	¥ 3,163,683	¥ 729,596	¥ 3,545,260	
Average Balance during the Period	¥ 50,563,042	¥ 43,057,838	¥ 3,211,195	¥ 733,973	¥ 3,560,034	

Notes: 1. Of exposures subject to the calculation of credit risk-weighted assets, the above lists corporate, retail, equities, etc., purchased receivables, lease transactions as well as phased application exposures.

2. "Others" in the industry sectors include non-residents and state public services. Exposures for residual maturity of over five years include those with no fixed maturities.

3. "Average Balance during the Period" is the average of the balance as of March 31, 2017 and September 30, 2017.

4. The above data represents amounts after credit risk mitigation effects of netting contracts allowed under the law and netting against the obligor's cash on deposit.

Balance and Changes of General Allowance for Loan Losses, Specific Allowance for Loan Losses, and Allowance for Loan Losses from Specified Foreign Country Borrowers

(1) General allowance for loan losses

	Millions of Yen		
	September 30, 2017	March 31, 2017	Change
	Balance	Balance	
General Allowance for Loan Losses	¥ 91,621	¥ 97,567	¥ (5,946)

(2) Specific allowance for loan losses (breakdown by region, industry sector)

	Millions of Yen		
	September 30, 2017	March 31, 2017	Change
	Balance	Balance	
Japan	¥ 9,655	¥ 15,280	¥ (5,625)
Outside Japan	2,905	2,966	(61)
Total for Geographic Regions	¥ 12,560	¥ 18,246	¥ (5,686)
Manufacturing	1,532	4,899	(3,366)
Agriculture and Forestry	0	1	0
Fisheries	—	—	—
Mining and Quarrying of Stones and Gravel	—	—	—
Construction	53	15	37
Electricity, Gas, Heat Supply and Water	6	128	(122)
Information and Communication	7	8	0
Transport and Postal Activities	2,243	3,403	(1,160)
Wholesale and Retail Trade	446	424	21
Finance and Insurance	139	184	(45)
Real Estate	86	342	(255)
Goods Rental and Leasing	2	5	(2)
Local Public Bodies	—	—	—
Individuals	4,700	4,650	50
Others	3,339	4,180	(840)
Total for Industry Sectors	¥ 12,560	¥ 18,246	¥ (5,686)

Note: "Others" in the industry sectors include non-residents and state public services.

(3) Allowance for loan losses from specified foreign country borrowers

Not applicable as of the end of September 2017 and March 2017.

Amounts of Written-off Loans by Industry Sector

	Millions of Yen
	Six Months Ended September 30, 2017
Manufacturing	¥ 504
Agriculture and Forestry	—
Fisheries	—
Mining and Quarrying of Stones and Gravel	—
Construction	2
Electricity, Gas, Heat Supply and Water	—
Information and Communication	1
Transport and Postal Activities	1
Wholesale and Retail Trade	6
Finance and Insurance	0
Real Estate	0
Goods Rental and Leasing	—
Local Public Bodies	—
Individuals	300
Others	710
Total for Industry Sectors	¥ 1,528

Note: "Others" in the industry sectors include non-residents and state public services.

Balance of Exposures to which the Standardised Approach is Applied by Risk-Weight Category

As of September 30	Millions of Yen	
	2017	Subject to Rating
Balance of Exposures to which the Standardised Approach is Applied after Allowing for the Credit Risk Mitigation Effect by Risk-Weight Category	¥ 12,087,290	¥ 17,003
0%	10,877,276	—
10%	305	—
20%	396,629	20
35%	—	—
50%	160,814	13,919
75%	—	—
100%	652,263	3,064
150%	1	—
Amounts of exposures with 1,250% risk-weight applied	—	—

Exposures to which the IRB Approach is Applied

As of September 30			Millions of Yen	
			2017	
Specialised Lending under the Slotting Criteria			¥ 2,047,233	
High-Volatility Commercial Real Estate Exposures			286,386	
Maturities of 2.5 Years or Longer			235,730	
Strong	95%		36,086	
Good	120%		60,494	
Satisfactory	140%		139,149	
Weak	250%		—	
Default	0%		—	
Maturities of Less than 2.5 Years			50,655	
Strong	70%		1,162	
Good	95%		21,351	
Satisfactory	140%		28,141	
Weak	250%		—	
Default	0%		—	
Other Exposures			¥ 1,760,847	
Maturities of 2.5 Years or Longer			1,612,705	
Strong	70%		498,545	
Good	90%		823,320	
Satisfactory	115%		254,094	
Weak	250%		36,745	
Default	0%		—	
Maturities of Less than 2.5 Years			148,142	
Strong	50%		34,327	
Good	70%		73,747	
Satisfactory	115%		28,717	
Weak	250%		11,349	
Default	0%		—	
Equity Exposures to which the Simple Risk-Weight Method of the Market-based Approach is Applied			¥ 79,639	
300%			62,883	
400%			16,755	

Portfolios to which the IRB Approach is Applied

(1) Corporate exposures

	Millions of Yen						
	2017						
	Weighted Average of PD Value	Weighted Average of LGD Value	Weighted Average of EL_default	Weighted Average of Risk-Weight	EAD Value		Undrawn Commitments
As of September 30					On-balance Sheet Asset Items	Off-balance Sheet Asset Items	CCF
Ordinary Assets (Seijo-Saki)	0.38%	32.79%	/	38.75%	¥ 14,536,764	¥ 2,625,179	¥ 2,094,697
Assets to Special Mention Debtors (Yo-Chui-Saki) (Not Including Assets to Substandard Debtors)	17.92%	33.65%	/	176.50%	357,546	133,484	105,859
Substandard Debtors (Yo-Kanri-Saki) or Worse	100.00%	39.78%	38.95%	10.91%	47,838	9,130	562
Total	1.19%	32.84%	/	42.48%	¥ 14,942,149	¥ 2,767,793	¥ 2,201,119

(2) Sovereign exposures

	Millions of Yen						
	2017						
	Weighted Average of PD Value	Weighted Average of LGD Value	Weighted Average of EL_default	Weighted Average of Risk-Weight	EAD Value		Undrawn Commitments
As of September 30					On-balance Sheet Asset Items	Off-balance Sheet Asset Items	CCF
Ordinary Assets (Seijo-Saki)	0.00%	44.11%	/	0.80%	¥ 17,544,732	¥ 138,870	¥ 21,674
Assets to Special Mention Debtors (Yo-Chui-Saki) (Not Including Assets to Substandard Debtors)	34.12%	45.00%	/	282.39%	11,283	746	—
Substandard Debtors (Yo-Kanri-Saki) or Worse	—	—	—	—	—	—	—
Total	0.03%	44.11%	/	0.99%	¥ 17,556,016	¥ 139,617	¥ 21,674

(3) Financial Institution exposures

	Millions of Yen						
	2017						
	Weighted Average of PD Value	Weighted Average of LGD Value	Weighted Average of EL_default	Weighted Average of Risk-Weight	EAD Value		Undrawn Commitments
As of September 30					On-balance Sheet Asset Items	Off-balance Sheet Asset Items	CCF
Ordinary Assets (Seijo-Saki)	0.13%	41.12%	/	25.46%	¥ 1,030,099	¥ 671,667	¥ 74,729
Assets to Special Mention Debtors (Yo-Chui-Saki) (Not Including Assets to Substandard Debtors)	—	—	/	—	—	—	—
Substandard Debtors (Yo-Kanri-Saki) or Worse	—	—	—	—	—	—	—
Total	0.13%	41.12%	/	25.46%	¥ 1,030,099	¥ 671,667	¥ 74,729

(4) Equity exposures under the PD/LGD Approach

	Millions of Yen		
	2017		
	Weighted Average of PD Value	Weighted Average of Risk-Weight	Balance
As of September 30			
Ordinary Assets (Seijo-Saki)	0.22%	145.04%	¥ 932,959
Assets to Special Mention Debtors (Yo-Chui-Saki) (Not Including Assets to Substandard Debtors)	14.05%	656.84%	5,393
Substandard Debtors (Yo-Kanri-Saki) or Worse	100.00%	1,192.50%	8
Total	0.30%	147.99%	¥ 938,361

Note: Weighted average of risk-weight include the amounts obtained by multiplying the expected loss amounts by 1,250% risk-weight.

(5) Residential mortgage exposures, qualifying revolving retail exposures, and other retail exposures

As of September 30	Millions of Yen							
	2017							
	Weighted Average of PD Value	Weighted Average of LGD Value	Weighted Average of EL_default	Weighted Average of Risk-Weight	EAD Value		Undrawn Commitments	CCF
					On-balance Sheet Asset Items	Off-balance Sheet Asset Items		
Residential Mortgage								
Current	0.24%	26.84%		12.33%	¥ 8,637,640	¥ 25,824	¥ 1,239	100.00%
Overdue	21.27%	27.46%		163.44%	75,601	71	—	—
Default	100.00%	28.92%	21.34%	100.47%	36,022	19	—	—
Qualifying Revolving Retail								
Current	0.46%	74.32%		15.58%	20,439	56,109	620,234	9.05%
Overdue	35.14%	69.64%		189.20%	169	84	628	13.45%
Default	100.00%	75.34%	73.77%	20.74%	172	288	3,536	8.16%
Other Retail (consumer)								
Current	0.77%	61.97%		45.88%	160,214	54,141	168,757	28.47%
Overdue	32.89%	37.26%		97.15%	620	599	88	23.90%
Default	100.00%	45.19%	34.63%	139.87%	3,452	376	1,143	22.51%
Other Retail (commercial)								
Current	0.94%	33.67%		30.21%	384,631	2,639	1,734	100.00%
Overdue	37.24%	31.50%		84.45%	2,669	1	1	100.00%
Default	100.00%	36.74%	34.56%	28.93%	9,450	184	46	100.00%
Total	0.99%	28.34%		15.50%	¥ 9,331,085	¥ 140,341	¥ 797,411	13.52%

Actual Credit Losses in the Current Period and Year-on-Year Change for Portfolios to which the IRB Approach is Applied

	Millions of Yen			
	Six Months Ended September 30, 2017			
	Actual Credit Losses	Provisions	Reversals	Change in Actual Credit Losses
Corporate Exposures	¥ (5,945)	¥ 2,725	¥ (8,670)	¥ (3,694)
Sovereign Exposures	43	61	(18)	407
Financial Institution Exposures	0	0	—	(28)
Retail Exposures	1,013	2,082	(1,068)	(984)

Note: Of total credit costs, only those that can be identified as stemming from specified asset classes are shown in the table.

Factor Analysis

In the first half of FY2017, actual credit losses decreased by ¥4.2 billion year on year.

This was mainly due to the recognition of only a limited amount of new non-performing loans in our corporate exposures, as well as the booking of reversals from loan loss allowances with the improvement in the credit status of specific obligors in this category.

Estimated Credit Losses and Comparable Actual Credit Losses for Portfolios to which the IRB Approach is Applied

	Millions of Yen	
	Six Months Ended September 30, 2017	Six Months Ended September 30, 2016
	Actual Credit Losses	Estimated Credit Losses
Corporate Exposures	¥ 21,132	¥ 92,363
Sovereign Exposures	(633)	1,965
Financial Institution Exposures	(25)	992
Retail Exposures	3,319	26,243

Notes: 1. Estimated credit losses for the first half of fiscal year 2016 are the expected loss amount as of September 30, 2016.

2. Actual credit losses for the first half of fiscal year 2017 are the sum of the losses for the most recent one-year period ended September 30, 2017.

	Millions of Yen	
	Six Months Ended September 30, 2016	Six Months Ended September 30, 2015
	Actual Credit Losses	Estimated Credit Losses
Corporate Exposures	¥ 11,548	¥ 104,393
Sovereign Exposures	2,582	2,514
Financial Institution Exposures	27	1,279
Retail Exposures	11,193	25,794

Notes: 1. Estimated credit losses for the first half of fiscal year 2015 are the expected loss amount as of September 30, 2015.

2. Actual credit losses for the first half of fiscal year 2016 are the sum of the losses for the most recent one-year period ended September 30, 2016.

	Millions of Yen	
	Six Months Ended September 30, 2015	Six Months Ended September 30, 2014
	Actual Credit Losses	Estimated Credit Losses
Corporate Exposures	¥ (7,031)	¥ 173,155
Sovereign Exposures	1,031	362
Financial Institution Exposures	3	921
Retail Exposures	3,304	34,663

Notes: 1. Estimated credit losses for the first half of fiscal year 2014 are the expected loss amount as of September 30, 2014.

2. Actual credit losses for the first half of fiscal year 2015 are the sum of the losses for the most recent one-year period ended September 30, 2015.

	Millions of Yen	
	Six Months Ended September 30, 2014	Six Months Ended September 30, 2013
	Actual Credit Losses	Estimated Credit Losses
Corporate Exposures	¥ (4,095)	¥ 191,300
Sovereign Exposures	(66)	522
Financial Institution Exposures	(5)	901
Retail Exposures	484	34,992

Notes: 1. Estimated credit losses for the first half of fiscal year 2013 are the expected loss amount as of September 30, 2013.

2. Actual credit losses for the first half of fiscal year 2014 are the sum of the losses for the most recent one-year period ended September 30, 2014.

	Millions of Yen	
	Six Months Ended September 30, 2013	Six Months Ended September 30, 2012
	Actual Credit Losses	Estimated Credit Losses
Corporate Exposures	¥ (2,782)	¥ 183,465
Sovereign Exposures	(1)	309
Financial Institution Exposures	(29)	1,045
Retail Exposures	1,297	27,019

Notes: 1. Estimated credit losses for the first half of fiscal year 2012 are the expected loss amount as of September 30, 2012.

2. Actual credit losses for the first half of fiscal year 2013 are the sum of the losses for the most recent one-year period ended September 30, 2013.

	Millions of Yen	
	Six Months Ended September 30, 2012	Six Months Ended September 30, 2011
	Actual Credit Losses	Estimated Credit Losses
Corporate Exposures	¥ 8,781	¥ 185,151
Sovereign Exposures	(21)	303
Financial Institution Exposures	7	836
Retail Exposures	2,379	34,175

Notes: 1. Estimated credit losses for the first half of fiscal year 2011 are the expected loss amount as of September 30, 2011.

2. Actual credit losses for the first half of fiscal year 2012 are the sum of the losses for the most recent one-year period ended September 30, 2012.

	Millions of Yen	
	Six Months Ended September 30, 2011	Six Months Ended September 30, 2010
	Actual Credit Losses	Estimated Credit Losses
Corporate Exposures	¥ 12,553	¥ 213,322
Sovereign Exposures	4,753	227
Financial Institution Exposures	(346)	3,526
Retail Exposures	2,215	36,493

Notes: 1. Estimated credit losses for the first half of fiscal year 2010 are the expected loss amount as of September 30, 2010.

2. Actual credit losses for the first half of fiscal year 2011 are the sum of the losses for the most recent one-year period ended September 30, 2011.

Credit Risk Mitigation Techniques

Consolidated

Amounts of Exposures to which Credit Risk Mitigation Techniques are Applied

As of September 30	Millions of Yen			
	2017			
	Eligible Financial Collateral	Other Eligible Collateral	Guarantees	Credit Derivatives
Portfolios to which the Standardised Approach is Applied	¥ 1,003,570	¥ —	¥ —	¥ —
Portfolios to which the IRB Approach is Applied	2,740,338	239,167	326,568	—
Corporate Exposures	623,068	234,548	178,317	—
Sovereign Exposures	37,356	4,619	147,408	—
Financial Institution Exposures	2,079,913	—	842	—
Retail Exposures	—	—	—	—

Counterparty Risk in Derivative and Long-term Settlement Transactions

Consolidated

Derivative Transactions

As of September 30	Millions of Yen
	2017
Aggregate Sum of Amounts of Gross Reconstruction Costs (limited only to those not below zero)	¥ 1,444,545
Credit Equivalents Before Effect of Mitigation by Collateral under the Credit Risk Mitigation Technique	825,739
Foreign Exchange Related	961,370
Interest Rate Related	1,208,055
Credit Derivatives	9,288
Others	304
Effect of Mitigating Credit Equivalents Due to Close-out Netting Contracts (Deduction)	1,353,279
Amounts of Collateral	95,220
Deposits	93,606
Securities	1,614
Credit Equivalents After Effect of Mitigation by Collateral under the Credit Risk Mitigation Technique	730,519
Notional Principal Amounts of Credit Derivatives Subject to the Calculation of Credit Equivalents	150,300
Purchasing Protection by Credit Default Swaps	74,400
Providing Protection by Credit Default Swaps	75,900
Notional Principal Amounts of Credit Derivatives Used to Allow for the Effect of Credit Risk Mitigation Technique	—

Note: Credit equivalents are calculated with the current exposure approach.

Long-term Settlement Transactions

As of September 30	Millions of Yen
	2017
Aggregate Sum of Amounts of Gross Reconstruction Costs (limited only to those not below zero)	¥ —
Credit Equivalents Before Effect of Mitigation by Collateral under the Credit Risk Mitigation Technique	7
Amounts of Collateral	—
Credit Equivalents After Effect of Mitigation by Collateral under the Credit Risk Mitigation Technique	7

Note: Credit equivalents are calculated with the current exposure approach.

Securitisation Exposures

Consolidated

Securitisation Exposures Originated by the SuMi TRUST Holdings Group

First Half of Fiscal Year 2017

Subject to the Calculation of Credit Risk-Weighted Assets

(1) Outline of securitisations during the first half of fiscal year 2017, type and status of principal underlying assets

Not applicable.

(2) Amounts of securitisation exposures held and breakdown of main principal underlying assets by type

As of September 30	Millions of Yen				
	2017				
	Exposure Amounts		Aggregate Sum of Underlying Assets		
	On-balance Sheet Transactions	Off-balance Sheet Transactions		Asset Transfer-Type Securitisation Transactions	Synthetic Securitisation Transaction
Securitisation Exposures except					
Resecuritisation Exposures	¥ 38,005	¥ —	¥ 179,895	¥ 179,895	¥ —
Residential Mortgage Loans	38,005	—	179,895	179,895	—
Others	—	—	—	—	—
Resecuritisation Exposures	—	—	—	—	—
Total	¥ 38,005	¥ —	¥ 179,895	¥ 179,895	¥ —

(3) Cumulative total of underlying assets overdue for three months or longer or in default related to securitisation exposures held, cumulative total of losses, and breakdown by type of main principal underlying assets

	Millions of Yen	
	Six Months Ended September 30, 2017	
	Cumulative Total of Underlying Assets Overdue for Three Months or Longer or in Default	Cumulative Total Losses
Residential Mortgage Loans	¥ 84	¥ (15)
Others	—	—
Total	¥ 84	¥ (15)

(4) Amounts of assets held for the purpose of securitisation transactions and breakdown of principal assets by type

Not applicable.

(5) Balance and amounts of required capital of securitisation exposures held by risk-weight category

	Millions of Yen			
	2017			
	Balance		Required Capital	
	On-balance Sheet Transactions	Off-balance Sheet Transactions	On-balance Sheet Transactions	Off-balance Sheet Transactions
As of September 30				
Securitisation Exposures except				
Resecuritisation Exposures (IRB Approach)	¥ 38,005	¥ —	¥ 4,531	¥ —
Less than 20%	—	—	—	—
20% to Less than 50%	16,245	—	445	—
50% to Less than 100%	15,143	—	680	—
100% to Less than 350%	3,816	—	436	—
350% to Less than 1,250%	—	—	—	—
1,250%	2,800	—	2,968	—
Resecuritisation Exposures (IRB Approach)	—	—	—	—
Less than 20%	—	—	—	—
20% to Less than 50%	—	—	—	—
50% to Less than 100%	—	—	—	—
100% to Less than 350%	—	—	—	—
350% to Less than 1,250%	—	—	—	—
1,250%	—	—	—	—
Total	¥ 38,005	¥ —	¥ 4,531	¥ —

(6) Amounts equivalent to the increase in capital following securitisation and breakdown by type of principal underlying assets

As of September 30	Millions of Yen
	2017
Residential Mortgage Loans	¥ 1,905
Others	—
Total	¥ 1,905

(7) Amounts of securitisation exposures by type of principal underlying assets risk-weighted at 1,250% under provisions of the Notification, Article 225

As of September 30	Millions of Yen
	2017
Residential Mortgage Loans	¥ 2,800
Others	—
Total	¥ 2,800

(8) Items by type of principal underlying assets of securitisation exposures with early redemption clauses

Not applicable.

(9) Application of credit risk mitigation techniques to resecuritisation exposures held

Not applicable.

(10) Amounts of gains/losses on sale following securitisation transactions recognized during the first half of fiscal year 2017 and breakdown by type of principal underlying assets

Not applicable.

Subject to the Calculation of Market Risk Assets

Not applicable.

Securitisation Exposures Purchased by the SuMi TRUST Holdings Group

First Half of Fiscal Year 2017

Subject to the Calculation of Credit Risk-Weighted Assets

(1) Amounts of securitisation exposures held and breakdown of main principal underlying assets by type

As of September 30	Millions of Yen	
	2017	
	Exposure Amounts	
	On-balance Sheet Transactions	Off-balance Sheet Transactions
Securitisation Exposures except Resecuritisation Exposures	¥ 766,168	¥ 72,291
Residential Mortgage Loans	170,019	6,373
Credit Card Loans	34,479	255
Claims on Lease Payments, Installment Receivables	155,567	13,388
Commercial Real Estate-Secured Loans	3,395	—
Other Claims on Corporates	402,706	52,273
Resecuritisation Exposures	1,397	—
Securitisation Exposures to Residential Mortgage Loans and Residential Mortgage Loans as Underlying Assets	—	—
Securitisation Exposures to Commercial Real Estate Secured Loans and Commercial Real Estate Secured Loans as Underlying Assets	—	—
Securitisation Exposures to Other Claims on Corporates and Other Claims on Corporates as Underlying Assets	1,397	—
Total	¥ 767,565	¥ 72,291

(2) Balance and amounts of required capital of securitisation exposures held by risk-weight category

As of September 30	Millions of Yen			
	2017			
	Balance		Required Capital	
	On-balance Sheet Transactions	Off-balance Sheet Transactions	On-balance Sheet Transactions	Off-balance Sheet Transactions
Securitisation Exposures except Resecuritisation Exposures (IRB Approach)	¥ 766,168	¥ 72,291	¥ 5,752	¥ 1,684
Less than 20%	741,029	48,235	4,487	286
20% to Less than 50%	10,171	717	181	21
50% to Less than 100%	11,411	23,338	583	1,376
100% to Less than 350%	3,395	—	330	—
350% to Less than 1,250%	—	—	—	—
1,250%	159	—	168	—
Resecuritisation Exposures (IRB Approach)	1,397	—	34	—
Less than 20%	—	—	—	—
20% to Less than 50%	1,397	—	34	—
50% to Less than 100%	—	—	—	—
100% to Less than 350%	—	—	—	—
350% to Less than 1,250%	—	—	—	—
1,250%	—	—	—	—
Total	¥ 767,565	¥ 72,291	¥ 5,786	¥ 1,684

(3) Amounts of securitisation exposures by type of underlying assets risk-weighted at 1,250% under provisions of the Notification, Article 225

As of September 30	Millions of Yen
	2017
Residential Mortgage Loans	¥ 159
Credit Card Loans	—
Claims on Lease Payments, Installment Receivables	—
Commercial Real Estate-Secured Loans	—
Other Claims on Corporates	—
Total	¥ 159

(4) Application of credit risk mitigation techniques to resecuritisation exposures held

Not applicable.

Subject to the Calculation of Market Risk Assets

Not applicable.

Market Risk

Consolidated

(1) Value at Risk (VaR) as of the end of period and maximum, mean, and minimum VaR for the period

	Billions of Yen			
	As of September 30, 2017	Six Months Ended September 30, 2017		
		Maximum	Minimum	Mean
VaR in Banking Account	¥ 866.3	¥ 1,122.8	¥ 774.9	¥ 922.2
VaR in Trading Account	5.1	7.2	2.6	4.9

VaR Measurement Standards (We implemented model revisions relating to Value at Risk (VaR) measurement from the base date of June 23, 2017)
(Through the base date of June 22, 2017)

Measurement method: Hybrid method (combines variance-covariance method for calculating VaR with the historical simulation method)

Banking account Confidence interval: one-tailed 99% Holding period: 21 business days to 1 year Observation period: 1 year

Trading account Confidence interval: one-tailed 99% Holding period: 10 business days Observation period: 1 year

(After the base date of June 23, 2017)

Measurement method: Historical simulation method

Banking account Confidence interval: one-tailed 99% Holding period: 21 business days to 1 year Observation period: 5 years (exponential weight applied)

Trading account Confidence interval: one-tailed 99% Holding period: 10 business days Observation period: 5 years (exponential weight applied)

(2) Term-end Stressed Value at Risk and maximum, mean and minimum of Stressed Value at Risk for the period

	Billions of Yen			
	As of September 30, 2017	Six Months Ended September 30, 2017		
		Maximum	Minimum	Mean
Stressed VaR in Trading Account	¥ 21.5 [6.8]	¥ 21.5 [6.8]	¥ 3.8 [1.2]	¥ 8.1 [2.5]

Stressed VaR Measurement Standards (We implemented model revisions relating to Stressed Value at Risk (Stressed VaR) measurement from the base date of June 23, 2017) (Through the base date of June 22, 2017)

Measurement method: Hybrid method (combines variance-covariance method for calculating Stressed VaR with the historical simulation method)

Trading account Confidence interval: one-tailed 99% Holding period: 10 business days Observation period: 1 year

(After the base date of June 23, 2017)

Measurement method: Historical simulation method

Trading account Confidence interval: one-tailed 99% Holding period: 10 business days Observation period: 1 year

The figures inside the square brackets above denote stress VaR in a case where the holding period is one business day.

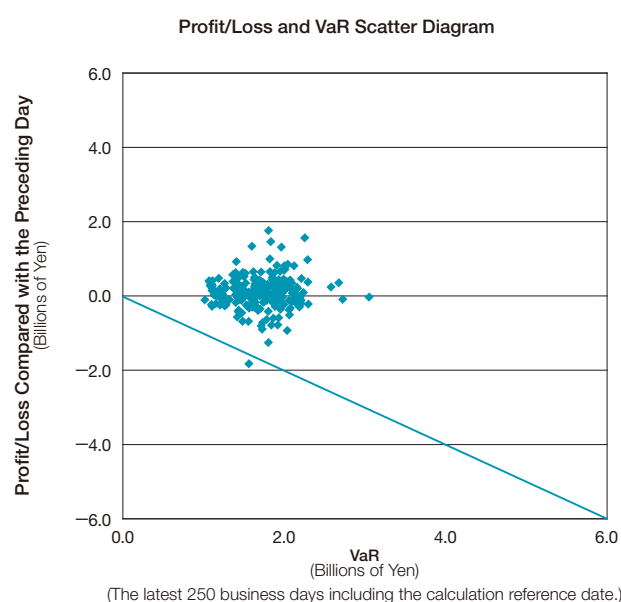
(3) The amounts of required capital related to term-end incremental risk and comprehensive risk, and maximum, mean and minimum amounts of required capital related to incremental risk and comprehensive risk for the period

Not applicable in the first half of fiscal year 2017.

(4) Results of back testing and reasons for large downward deviations between actual losses and VaR

- Back testing of the trading account

First Half of Fiscal Year 2017



Note: As shown above, for the first half of fiscal year 2017 back testing of the trading accounts shows one instance of losses in excess of VaR.

Capital Subscriptions or Equity Exposures in the Banking Account

Consolidated

	Millions of Yen			
	2017			
As of September 30	Book Value		Fair Value	
Consolidated Book and Fair Values* ¹				
Listed Shares Exposures	¥ 1,488,571		¥ 1,488,571	
Capital Subscriptions or Equity Exposures Other than Above	73,603		73,603	
Amounts of Gains/Losses on Sales and Write-offs of Capital Subscriptions or Equity Exposures* ²	Gains/Losses	Gains	Losses	Write-offs
	9,173	10,530	1,356	0
Amounts of Unrealized Gains/Losses Recognized in the Consolidated Balance Sheets and not Recognized in the Consolidated Statements of Income				
	820,274			
Amounts of Unrealized Gains/Losses not Recognized in the Consolidated Balance Sheets and Statements of Income				
	Not applicable			

*1. Figures for available-for-sale securities include only Japanese and foreign stocks.

*2. Consolidated statements of income show gains/losses on stockholdings and related write-offs.

	Millions of Yen
	2017
As of September 30	
Amounts by Portfolio Category	¥ 1,017,970
Portfolios Adopting the Market-based Approach	79,639
Portfolios Adopting the PD/LGD Approach	938,331

Note: Amounts by portfolio category show exposures subject to the calculation of credit risk-weighted assets.

Gains/Losses and Changes in Economic Value Due to Interest Rate Shocks under Internal Control Management Used by the SuMi TRUST Holdings Group Regarding Interest Rate Risk in the Banking Account Consolidated

• Outlier ratios

	Millions of Yen, %
	2017
As of September 30	
Overall Amounts of Interest Rate Risk	¥ 112,126
Japanese Yen Interest Rates	40,647
U.S. Dollar Interest Rates	59,919
Other Interest Rates	11,559
Outlier Ratios	3.6%

Notes: 1. The amount of assets at consolidated units outside of Sumitomo Mitsui Trust Bank was small, so the overall risk and outlier ratios are shown at the consolidated level for Sumitomo Mitsui Trust Bank.

2. The above table indicates figures calculated by individual banks in accordance with the outlier standard specified by the "Comprehensive Guidelines for Supervision of Major Banks, etc." and based on the following assumptions:

- Risk measurement method: Interest rate sensitivity approach
- Interest rate fluctuation scenario: An interest rate shock consisting of the 1st and 99th percentile of the fluctuation of interest rates measured for the one-year holding period and a minimum observation period of five years.
- Definition of the core deposits: The lowest of the following three is the upper limit on the core deposit amount (No.3 is adopted) and the maturity is five years (an average remaining term of 2.5 years): 1) The lowest balance of deposits in the past five years, 2) the balance left after deducting the maximum annual outflow of deposits in the past five years from the current balance of deposits, or 3) the amount equivalent to 50% of the current balance of deposits.

Basel III Disclosure Data

Sumitomo Mitsui Trust Bank, Limited

This section outlines and discloses matters to be stated in explanatory documents relating to the first half of fiscal year, separately stipulated by the Director-General of the Financial Services Agency (Notification No.7 of Financial Services Agency, 2014) with regard to the status of capital adequacy, as set forth in Article 19-2, Paragraph 1, Item 5-(d) of the Ordinance for Enforcement of the Banking Act (Ministry of Finance Ordinance No.10, 1982), as well as separately stipulated by the Director-General of the Financial Services Agency (Notification No.7 of Financial Services Agency, 2015) with regard to the status of management soundness relating to liquidity, as set forth in Article 19-2, Paragraph 1, Item 5-(e) of the Ordinance for Enforcement of the Banking Act.

[Quantitative Disclosure Data: SuMi TRUST Bank]

Consolidated		Non-consolidated	
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Credit Risk	196	Capital Subscriptions or Equity Exposures in the Banking Account	239
Credit Risk Mitigation Techniques	202	Exposures Relating to Funds	240
Counterparty Risk in Derivative and Long-term Settlement Transactions	202	Gains/Losses and Changes in Economic Value Due to Interest Rate Shocks under Internal Control Management Used by SuMi TRUST Bank Regarding Interest Rate Risk in the Banking Account	240
Securitisation Exposures	203		
Market Risk	206		
Capital Subscriptions or Equity Exposures in the Banking Account	208		
Gains/Losses and Changes in Economic Value Due to Interest Rate Shocks under Internal Control Management Used by the SuMi TRUST Bank Group Regarding Interest Rate Risk in the Banking Account	208		

* Disclosure items and formats have been changed from first half of fiscal year 2018 (the year ended September 30, 2018), therefore, disclosure data of first half of fiscal year 2017 (the year ended September 30, 2017) has been stated separately.

Sumitomo Mitsui Trust Bank, Limited

Disclosure Data for First Half of Fiscal Year 2018 (as of September 30, 2018)

KM1: Key Metrics

Consolidated

KM1 Basel III Template No.	Millions of yen, %				
	a	b	c	d	e
	September 30, 2018	June 30, 2018	March 31, 2018	December 31, 2017	September 30, 2017
Available capital (amounts)					
1 Common Equity Tier 1 (CET1)	¥ 2,204,938	¥ 2,251,944	¥ 2,218,347	¥ 2,231,213	¥ 2,158,618
2 Tier 1	2,557,849	2,664,814	2,630,475	2,623,999	2,551,919
3 Total capital	3,110,914	3,230,101	3,156,660	3,226,834	3,145,460
Risk-weighted assets (amounts)					
4 Total risk-weighted assets (RWA)	19,861,313	20,215,073	20,427,360	20,914,698	19,461,216
Risk-based capital ratios as a percentage of RWA					
5 Common Equity Tier 1 ratio (%)	11.10%	11.13%	10.85%	10.66%	11.09%
6 Tier 1 ratio (%)	12.87%	13.18%	12.87%	12.54%	13.11%
7 Total capital ratio (%)	15.66%	15.97%	15.45%	15.42%	16.16%
Basel III leverage ratio					
13 Total Basel III leverage ratio exposure measure	59,627,501	57,399,225	57,273,067	55,874,065	57,581,715
14 Basel III leverage ratio (%)	4.28%	4.64%	4.59%	4.69%	4.43%

KM1 Basel III Template No.	Millions of yen, %				
	Fiscal Year 2018 2nd Quarter	Fiscal Year 2018 1st Quarter	Fiscal Year 2017 4th Quarter	Fiscal Year 2017 3rd Quarter	Fiscal Year 2017 2nd Quarter
Liquidity Coverage Ratio (LCR)					
15 Total HQLA allowed to be included in the calculation	¥ 16,132,916	¥ 15,641,897	¥ 15,286,840	¥ 15,101,090	¥ 14,186,843
16 Net cash outflows	10,146,366	8,417,938	7,701,341	7,581,129	6,977,528
17 Consolidated LCR (%)	159.0%	185.8%	198.4%	199.1%	203.3%

Capital Adequacy Ratio

Consolidated

We calculate the BIS capital adequacy ratio on both a consolidated and non-consolidated basis in line with provisions of Article 14-2 of the Banking Act and on the basis of calculation formula prescribed under the criteria for judging whether a bank's capital adequacy ratio is appropriate in light of assets held (the Financial Services Agency 2006 Notification No. 19, hereinafter referred to as the "Notification").

As of the end of September 2018, we used the Advanced Internal Ratings-Based (IRB) Approach for the calculation of credit risk-weighted assets, the Advanced Measurement Approach for the calculation of operational risk, and market risk regulations.

Scope of Consolidation

Consolidated

(1) There is no difference between companies belonging to the group of companies subject to the consolidated BIS capital adequacy ratio as prescribed by the Basel Notification, Article 3 (hereinafter referred to as the "SuMi TRUST Bank Group") and the companies included in the scope of accounting consolidation.

(2) The number of consolidated subsidiaries that belong to the SuMi TRUST Bank Group is 56. The principal companies are the following.

Name	Principal Business Operations
Sumitomo Mitsui Trust Panasonic Finance Co., Ltd.	General Leasing, Installment Purchase Services, Credit Card Business
Nikko Asset Management Co., Ltd.	Investment Management, Investment Advisory
Sumitomo Mitsui Trust Club Co., Ltd.	Credit Card Business
Sumitomo Mitsui Trust Realty Co., Ltd.	Real Estate Brokerage Business
Sumitomo Mitsui Trust Loan & Finance Co., Ltd.	Money Lending Business
Sumitomo Mitsui Trust Bank (U.S.A.) Limited	Banking, Trust Business

(3) There is no affiliated company that undertakes financial services subject to the Basel Notification, Article 9.

(4) There are no particular restrictions on the transfer of funds and capital within the SuMi TRUST Bank Group.

(5) Of the subsidiaries which are banking, financial and insurance entities that are outside the scope of regulatory consolidation, none failed to meet the regulatory required capital.

Composition of Capital (Consolidated BIS capital adequacy ratio)

Consolidated

As of September 30		Millions of Yen, %			
Basel III Template No.	Items	2018	Amounts Excluded under Transitional Arrangements	2017	Amounts Excluded under Transitional Arrangements
Common Equity Tier 1 Capital: Instruments and Reserves					
1a+2-1c-26	Directly Issued Qualifying Common Share Capital Plus Related Capital Surplus and Retained Earnings	¥ 1,988,254		¥ 1,983,367	
1a	of Which: Capital Stock and Capital Surplus	751,975		798,025	
2	of Which: Retained Earnings	1,312,302		1,206,474	
1c	of Which: Treasury Stock (Deduction)	—		—	
26	of Which: Earnings to be Distributed (Deduction)	76,023		21,132	
	of Which: Others	—		—	
1b	Subscription Rights to Common Shares	—		—	
3	Accumulated Other Comprehensive Income	484,682		373,456	¥ 93,364
5	Common Share Capital Issued by Subsidiaries and Held by Third Parties (Amount Allowed in Group Common Equity Tier 1)	—		—	
	Amount Allowed in Group Common Equity Tier 1 Subject to Transitional Arrangements			3,256	
	of Which: Common Share Capital Issued by Subsidiaries and Held by Third Parties			3,256	
6	Common Equity Tier 1 Capital: Instruments and Reserves (A)	2,472,936		2,360,080	
Common Equity Tier 1 Capital: Regulatory Adjustments					
8+9	Intangible Assets Other than Mortgage Servicing Rights (Net of Related Deferred Tax Liabilities)	151,108		134,912	33,728
8	of Which: Goodwill (Including Those Equivalent)	87,414		80,096	20,024
9	of Which: Other Intangible Assets	63,693		54,816	13,704
10	Deferred Tax Assets That Rely on Future Profitability Excluding Those Arising from Temporary Differences (Net of Related Deferred Tax Liabilities)	340		78	19
11	Deferred Gains or Losses on Derivatives under Hedge Accounting	(11,198)		(16,184)	(4,046)
12	Shortfall of Eligible Provisions to Expected Losses	8,797		12,092	3,023
13	Securitisation Gain on Sale	1,567		1,524	381
14	Gains and Losses Due to Changes in Own Credit Risk on Fair Valued Liabilities	—		—	—
	Defined-Benefit Pension Fund Net Assets (Assets for Retirement Benefits) (Net of Related Deferred Tax Liabilities)	117,382		69,037	17,259
16	Investments in Own Shares (Excluding Those Reported in the Net Assets Section)	—		—	—
17	Reciprocal Cross-Holdings in Common Equity	—		—	—
	Investments in the Common Stock of Banking, Financial and Insurance Entities That are Outside the Scope of Regulatory Consolidation, Net of Eligible Short Positions, Where the Bank Does Not Own More than 10% of the Issued Share Capital (Amount above 10% Threshold)	—		—	—
18		—		—	—
19+20+21	Amount above the 10% Threshold on the Specified Items	—		—	—
	of Which: Significant Investments in the Common Stock of Banking, Financial and Insurance Entities That are Outside the Scope of Regulatory Consolidation, Net of Eligible Short Positions	—		—	—
19		—		—	—
20	of Which: Mortgage Servicing Rights	—		—	—
	of Which: Deferred Tax Assets Arising from Temporary Differences (Net of Related Deferred Tax Liabilities)	—		—	—
21		—		—	—
22	Amount Exceeding the 15% Threshold on the Specified Items	—		—	—
	of Which: Significant Investments in the Common Stock of Banking, Financial and Insurance Entities That are Outside the Scope of Regulatory Consolidation, Net of Eligible Short Positions	—		—	—
23		—		—	—
24	of Which: Mortgage Servicing Rights	—		—	—
	of Which: Deferred Tax Assets Arising from Temporary Differences (Net of Related Deferred Tax Liabilities)	—		—	—
25		—		—	—
	Regulatory Adjustments Applied to Common Equity Tier 1 Due to Insufficient Additional Tier 1 and Tier 2 to Cover Deductions	—		—	—
27		—		—	—
28	Common Equity Tier 1 Capital: Regulatory Adjustments (B)	267,998		201,461	
Common Equity Tier 1 Capital (CET1)					
29	Common Equity Tier 1 Capital (C) = (A)-(B)	¥ 2,204,938		¥ 2,158,618	

As of September 30		Millions of Yen, %			
Basel III Template No.	Items	2018	Amounts Excluded under Transitional Arrangements	2017	Amounts Excluded under Transitional Arrangements
Additional Tier 1 Capital: Instruments					
30	31a Directly Issued Qualifying Additional Tier 1 Instruments Plus Related Capital Surplus of Which Classified as Equity under Applicable Accounting Standards	¥ —		¥ —	
	31b Subscription Rights to Additional Tier 1 Instruments	—		—	
	32 Directly Issued Qualifying Additional Tier 1 Instruments Plus Related Capital Surplus of Which Classified as Liabilities under Applicable Accounting Standards	340,000		290,000	
	Qualifying Additional Tier 1 Instruments Issued by Special Purpose Vehicles	—		—	
	Additional Tier 1 Instruments Issued by Subsidiaries and Held by Third Parties (Amount Allowed in Group Additional Tier 1)	12,911		13,531	
34+35	Eligible Tier 1 Capital Instruments Subject to Phase out from Additional Tier 1 Capital	—		110,000	
33	of Which: Directly Issued and Issued by Special Purpose Vehicles	—		110,000	
35	of Which: Issued by Subsidiaries	—		—	
	Amount Allowed in Group Additional Tier 1 Subject to Transitional Arrangements of Which: Foreign Currency Translation Adjustment			594	
36	Additional Tier 1 Capital: Instruments (D)	352,911		414,126	
Additional Tier 1 Capital: Regulatory Adjustments					
37	Investments in Own Additional Tier 1 Instruments	—		—	¥ —
38	Reciprocal Cross-Holdings in Additional Tier 1 Instruments	—		—	—
39	Investments in the Additional Tier 1 Instruments of Banking, Financial and Insurance Entities That are Outside the Scope of Regulatory Consolidation, Net of Eligible Short Positions, Where the Bank Does not Own More than 10% of the Issued Common Share Capital of the Entity (Amount above 10% Threshold)	—		—	—
40	Significant Investments in the Additional Tier 1 Instruments of Banking, Financial and Insurance Entities That are Outside the Scope of Regulatory Consolidation, Net of Eligible Short Positions	—		—	—
	Regulatory Adjustments Applied to Additional Tier 1 Subject to Transitional Arrangements			20,825	
	of Which: Goodwill Equivalents			17,911	
	of Which: Equivalent to Intangible Fixed Assets Recorded through Business Combination			1,021	
	of Which: Equivalent to Capital Increase Due to Securitisation Transactions			381	
	of Which: Equivalent to 50% of Shortfall of Eligible Provisions to Expected Losses			1,511	
	Regulatory Adjustments Applied to Additional Tier 1 Due to				
42	Insufficient Tier 2 to Cover Deductions	—		—	
43	Additional Tier 1 Capital: Regulatory Adjustments (E)	—		20,825	
Additional Tier 1 Capital (ATI)					
44	Additional Tier 1 Capital (F) = (D) - (E)	352,911		393,300	
Tier 1 Capital (TI = CET1 + ATI)					
45	Tier 1 Capital (G) = (C) + (F)	2,557,849		2,551,919	
Tier 2 Capital: Instruments and Provisions					
46	Directly Issued Qualifying Tier 2 Instruments Plus Related Capital Surplus of Which Classified as Equity under Applicable Accounting Standards	—		—	
	Subscription Rights to Tier 2 Instruments	—		—	
	Directly Issued Qualifying Tier 2 Instruments Plus Related Capital Surplus of Which Classified as Liabilities under Applicable Accounting Standards	270,000		180,000	
	Qualifying Tier 2 Instruments Issued by Special Purpose Vehicles	—		—	
	Tier 2 Instruments Issued by Subsidiaries and Held by Third Parties (Amount Allowed in Group Tier 2)	2,824		2,946	
47+49	Eligible Tier 2 Capital Instruments Subject to Phase out from Tier 2 Capital	279,192		344,156	
47	of Which: Directly Issued and Issued by Special Purpose Vehicles	279,192		344,156	
49	of Which: Issued by Subsidiaries	—		—	
50	Provisions Allowed in Group Tier 2	2,588		4,293	
50a	of Which: General Allowance for Credit Losses	2,588		4,293	
50b	of Which: Excess Amount of Eligible Provisions to Expected Losses	—		—	
	Amount Allowed in Group Tier 2 Subject to Transitional Arrangements			65,769	
	of Which: 45% of Net Unrealized Gain on Available-for-Sale Securities			65,621	
	of Which: 45% of Revaluation Reserve for Land			147	
51	Tier 2 Capital: Instruments and Provisions (H)	¥ 554,605		¥ 597,164	

As of September 30		Millions of Yen, %			
Basel III Template No.	Items	2018	Amounts Excluded under Transitional Arrangements	2017	Amounts Excluded under Transitional Arrangements
Tier 2 Capital: Regulatory Adjustments					
52	Investments in Own Tier 2 Instruments	¥ —	¥ —	¥ —	¥ —
53	Reciprocal Cross-Holdings in Tier 2 Instruments	—	—	—	—
54	Investments in the Tier 2 Instruments of Banking, Financial and Insurance Entities That are Outside the Scope of Regulatory Consolidation, Net of Eligible Short Positions, Where the Bank Does not Own More than 10% of the Issued Common Share Capital of the Entity (Amount above 10% Threshold)	—	—	—	—
55	Significant Investments in the Tier 2 Instruments of Banking, Financial and Insurance Entities That are Outside the Scope of Regulatory Consolidation, Net of Eligible Short Positions	1,540	—	—	—
	Regulatory Adjustments Applied to Tier 2 Subject to Transitional Arrangements			3,624	
	of Which: Investments in the Instruments of Banking, Financial and Insurance Entities That are Outside the Scope of Regulatory Consolidation, Net of Eligible Short Positions			2,112	
	of Which: Equivalent to 50% of Shortfall of Eligible Provisions to Expected Losses			1,511	
57	Tier 2 Capital: Regulatory Adjustments (I)	1,540		3,624	
Tier 2 Capital (TII)					
58	Tier 2 Capital (J) = (H) - (I)	553,065		593,540	
Total Capital (TC = T1 + TII)					
59	Total Capital (K) = (G) + (J)	3,110,914		3,145,460	
Total Risk Weighted Assets					
	Risk Weighted Assets Subject to Transitional Arrangements			29,962	
	of Which: Intangible Assets Other than Mortgage Servicing Rights (Net of Related Deferred Tax Liabilities)			12,682	
	of Which: Deferred Tax Assets That Rely on Future Profitability Excluding Those Arising from Temporary Differences (Net of Related Deferred Tax Liabilities)			19	
	of Which: Defined-Benefit Pension Fund Net Assets (Net of Related Deferred Tax Liabilities)			17,259	
	of Which: Investments in the Instruments of Banking, Financial and Insurance Entities That are Outside the Scope of Regulatory Consolidation, Net of Eligible Short Positions			—	
60	Total Risk Weighted Assets (L)	19,861,313		19,461,216	
Capital Ratios (Consolidated)					
61	Common Equity Tier 1 Capital Ratio (C)/(L)	11.10%		11.09%	
62	Tier 1 Capital Ratio (G)/(L)	12.87%		13.11%	
63	Total Capital Ratio (K)/(L)	15.66%		16.16%	
Regulatory Adjustments (before Risk Weighting)					
72	Investments in the Instruments of Banking, Financial and Insurance Entities That are Outside the Scope of Regulatory Consolidation, Where the Bank Does not Own More than 10% of the Issued Share Capital (Amount below the Threshold for Deduction)	170,718		195,275	
73	Significant Investments in the Common Stock of Banking, Financial and Insurance Entities (Amount below the Thresholds for Deduction)	98,332		80,942	
74	Mortgage Servicing Rights (Amount below the Thresholds for Deduction)	—		—	
75	Deferred Tax Assets Arising from Temporary Differences (Amount below the Thresholds for Deduction)	—		—	
Provisions Included in Tier 2 Capital: Instruments and Provisions					
76	Provisions Eligible for Inclusion in Tier 2 in Respect of Exposures Subject to Standardised Approach (Prior to Applicable of Cap)	2,588		4,293	
77	Cap on Inclusion of Provisions in Tier 2 under Standardised Approach	7,521		9,035	
78	Provisions Eligible for Inclusion in Tier 2 in Respect of Exposures Subject to Internal Ratings-Based Approach (Prior to Applicable of Cap)	—		—	
79	Cap on Inclusion of Provisions in Tier 2 under Internal Ratings-Based Approach	100,559		99,512	
Capital Instruments Subject to Phase out Arrangements					
82	Current Cap on Additional Tier 1 Instruments Subject to Phase out Arrangements	155,600		194,500	
83	Amount Excluded from Additional Tier 1 Due to Cap (Excess over Cap after Redemptions and Maturities)	—		—	
84	Current Cap on Tier 2 Instruments Subject to Phase out Arrangements	343,163		428,954	
85	Amount Excluded from Tier 2 Due to Cap (Excess over Cap after Redemptions and Maturities)	¥ —	¥ —	—	—

Note: SuMi TRUST Bank received an external audit by KPMG AZSA LLC of the calculation of the consolidated BIS capital adequacy ratio in line with "Agreed Upon Methods for the Implementation of Capital Adequacy Ratio Audits" (Pronouncement 30 of the Japanese Institute of Certified Public Accountants, Bank Auditing Committee, May 13, 2014). The external audit is not part of the accounting audit of the consolidated financial statements but was conducted by the external auditor as part of the internal risk management framework concerning the calculation of the consolidated BIS capital adequacy ratio under agreed-upon examination procedures, which we considered it necessary, and is a report of the results presented to us. It thus does not represent an opinion by the external auditor regarding the consolidated BIS capital adequacy ratio itself or parts of internal risk management framework which concern the ratio.

Sumitomo Mitsui Trust Holdings, Inc. 2018 Interim Report

Main Features and Further Information of Regulatory Capital Instruments**Consolidated**

Main Features and Further Information of Regulatory Capital Instruments are available on our website (<https://www.smth.jp/en/ir/basel/index.html>).

Explanation on Reconciliation between Balance Sheet Items and Regulatory Capital Elements**Consolidated****As of September 30, 2018**

Items	Consolidated Balance Sheet ^(*)	Ref. No. of Appendix	Basel III Template No. under the Composition of Capital Disclosure
	Amount (Millions of Yen)		
(Assets)			
Cash and Due from Banks	¥ 16,696,717		
Call Loans and Bills Bought	65,103		
Receivables under Resale Agreements	32,319		
Receivables under Securities Borrowing Transactions	726,971		
Monetary Claims Bought	784,620		
Trading Assets	334,973		
Money Held in Trust	1,406		
Securities	6,135,068	2-b, 6-a	
Loans and Bills Discounted	28,715,747	6-b	
Foreign Exchanges	29,651		
Lease Receivables and Investment Assets	672,405		
Other Assets	1,920,857	6-c	
Tangible Fixed Assets	216,428		
Intangible Fixed Assets	170,485	2-a	
Assets for Retirement Benefits	169,203	3	
Deferred Tax Assets	25,263	4-a	
Customers' Liabilities for Acceptances and Guarantees	570,127		
Allowance for Loan Losses	(86,195)		
Total Assets	¥ 57,181,155		

Items	Consolidated Balance Sheet ^(*)	Ref. No. of Appendix	Basel III Template No. under the Composition of Capital Disclosure
	Amount (Millions of Yen)		
(Liabilities)			
Deposits	¥ 30,953,084		
Negotiable Certificates of Deposit	7,013,240		
Call Money and Bills Sold	606,022		
Payables under Repurchase Agreements	1,789,950		
Payables under Securities Lending Transactions	115,094		
Trading Liabilities	224,905		
Borrowed Money	4,855,261	8	
Foreign Exchanges	309		
Short-term Bonds Payable	1,320,540		
Bonds Payable	980,857		
Borrowed Money from Trust Account	4,963,929		
Other Liabilities	976,962	6-d	
Provision for Bonuses	13,900		
Provision for Director's Bonuses	60		
Retirement Benefits Liabilities	13,112		
Provision for Reward Points Program	17,904		
Provision for Reimbursement of Deposits	3,858		
Provision for Contingent Loss	1,549		
Deferred Tax Liabilities	174,139	4-b	
Deferred Tax Liabilities for Land Revaluation	2,864	4-c	
Acceptances and Guarantees	570,127		
Total Liabilities	54,597,675		
(Net Assets)			
Capital Stock	342,037	1-a	
Capital Surplus	409,938	1-b	
Retained Earnings	1,312,302	1-c	
Total Shareholders' Equity	2,064,278		
Valuation Difference on Available-for-Sale Securities	492,645		
Deferred Gains or Losses on Hedges	(12,055)	5	
Revaluation Reserve for Land	(1,796)		
Foreign Currency Translation Adjustment	4,000		
Remeasurements of Retirement Benefits	1,887		
Total Accumulated Other Comprehensive Income	484,682		3
Non-controlling Interests	34,519	7	
Total Net Assets	2,583,480		
Total Liabilities and Net Assets	¥ 57,181,155		

(*) The regulatory scope of consolidation is the same as the accounting scope of consolidation.

(Appendix)

Note: Amounts in the "Composition of capital" exclude items for regulatory purpose under transitional arrangement.

1. Shareholders' equity

(1) Consolidated balance sheet

Consolidated Balance Sheet Items	Amount (Millions of Yen)	Remarks	Ref. No.
Capital Stock	¥ 342,037		1-a
Capital Surplus	409,938		1-b
Retained Earnings	1,312,302		1-c
Total Shareholders' Equity	¥ 2,064,278		

(2) Composition of capital

Items in the Composition of Capital Disclosure	Amount (Millions of Yen)	Remarks	Basel III Template No.
Directly Issued Qualifying Common Share Capital Plus Related Capital Surplus and Retained Earnings	¥ 2,064,278	Shareholders' Equity Attributable to Common Shares (before Adjusting National Specific Regulatory Adjustments (Earnings to be Distributed))	
of Which: Capital Stock and Capital Surplus	751,975		1a
of Which: Retained Earnings	1,312,302		2
of Which: Treasury Stock (Deduction)	—		1c
of Which: Others	—		
Directly Issued Qualifying Additional Tier 1 Instruments Plus Related Capital Surplus of Which Classified as Equity under Applicable Accounting Standards	—	Shareholders' Equity Attributable to Preferred Shares with a Loss Absorbency at the Point of Non-Viability	31a

2. Intangible assets

(1) Consolidated balance sheet

Consolidated Balance Sheet Items	Amount (Millions of Yen)	Remarks	Ref. No.
Intangible Fixed Assets	¥ 170,485		2-a
Securities	6,135,068		2-b
of Which: Goodwill Arising on the Application of the Equity Method	7,828		
Associated Deferred Tax Liabilities	27,205		

(2) Composition of capital

Items in the Composition of Capital Disclosure	Amount (Millions of Yen)	Remarks	Basel III Template No.
Goodwill (Net of Related Deferred Tax Liabilities, Including Those Equivalent)	¥ 87,414		8
Other Intangible Assets (Net of Related Deferred Tax Liabilities)	63,693	Excluding Goodwill, Mortgage Servicing Rights (Software, etc.)	9
Mortgage Servicing Rights (Net of Related Deferred Tax Liabilities)	—		
Amount above the 10% Threshold on the Specified Items	—		20
Amount exceeding the 15% Threshold on the Specified Items	—		24
Amount below the Thresholds for Deduction (before Risk Weighting)	—		74

3. Defined-Benefit Pension Fund Net Assets (Assets for Retirement Benefits)**(1) Consolidated balance sheet**

Consolidated Balance Sheet Items	Amount (Millions of Yen)	Remarks	Ref. No.
Assets for Retirement Benefits	¥ 169,203		3
Associated Deferred Tax Liabilities	51,820		

(2) Composition of capital

Items in the Composition of Capital Disclosure	Amount (Millions of Yen)	Remarks	Basel III Template No.
Defined-Benefit Pension Fund Net Assets (Assets for Retirement Benefits) (Net of Related Deferred Tax Liabilities)	¥ 117,382		15

4. Deferred tax assets**(1) Consolidated balance sheet**

Consolidated Balance Sheet Items	Amount (Millions of Yen)	Remarks	Ref. No.
Deferred Tax Assets	¥ 25,263		4-a
Deferred Tax Liabilities	174,139		4-b
Deferred Tax Liabilities for Land Revaluation	2,864		4-c
Associated Intangible Fixed Assets	27,205		
Associated Assets for Retirement Benefits	51,820		

(2) Composition of capital

Items in the Composition of Capital Disclosure	Amount (Millions of Yen)	Remarks	Basel III Template No.
Deferred Tax Assets That Rely on Future Profitability excluding Those Arising from Temporary Differences (Net of Related Deferred Tax Liabilities)	¥ 340	This Item Does not Agree with the Amount Reported on the Consolidated Balance Sheet Due to Offsetting of Assets and Liabilities.	10
Deferred Tax Assets Arising from Temporary Differences (Net of Related Deferred Tax Liabilities)	—	This Item Does not Agree with the Amount Reported on the Consolidated Balance Sheet Due to Offsetting of Assets and Liabilities.	
Amount above the 10% Threshold on the Specified Items	—		21
Amount exceeding the 15% Threshold on the Specified Items	—		25
Amount below the Thresholds for Deduction (before Risk Weighting)	—		75

5. Deferred gains or losses on hedges

(1) Consolidated balance sheet

Consolidated Balance Sheet Items	Amount (Millions of Yen)	Remarks	Ref. No.
Deferred Gains or Losses on Hedges	¥ (12,055)		5

(2) Composition of capital

Items in the Composition of Capital Disclosure	Amount (Millions of Yen)	Remarks	Basel III Template No.
Deferred Gains or Losses on Derivatives under Hedge Accounting	¥ (11,198)	Excluding those items whose valuation differences arising from hedged items are recognized as "Accumulated other comprehensive income"	11

6. Investments in the capital of financial entities

(1) Consolidated balance sheet

Consolidated Balance Sheet Items	Amount (Millions of Yen)	Remarks	Ref. No.
Securities	¥ 6,135,068		6-a
Loans and Bills Discounted	28,715,747	Including subordinated loans	6-b
Other Assets	1,920,857	Including derivatives	6-c
Other Liabilities	¥ 976,962	Including derivatives	6-d

(2) Composition of capital

Items in the Composition of Capital Disclosure	Amount (Millions of Yen)	Remarks	Basel III Template No.
Investments in Own Capital Instruments	¥ —		
Common Equity Tier 1 Capital	—		16
Additional Tier 1 Capital	—		37
Tier 2 Capital	—		52
Reciprocal Cross-Holdings in Capital Instruments	—		
Common Equity Tier 1 Capital	—		17
Additional Tier 1 Capital	—		38
Tier 2 Capital	—		53
Investments in the Instruments of Banking, Financial and Insurance Entities That are Outside the Scope of Regulatory Consolidation, Where the Bank Does not Own More than 10% of the Issued Share Capital	170,718		
Common Equity Tier 1 Capital	—		18
Additional Tier 1 Capital	—		39
Tier 2 Capital	—		54
Amount below the Thresholds for Deduction (before Risk Weighting)	170,718		72
Significant Investments in the Instruments of Banking, Financial and Insurance Entities That are Outside the Scope of Regulatory Consolidation, Net of Eligible Short Positions	99,872		
Amount above the 10% Threshold on the Specified Items	—		19
Amount exceeding the 15% Threshold on the Specified Items	—		23
Additional Tier 1 Capital	—		40
Tier 2 Capital	1,540		55
Amount below the Thresholds for Deduction (before Risk Weighting)	98,332		73

7. Non-controlling Interests

(1) Consolidated balance sheet

Consolidated Balance Sheet Items	Amount (Millions of Yen)	Remarks	Ref. No.
Non-controlling Interests	¥ 34,519		7

(2) Composition of capital

Items in the Composition of Capital Disclosure	Amount (Millions of Yen)	Remarks	Basel III Template No.
Common Share Capital Issued by Subsidiaries and Held by Third Parties (Amount Allowed in Group Common Equity Tier 1)	¥ —	Maximum Amount (after Accounting for Adjustments for Non-controlling Interests)	5
Qualifying Additional Tier 1 Instruments Issued by Special Purpose Vehicles	—		30–31ab–32
Additional Tier 1 Instruments Issued by Subsidiaries and Held by Third Parties (Amount Allowed in Group Additional Tier 1)	12,911	Maximum Amount (after Accounting for Adjustments for Non-controlling Interests)	34–35
Qualifying Tier 2 Instruments Issued by Special Purpose Vehicles	—		46
Tier 2 Instruments Issued by Subsidiaries and Held by Third Parties (Amount Allowed in Group Tier 2)	2,824	Maximum Amount (after Accounting for Adjustments for Non-controlling Interests)	48–49

8. Other Capital Instruments

(1) Consolidated balance sheet

Consolidated Balance Sheet Items	Amount (Millions of Yen)	Remarks	Ref. No.
Borrowed Money	¥ 4,855,261		8

(2) Composition of capital

Items in the Composition of Capital Disclosure	Amount (Millions of Yen)	Remarks	Basel III Template No.
Directly Issued Qualifying Additional Tier 1 Instruments Plus Related Capital Surplus of Which Classified as Liabilities under Applicable Accounting Standards	¥ 340,000		32
Directly Issued Qualifying Tier 2 Instruments Plus Related Capital Surplus of Which Classified as Liabilities under Applicable Accounting Standards	270,000		46

As of September 30, 2017

Items	Consolidated Balance Sheet ^(*)	Ref. No. of Appendix	Basel III Template No. under the Composition of Capital Disclosure
	Amount (Millions of Yen)		
(Assets)			
Cash and Due from Banks	¥ 15,766,126		
Call Loans and Bills Bought	99,904		
Receivables under Resale Agreements	75,310		
Receivables under Securities Borrowing Transactions	615,975		
Monetary Claims Bought	747,500		
Trading Assets	534,510		
Money Held in Trust	1,490		
Securities	5,184,907	2–b, 6–a	
Loans and Bills Discounted	28,136,966	6–b	
Foreign Exchanges	32,772		
Lease Receivables and Investment Assets	686,741		
Other Assets	2,001,366	6–c	
Tangible Fixed Assets	223,613		
Intangible Fixed Assets	187,369	2–a	
Assets for Retirement Benefits	124,397	3	
Deferred Tax Assets	25,468	4–a	
Customers’ Liabilities for Acceptances and Guarantees	423,483		
Allowance for Loan Losses	(104,163)		
Total Assets	¥ 54,763,740		

Items	Consolidated Balance Sheet ^(*)	Ref. No. of Appendix	Basel III Template No. under the Composition of Capital Disclosure
	Amount (Millions of Yen)		
(Liabilities)			
Deposits	¥ 29,408,200		
Negotiable Certificates of Deposit	7,031,238		
Call Money and Bills Sold	1,653,588		
Payables under Repurchase Agreements	1,624,326		
Payables under Securities Lending Transactions	11,881		
Trading Liabilities	345,958		
Borrowed Money	5,051,776	8	
Foreign Exchanges	358		
Short-term Bonds Payable	695,138		
Bonds Payable	1,100,085		
Borrowed Money from Trust Account	3,447,144		
Other Liabilities	1,148,144	6–d	
Provision for Bonuses	13,175		
Provision for Director’s Bonuses	60		
Retirement Benefits Liabilities	13,476		
Provision for Reward Points Program	17,488		
Provision for Reimbursement of Deposits	3,593		
Provision for Contingent Loss	8,545		
Deferred Tax Liabilities	148,904	4–b	
Deferred Tax Liabilities for Land Revaluation	3,016	4–c	
Acceptances and Guarantees	423,483		
Total Liabilities	52,149,585		
(Net Assets)			
Capital Stock	342,037	1–a	
Capital Surplus	455,988	1–b	
Retained Earnings	1,206,474	1–c	
Total Shareholders’ Equity	2,004,500		
Valuation Difference on Available-for-Sale Securities	511,517		
Deferred Gains or Losses on Hedges	(22,271)	5	
Revaluation Reserve for Land	(1,381)		
Foreign Currency Translation Adjustment	2,974		
Remeasurements of Retirement Benefits	(24,018)		
Total Accumulated Other Comprehensive Income	466,820		3
Non-controlling Interests	142,834	7	
Total Net Assets	2,614,154		
Total Liabilities and Net Assets	¥ 54,763,740		

(*) The regulatory scope of consolidation is the same as the accounting scope of consolidation.

(Appendix)

Note: Amounts in the "Composition of capital" are based on those before considering under transitional arrangements. Therefore, they include "Amounts excluded under transitional arrangements" disclosed in "Composition of capital disclosure" and exclude items for regulatory purpose under transitional arrangement from these tables.

1. Shareholders' equity

(1) Consolidated balance sheet

Consolidated Balance Sheet Items	Amount (Millions of Yen)	Remarks	Ref. No.
Capital Stock	¥ 342,037		1-a
Capital Surplus	455,988		1-b
Retained Earnings	1,206,474		1-c
Total Shareholders' Equity	¥ 2,004,500		

(2) Composition of capital

Items in the Composition of Capital Disclosure	Amount (Millions of Yen)	Remarks	Basel III Template No.
Directly Issued Qualifying Common Share Capital Plus Related Capital Surplus and Retained Earnings	¥ 2,004,500	Shareholders' Equity Attributable to Common Shares (before Adjusting National Specific Regulatory Adjustments (Earnings to be Distributed))	
of Which: Capital Stock and Capital Surplus	798,025		1a
of Which: Retained Earnings	1,206,474		2
of Which: Treasury Stock (Deduction)	—		1c
of Which: Others	—		
Directly Issued Qualifying Additional Tier 1 Instruments Plus Related Capital Surplus of Which Classified as Equity under Applicable Accounting Standards	—	Shareholders' Equity Attributable to Preferred Shares with a Loss Absorbency at the Point of Non-Viability	31a

2. Intangible assets

(1) Consolidated balance sheet

Consolidated Balance Sheet Items	Amount (Millions of Yen)	Remarks	Ref. No.
Intangible Fixed Assets	¥ 187,369		2-a
Securities	5,184,907		2-b
of Which: Goodwill Arising on the Application of the Equity Method	10,563		
Associated Deferred Tax Liabilities	29,292		

(2) Composition of capital

Items in the Composition of Capital Disclosure	Amount (Millions of Yen)	Remarks	Basel III Template No.
Goodwill (Net of Related Deferred Tax Liabilities, Including Those Equivalent)	¥ 100,120		8
Other Intangible Assets (Net of Related Deferred Tax Liabilities)	68,520	Excluding Goodwill, Mortgage Servicing Rights (Software, etc.)	9
Mortgage Servicing Rights (Net of Related Deferred Tax Liabilities)	—		
Amount above the 10% Threshold on the Specified Items	—		20
Amount exceeding the 15% Threshold on the Specified Items	—		24
Amount below the Thresholds for Deduction (before Risk Weighting)	—		74

3. Defined-Benefit Pension Fund Net Assets (Assets for Retirement Benefits)**(1) Consolidated balance sheet**

Consolidated Balance Sheet Items	Amount (Millions of Yen)	Remarks	Ref. No.
Assets for Retirement Benefits	¥ 124,397		3
Associated Deferred Tax Liabilities	38,099		

(2) Composition of capital

Items in the Composition of Capital Disclosure	Amount (Millions of Yen)	Remarks	Basel III Template No.
Defined-Benefit Pension Fund Net Assets (Assets for Retirement Benefits) (Net of Related Deferred Tax Liabilities)	¥ 86,297		15

4. Deferred tax assets**(1) Consolidated balance sheet**

Consolidated Balance Sheet Items	Amount (Millions of Yen)	Remarks	Ref. No.
Deferred Tax Assets	¥ 25,468		4-a
Deferred Tax Liabilities	148,904		4-b
Deferred Tax Liabilities for Land Revaluation	3,016		4-c
Associated Intangible Fixed Assets	29,292		
Associated Assets for Retirement Benefits	38,099		

(2) Composition of capital

Items in the Composition of Capital Disclosure	Amount (Millions of Yen)	Remarks	Basel III Template No.
Deferred Tax Assets That Rely on Future Profitability excluding Those Arising from Temporary Differences (Net of Related Deferred Tax Liabilities)	¥ 98	This Item Does not Agree with the Amount Reported on the Consolidated Balance Sheet Due to Offsetting of Assets and Liabilities.	10
Deferred Tax Assets Arising from Temporary Differences (Net of Related Deferred Tax Liabilities)	—	This Item Does not Agree with the Amount Reported on the Consolidated Balance Sheet Due to Offsetting of Assets and Liabilities.	
Amount above the 10% Threshold on the Specified Items	—		21
Amount exceeding the 15% Threshold on the Specified Items	—		25
Amount below the Thresholds for Deduction (before Risk Weighting)	—		75

5. Deferred gains or losses on hedges

(1) Consolidated balance sheet

Consolidated Balance Sheet Items	Amount (Millions of Yen)	Remarks	Ref. No.
Deferred Gains or Losses on Hedges	¥ (22,271)		5

(2) Composition of capital

Items in the Composition of Capital Disclosure	Amount (Millions of Yen)	Remarks	Basel III Template No.
Deferred Gains or Losses on Derivatives under Hedge Accounting	¥ (20,230)	Excluding those items whose valuation differences arising from hedged items are recognized as "Accumulated other comprehensive income"	11

6. Investments in the capital of financial entities

(1) Consolidated balance sheet

Consolidated Balance Sheet Items	Amount (Millions of Yen)	Remarks	Ref. No.
Securities	¥ 5,184,907		6-a
Loans and Bills Discounted	28,136,966	Including subordinated loans	6-b
Other Assets	2,001,366	Including derivatives	6-c
Other Liabilities	¥ 1,148,144	Including derivatives	6-d

(2) Composition of capital

Items in the Composition of Capital Disclosure	Amount (Millions of Yen)	Remarks	Basel III Template No.
Investments in Own Capital Instruments	¥ —		
Common Equity Tier 1 Capital	—		16
Additional Tier 1 Capital	—		37
Tier 2 Capital	—		52
Reciprocal Cross-Holdings in Capital Instruments	—		
Common Equity Tier 1 Capital	—		17
Additional Tier 1 Capital	—		38
Tier 2 Capital	—		53
Investments in the Instruments of Banking, Financial and Insurance Entities That are Outside the Scope of Regulatory Consolidation, Where the Bank Does not Own More than 10% of the Issued Share Capital	195,275		
Common Equity Tier 1 Capital	—		18
Additional Tier 1 Capital	—		39
Tier 2 Capital	—		54
Amount below the Thresholds for Deduction (before Risk Weighting)	195,275		72
Significant Investments in the Instruments of Banking, Financial and Insurance Entities That are Outside the Scope of Regulatory Consolidation, Net of Eligible Short Positions	80,942		
Amount above the 10% Threshold on the Specified Items	—		19
Amount exceeding the 15% Threshold on the Specified Items	—		23
Additional Tier 1 Capital	—		40
Tier 2 Capital	—		55
Amount below the Thresholds for Deduction (before Risk Weighting)	80,942		73

7. Non-controlling Interests

(1) Consolidated balance sheet

Consolidated Balance Sheet Items	Amount (Millions of Yen)	Remarks	Ref. No.
Non-controlling Interests	¥ 142,834		7

(2) Composition of capital

Items in the Composition of Capital Disclosure	Amount (Millions of Yen)	Remarks	Basel III Template No.
Common Share Capital Issued by Subsidiaries and Held by Third Parties (Amount Allowed in Group Common Equity Tier 1)	¥ —	Maximum Amount (after Accounting for Adjustments for Non-controlling Interests)	5
Qualifying Additional Tier 1 Instruments Issued by Special Purpose Vehicles	—		30–31ab–32
Additional Tier 1 Instruments Issued by Subsidiaries and Held by Third Parties (Amount Allowed in Group Additional Tier 1)	13,531	Maximum Amount (after Accounting for Adjustments for Non-controlling Interests)	34–35
Qualifying Tier 2 Instruments Issued by Special Purpose Vehicles	—		46
Tier 2 Instruments Issued by Subsidiaries and Held by Third Parties (Amount Allowed in Group Tier 2)	2,946	Maximum Amount (after Accounting for Adjustments for Non-controlling Interests)	48–49

8. Other Capital Instruments

(1) Consolidated balance sheet

Consolidated Balance Sheet Items	Amount (Millions of Yen)	Remarks	Ref. No.
Borrowed Money	¥ 5,051,776		8

(2) Composition of capital

Items in the Composition of Capital Disclosure	Amount (Millions of Yen)	Remarks	Basel III Template No.
Directly Issued Qualifying Additional Tier 1 Instruments Plus Related Capital Surplus of Which Classified as Liabilities under Applicable Accounting Standards	¥ 290,000		32
Directly Issued Qualifying Tier 2 Instruments Plus Related Capital Surplus of Which Classified as Liabilities under Applicable Accounting Standards	180,000		46

Exposures Relating to Funds

Consolidated

Exposures Relating to Funds

As of September 30	Millions of Yen	
	2018	2017
Total exposures relating to funds	¥ 2,124,135	¥ 1,878,782
Look-through Approach	1,983,583	1,759,337
Simple Majority Approach	81,985	58,537
Mandate-based Approach	28,872	25,901
Internal Model Approach	—	—
Fall-back Approach (subject to 400% risk weight)	28,212	33,929
Others (Exposures not included in any categories above)	1,481	1,076

Note: Exposures subject to the calculation of credit risk-weighted assets under the provisions of Article 167 of the FSA Capital Adequacy Notification are shown.

Disclosure Data Designated as Per the Appended Forms

Consolidated

OV1: Overview of Risk-weighted assets (RWA)

OV1 Basel III Template No.		Millions of yen			
		Risk-weighted assets (RWA)		Minimum capital requirements	
		September 30, 2018	September 30, 2017	September 30, 2018	September 30, 2017
1	Credit risk (excluding counterparty credit risk)	¥ 13,066,031		¥ 1,104,268	
2	of Which: Standardised Approach (SA)	273,051		21,844	
3	of Which: Internal Ratings-Based (IRB) Approach	12,288,694		1,042,081	
	of Which: Significant investments in commercial entities	—		—	
	of Which: Lease residual value	15,519		1,241	
	Other assets	488,766		39,101	
4	Counterparty credit risk (CCR)	725,532		59,243	
5	of Which: Standardised Approach for Counterparty Credit Risk (SA-CCR)	—		—	
	of Which: Current Exposure Method (CEM)	232,794		19,728	
6	of Which: Expected Positive Exposure (EPE)	—		—	
	of Which: Credit Valuation Adjustment (CVA)	375,779		30,062	
	of Which: Central Counterparty (CCP)	34,835		2,786	
	Others	82,124		6,665	
7	Equity positions in banking book under market-based approach	362,658		30,753	
	Equity investment in funds (SA)	—		—	
	Equity investment in funds (IRB)	2,283,880		193,673	
11	Settlement risk	—		—	
12	Securitisation exposures in banking book	153,263		12,996	
13	of Which: IRB Ratings-Based Approach (RBA)	43,509		3,689	
14	of Which: IRB Supervisory Formula Approach (SFA)	61,565		5,220	
15	of Which: Standardised Approach (SA)	—		—	
	of Which: subject to 1,250% risk weight	48,188		4,086	
16	Market risk	1,125,470		90,037	
17	of Which: Standardised Approach (SA)	19,683		1,574	
18	of Which: Internal Model Approaches (IMA)	1,105,786		88,462	
19	Operational risk	963,589		77,087	
20	of Which: Basic Indicator Approach (BIA)	164,962		13,197	
21	of Which: The Standardised Approach (TSA)	—		—	
22	of Which: Advanced Measurement Approach (AMA)	798,627		63,890	
23	Amounts below the thresholds for deduction (subject to 250% risk weight)	245,820		20,845	
	Amounts included under transitional arrangements	—		—	
24	Floor adjustment	—		—	
25	Total (after applying scaling factor)	¥ 19,861,313		¥ 1,588,905	

Note: Total risk-weighted assets of Template No.25 are only applied scaling factor.

CR1: Credit quality of assets

CR1 Item No.		Millions of yen			
		September 30, 2018			
		a	b	c	d
		Gross carrying values of		Allowances	Net values (a+b-c)
Defaulted exposures	Non-defaulted exposures				
On-balance sheet assets					
1	Loans and Bills Discounted	¥ 94,747	¥ 27,560,448	¥ 74,457	¥ 27,580,738
2	Debt Securities	0	2,531,610	—	2,531,610
3	Other on-balance sheet assets (debt-based assets)	22,302	16,940,844	10,577	16,952,568
4	Total on-balance sheet assets (1+2+3)	117,049	47,032,903	85,035	47,064,917
Off-balance sheet assets					
5	Acceptances and Guarantees, etc.	117	570,009	1,159	568,967
6	Commitments, etc.	948	3,487,598	1,549	3,486,997
7	Total off-balance sheet assets (5+6)	1,066	4,057,608	2,709	4,055,965
Total					
8	Total (4+7)	¥ 118,116	¥ 51,090,511	¥ 87,744	¥ 51,120,883

Note: The aggregate calculation on this statement does not include counterparty credit risk, the credit risk related to securitisation transactions, or the credit risk related to funds.

CR2: Changes in stock of defaulted loans and debt securities

Item No.		Millions of yen	
		September 30, 2018	
		Amounts	
1	Stock of defaulted loans and debt securities at the end of the previous fiscal year	¥ 109,458	
2	Of which: Newly defaulted	24,443	
3	Changes in stock of loans and debt securities	Of which: Returning to non-defaulted status	
4	for each factor during the first half	Of which: Written-offs	
5	Of which: Other factors	(6,970)	
6	Stock of defaulted loans and debt securities at the end of the first half (1+2-3-4+5)	117,049	

Notes: 1. The end of the previous fiscal year indicates March 31, 2018, and the end of the first half indicates September 30, 2018.

2. The main factor for the item 5. "Of which: Other factors" is the stock decrease caused by the collection of defaulted exposures.

CR3: Credit risk mitigation techniques (CRM) – overview

Item No.		Millions of yen				
		September 30, 2018				
		a	b	c	d	e
		Exposures unsecured	Exposures secured	Exposures secured by collateral	Exposures secured by financial guarantees	Exposures secured by credit derivatives
1	Loans and Bills Discounted	¥ 27,040,483	¥ 540,254	¥ 247,677	¥ 186,319	¥ —
2	Debt Securities	2,454,468	77,142	3,668	72,288	—
3	Other on-balance sheet assets (debt-based assets)	16,947,421	5,147	139	5,003	—
4	Total (1+2+3)	¥ 46,442,373	¥ 622,544	¥ 251,484	¥ 263,611	¥ —
5	Of which defaulted	96,078	5,581	4,690	7	—

CR4: Standardised approach – Credit risk exposure and Credit risk mitigation (CRM) effects

CR4		Millions of Yen, %											
		September 30, 2018											
		a		b		c		d		e		f	
		Exposures pre-CCF and pre-CRM				Exposures post-CCF and post-CRM				Credit RWA amount		RWA density	
Asset classes				On-balance sheet amount		Off-balance sheet amount		On-balance sheet amount					
Item No.													
1	Cash	¥	72	¥	—	¥	72	¥	—	¥	0	0.00%	
2	Government of Japan and Bank of Japan (BOJ)		60		—		60		—		0	0.00	
3	Foreign central governments and foreign central banks		352,104		—		352,104		—		22,301	6.33	
4	Bank for International Settlements, etc.		—		—		—		—		—	—	
5	Local governments of Japan		—		—		—		—		—	—	
6	Foreign non-central government public sector entities (PSEs)		42		—		42		—		18	44.33	
7	Multilateral development banks (MDBs)		—		—		—		—		—	—	
8	Japan Finance Organization for Municipalities (JFM)		—		—		—		—		—	—	
9	Government-affiliated agencies of Japan		—		—		—		—		—	—	
10	The three local public corporations		—		—		—		—		—	—	
11	Financial institutions and type I financial instruments business operators		195,576		—		195,576		—		52,445	26.81	
12	Corporates, etc.		206,112		371,529		206,112		593		198,282	95.92	
13	SMEs, etc. and individuals		—		—		—		—		—	—	
14	Residential mortgage loans		—		—		—		—		—	—	
15	Real estate acquisition activities, etc.		—		—		—		—		—	—	
16	Past due loans for three months or more, etc. (excluding residential mortgage loans)		2		—		2		—		3	113.82	
17	Past due loans for three months or more (residential mortgage loans)		—		—		—		—		—	—	
18	Uncollected notes		—		—		—		—		—	—	
19	Guaranteed by credit guarantee corporations, etc.		—		—		—		—		—	—	
20	Guaranteed by the Regional Economy Vitalization Corporation of Japan (REVIC), etc.		—		—		—		—		—	—	
21	Investments, etc. (excluding significant investments)		—		—		—		—		—	—	
22	Total	¥	753,971	¥	371,529	¥	753,971	¥	593	¥	273,051	36.18%	

CR5: Standardised approach – Exposures by asset classes and risk weights

CR5		Millions of Yen												
		September 30, 2018												
Item No.	Asset classes	Risk weight	Credit risk exposure amounts (post-CCF and post-CRM)											
			a	b	c	d	e	f	g	h	i	j	k	
			0%	10%	20%	35%	50%	75%	100%	150%	250%	1,250%	Total	
1	Cash	¥	72	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	72
2	Government of Japan and Bank of Japan (BOJ)		60	—	—	—	—	—	—	—	—	—	—	60
3	Foreign central governments and foreign central banks		307,502	—	—	—	44,602	—	—	—	—	—	—	352,104
4	Bank for International Settlements, etc.		—	—	—	—	—	—	—	—	—	—	—	—
5	Local governments of Japan		—	—	—	—	—	—	—	—	—	—	—	—
6	Foreign non-central government public sector entities (PSEs)		—	—	15	—	22	—	4	—	—	—	—	42
7	Multilateral development banks (MDBs)		—	—	—	—	—	—	—	—	—	—	—	—
8	Japan Finance Organization for Municipalities (JFM)		—	—	—	—	—	—	—	—	—	—	—	—
9	Government-affiliated agencies of Japan		—	—	—	—	—	—	—	—	—	—	—	—
10	The three local public corporations		—	—	—	—	—	—	—	—	—	—	—	—
11	Financial institutions and type I financial instruments business operators		—	—	156,088	—	36,520	—	2,967	—	—	—	—	195,576
12	Corporates, etc.		—	—	15	—	16,821	—	189,868	—	—	—	—	206,705
13	SMEs, etc. and individuals		—	—	—	—	—	—	—	—	—	—	—	—
14	Residential mortgage loans		—	—	—	—	—	—	—	—	—	—	—	—
15	Real estate acquisition activities, etc.		—	—	—	—	—	—	—	—	—	—	—	—
16	Past due loans for three months or more, etc. (excluding residential mortgage loans)		—	—	—	—	1	—	—	1	—	—	—	2
17	Past due loans for three months or more (residential mortgage loans)		—	—	—	—	—	—	—	—	—	—	—	—
18	Uncollected notes		—	—	—	—	—	—	—	—	—	—	—	—
19	Guaranteed by credit guarantee corporations, etc.		—	—	—	—	—	—	—	—	—	—	—	—
20	Guaranteed by the Regional Economy Vitalization Corporation of Japan (REVIC), etc.		—	—	—	—	—	—	—	—	—	—	—	—
21	Investments, etc. (excluding significant investments)		—	—	—	—	—	—	—	—	—	—	—	—
22	Total	¥	307,634	¥ —	¥ 156,119	¥ —	¥ 97,968	¥ —	¥ 192,841	¥ 1	¥ —	¥ —	¥ 754,565	

CR6: IRB – Credit risk exposures by portfolio and PD range

CR6		Millions of Yen, %, 1,000 cases, Year											
Item No.	PD scale	September 30, 2018											
		a	b	c	d	e	f	g	h	i	j	k	l
		On-balance sheet gross exposures	Off-balance sheet exposures pre-CCF and pre-CRM	Average CCF	EAD post-CCF and post-CRM	Average PD	Number of obligors	Average LGD	Average maturity	Credit RWA amounts	RWA density	EL	Eligible provisions
Sovereign exposures (Advanced Internal Ratings-Based Approach (AIRB))													
1	0.00 to < 0.15	¥ 1,056,136	¥ 33	75.00%	¥ 1,094,347	0.00%	0.0	32.52%	1.7	¥ 15,641	1.42%	¥ 9	
2	0.15 to < 0.25	4,586	454	75.00	1,390	0.21	0.0	32.19	1.1	327	23.52	0	
3	0.25 to < 0.50	1,416	476	75.00	6	0.32	0.0	32.53	1.0	1	29.60	0	
4	0.50 to < 0.75	1	—	—	1	0.56	0.0	32.53	5.0	1	74.56	0	
5	0.75 to < 2.50	—	—	—	—	—	—	—	—	—	—	—	
6	2.50 to < 10.00	—	—	—	—	—	—	—	—	—	—	—	
7	10.00 to < 100.00	—	—	—	—	—	—	—	—	—	—	—	
8	100.00 (Default)	—	—	—	—	—	—	—	—	—	—	—	
9	Sub-total	1,062,140	963	75.00	1,095,746	0.00	0.0	32.52	1.7	15,971	1.45	10	¥ 82
Sovereign exposures (Foundation Internal Ratings-Based Approach (FIRB))													
1	0.00 to < 0.15	17,124,329	25,540	79.73	17,204,961	0.00	0.0	44.99	1.2	71,208	0.41	93	
2	0.15 to < 0.25	0	—	—	0	0.21	0.0	45.00	1.0	0	31.87	0	
3	0.25 to < 0.50	56,090	4,889	75.00	24,258	0.29	0.0	43.14	1.9	12,788	52.71	30	
4	0.50 to < 0.75	0	—	—	0	0.56	0.0	45.00	1.0	0	55.62	0	
5	0.75 to < 2.50	2,881	86	100.00	2,676	1.78	0.0	44.67	1.4	2,583	96.54	21	
6	2.50 to < 10.00	28,242	—	—	1,582	6.44	0.0	20.29	3.5	967	61.16	10	
7	10.00 to < 100.00	—	—	—	—	—	—	—	—	—	—	—	
8	100.00 (Default)	—	—	—	—	—	—	—	—	—	—	—	
9	Sub-total	17,211,545	30,516	79.03	17,233,479	0.00	0.1	44.98	1.2	87,548	0.50	156	580
Financial Institution exposures (AIRB)													
1	0.00 to < 0.15	393,847	348	75.00	394,844	0.05	0.0	32.53	2.9	85,556	21.66	66	
2	0.15 to < 0.25	29,000	6,000	75.00	33,500	0.21	0.0	32.53	1.4	8,648	25.81	23	
3	0.25 to < 0.50	1,135	—	—	1,135	0.32	0.0	11.99	1.0	123	10.91	0	
4	0.50 to < 0.75	1,400	1,000	75.00	2,150	0.56	0.0	32.53	1.0	864	40.21	3	
5	0.75 to < 2.50	13,219	5,896	83.48	18,141	1.16	0.0	32.53	1.0	10,228	56.38	68	
6	2.50 to < 10.00	—	—	—	—	—	—	—	—	—	—	—	
7	10.00 to < 100.00	—	—	—	—	—	—	—	—	—	—	—	
8	100.00 (Default)	—	—	—	—	—	—	—	—	—	—	—	
9	Sub-total	438,601	13,244	78.77	449,771	0.11	0.0	32.48	2.7	105,421	23.43	163	316
Financial Institution exposures (FIRB)													
1	0.00 to < 0.15	539,028	108,112	80.90	626,226	0.06	0.0	43.16	1.0	108,185	17.27	188	
2	0.15 to < 0.25	1,580	—	—	1,580	0.21	0.0	73.47	1.0	822	52.05	2	
3	0.25 to < 0.50	37,548	366	75.00	35,323	0.30	0.0	64.33	3.4	45,523	128.87	69	
4	0.50 to < 0.75	1,144	—	—	1,144	0.64	0.0	45.00	1.0	683	59.69	3	
5	0.75 to < 2.50	4,060	—	—	4,060	1.77	0.0	45.00	4.8	5,743	141.45	32	
6	2.50 to < 10.00	1	—	—	1	3.05	0.0	45.00	1.0	1	110.47	0	
7	10.00 to < 100.00	—	—	—	—	—	—	—	—	—	—	—	
8	100.00 (Default)	—	—	—	—	—	—	—	—	—	—	—	
9	Sub-total	583,363	108,478	80.88	668,336	0.09	0.1	44.36	1.1	160,959	24.08	296	270

CR6		Millions of Yen, %, 1,000 cases, Year											
		September 30, 2018											
		a	b	c	d	e	f	g	h	i	j	k	l
Item No.	PD scale	On-balance sheet gross exposures	Off-balance sheet exposures pre-CCF and pre-CRM	Average CCF	EAD post-CCF and post-CRM	Average PD	Number of obligors	Average LGD	Average maturity	Credit RWA amounts	RWA density	EL	Eligible provisions
Corporate exposures (excluding SME exposures and specialised lending) (AIRB)													
1	0.00 to < 0.15	¥ 6,118,762	¥ 2,220,301	75.63%	¥ 7,861,109	0.08%	0.6	32.07%	2.5	¥ 1,544,162	19.64%	¥ 2,028	
2	0.15 to < 0.25	2,385,995	537,916	75.69	2,773,392	0.21	0.4	31.62	2.4	931,927	33.60	1,923	
3	0.25 to < 0.50	1,209,393	186,492	75.18	1,351,880	0.32	0.5	31.27	2.4	558,556	41.31	1,385	
4	0.50 to < 0.75	933,299	199,835	75.76	1,071,673	0.56	0.7	29.81	2.3	525,785	49.06	1,801	
5	0.75 to < 2.50	809,726	102,752	68.46	832,315	1.49	0.8	28.84	2.4	557,196	66.94	3,581	
6	2.50 to < 10.00	244,596	26,547	85.40	269,822	7.16	0.0	28.16	2.2	299,667	111.06	5,538	
7	10.00 to < 100.00	7,836	97	59.66	6,093	21.43	0.0	23.08	1.6	7,205	118.25	301	
8	100.00 (Default)	9,100	880	75.00	14,345	100.00	0.0	30.05	1.0	6,081	42.39	3,824	
9	Sub-total	11,718,710	3,274,824	75.48	14,180,633	0.49	3.3	31.47	2.5	4,430,582	31.24	20,384	¥ 39,201
Corporate exposures (excluding SME exposures and specialised lending) (FIRB)													
1	0.00 to < 0.15	802,546	110,495	76.81	897,159	0.07	0.8	53.21	3.0	334,140	37.24	359	
2	0.15 to < 0.25	93,878	188	100.00	95,092	0.21	0.4	57.59	3.1	68,758	72.30	120	
3	0.25 to < 0.50	293,365	47,240	75.83	329,269	0.29	0.6	45.73	2.5	200,194	60.79	444	
4	0.50 to < 0.75	110,479	8,966	75.91	117,661	0.61	0.6	50.22	3.7	129,610	110.15	359	
5	0.75 to < 2.50	395,386	34,169	74.62	420,200	1.49	1.2	43.56	3.9	524,283	124.76	2,711	
6	2.50 to < 10.00	164,730	16,626	91.74	179,908	6.05	0.3	44.61	4.4	331,481	184.24	4,850	
7	10.00 to < 100.00	28,402	1,765	73.16	27,522	30.85	0.0	44.57	4.3	73,106	265.62	3,780	
8	100.00 (Default)	17,752	533	77.52	20,274	100.00	0.0	43.89	1.0	0	0.00	8,900	
9	Sub-total	1,906,540	219,988	77.34	2,087,089	2.32	4.2	49.17	3.3	1,661,575	79.61	21,526	11,889
SME exposures (AIRB)													
1	0.00 to < 0.15	61,917	4,830	75.00	63,710	0.13	0.0	32.53	3.6	19,340	30.35	27	
2	0.15 to < 0.25	71,831	—	—	68,293	0.21	0.0	30.12	3.5	22,815	33.40	45	
3	0.25 to < 0.50	5,804	—	—	5,804	0.32	0.0	24.76	2.0	1,412	24.33	4	
4	0.50 to < 0.75	34,326	5,655	75.00	37,185	0.56	0.0	19.72	3.7	11,836	31.82	41	
5	0.75 to < 2.50	115,995	11,555	76.54	116,100	1.64	0.1	21.45	2.9	53,818	46.35	407	
6	2.50 to < 10.00	10,402	545	75.00	10,720	7.59	0.0	22.29	1.7	6,925	64.60	184	
7	10.00 to < 100.00	5,601	—	—	4,840	21.43	0.0	15.43	1.6	3,108	64.21	160	
8	100.00 (Default)	1,356	—	—	2,196	100.00	0.0	28.05	1.0	864	39.36	547	
9	Sub-total	307,236	22,585	75.78	308,851	2.07	0.3	25.49	3.2	120,122	38.89	1,417	3,098
SME exposures (FIRB)													
1	0.00 to < 0.15	58	—	—	58	0.13	0.0	45.00	1.0	13	22.27	0	
2	0.15 to < 0.25	39	—	—	39	0.21	0.0	45.00	1.0	10	27.52	0	
3	0.25 to < 0.50	1	—	—	1	0.32	0.0	45.00	1.0	0	38.38	0	
4	0.50 to < 0.75	95,994	770	75.00	95,497	0.56	0.5	38.78	4.7	66,204	69.32	208	
5	0.75 to < 2.50	247,404	1,184	77.10	245,773	1.72	1.3	39.18	4.5	225,177	91.61	1,677	
6	2.50 to < 10.00	14,060	—	—	13,990	8.01	0.0	41.98	2.7	19,387	138.57	470	
7	10.00 to < 100.00	404	—	—	404	21.43	0.0	44.71	1.0	763	188.86	38	
8	100.00 (Default)	8,076	250	99.88	8,536	100.00	0.0	44.39	1.0	0	0.00	3,789	
9	Sub-total	366,038	2,204	78.96	364,300	3.98	2.0	39.31	4.4	311,557	85.52	6,184	757

CR6		Millions of Yen, %, 1,000 cases, Year											
		September 30, 2018											
Item No.	PD scale	a	b	c	d	e	f	g	h	i	j	k	l
		On-balance sheet gross exposures	Off-balance sheet exposures pre-CCF and pre-CRM	Average CCF	EAD post-CCF and post-CRM	Average PD	Number of obligors	Average LGD	Average maturity	Credit RWA amounts	RWA density	EL	Eligible provisions
Specialised lending (AIRB)													
1	0.00 to < 0.15	¥ 598,272	¥ 11,915	75.00%	¥ 607,209	0.06%	0.0	18.07%	3.0	¥ 62,611	10.31%	¥ 73	
2	0.15 to < 0.25	88,082	—	—	88,082	0.21	0.0	18.07	2.7	17,168	19.49	34	
3	0.25 to < 0.50	75,290	—	—	75,290	0.32	0.0	18.07	1.9	15,588	20.70	44	
4	0.50 to < 0.75	218,253	3,668	75.00	221,005	0.56	0.0	18.07	3.9	80,487	36.41	225	
5	0.75 to < 2.50	70,410	6,050	75.00	74,947	1.17	0.0	18.07	4.3	36,214	48.31	159	
6	2.50 to < 10.00	181	—	—	181	8.23	0.0	18.07	1.4	122	67.39	2	
7	10.00 to < 100.00	—	—	—	—	—	—	—	—	—	—	—	
8	100.00 (Default)	—	—	—	—	—	—	—	—	—	—	—	
9	Sub-total	1,050,490	21,634	75.00	1,066,716	0.27	0.1	18.07	3.2	212,192	19.89	539	¥ 1,140
Specialised lending (FIRB)													
1	0.00 to < 0.15	231	—	—	231	0.09	0.0	45.00	1.0	38	16.62	0	
2	0.15 to < 0.25	72	—	—	72	0.21	0.0	45.00	1.0	23	31.87	0	
3	0.25 to < 0.50	37	—	—	37	0.32	0.0	45.00	1.0	15	40.94	0	
4	0.50 to < 0.75	82	—	—	82	0.56	0.0	45.00	1.0	45	55.62	0	
5	0.75 to < 2.50	14	—	—	14	1.85	0.0	45.00	1.0	13	92.32	0	
6	2.50 to < 10.00	0	—	—	0	8.23	0.0	45.00	1.0	1	161.92	0	
7	10.00 to < 100.00	—	—	—	—	—	—	—	—	—	—	—	
8	100.00 (Default)	—	—	—	—	—	—	—	—	—	—	—	
9	Sub-total	440	—	—	440	0.29	0.1	45.00	1.0	137	31.35	0	—
Equity exposures (PD/LGD Approach)													
1	0.00 to < 0.15	1,425,283	29	100.00	549,714	0.08	0.3	90.00	5.0	664,455	120.87	—	
2	0.15 to < 0.25	149,235	—	—	54,423	0.21	0.1	90.00	5.0	85,105	156.37	—	
3	0.25 to < 0.50	72,362	—	—	25,780	0.32	0.2	90.00	5.0	45,372	175.99	—	
4	0.50 to < 0.75	61,953	—	—	25,780	0.56	0.2	90.00	5.0	55,939	216.98	—	
5	0.75 to < 2.50	37,599	—	—	32,644	1.25	0.2	90.00	5.0	89,446	274.00	—	
6	2.50 to < 10.00	5,815	—	—	3,148	6.83	0.0	90.00	5.0	14,741	468.13	—	
7	10.00 to < 100.00	16	—	—	5	21.43	0.0	90.00	5.0	40	773.53	—	
8	100.00 (Default)	133	—	—	41	100.00	0.0	90.00	5.0	461	1,125.00	—	
9	Sub-total	1,752,400	29	100.00	691,539	0.21	1.3	90.00	5.0	955,563	138.17	—	
Purchased receivables for corporates, etc. (default risk) (AIRB)													
1	0.00 to < 0.15	8,682	—	—	8,682	0.08	0.0	32.53	3.3	2,275	26.20	2	
2	0.15 to < 0.25	31,748	—	—	31,748	0.21	0.0	32.53	2.4	10,517	33.12	22	
3	0.25 to < 0.50	1,945	—	—	1,945	0.32	0.0	32.53	4.3	1,076	55.34	2	
4	0.50 to < 0.75	505	570	75.00	932	0.56	0.0	32.53	1.0	498	53.41	1	
5	0.75 to < 2.50	30,298	—	—	30,298	1.83	0.0	32.49	4.1	28,866	95.27	180	
6	2.50 to < 10.00	—	—	—	—	—	—	—	—	—	—	—	
7	10.00 to < 100.00	—	—	—	—	—	—	—	—	—	—	—	
8	100.00 (Default)	—	—	—	—	—	—	—	—	—	—	—	
9	Sub-total	73,180	570	75.00	73,608	0.87	0.0	32.51	3.2	43,234	58.73	209	6

CR6		Millions of Yen, %, 1,000 cases, Year																	
		September 30, 2018																	
		a	b	c	d	e	f	g	h	i	j	k	l						
Item No.	PD scale	On-balance sheet gross exposures	Off-balance sheet exposures pre-CCF and pre-CRM	Average CCF	EAD post-CCF and post-CRM	Average PD	Number of obligors	Average LGD	Average maturity	Credit RWA amounts	RWA density	EL	Eligible provisions						
Purchased receivables for corporates, etc. (dilution risk and originator risk of loan participation) (AIRB)																			
1	0.00 to < 0.15	¥	2	¥	—	—%	¥	2	0.06%	0.0	100.00%	1.0	¥	0	29.46%	¥	—		
2	0.15 to < 0.25		—		—		—	—	—	—	—	—		—		—			
3	0.25 to < 0.50		1,140		570	75.00		1,567	0.25	0.0	99.99	1.0		1,218	77.74		0		
4	0.50 to < 0.75		—		—		—	—	—	—	—	—		—		—			
5	0.75 to < 2.50		—		—		—	—	—	—	—	—		—		—			
6	2.50 to < 10.00		—		—		—	—	—	—	—	—		—		—			
7	10.00 to < 100.00		—		—		—	—	—	—	—	—		—		—			
8	100.00 (Default)		—		—		—	—	—	—	—	—		—		—			
9	Sub-total		1,142		570	75.00		1,570	0.25	0.0	99.99	1.0		1,219	77.65		0	¥	—
Purchased receivables for corporates, etc. (default risk) (FIRB)																			
1	0.00 to < 0.15		370,061		—	—		370,061	0.06	0.2	45.00	1.2		60,811	16.43		116		
2	0.15 to < 0.25		73,964		—	—		73,964	0.21	0.1	45.00	1.0		23,812	32.19		72		
3	0.25 to < 0.50		54,591		—	—		54,591	0.32	0.2	45.00	1.0		23,273	42.63		79		
4	0.50 to < 0.75		83,118		—	—		83,118	0.56	1.2	45.00	1.1		47,788	57.49		212		
5	0.75 to < 2.50		49,921		—	—		49,921	1.72	4.4	45.00	1.7		46,911	93.97		387		
6	2.50 to < 10.00		19,402		—	—		19,402	3.98	1.3	45.00	2.0		25,838	133.17		347		
7	10.00 to < 100.00		939		—	—		939	34.43	0.0	45.00	4.8		2,486	264.58		145		
8	100.00 (Default)		—		—	—		—	—	—	—	—		—	—		—		
9	Sub-total		652,000		—	—		652,000	0.46	7.8	45.00	1.2		230,922	35.41		1,361		800
Purchased receivables for corporates, etc. (dilution risk and originator risk of loan participation) (FIRB)																			
1	0.00 to < 0.15		430,694		—	—		430,694	0.06	0.2	90.51	1.1		119,749	27.80		20		
2	0.15 to < 0.25		320		—	—		320	0.21	0.0	45.00	1.6		121	37.96		0		
3	0.25 to < 0.50		23,570		—	—		23,570	0.29	0.1	98.99	1.0		19,864	84.27		0		
4	0.50 to < 0.75		513		—	—		513	0.56	0.0	45.00	4.3		641	124.77		1		
5	0.75 to < 2.50		9,370		—	—		9,370	1.17	0.3	87.43	1.4		14,342	153.06		18		
6	2.50 to < 10.00		—		—	—		—	—	—	—	—		—	—		—		
7	10.00 to < 100.00		—		—	—		—	—	—	—	—		—	—		—		
8	100.00 (Default)		—		—	—		—	—	—	—	—		—	—		—		
9	Sub-total		464,469		—	—		464,469	0.10	0.7	90.80	1.1		154,719	33.31		41		—
Purchased receivables for retail (default risk)																			
1	0.00 to < 0.15		—		—	—		—	—	—	—	—		—	—		—		
2	0.15 to < 0.25		—		—	—		—	—	—	—	—		—	—		—		
3	0.25 to < 0.50		60,835		—	—		60,835	0.31	20.7	73.62	—		24,624	40.47		142		
4	0.50 to < 0.75		—		—	—		—	—	—	—	—		—	—		—		
5	0.75 to < 2.50		—		—	—		—	—	—	—	—		—	—		—		
6	2.50 to < 10.00		—		—	—		—	—	—	—	—		—	—		—		
7	10.00 to < 100.00		—		—	—		—	—	—	—	—		—	—		—		
8	100.00 (Default)		—		—	—		—	—	—	—	—		—	—		—		
9	Sub-total		60,835		—	—		60,835	0.31	20.7	73.62	—		24,624	40.47		142		286

CR6		Millions of Yen, %, 1,000 cases, Year																
		September 30, 2018																
		a	b	c	d	e	f	g	h	i	j	k	l					
		On-balance sheet gross exposures	Off-balance sheet exposures pre-CCF and pre-CRM	Average CCF	EAD post-CCF and post-CRM	Average PD	Number of obligors	Average LGD	Average maturity	Credit RWA amounts	RWA density	EL	Eligible provisions					
Item No.	PD scale	Qualifying revolving retail exposures																
		1	0.00 to < 0.15	¥	0	¥	43,157	28.79%	¥	12,427	0.12%	43.5	65.05%	—	¥	569	4.57%	¥
2	0.15 to < 0.25		41,375	854,735	11.58		140,404	0.24	200.9	58.14	—	10,396	7.40		202			
3	0.25 to < 0.50		19,709	643,820	8.60		75,080	0.38	153.2	72.54	—	9,743	12.97		206			
4	0.50 to < 0.75		34,057	295,363	11.58		68,278	0.62	88.3	58.14	—	10,615	15.54		249			
5	0.75 to < 2.50		17,173	202,193	11.77		40,974	0.97	97.2	62.41	—	9,547	23.30		248			
6	2.50 to < 10.00		37,584	132,683	13.39		55,360	4.51	95.8	58.79	—	35,247	63.66		1,466			
7	10.00 to < 100.00		481	1,118	12.47		620	49.00	0.9	62.09	—	1,016	163.66		189			
8	100.00 (Default)		247	3,728	8.13		17,678	100.00	21.8	59.34	—	4,890	27.66		10,100			
9	Sub-total		150,629	2,176,802	11.16		410,825	5.34	702.0	61.55	—	82,025	19.96		12,674	¥	19,263	
Residential mortgage exposures																		
1	0.00 to < 0.15		3,281,501	19,562	100.00		3,301,063	0.11	117.2	20.74	—	175,573	5.31		763			
2	0.15 to < 0.25		2,835,129	164	100.00		2,835,386	0.19	135.6	19.10	—	209,457	7.38		1,031			
3	0.25 to < 0.50		2,113,000	2,556	100.00		2,115,567	0.35	109.1	18.91	—	242,096	11.44		1,409			
4	0.50 to < 0.75		695,932	73	100.00		696,006	0.52	45.8	21.29	—	120,243	17.27		784			
5	0.75 to < 2.50		129,589	19	100.00		129,608	0.95	12.7	23.80	—	37,256	28.74		292			
6	2.50 to < 10.00		—	—	—		—	—	—	—	—	—	—		—			
7	10.00 to < 100.00		93,093	74	100.00		93,167	20.71	4.7	20.16	—	105,614	113.36		3,980			
8	100.00 (Default)		32,382	36	100.00		33,770	100.00	1.9	22.23	—	9,333	27.63		6,761			
9	Sub-total		9,180,628	22,487	100.00		9,204,570	0.81	427.3	19.90	—	899,575	9.77		15,024		23,770	
Other retail exposures																		
1	0.00 to < 0.15		0	26,008	23.24		6,044	0.12	23.8	25.15	—	432	7.15		1			
2	0.15 to < 0.25		—	—	—		—	—	—	—	—	—	—		—			
3	0.25 to < 0.50		272,335	—	—		272,335	0.32	125.0	56.22	—	83,351	30.60		487			
4	0.50 to < 0.75		344,991	578	100.00		345,675	0.59	101.5	40.02	—	109,297	31.61		821			
5	0.75 to < 2.50		147,542	148,044	28.93		190,403	1.19	284.2	64.71	—	134,010	70.38		1,540			
6	2.50 to < 10.00		65,008	24,287	53.88		78,096	4.66	64.3	47.13	—	54,040	69.19		1,710			
7	10.00 to < 100.00		3,831	957	92.30		4,766	41.77	1.1	38.40	—	4,104	86.12		900			
8	100.00 (Default)		10,693	1,457	36.29		23,673	100.00	13.7	48.65	—	6,883	29.07		10,967			
9	Sub-total		844,403	201,333	31.77		920,995	3.75	613.8	50.64	—	392,118	42.57		16,430		16,012	
Lease transactions																		
1	0.00 to < 0.15		124,476	—	—		124,476	0.06	0.3	45.00	3.1	31,920	25.64		33			
2	0.15 to < 0.25		201,245	—	—		201,245	0.21	0.1	45.00	3.4	110,519	54.91		198			
3	0.25 to < 0.50		23,174	—	—		23,174	0.32	0.1	45.00	1.9	12,033	51.92		34			
4	0.50 to < 0.75		30,387	—	—		30,387	0.56	0.2	45.00	3.1	24,753	81.46		77			
5	0.75 to < 2.50		42,180	—	—		42,180	1.60	0.3	45.00	2.6	43,290	102.63		304			
6	2.50 to < 10.00		2,138	—	—		2,138	7.01	0.0	45.00	3.0	3,449	161.24		67			
7	10.00 to < 100.00		431	—	—		431	21.43	0.0	45.00	3.9	931	215.71		41			
8	100.00 (Default)		—	—	—		669	100.00	0.0	45.00	1.0	0	0.00		301			
9	Sub-total		424,034	—	—		424,704	0.55	1.3	45.00	3.1	226,898	53.42		1,058		3,554	
Total (all portfolios)			¥ 48,248,833	¥ 6,096,233	51.35%		¥ 50,360,484	0.56%	1,785.8	36.94%	2.0	¥ 10,116,971	20.08%		¥ 97,625		¥ 121,030	

Notes: 1. "Number of obligors" in Column f: "Qualifying revolving retail exposures," "Residential mortgage exposures," and "Other retail exposures" are tallied with the number of loans, because it is difficult to grasp the number of some obligors.

2. Purchased receivables for retail (dilution risk and originator risk of loan participation) are not applicable.

CR7: IRB – Effect on RWA of credit derivatives used as CRM technique

CR7		Millions of yen	
		September 30, 2018	
		a	b
Item No.	Portfolio	Pre-credit derivatives credit RWA amounts	Actual credit RWA amounts
1	Sovereign Exposures – FIRB	¥ 88,218	¥ 88,218
2	Sovereign Exposures – AIRB	15,145	15,145
3	Financial Institution Exposures – FIRB	161,115	161,115
4	Financial Institution Exposures – AIRB	105,121	105,121
5	Corporate exposures (excluding specialised lending) – FIRB	1,972,306	1,972,306
6	Corporate exposures (excluding specialised lending) – AIRB	4,551,830	4,551,830
7	Specialised lending – FIRB	2,171,861	2,171,861
8	Specialised lending – AIRB	212,192	212,192
9	Retail – Qualifying revolving retail exposures	82,025	82,025
10	Retail – Residential mortgage exposures	899,575	899,575
11	Retail – Other retail exposures	392,118	392,118
12	Equity Exposures – FIRB	1,318,222	1,318,222
13	Equity Exposures – AIRB	—	—
14	Purchased receivables – FIRB	410,266	410,266
15	Purchased receivables – AIRB	44,453	44,453
16	Total	¥ 12,424,454	¥ 12,424,454

Note: The SuMi TRUST Group does not use credit derivatives as credit risk mitigation techniques.

CR10: IRB – Specialised Lending (Supervisory Slotting Criteria Approach) and Equity Exposures (Market-Based Approach, etc.)

CR10		Millions of Yen, %										
September 30, 2018												
a	b	c	d	e	f	g	h	i	j	k	l	
Specialised lending (supervisory slotting criteria approach)												
Other than high-volatility commercial real estate (HVCRE)												
Regulatory categories	Remaining maturity	On-balance sheet amounts	Off-balance sheet amounts	RW	Exposure amounts (EAD)					Credit RWA amounts	Expected losses	
					PF	OF	CF	IPRE	Total			
Strong	< 2.5 years	¥ 48,052	¥ 10,031	50%	¥ 31,722	¥ 7,135	¥ —	¥ 16,734	¥ 55,593	¥ 27,796	¥ —	
	2.5 years≤	514,797	96,734	70%	386,601	200,665	—	80	587,348	411,143	2,349	
Good	< 2.5 years	103,331	25,304	70%	31,027	56,668	—	34,614	122,310	85,617	489	
	2.5 years≤	656,480	220,981	90%	538,283	235,432	—	47,840	821,555	739,400	6,572	
Satisfactory		245,504	72,762	115%	167,647	98,131	—	33,513	299,292	344,186	8,380	
Weak		58,402	2,609	250%	6,578	41,842	—	11,938	60,359	150,899	4,828	
Default		4,471	—	—	4,471	—	—	—	4,471	—	2,235	
Total		¥ 1,631,039	¥ 428,424	—	¥ 1,166,333	¥ 639,876	¥ —	¥ 144,722	¥ 1,950,931	¥ 1,759,043	¥ 24,855	
HVCRE												
Regulatory categories	Remaining maturity	On-balance sheet amounts	Off-balance sheet amounts	RW						Exposure amounts (EAD)	Credit RWA amounts	Expected losses
Strong	< 2.5 years	34,426	—	70%						34,426	24,098	137
	2.5 years≤	82	—	95%						82	77	0
Good	< 2.5 years	12,920	—	95%						12,920	12,274	51
	2.5 years≤	11,247	40,363	120%						41,520	49,824	166
Satisfactory		98,821	102,983	140%						176,059	246,482	4,929
Weak		8,672	31,061	250%						31,968	79,921	2,557
Default		—	—	—						—	—	—
Total		¥ 166,169	¥ 174,409	—						¥ 296,976	¥ 412,679	¥ 7,842
Equity exposures (Market-Based Approach, etc.)												
Equity exposures subject to market-based approach												
Categories		On-balance sheet amounts	Off-balance sheet amounts	RW						Exposure amounts (EAD)	Credit RWA amounts	
Simple risk weight method – Listed shares		34,615	61,445	300%						96,060	288,182	
Simple risk weight method – Unlisted shares		18,570	62	400%						18,618	74,475	
Internal Models Approach		—	—	—						—	—	
Total		¥ 53,186	¥ 61,508	—						¥ 114,679	¥ 362,658	
Equity exposures subject to 100% risk weight												
Equity exposures subject to 100% risk weight in accordance with the provisions of Article 166, Paragraph 1 of the FSA Capital Adequacy Notification or Paragraph 1 of Article 144 of the FSA Bank Holding Company Capital Adequacy Notification		—	—	100%						—	—	

CCR1: Analysis of counterparty credit risk (CCR) exposure by approach

CCR1		Millions of yen					
		September 30, 2018					
Item No.		a	b	c	d	e	f
		Replacement cost	Potential future exposure (add-on)	Effective EPE (EEPE)	Alpha used for computing regulatory EAD	EAD post-CRM	RWA amounts
1	SA-CCR	¥ —	¥ —		1.4	¥ —	¥ —
	Current Exposure Method (CEM)	288,176	462,277			750,453	232,794
2	Expected Exposure Method (IMM)			—	—	—	—
3	Simple Approach for credit risk mitigation					—	—
4	Comprehensive Approach for credit risk mitigation					500,869	82,124
5	Exposure variation estimation model					—	—
6	Total						¥ 314,918

CCR2: Credit valuation adjustment (CVA) capital charge

CCR2		Millions of yen	
		September 30, 2018	
		a	b
Item No.		EAD post-CRM	RWA amounts (Amounts calculated by dividing CVA risk equivalent amounts by 8%)
1	Total portfolios subject to advanced risk measurement method	¥ —	¥ —
2	(i) Amount of CVA Value at Risk (including the multiplier)		—
3	(ii) Amount of CVA Stressed Value at Risk (including the multiplier)		—
4	Total portfolios subject to the standardised risk measurement method	708,409	375,779
5	Total portfolios subject to the CVA capital charge	¥ 708,409	¥ 375,779

CCR3: CCR exposures by regulatory portfolio and risk weights

CCR3		Millions of yen									
		September 30, 2018									
Item No.	Regulatory portfolio	Risk weight	Credit equivalent amounts (post-CRM)								
			a	b	c	d	e	f	g	h	i
			0%	10%	20%	50%	75%	100%	150%	Other	Total
1	Government of Japan and Bank of Japan (BOJ)		¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —
2	Foreign central governments and foreign central banks		—	—	—	—	—	—	—	—	—
3	Bank for International Settlements, etc.		—	—	—	—	—	—	—	—	—
4	Local governments of Japan		—	—	—	—	—	—	—	—	—
5	Foreign non-central government public sector entities (PSEs)		—	—	—	—	—	—	—	—	—
6	Multilateral development banks (MDBs)		—	—	—	—	—	—	—	—	—
7	Japan Finance Organization for Municipalities (JFM)		—	—	—	—	—	—	—	—	—
8	Government-affiliated agencies of Japan		—	—	—	—	—	—	—	—	—
9	The three local public corporations		—	—	—	—	—	—	—	—	—
10	Financial institutions and type I financial instruments business operators		—	—	311,819	—	—	—	—	—	311,819
11	Corporates, etc.		—	—	—	—	—	—	—	—	—
12	SMEs, etc. and individuals		—	—	—	—	—	—	—	—	—
13	Other than the above		—	—	—	—	—	—	—	—	—
14	Total		¥ —	¥ —	¥ 311,819	¥ —	¥ —	¥ —	¥ —	¥ —	¥ 311,819

Note: The aggregate calculation on this statement includes exposures based on the standardised approach only.

CCR4: IRB – CCR exposures by portfolio and PD scale

CCR4		Millions of Yen, %, 1,000 cases, Year						
Item No.	PD scale	September 30, 2018						
		a	b	c	d	e	f	g
		EAD post-CRM	Average PD	Number of obligors	Average LGD	Average maturity	Credit RWA	RWA density
Sovereign exposures								
1	0.00 to < 0.15	¥ 40,967	0.01%	0.0	25.12%	1.5	¥ 2,693	6.57%
2	0.15 to < 0.25	—	—	—	—	—	—	—
3	0.25 to < 0.50	557	0.26	0.0	45.00	2.0	346	62.22
4	0.50 to < 0.75	—	—	—	—	—	—	—
5	0.75 to < 2.50	—	—	—	—	—	—	—
6	2.50 to < 10.00	—	—	—	—	—	—	—
7	10.00 to < 100.00	—	—	—	—	—	—	—
8	100.00 (Default)	—	—	—	—	—	—	—
9	Sub-total	41,524	0.01	0.0	25.27	1.5	3,040	7.32
Financial Institution exposures								
1	0.00 to < 0.15	471,170	0.05	0.1	8.51	2.3	99,967	21.21
2	0.15 to < 0.25	405	0.21	0.0	45.00	1.7	162	40.15
3	0.25 to < 0.50	13,835	0.32	0.0	22.17	3.4	11,938	86.28
4	0.50 to < 0.75	898	0.56	0.0	45.00	1.0	499	55.62
5	0.75 to < 2.50	1,181	1.09	0.0	45.00	1.0	901	76.32
6	2.50 to < 10.00	—	—	—	—	—	—	—
7	10.00 to < 100.00	—	—	—	—	—	—	—
8	100.00 (Default)	—	—	—	—	—	—	—
9	Sub-total	487,492	0.06	0.1	8.70	2.3	113,470	23.27
Corporate exposures and SME exposures								
1	0.00 to < 0.15	272,469	0.06	0.4	9.39	2.2	64,046	23.50
2	0.15 to < 0.25	24,211	0.21	0.1	45.00	3.7	13,955	57.63
3	0.25 to < 0.50	9,166	0.32	0.1	45.00	3.9	6,518	71.11
4	0.50 to < 0.75	7,931	0.56	0.1	45.00	4.1	7,324	92.33
5	0.75 to < 2.50	27,754	1.86	0.1	45.00	4.7	38,683	139.37
6	2.50 to < 10.00	1,783	5.73	0.0	45.00	3.4	2,900	162.64
7	10.00 to < 100.00	72	25.57	0.0	45.00	2.4	159	218.85
8	100.00 (Default)	2	100.00	0.0	45.00	1.0	0	0.00
9	Sub-total	343,392	0.27	0.9	11.18	2.6	133,588	38.90
Total (all portfolios)		¥ 872,408	0.14%	1.1	9.88%	2.4	¥ 250,098	28.66%

Note: The SuMi TRUST Group applies the Foundation Internal Ratings-Based Approach to the calculation of risk-weighted assets related to counterparty credit risk.

CCR5: Composition of collateral for CCR exposure

CCR5		Millions of yen					
		September 30, 2018					
		a	b	c	d	e	f
		Collateral used in derivative transactions				Collateral used in repo transactions	
		Fair value of collateral received		Fair value of posted collateral		Fair value of collateral received	Fair value of posted collateral
Item No.		Segregated	Unsegregated	Segregated	Unsegregated		
1	Cash (domestic currency)	¥ —	¥ 139,262	¥ —	¥ 254,332	¥ 10,818	¥ 736,574
2	Cash (other currency)	—	1,432	—	85,639	1,879,221	45,155
3	Domestic sovereign debt	—	11,943	—	6,764	19,132	170,829
4	Other sovereign debt	—	—	—	—	1,241,765	2,398,037
5	Government agency debt	—	—	—	—	638,572	561,645
6	Corporate bonds	—	—	—	—	17,285	—
7	Equity securities	—	—	—	11,132	531,027	785,994
8	Other collateral	—	—	—	—	—	9,066
9	Total	¥ —	¥ 152,638	¥ —	¥ 357,869	¥ 4,337,823	¥ 4,707,303

CCR6: Credit derivatives exposures

CCR6		Millions of yen	
		September 30, 2018	
		a	b
		Protection bought	Protection sold
Notionals			
1	Single-name credit default swaps	¥ 74,400	¥ 86,400
2	Index credit default swaps	—	—
3	Total return swaps	—	—
4	Credit options	—	—
5	Other credit derivatives	—	—
6	Total notionals	¥ 74,400	¥ 86,400
Fair values			
7	Positive fair value (asset)	23	1,217
8	Negative fair value (liability)	(903)	(50)

CCR8: Exposures to central counterparties (CCP)

Item No.		Millions of yen	
		September 30, 2018	
		a	b
		EAD to CCP (post-CRM)	RWA amounts
1	Exposures to qualifying central counterparties (QCCPs) (total)		¥ 34,835
2	Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which	1,123,945	22,478
3	(i) OTC derivatives	871,070	17,421
4	(ii) Exchange-traded derivatives	252,316	5,046
5	(iii) Repo transactions	557	11
6	(iv) Netting sets where cross-product netting has been approved	—	—
7	Segregated initial margin	—	—
8	Non-segregated initial margin	64,264	1,285
9	Pre-funded default fund contributions	5,576	11,071
10	Unfunded default fund contributions	—	—
11	Exposures to non-QCCPs (total)		¥ —
12	Exposures for trades at non-QCCPs (excluding initial margin and default fund contributions); of which	—	—
13	(i) OTC derivatives	—	—
14	(ii) Exchange-traded derivatives	—	—
15	(iii) Repo transactions	—	—
16	(iv) Netting sets where cross-product netting has been approved	—	—
17	Segregated initial margin	—	—
18	Non-segregated initial margin	—	—
19	Pre-funded default fund contributions	—	—
20	Unfunded default fund contributions	—	—

SEC1: Securitisation exposures by underlying asset type (securitisation exposures subject to the calculation of the amount of credit risk-weighted assets only)

Item No.		Millions of yen								
		September 30, 2018								
		a	b	c	d	e	f	g	h	i
	Type of underlying asset	Bank acts as originator			Bank acts as sponsor			Banks acts as investor		
		Traditional	Synthetic	Sub-total	Traditional	Synthetic	Sub-total	Traditional	Synthetic	Sub-total
1	Retail (total) – of which	¥ 42,865	¥ —	¥ 42,865	¥ 108,945	¥ —	¥ 108,945	¥ 300,898	¥ —	¥ 300,898
2	Residential mortgage	42,865	—	42,865	95,730	—	95,730	72,242	—	72,242
3	Credit card	—	—	—	1,695	—	1,695	56,151	—	56,151
4	Other retail exposures	—	—	—	11,520	—	11,520	172,504	—	172,504
5	Re-securitisation	—	—	—	—	—	—	—	—	—
6	Wholesale (total) – of which	¥ 5,679	¥ —	¥ 5,679	¥ 696	¥ —	¥ 696	¥ 485,902	¥ —	¥ 485,902
7	Loans to corporates	—	—	—	—	—	—	454,430	—	454,430
8	Commercial mortgage	—	—	—	—	—	—	—	—	—
9	Lease and receivables	5,679	—	5,679	—	—	—	31,471	—	31,471
10	Other wholesale	—	—	—	696	—	696	—	—	—
11	Re-securitisation	—	—	—	—	—	—	—	—	—

SEC2: Securitisation exposures by underlying asset type (securitisation exposures subject to the calculation of the market risk equivalent amounts only)

Not applicable.

SEC3: Securitisation exposures subject to the calculation of the amount of credit risk-weighted assets and related capital requirements (bank acting as originator or sponsor)

SEC3		Millions of yen														
		September 30, 2018														
		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
		Total														
Item No.		Traditional securitisations (sub-total)							Synthetic securitisations (sub-total)							
		Securitisation				Re-securitisation			Securitisation				Re-securitisation			
				Retail underlying	Wholesale		Senior	Non-senior			Retail underlying	Wholesale		Senior	Non-senior	
Exposure values (by RW bands)																
1	≤ 20% risk weight	¥112,182	¥112,182	¥112,182	¥111,485	¥ 696	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —
2	> 20% to 50% risk weight	32,700	32,700	32,700	32,700	—	—	—	—	—	—	—	—	—	—	—
3	> 50% to 100% risk weight	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
4	> 100% to < 1,250% risk weight	9,450	9,450	9,450	3,770	5,679	—	—	—	—	—	—	—	—	—	—
5	1,250% risk weight	3,855	3,855	3,855	3,855	—	—	—	—	—	—	—	—	—	—	—
Exposure Values (by regulatory approach)																
6	Subject to the Ratings-Based Approach (RBA) or Internal Assessment Approach (IAA) in the IRB Approach	109,523	109,523	109,523	108,826	696	—	—	—	—	—	—	—	—	—	—
7	Subject to the Supervisory Formula Approach (SFA) in the IRB Approach	44,809	44,809	44,809	39,129	5,679	—	—	—	—	—	—	—	—	—	—
8	Subject to the Standardised Approach (SA)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
9	Subject to 1,250% risk weight in accordance with Article 247, Paragraph 1 of the FSA Capital Adequacy Notification or Article 225, Paragraph 1 of the FSA Bank Holding Company Capital Adequacy Notification	3,855	3,855	3,855	3,855	—	—	—	—	—	—	—	—	—	—	—
RWA (by regulatory approach)																
10	Subject to the Ratings-Based Approach (RBA) or Internal Assessment Approach (IAA) in the IRB Approach	7,782	7,782	7,782	7,734	48	—	—	—	—	—	—	—	—	—	—
11	Subject to the Supervisory Formula Approach (SFA) in the IRB Approach	29,375	29,375	29,375	14,048	15,326	—	—	—	—	—	—	—	—	—	—
12	Subject to the Standardised Approach (SA)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
13	Subject to 1,250% risk weight in accordance with Article 247, Paragraph 1 of the FSA Capital Adequacy Notification or Article 225, Paragraph 1 of the FSA Bank Holding Company Capital Adequacy Notification	48,188	48,188	48,188	48,188	—	—	—	—	—	—	—	—	—	—	—
Capital requirement values (by regulatory approach)																
14	Subject to the Ratings-Based Approach (RBA) or Internal Assessment Approach (IAA) in the IRB Approach	659	659	659	655	4	—	—	—	—	—	—	—	—	—	—
15	Subject to the Supervisory Formula Approach (SFA) in the IRB Approach	2,491	2,491	2,491	1,191	1,299	—	—	—	—	—	—	—	—	—	—
16	Subject to the Standardised Approach (SA)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
17	Subject to 1,250% risk weight in accordance with Article 247, Paragraph 1 of the FSA Capital Adequacy Notification or Article 225, Paragraph 1 of the FSA Bank Holding Company Capital Adequacy Notification	4,086	4,086	4,086	4,086	—	—	—	—	—	—	—	—	—	—	—

SEC4: Securitisation exposures subject to the calculation of the amount of credit risk-weighted assets and related capital requirements (bank acting as investor)

SEC4		Millions of yen														
		September 30, 2018														
		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
		Total														
Item No.		Traditional securitisations (sub-total)							Synthetic securitisations (sub-total)							
		Securitisation				Re-securitisation				Securitisation			Re-securitisation			
				Retail underlying	Wholesale		Senior	Non-senior			Retail underlying	Wholesale		Senior	Non-senior	
Exposure values (by RW bands)																
1	≤ 20% risk weight	¥763,394	¥763,394	¥763,394	¥290,293	¥473,100	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —
2	> 20% to 50% risk weight	8,457	8,457	8,457	8,457	—	—	—	—	—	—	—	—	—	—	—
3	> 50% to 100% risk weight	14,948	14,948	14,948	2,146	12,801	—	—	—	—	—	—	—	—	—	—
4	> 100% to < 1,250% risk weight	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
5	1,250% risk weight	0	0	0	0	—	—	—	—	—	—	—	—	—	—	—
Exposure Values (by regulatory approach)																
6	Subject to the Ratings-Based Approach (RBA) or Internal Assessment Approach (IAA) in the IRB Approach	463,157	463,157	463,157	140,920	322,236	—	—	—	—	—	—	—	—	—	—
7	Subject to the Supervisory Formula Approach (SFA) in the IRB Approach	323,643	323,643	323,643	159,977	163,665	—	—	—	—	—	—	—	—	—	—
8	Subject to the Standardised Approach (SA)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
9	Subject to 1,250% risk weight in accordance with Article 247, Paragraph 1 of the FSA Capital Adequacy Notification or Article 225, Paragraph 1 of the FSA Bank Holding Company Capital Adequacy Notification	0	0	0	0	—	—	—	—	—	—	—	—	—	—	—
RWA (by regulatory approach)																
10	Subject to the Ratings-Based Approach (RBA) or Internal Assessment Approach (IAA) in the IRB Approach	35,726	35,726	35,726	13,170	22,556	—	—	—	—	—	—	—	—	—	—
11	Subject to the Supervisory Formula Approach (SFA) in the IRB Approach	32,190	32,190	32,190	13,517	18,672	—	—	—	—	—	—	—	—	—	—
12	Subject to the Standardised Approach (SA)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
13	Subject to 1,250% risk weight in accordance with Article 247, Paragraph 1 of the FSA Capital Adequacy Notification or Article 225, Paragraph 1 of the FSA Bank Holding Company Capital Adequacy Notification	0	0	0	0	—	—	—	—	—	—	—	—	—	—	—
Capital requirement values (by regulatory approach)																
14	Subject to the Ratings-Based Approach (RBA) or Internal Assessment Approach (IAA) in the IRB Approach	3,029	3,029	3,029	1,116	1,912	—	—	—	—	—	—	—	—	—	—
15	Subject to the Supervisory Formula Approach (SFA) in the IRB Approach	2,729	2,729	2,729	1,146	1,583	—	—	—	—	—	—	—	—	—	—
16	Subject to the Standardised Approach (SA)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
17	Subject to 1,250% risk weight in accordance with Article 247, Paragraph 1 of the FSA Capital Adequacy Notification or Article 225, Paragraph 1 of the FSA Bank Holding Company Capital Adequacy Notification	0	0	0	0	—	—	—	—	—	—	—	—	—	—	—

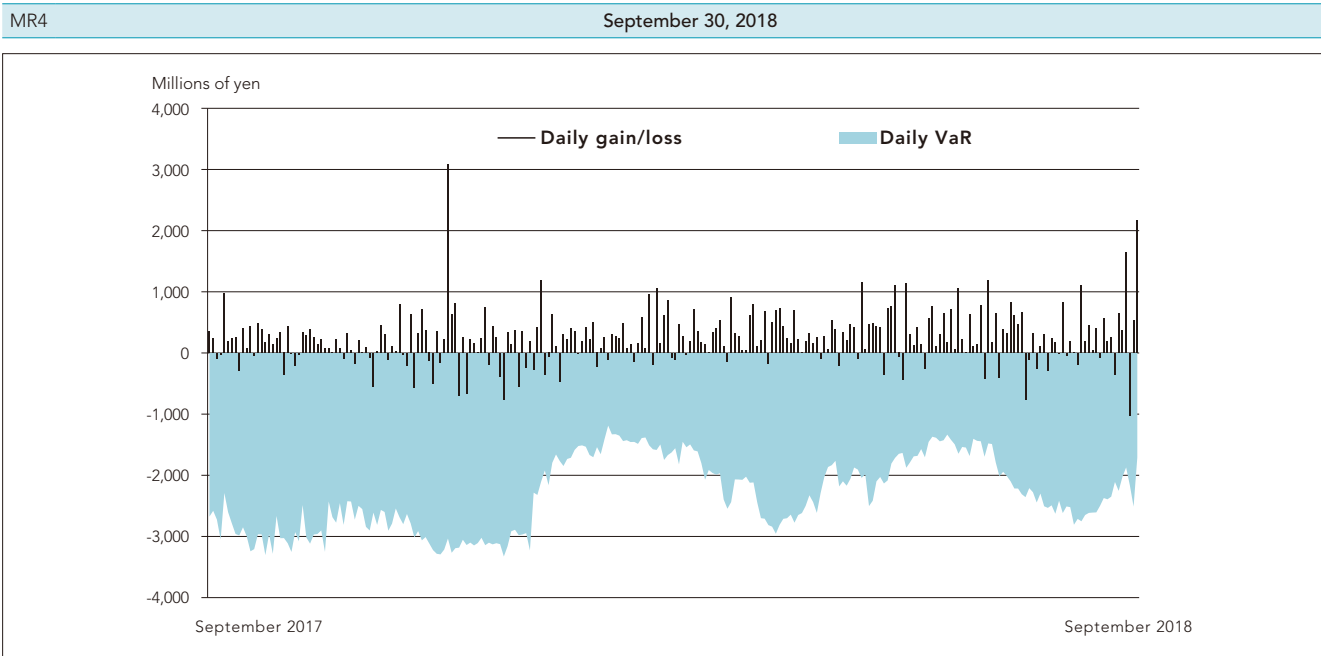
MR1: Market risk under standardised approach

Item No.	MR1	Millions of yen	
		September 30, 2018	
		RWA (Amounts calculated by dividing risk equivalent amounts by 8%)	
1	Interest rate risk (general and specific)	¥	3,750
2	Equity risk (general and specific)		—
3	Foreign exchange risk		15,933
4	Commodity risk		—
	Options transactions		—
5	Simplified approach		—
6	Delta-plus method		—
7	Scenario approach		—
8	Specific risk related to securitisation exposures		—
9	Total	¥	19,683

MR3: Values of Internal Model Approaches (IMA) (Market risk)

MR3	Millions of yen	
Item No.	September 30, 2018	
VaR (holding period:10 business days, one-sided confidence interval:99%)		
1	Maximum value	¥ 9,631
2	Average value	6,992
3	Minimum value	4,111
4	Period end	5,321
Stressed VaR (holding period:10 business days, one-sided confidence interval:99%)		
5	Maximum value	26,524
6	Average value	21,485
7	Minimum value	15,276
8	Period end	21,666
Incremental risk charge (one-sided confidence interval: 99.9%)		
9	Maximum value	—
10	Average value	—
11	Minimum value	—
12	Period end	—
Comprehensive risk capital charge (one-sided confidence interval: 99.9%)		
13	Maximum value	—
14	Average value	—
15	Minimum value	—
16	Period end	—
17	Floor (modified standardised measurement method)	—

MR4: Backtesting results by Internal Model Approaches (IMA)



Note: As shown above, during the reported period, there was no exceedance occurred in backtesting.

IRRBB1: Interest rate risk

IRRBB1		Millions of yen			
		a	b	c	d
		ΔEVE		ΔNII	
		September 30, 2018	September 30, 2017	September 30, 2018	September 30, 2017
Item No.					
1	Parallel up	¥ 96,900		¥ (71,015)	
2	Parallel down	47,509		74,491	
3	Steepener	75,978			
4	Flattener	11,051			
5	Short rate up	35,977			
6	Short rate down	40,869			
7	Maximum	96,900		74,491	
		e		f	
		September 30, 2018		September 30, 2017	
8	Tier 1 Capital	¥ 2,557,849			

Composition of Leverage Ratio

Consolidated

As of September 30			Millions of Yen, %	
Basel III Template No. (Table 2)	Basel III Template No. (Table 1)	Items	2018	2017
On-Balance Sheet Exposures				
1		On-Balance Sheet Exposures before Deducting Adjustment Items	¥ 54,566,594	¥ 52,140,765
1a	1	Total Assets Reported in the Consolidated Balance Sheet	57,181,155	54,763,740
1b	2	The Amount of Assets of Subsidiaries that are not Included in the Scope of the Leverage Ratio on a Consolidated Basis (Deduction)	—	—
1c	7	The Amount of Assets of Subsidiaries that are Included in the Scope of the Leverage Ratio on a Consolidated Basis (except Those Included in the Total Assets Reported in the Consolidated Balance Sheet)	—	—
1d	3	The Amount of Assets that are Deducted from the Total Assets Reported in the Consolidated Balance Sheet (except Adjustment Items) (Deduction)	2,614,560	2,622,974
2	7	The Amount of Adjustment Items Pertaining to Tier 1 Capital (Deduction)	277,629	236,566
3		Total On-Balance Sheet Exposures (A)	54,288,965	51,904,199
Exposures Related to Derivative Transactions				
4		Replacement Cost Associated with Derivatives Transactions, etc.	475,917	630,066
5		Add-On Amount Associated with Derivatives Transactions, etc.	973,174	1,167,951
		The Amount of Receivables Arising from Providing Cash Margin in Relation to Derivatives Transactions, etc.	573,764	655,875
6		The Amount of Receivables Arising from Providing Cash Margin, Provided where Deducted from the Consolidated Balance Sheet Pursuant to the Operative Accounting Framework	—	—
7		The Amount of Deductions of Receivables (out of those Arising from Providing Cash Variation Margin) (Deduction)	186,460	239,508
8		The Amount of Client-Cleared Trade Exposures for which a Bank or Bank Holding Company Acting as Clearing Member is not Obligated to Make Any Indemnification (Deduction)		
9		Adjusted Effective Notional Amount of Written Credit Derivatives	86,400	77,900
10		The Amount of Deductions from Effective Notional Amount of Written Credit Derivatives (Deduction)	86,400	77,900
11	4	Total Exposures Related to Derivative Transactions (B)	1,836,396	2,214,384
Exposures Related to Repo Transactions				
12		The Amount of Assets Related to Repo Transactions, etc.	759,290	691,285
13		The Amount of Deductions from the Assets Above (Line 12) (Deduction)	—	—
14		The Exposures for Counterparty Credit Risk for Repo Transactions, etc.	144,227	200,120
15		The Exposures for Agent Repo Transaction		
16	5	The Total Exposures Related to Repo Transactions, etc. (C)	903,518	891,406
Exposures Related to Off-Balance Sheet Transactions				
17		Notional Amount of Off-Balance Sheet Transactions	7,344,315	7,311,086
18		The Amount of Adjustments for Conversion in Relation to Off-Balance Sheet Transactions (Deduction)	4,745,693	4,739,360
19	6	Total Exposures Related to Off-Balance Sheet Transactions (D)	2,598,621	2,571,725
Leverage Ratio on a Consolidated Basis				
20		The Amount of Capital (Tier 1 Capital) (E)	2,557,849	2,551,919
21	8	Total Exposures (F) = (A)+(B)+(C)+(D)	¥ 59,627,501	¥ 57,581,715
22		Leverage Ratio on a Consolidated Basis (G) = (E)/(F)	4.28%	4.43%

Liquidity Coverage Ratio (LCR)

Consolidated

Quantitative Disclosure Items for the Liquidity Coverage Ratio (LCR) on a consolidated basis

Items		Millions of Yen, %, the Number of Data			
		Fiscal Year 2018 2nd Quarter		Fiscal Year 2018 1st Quarter	
High-Quality Liquid Assets (1)					
1	Total high-quality liquid assets (HQLA)	¥ 16,132,916		¥ 15,641,897	
Cash Outflows (2)		Total Unweighted Value	Total Weighted Value	Total Unweighted Value	Total Weighted Value
2	Cash outflows related to unsecured retail funding	¥ 17,553,696	¥ 801,154	¥ 17,551,900	¥ 791,015
3	of which: Stable deposits	650,216	19,506	628,482	18,854
4	of which: Less stable deposits	7,778,127	781,648	7,679,725	772,160
5	Cash outflows related to unsecured wholesale funding	13,304,168	9,374,810	12,798,839	8,954,168
6	of which: Qualifying operational deposits	0	0	0	0
7	of which: Cash outflows related to unsecured wholesale funding other than qualifying operational deposits and debt securities	10,988,681	7,059,323	10,443,901	6,599,230
8	of which: Debt securities	2,315,487	2,315,487	2,354,938	2,354,938
9	Cash outflows related to secured funding, etc.	78,963		69,245	
10	Cash outflows related to derivative transactions, etc. funding programs, credit and liquidity facilities	5,251,155	1,259,291	5,337,409	1,343,359
11	of which: Cash outflows related to derivative transactions, etc.	478,788	478,788	545,240	545,240
12	of which: Cash outflows related to funding programs	0	0	0	0
13	of which: Cash outflows related to credit and liquidity facilities	4,772,367	780,503	4,792,169	798,119
14	Cash outflows related to contractual funding obligations, etc.	717,301	587,882	755,510	390,129
15	Cash outflows related to contingencies	10,614,231	23,327	10,795,703	24,291
16	Total cash outflows	12,125,427		11,572,207	
Cash Inflows (3)		Total Unweighted Value	Total Weighted Value	Total Unweighted Value	Total Weighted Value
17	Cash inflows related to secured lending, etc.	15,638	272	18,230	16,467
18	Cash inflows related to collection of loans, etc.	2,528,662	1,736,629	4,548,614	2,913,845
19	Other cash inflows	397,134	242,160	320,002	223,957
20	Total cash inflows	2,941,434	1,979,061	4,886,846	3,154,269
Consolidated Liquidity Coverage Ratio (4)					
21	Total HQLA allowed to be included in the calculation	16,132,916		15,641,897	
22	Net cash outflows	10,146,366		8,417,938	
23	Consolidated Liquidity Coverage Ratio (LCR)	159.0		185.8	
24	The number of data used to calculate the average value	62		62	

Qualitative Disclosure Items for the Liquidity Coverage Ratio (LCR) on a consolidated basis

(1) Items concerning fluctuations in the LCR over time

Our consolidated LCR has trended steadily for the most part in the past two years.

(2) Items concerning evaluation of the LCR level

Our consolidated LCR satisfies the required criteria and we do not expect the LCR to significantly fluctuate from the current level. Furthermore, the actual LCR is not significantly different from our forecast.

(3) Items concerning the composition of totals for eligible high-quality liquid assets

The majority of our eligible high-quality liquid assets are reserve deposit held at central banks and sovereign bonds. There have been no material fluctuations in the composition of currencies, their types and locations. Furthermore, there has been no material difference between totals for eligible high-quality assets and net cash outflows in major currencies.

(4) Other items concerning LCR

We apply neither the "treatment for qualifying operational deposit" nor the "additional collateral required to market valuation changes based on the scenario approach" on a consolidated basis.

Furthermore, taking account of the impact to LCR, we are using month-end data in lieu of daily data for the consolidated subsidiary companies of minor importance with practical restrictions.

Disclosure Data for First Half of Fiscal Year 2017 (as of September 30, 2017)

Capital Adequacy

Consolidated

Amounts of Required Capital

(1) Amounts of required capital against credit risk (excluding equity exposures to which the IRB Approach is applied and exposures held in funds)

As of September 30	Millions of Yen	
	2017	
Portfolios to Which the Standardised Approach is Applied	¥	59,477
Exposures to Business Units Set for Phased Roll-out Application		21,432
Exposures Excluded from Application		38,045
Portfolios to Which the IRB Approach is Applied and Breakdown by Portfolio		1,212,372
Corporate Exposures		868,882
Sovereign Exposures		16,085
Financial Institution Exposures		35,581
Residential Mortgage Exposures		115,900
Qualifying Revolving Retail Exposures		1,666
Other Retail Exposures		25,387
Other Exposures* ¹		148,869
Securitisation Exposures		12,002

*1. Other exposures refer to the exposures below.

Purchased receivables, unsettled transactions, lease transactions, CVA risk, central counterparty-related, equities, with 250% risk-weight applied and other assets

*2. The calculation method of the amounts of required capital against credit risk is as follows:

Portfolios to which the Standardised Approach is applied: amount of credit risk-weighted assets x 8%

Portfolios to which the IRB Approach is applied: (amount of credit risk-weighted assets x 1.06) x 8% + expected loss amount

Securitisation exposures: (amount of credit risk-weighted assets x 1.06) x 8% + expected loss amount

(2) Amounts of required capital against credit risk concerning equity exposures to which the IRB Approach is applied

As of September 30	Millions of Yen	
	2017	
Equity Exposures	¥	132,029
PD/LGD Approach		110,468
Simple Risk-Weight Method of the Market-based Approach		21,560
Internal Model Method of the Market-based Approach		—

Note: The calculation method of the amounts of required capital against credit risk concerning equity exposures to which the IRB Approach is applied is as follows:

Those applicable to the PD/LGD approach: (amount of credit risk-weighted assets x 1.06) x 8%

Those applicable to the simple risk-weight method of the market-based approach: (amount of credit risk-weighted assets x 1.06) x 8%

(3) Amounts of required capital against credit risk concerning exposures held in funds

As of September 30	Millions of Yen	
	2017	
Exposures Held in Funds*	¥	144,889

* (Amount of credit risk-weighted assets x 1.06) x 8% + expected loss amount

(4) Amounts of required capital against market risk

	Millions of Yen
As of September 30	2017
Market Risk	¥ 59,296
Amounts of Required Capital by Category under the Standardised Approach	11,139
Interest Rate Risk	6,198
Equity Position Risk	—
Foreign Exchange Risk	4,941
Commodities Risk	—
Options Transactions	—
Internal Model Approach	48,156

(5) Amounts of required capital against operational risk

	Millions of Yen
As of September 30	2017
Operational Risk	¥ 76,784
Advanced Measurement Approach	64,012
Standardised Approach	—
Basic Indicator Approach	12,771

(6) Consolidated total required capital

	Millions of Yen
As of September 30	2017
Consolidated Total Required Capital*	¥ 1,556,897

* (Total amount of credit risk-weighted assets + market risk equivalents/8% + operational risk equivalents/8%) x 8%

Credit Risk

Consolidated

Term-end Balance of Credit Risk Exposures by Category and their Breakdown by Major Type of Assets

As of September 30	Millions of Yen					
	2017					
	Credit Risk Exposures					Exposures Three Months or Longer Overdue or Exposures in Default
		Loans, Call Loans, Deposits, etc.	Securities	Derivative Transactions	Other Off-balance Sheet Transactions	
Japan	¥ 44,394,482	¥ 39,042,005	¥ 1,990,869	¥ 389,911	¥ 2,971,696	¥ 114,471
Outside Japan	7,023,192	4,942,181	1,167,751	339,685	573,574	17,300
Total for Geographic Regions	¥ 51,417,675	¥ 43,984,187	¥ 3,158,621	¥ 729,596	¥ 3,545,270	¥ 131,772
Manufacturing	4,380,128	2,818,853	494,300	28,905	1,038,069	11,005
Agriculture and Forestry	4,992	4,865	10	100	15	—
Fisheries	88	43	44	—	—	—
Mining and Quarrying of Stones and Gravel	22,340	7,302	201	—	14,836	—
Construction	219,123	132,086	28,088	861	58,087	13
Electricity, Gas, Heat Supply and Water	1,170,895	939,214	17,007	15,698	198,973	—
Information and Communication	594,771	531,039	5,579	807	57,344	—
Transport and Postal Activities	1,428,620	1,155,644	149,463	16,619	106,892	58
Wholesale and Retail Trade	1,873,426	1,502,918	81,448	3,353	285,706	1,690
Finance and Insurance	2,371,344	1,616,073	306,745	265,795	182,729	228
Real Estate	3,975,658	3,247,911	399,911	26,543	301,292	12,559
Goods Rental and Leasing	958,619	855,081	7,512	1,016	95,009	224
Local Public Bodies	91,921	77,152	4,808	—	9,960	—
Individuals	9,728,845	9,589,169	—	—	139,675	71,336
Others	24,596,898	21,506,830	1,663,498	369,893	1,056,676	34,656
Total for Industry Sectors	¥ 51,417,675	¥ 43,984,187	¥ 3,158,621	¥ 729,596	¥ 3,545,270	¥ 131,772
To 1 year	8,960,428	6,713,577	526,464	242,572	1,477,814	
> 1 year to 3 years	5,423,968	4,377,031	281,529	84,383	681,023	
> 3 years to 5 years	18,915,931	17,815,650	485,585	109,348	505,348	
> 5 years	18,117,346	15,077,929	1,865,041	293,291	881,083	
Total for Residual Maturity	¥ 51,417,675	¥ 43,984,187	¥ 3,158,621	¥ 729,596	¥ 3,545,270	
Average Balance during the Period	¥ 50,557,325	¥ 43,057,823	¥ 3,205,492	¥ 733,973	¥ 3,560,036	

Notes: 1. Of exposures subject to the calculation of credit risk-weighted assets, the above lists corporate, retail, equities, etc., purchased receivables, lease transactions as well as phased application exposures.

2. "Others" in the industry sectors include non-residents and state public services. Exposures for residual maturity of over five years include those with no fixed maturities.

3. "Average Balance during the Period" is the average of the balance as of March 31, 2017 and September 30, 2017.

4. The above data represents amounts after credit risk mitigation effects of netting contracts allowed under the law and netting against the obligor's cash on deposit.

Balance and Changes of General Allowance for Loan Losses, Specific Allowance for Loan Losses, and Allowance for Loan Losses from Specified Foreign Country Borrowers

(1) General allowance for loan losses

	Millions of Yen		
	September 30, 2017	March 31, 2017	Change
	Balance	Balance	
General Allowance for Loan Losses	¥ 91,621	¥ 97,567	¥ (5,946)

(2) Specific allowance for loan losses (breakdown by region, industry sector)

	Millions of Yen		
	September 30, 2017	March 31, 2017	Change
	Balance	Balance	
Japan	¥ 9,636	¥ 15,260	¥ (5,624)
Outside Japan	2,905	2,966	(61)
Total for Geographic Regions	¥ 12,541	¥ 18,227	¥ (5,685)
Manufacturing	1,532	4,899	(3,366)
Agriculture and Forestry	0	1	0
Fisheries	—	—	—
Mining and Quarrying of Stones and Gravel	—	—	—
Construction	53	15	37
Electricity, Gas, Heat Supply and Water	6	128	(122)
Information and Communication	7	8	0
Transport and Postal Activities	2,243	3,403	(1,160)
Wholesale and Retail Trade	446	424	21
Finance and Insurance	139	184	(45)
Real Estate	86	342	(255)
Goods Rental and Leasing	2	5	(2)
Local Public Bodies	—	—	—
Individuals	4,700	4,650	50
Others	3,321	4,160	(839)
Total for Industry Sectors	¥ 12,541	¥ 18,227	¥ (5,685)

Note: "Others" in the industry sectors include non-residents and state public services.

(3) Allowance for loan losses from specified foreign country borrowers

Not applicable as of the end of September 2017 and March 2017.

Amounts of Written-off Loans by Industry Sector

	Millions of Yen
	Six Months Ended September 30, 2017
Manufacturing	¥ 504
Agriculture and Forestry	—
Fisheries	—
Mining and Quarrying of Stones and Gravel	—
Construction	2
Electricity, Gas, Heat Supply and Water	—
Information and Communication	1
Transport and Postal Activities	1
Wholesale and Retail Trade	6
Finance and Insurance	0
Real Estate	0
Goods Rental and Leasing	—
Local Public Bodies	—
Individuals	300
Others	710
Total for Industry Sectors	¥ 1,528

Note: "Others" in the industry sectors include non-residents and state public services.

Balance of Exposures to which the Standardised Approach is Applied by Risk-Weight Category

As of September 30	Millions of Yen	
	2017	Subject to Rating
Balance of Exposures to which the Standardised Approach is Applied after Allowing for the Credit Risk Mitigation Effect by Risk-Weight Category	¥ 1,420,958	¥ 17,003
0%	269,654	—
10%	—	—
20%	393,161	20
35%	—	—
50%	160,814	13,919
75%	—	—
100%	597,325	3,064
150%	1	—
Amounts of exposures with 1,250% risk-weight applied	—	—

Exposures to which the IRB Approach is Applied

As of September 30		Millions of Yen
		2017
Specialised Lending under the Slotting Criteria		¥ 2,047,233
High-Volatility Commercial Real Estate Exposures		286,386
Maturities of 2.5 Years or Longer		235,730
Strong	95%	36,086
Good	120%	60,494
Satisfactory	140%	139,149
Weak	250%	—
Default	0%	—
Maturities of Less than 2.5 Years		50,655
Strong	70%	1,162
Good	95%	21,351
Satisfactory	140%	28,141
Weak	250%	—
Default	0%	—
Other Exposures		¥ 1,760,847
Maturities of 2.5 Years or Longer		1,612,705
Strong	70%	498,545
Good	90%	823,320
Satisfactory	115%	254,094
Weak	250%	36,745
Default	0%	—
Maturities of Less than 2.5 Years		148,142
Strong	50%	34,327
Good	70%	73,747
Satisfactory	115%	28,717
Weak	250%	11,349
Default	0%	—
Equity Exposures to which the Simple Risk-Weight Method of the Market-based Approach is Applied		¥ 79,277
300%		62,859
400%		16,418

Portfolios to which the IRB Approach is Applied

(1) Corporate exposures

	Millions of Yen						
	2017						
	Weighted Average of PD Value	Weighted Average of LGD Value	Weighted Average of EL_default	Weighted Average of Risk-Weight	EAD Value		Undrawn Commitments
As of September 30					On-balance Sheet Asset Items	Off-balance Sheet Asset Items	CCF
Ordinary Assets (Seijo-Saki)	0.38%	32.79%	/	38.75%	¥ 14,536,764	¥ 2,625,179	¥ 2,094,697
Assets to Special Mention Debtors (Yo-Chui-Saki) (Not Including Assets to Substandard Debtors)	17.92%	33.65%	/	176.50%	357,546	133,484	105,859
Substandard Debtors (Yo-Kanri-Saki) or Worse	100.00%	39.78%	38.95%	10.91%	47,838	9,130	562
Total	1.19%	32.84%	/	42.48%	¥ 14,942,149	¥ 2,767,793	¥ 2,201,119

(2) Sovereign exposures

	Millions of Yen						
	2017						
	Weighted Average of PD Value	Weighted Average of LGD Value	Weighted Average of EL_default	Weighted Average of Risk-Weight	EAD Value		Undrawn Commitments
As of September 30					On-balance Sheet Asset Items	Off-balance Sheet Asset Items	CCF
Ordinary Assets (Seijo-Saki)	0.00%	44.11%	/	0.80%	¥ 17,544,732	¥ 138,870	¥ 21,674
Assets to Special Mention Debtors (Yo-Chui-Saki) (Not Including Assets to Substandard Debtors)	34.12%	45.00%	/	282.39%	11,283	746	—
Substandard Debtors (Yo-Kanri-Saki) or Worse	—	—	—	—	—	—	—
Total	0.03%	44.11%	/	0.99%	¥ 17,556,016	¥ 139,617	¥ 21,674

(3) Financial Institution exposures

	Millions of Yen						
	2017						
	Weighted Average of PD Value	Weighted Average of LGD Value	Weighted Average of EL_default	Weighted Average of Risk-Weight	EAD Value		Undrawn Commitments
As of September 30					On-balance Sheet Asset Items	Off-balance Sheet Asset Items	CCF
Ordinary Assets (Seijo-Saki)	0.13%	41.12%	/	25.46%	¥ 1,030,099	¥ 671,667	¥ 74,729
Assets to Special Mention Debtors (Yo-Chui-Saki) (Not Including Assets to Substandard Debtors)	—	—	/	—	—	—	—
Substandard Debtors (Yo-Kanri-Saki) or Worse	—	—	—	—	—	—	—
Total	0.13%	41.12%	/	25.46%	¥ 1,030,099	¥ 671,667	¥ 74,729

(4) Equity exposures under the PD/LGD Approach

	Millions of Yen		
	2017		
	Weighted Average of PD Value	Weighted Average of Risk-Weight	Balance
As of September 30			
Ordinary Assets (Seijo-Saki)	0.22%	144.93%	¥ 928,256
Assets to Special Mention Debtors (Yo-Chui-Saki) (Not Including Assets to Substandard Debtors)	14.05%	656.84%	5,393
Substandard Debtors (Yo-Kanri-Saki) or Worse	100.00%	1,192.50%	8
Total	0.30%	147.90%	¥ 933,658

Note: Weighted average of risk-weight include the amounts obtained by multiplying the expected loss amounts by 1,250% risk-weight.

(5) Residential mortgage exposures, qualifying revolving retail exposures, and other retail exposures

As of September 30	Millions of Yen							
	2017							
	Weighted Average of PD Value	Weighted Average of LGD Value	Weighted Average of EL_default	Weighted Average of Risk-Weight	EAD Value		Undrawn Commitments	CCF
					On-balance Sheet Asset Items	Off-balance Sheet Asset Items		
Residential Mortgage								
Current	0.24%	26.84%		12.33%	¥ 8,637,640	¥ 25,824	¥ 1,239	100.00%
Overdue	21.27%	27.46%		163.44%	75,601	71	—	—
Default	100.00%	28.92%	21.34%	100.47%	36,022	19	—	—
Qualifying Revolving Retail								
Current	0.46%	74.32%		15.58%	20,439	56,109	620,234	9.05%
Overdue	35.14%	69.64%		189.20%	169	84	628	13.45%
Default	100.00%	75.34%	73.77%	20.74%	172	288	3,536	8.16%
Other Retail (consumer)								
Current	0.77%	61.97%		45.88%	160,214	54,141	168,757	28.47%
Overdue	32.89%	37.26%		97.15%	620	599	88	23.90%
Default	100.00%	45.19%	34.63%	139.87%	3,452	376	1,143	22.51%
Other Retail (commercial)								
Current	0.94%	33.67%		30.21%	384,631	2,639	1,734	100.00%
Overdue	37.24%	31.50%		84.45%	2,669	1	1	100.00%
Default	100.00%	36.74%	34.56%	28.93%	9,450	184	46	100.00%
Total	0.99%	28.34%		15.50%	¥ 9,331,085	¥ 140,341	¥ 797,411	13.52%

Actual Credit Losses in the Current Period and Year-on-Year Change for Portfolios to which the IRB Approach is Applied

	Millions of Yen			
	Six Months Ended September 30, 2017			
	Actual Credit Losses	Provisions	Reversals	Change in Actual Credit Losses
Corporate Exposures	¥ (5,945)	¥ 2,725	¥ (8,670)	¥ (3,694)
Sovereign Exposures	43	61	(18)	407
Financial Institution Exposures	0	0	—	(28)
Retail Exposures	1,013	2,082	(1,068)	(984)

Note: Of total credit costs, only those that can be identified as stemming from specified asset classes are shown in the table.

Factor Analysis

In the first half of FY2017, actual credit losses decreased by ¥4.2 billion year on year.

This was mainly due to the recognition of only a limited amount of new non-performing loans in our corporate exposures, as well as the booking of reversals from loan loss allowances with the improvement in the credit status of specific obligors in this category.

Estimated Credit Losses and Comparable Actual Credit Losses for Portfolios to which the IRB Approach is Applied

	Millions of Yen	
	Six Months Ended September 30, 2017	Six Months Ended September 30, 2016
	Actual Credit Losses	Estimated Credit Losses
Corporate Exposures	¥ 21,132	¥ 92,363
Sovereign Exposures	(633)	1,965
Financial Institution Exposures	(25)	992
Retail Exposures	3,319	26,243

Notes: 1. Estimated credit losses for the first half of fiscal year 2016 are the expected loss amount as of September 30, 2016.

2. Actual credit losses for the first half of fiscal year 2017 are the sum of the losses for the most recent one-year period ended September 30, 2017.

	Millions of Yen	
	Six Months Ended September 30, 2016	Six Months Ended September 30, 2015
	Actual Credit Losses	Estimated Credit Losses
Corporate Exposures	¥ 11,548	¥ 104,393
Sovereign Exposures	2,582	2,514
Financial Institution Exposures	27	1,276
Retail Exposures	11,193	25,794

Notes: 1. Estimated credit losses for the first half of fiscal year 2015 are the expected loss amount as of September 30, 2015.

2. Actual credit losses for the first half of fiscal year 2016 are the sum of the losses for the most recent one-year period ended September 30, 2016.

	Millions of Yen	
	Six Months Ended September 30, 2015	Six Months Ended September 30, 2014
	Actual Credit Losses	Estimated Credit Losses
Corporate Exposures	¥ (7,031)	¥ 173,153
Sovereign Exposures	1,031	362
Financial Institution Exposures	3	921
Retail Exposures	3,304	34,663

Notes: 1. Estimated credit losses for the first half of fiscal year 2014 are the expected loss amount as of September 30, 2014.

2. Actual credit losses for the first half of fiscal year 2015 are the sum of the losses for the most recent one-year period ended September 30, 2015.

	Millions of Yen	
	Six Months Ended September 30, 2014	Six Months Ended September 30, 2013
	Actual Credit Losses	Estimated Credit Losses
Corporate Exposures	¥ (4,095)	¥ 191,299
Sovereign Exposures	(66)	522
Financial Institution Exposures	(5)	901
Retail Exposures	484	34,992

Notes: 1. Estimated credit losses for the first half of fiscal year 2013 are the expected loss amount as of September 30, 2013.

2. Actual credit losses for the first half of fiscal year 2014 are the sum of the losses for the most recent one-year period ended September 30, 2014.

	Millions of Yen	
	Six Months Ended September 30, 2013	Six Months Ended September 30, 2012
	Actual Credit Losses	Estimated Credit Losses
Corporate Exposures	¥ (2,782)	¥ 183,465
Sovereign Exposures	(1)	309
Financial Institution Exposures	(29)	1,045
Retail Exposures	1,297	27,019

Notes: 1. Estimated credit losses for the first half of fiscal year 2012 are the expected loss amount as of September 30, 2012.

2. Actual credit losses for the first half of fiscal year 2013 are the sum of the losses for the most recent one-year period ended September 30, 2013.

	Millions of Yen	
	Six Months Ended September 30, 2012	Six Months Ended September 30, 2011
	Actual Credit Losses	Estimated Credit Losses
Corporate Exposures	¥ 8,781	¥ 183,995
Sovereign Exposures	(21)	301
Financial Institution Exposures	7	1,079
Retail Exposures	2,379	34,177

Notes: 1. Estimated credit losses for the first half of fiscal year 2011 are the expected loss amount as of September 30, 2011.

2. Actual credit losses for the first half of fiscal year 2012 are the sum of the losses for the most recent one-year period ended September 30, 2012.

	Millions of Yen	
	Six Months Ended September 30, 2011	Six Months Ended September 30, 2010
	Actual Credit Losses	Estimated Credit Losses
Corporate Exposures	¥ 12,553	¥ 213,311
Sovereign Exposures	4,753	227
Financial Institution Exposures	(346)	3,526
Retail Exposures	2,215	36,493

Notes: 1. Estimated credit losses for the first half of fiscal year 2010 are the expected loss amount as of September 30, 2010.

2. Actual credit losses for the first half of fiscal year 2011 are the sum of the losses for the most recent one-year period ended September 30, 2011.

Credit Risk Mitigation Techniques

Consolidated

Amounts of Exposures to which Credit Risk Mitigation Techniques are Applied

As of September 30	Millions of Yen			
	2017			
	Eligible Financial Collateral	Other Eligible Collateral	Guarantees	Credit Derivatives
Portfolios to which the Standardised Approach is Applied	¥ 951,158	¥ —	¥ —	¥ —
Portfolios to which the IRB Approach is Applied	2,740,338	239,167	326,568	—
Corporate Exposures	623,068	234,548	178,317	—
Sovereign Exposures	37,356	4,619	147,408	—
Financial Institution Exposures	2,079,913	—	842	—
Retail Exposures	—	—	—	—

Counterparty Risk in Derivative and Long-term Settlement Transactions

Consolidated

Derivative Transactions

As of September 30	Millions of Yen
	2017
Aggregate Sum of Amounts of Gross Reconstruction Costs (limited only to those not below zero)	¥ 1,444,545
Credit Equivalents Before Effect of Mitigation by Collateral under the Credit Risk Mitigation Technique	825,739
Foreign Exchange Related	961,370
Interest Rate Related	1,208,055
Credit Derivatives	9,288
Others	304
Effect of Mitigating Credit Equivalents Due to Close-out Netting Contracts (Deduction)	1,353,279
Amounts of Collateral	95,220
Deposits	93,606
Securities	1,614
Credit Equivalents After Effect of Mitigation by Collateral under the Credit Risk Mitigation Technique	730,519
Notional Principal Amounts of Credit Derivatives Subject to the Calculation of Credit Equivalents	150,300
Purchasing Protection by Credit Default Swaps	74,400
Providing Protection by Credit Default Swaps	75,900
Notional Principal Amounts of Credit Derivatives Used to Allow for the Effect of Credit Risk Mitigation Technique	—

Note: Credit equivalents are calculated with the current exposure approach.

Long-term Settlement Transactions

As of September 30	Millions of Yen
	2017
Aggregate Sum of Amounts of Gross Reconstruction Costs (limited only to those not below zero)	¥ —
Credit Equivalents Before Effect of Mitigation by Collateral under the Credit Risk Mitigation Technique	7
Amounts of Collateral	—
Credit Equivalents After Effect of Mitigation by Collateral under the Credit Risk Mitigation Technique	7

Note: Credit equivalents are calculated with the current exposure approach.

Securitisation Exposures

Consolidated

Securitisation Exposures Originated by the SuMi TRUST Bank Group

First Half of Fiscal Year 2017

Subject to the Calculation of Credit Risk-Weighted Assets

(1) Outline of securitisations during the first half of fiscal year 2017, type and status of principal underlying assets

Not applicable.

(2) Amounts of securitisation exposures held and breakdown of main principal underlying assets by type

As of September 30	Millions of Yen				
	2017				
	Exposure Amounts		Aggregate Sum of Underlying Assets		
	On-balance Sheet Transactions	Off-balance Sheet Transactions		Asset Transfer-Type Securitisation Transactions	Synthetic Securitisation Transaction
Securitisation Exposures except					
Resecuritisation Exposures	¥ 38,005	¥ —	¥ 179,895	¥ 179,895	¥ —
Residential Mortgage Loans	38,005	—	179,895	179,895	—
Others	—	—	—	—	—
Resecuritisation Exposures	—	—	—	—	—
Total	¥ 38,005	¥ —	¥ 179,895	¥ 179,895	¥ —

(3) Cumulative total of underlying assets overdue for three months or longer or in default related to securitisation exposures held, cumulative total of losses, and breakdown by type of main principal underlying assets

	Millions of Yen	
	Six Months Ended September 30, 2017	
	Cumulative Total of Underlying Assets Overdue for Three Months or Longer or in Default	Cumulative Total Losses
Residential Mortgage Loans	¥ 84	¥ (15)
Others	—	—
Total	¥ 84	¥ (15)

(4) Amounts of assets held for the purpose of securitisation transactions and breakdown of principal assets by type

Not applicable.

(5) Balance and amounts of required capital of securitisation exposures held by risk-weight category

As of September 30	Millions of Yen			
	2017			
	Balance		Required Capital	
	On-balance Sheet Transactions	Off-balance Sheet Transactions	On-balance Sheet Transactions	Off-balance Sheet Transactions
Securitisation Exposures except				
Resecuritisation Exposures (IRB Approach)	¥ 38,005	¥ —	¥ 4,531	¥ —
Less than 20%	—	—	—	—
20% to Less than 50%	16,245	—	445	—
50% to Less than 100%	15,143	—	680	—
100% to Less than 350%	3,816	—	436	—
350% to Less than 1,250%	—	—	—	—
1,250%	2,800	—	2,968	—
Resecuritisation Exposures (IRB Approach)	—	—	—	—
Less than 20%	—	—	—	—
20% to Less than 50%	—	—	—	—
50% to Less than 100%	—	—	—	—
100% to Less than 350%	—	—	—	—
350% to Less than 1,250%	—	—	—	—
1,250%	—	—	—	—
Total	¥ 38,005	¥ —	¥ 4,531	¥ —

(6) Amounts equivalent to the increase in capital following securitisation and breakdown by type of principal underlying assets

As of September 30	Millions of Yen
	2017
Residential Mortgage Loans	¥ 1,905
Others	—
Total	¥ 1,905

(7) Amounts of securitisation exposures by type of principal underlying assets risk-weighted at 1,250% under provisions of the Notification, Article 247

As of September 30	Millions of Yen
	2017
Residential Mortgage Loans	¥ 2,800
Others	—
Total	¥ 2,800

(8) Items by type of principal underlying assets of securitisation exposures with early redemption clauses

Not applicable.

(9) Application of credit risk mitigation techniques to resecuritisation exposures held

Not applicable.

(10) Amounts of gains/losses on sale following securitisation transactions recognized during the first half of fiscal year 2017 and breakdown by type of principal underlying assets

Not applicable.

Subject to the Calculation of Market Risk Assets

Not applicable.

Securitisation Exposures Purchased by the SuMi TRUST Bank Group

First Half of Fiscal Year 2017

Subject to the Calculation of Credit Risk-Weighted Assets

(1) Amounts of securitisation exposures held and breakdown of main principal underlying assets by type

As of September 30	Millions of Yen	
	2017	
	Exposure Amounts	
	On-balance Sheet Transactions	Off-balance Sheet Transactions
Securitisation Exposures except Resecuritisation Exposures	¥ 766,168	¥ 72,291
Residential Mortgage Loans	170,019	6,373
Credit Card Loans	34,479	255
Claims on Lease Payments, Installment Receivables	155,567	13,388
Commercial Real Estate-Secured Loans	3,395	—
Other Claims on Corporates	402,706	52,273
Resecuritisation Exposures	1,397	—
Securitisation Exposures to Residential Mortgage Loans and Residential Mortgage Loans as Underlying Assets	—	—
Securitisation Exposures to Commercial Real Estate Secured Loans and Commercial Real Estate Secured Loans as Underlying Assets	—	—
Securitisation Exposures to Other Claims on Corporates and Other Claims on Corporates as Underlying Assets	1,397	—
Total	¥ 767,565	¥ 72,291

(2) Balance and amounts of required capital of securitisation exposures held by risk-weight category

As of September 30	Millions of Yen			
	2017			
	Balance		Required Capital	
	On-balance Sheet Transactions	Off-balance Sheet Transactions	On-balance Sheet Transactions	Off-balance Sheet Transactions
Securitisation Exposures except Resecuritisation Exposures (IRB Approach)	¥ 766,168	¥ 72,291	¥ 5,752	¥ 1,684
Less than 20%	741,029	48,235	4,487	286
20% to Less than 50%	10,171	717	181	21
50% to Less than 100%	11,411	23,338	583	1,376
100% to Less than 350%	3,395	—	330	—
350% to Less than 1,250%	—	—	—	—
1,250%	159	—	168	—
Resecuritisation Exposures (IRB Approach)	1,397	—	34	—
Less than 20%	—	—	—	—
20% to Less than 50%	1,397	—	34	—
50% to Less than 100%	—	—	—	—
100% to Less than 350%	—	—	—	—
350% to Less than 1,250%	—	—	—	—
1,250%	—	—	—	—
Total	¥ 767,565	¥ 72,291	¥ 5,786	¥ 1,684

(3) Amounts of securitisation exposures by type of underlying assets risk-weighted at 1,250% under provisions of the Notification, Article 247

As of September 30	Millions of Yen
	2017
Residential Mortgage Loans	¥ 159
Credit Card Loans	—
Claims on Lease Payments, Installment Receivables	—
Commercial Real Estate-Secured Loans	—
Other Claims on Corporates	—
Total	¥ 159

(4) Application of credit risk mitigation techniques to resecuritisation exposures held

Not applicable.

Subject to the Calculation of Market Risk Assets

Not applicable.

Market Risk

Consolidated

(1) Value at Risk (VaR) as of the end of period and maximum, mean, and minimum VaR for the period

	Billions of Yen			
	As of September 30, 2017	Six Months Ended September 30, 2017		
		Maximum	Minimum	Mean
VaR in Banking Account	¥ 866.3	¥ 1,122.8	¥ 774.9	¥ 922.2
VaR in Trading Account	5.1	7.2	2.6	4.9

VaR Measurement Standards (We implemented model revisions relating to Value at Risk (VaR) measurement from the base date of June 23, 2017)
(Through the base date of June 22, 2017)

Measurement method: Hybrid method (combines variance-covariance method for calculating VaR with the historical simulation method)

Banking account Confidence interval: one-tailed 99% Holding period: 21 business days to 1 year Observation period: 1 year

Trading account Confidence interval: one-tailed 99% Holding period: 10 business days Observation period: 1 year

(After the base date of June 23, 2017)

Measurement method: Historical simulation method

Banking account Confidence interval: one-tailed 99% Holding period: 21 business days to 1 year Observation period: 5 years (exponential weight applied)

Trading account Confidence interval: one-tailed 99% Holding period: 10 business days Observation period: 5 years (exponential weight applied)

(2) Term-end Stressed Value at Risk and maximum, mean and minimum of Stressed Value at Risk for the period

	Billions of Yen			
	As of September 30, 2017	Six Months Ended September 30, 2017		
		Maximum	Minimum	Mean
Stressed VaR in Trading Account	¥ 21.5 [6.8]	¥ 21.5 [6.8]	¥ 3.8 [1.2]	¥ 8.1 [2.5]

Stressed VaR Measurement Standards (We implemented model revisions relating to Stressed Value at Risk (Stressed VaR) measurement from the base date of June 23, 2017) (Through the base date of June 22, 2017)

Measurement method: Hybrid method (combines variance-covariance method for calculating Stressed VaR with the historical simulation method)

Trading account Confidence interval: one-tailed 99% Holding period: 10 business days Observation period: 1 year

(After the base date of June 23, 2017)

Measurement method: Historical simulation method

Trading account Confidence interval: one-tailed 99% Holding period: 10 business days Observation period: 1 year

The figures inside the square brackets above denote stress VaR in a case where the holding period is one business day.

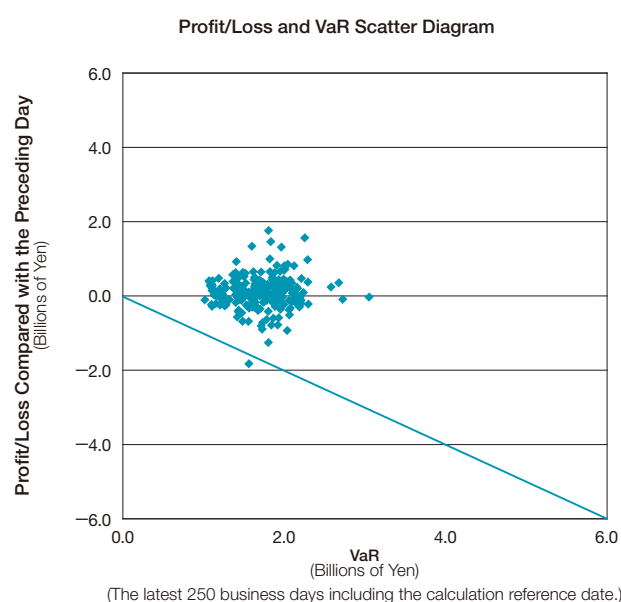
(3) The amounts of required capital related to term-end incremental risk and comprehensive risk, and maximum, mean and minimum amounts of required capital related to incremental risk and comprehensive risk for the period

Not applicable in the first half of fiscal year 2017.

(4) Results of back testing and reasons for large downward deviations between actual losses and VaR

- Back testing of the trading account

First Half of Fiscal Year 2017



Note: As shown above, for the first half of fiscal year 2017 back testing of the trading accounts shows one instance of losses in excess of VaR.

Capital Subscriptions or Equity Exposures in the Banking Account

Consolidated

As of September 30	Millions of Yen			
	2017			
	Book Value		Fair Value	
Consolidated Book and Fair Values* ¹				
Listed Shares Exposures	¥ 1,488,571		¥ 1,488,571	
Capital Subscriptions or Equity Exposures Other than Above	59,000		59,000	
Amounts of Gains/Losses on Sales and Write-offs of Capital Subscriptions or Equity Exposures* ²	Gains/Losses	Gains	Losses	Write-offs
	9,513	10,393	879	0
Amounts of Unrealized Gains/Losses Recognized				
in the Consolidated Balance Sheets and not Recognized in the Consolidated Statements of Income	845,296			
Amounts of Unrealized Gains/Losses not Recognized				
in the Consolidated Balance Sheets and Statements of Income	Not applicable			

*1. Figures for available-for-sale securities include only Japanese and foreign stocks.

*2. Consolidated statements of income show gains/losses on stockholdings and related write-offs.

	Millions of Yen
	2017
As of September 30	
Amounts by Portfolio Category	¥ 1,012,906
Portfolios Adopting the Market-based Approach	79,277
Portfolios Adopting the PD/LGD Approach	933,628

Note: Amounts by portfolio category show exposures subject to the calculation of credit risk-weighted assets.

Gains/Losses and Changes in Economic Value Due to Interest Rate Shocks under Internal Control Management Used by the SuMi TRUST Bank Group Regarding Interest Rate Risk in the Banking Account

Consolidated

• Outlier ratios

	Millions of Yen, %	
	2017	
As of September 30		
Overall Amounts of Interest Rate Risk	¥	112,126
Japanese Yen Interest Rates		40,647
U.S. Dollar Interest Rates		59,919
Other Interest Rates		11,559
Outlier Ratios		3.6%

Note: The above table indicates figures calculated by individual banks in accordance with the outlier standard specified by the "Comprehensive Guidelines for Supervision of Major Banks, etc." and based on the following assumptions:

- Risk measurement method: Interest rate sensitivity approach
- Interest rate fluctuation scenario: An interest rate shock consisting of the 1st and 99th percentile of the fluctuation of interest rates measured for the one-year holding period and a minimum observation period of five years.
- Definition of the core deposits: The lowest of the following three is the upper limit on the core deposit amount (No.3 is adopted) and the maturity is five years (an average remaining term of 2.5 years): 1) The lowest balance of deposits in the past five years, 2) the balance left after deducting the maximum annual outflow of deposits in the past five years from the current balance of deposits, or 3) the amount equivalent to 50% of the current balance of deposits.

Disclosure Data for First Half of Fiscal Year 2018 (as of September 30, 2018)

KM1: Key Metrics

Non-consolidated

KM1 Basel III Template No.		Millions of yen, %				
		a	b	c	d	e
		September 30, 2018	June 30, 2018	March 31, 2018	December 31, 2017	September 30, 2017
Available capital (amounts)						
1	Common Equity Tier 1 (CET1)	¥ 2,105,502	¥ 2,180,808	¥ 2,121,524	¥ 2,125,555	¥ 2,068,378
2	Tier 1	2,445,502	2,580,808	2,521,524	2,523,428	2,466,308
3	Total capital	2,993,154	3,138,534	3,040,753	3,119,794	3,053,988
Risk-weighted assets (amounts)						
4	Total risk-weighted assets (RWA)	19,426,260	19,683,990	20,004,551	20,340,884	18,859,250
Risk-based capital ratios as a percentage of RWA						
5	Common Equity Tier 1 ratio (%)	10.83%	11.07%	10.60%	10.44%	10.96%
6	Tier 1 ratio (%)	12.58%	13.11%	12.60%	12.40%	13.07%
7	Total capital ratio (%)	15.40%	15.94%	15.20%	15.33%	16.19%

KM1		Millions of yen, %				
		Fiscal Year 2018 2nd Quarter	Fiscal Year 2018 1st Quarter	Fiscal Year 2017 4th Quarter	Fiscal Year 2017 3rd Quarter	Fiscal Year 2017 2nd Quarter
Basel III Template No.						
Liquidity Coverage Ratio (LCR)						
15	Total HQLA allowed to be included in the calculation	¥ 15,942,059	¥ 15,453,890	¥ 15,114,946	¥ 14,929,778	¥ 14,009,355
16	Net cash outflows	9,138,699	7,436,769	6,843,119	6,734,654	6,199,270
17	Non-consolidated LCR (%)	174.4%	207.8%	220.8%	221.6%	225.9%

Composition of Capital (Non-consolidated BIS capital adequacy ratio)

Non-consolidated

As of September 30		Millions of Yen, %			
Basel III Template No.	Items	2018	Amounts Excluded under Transitional Arrangements	2017	Amounts Excluded under Transitional Arrangements
Common Equity Tier 1 Capital: Instruments and Reserves					
1a+2-1c-26	Directly Issued Qualifying Common Share Capital Plus Related Capital Surplus and Retained Earnings	¥ 1,805,137		¥ 1,807,286	
1a	of Which: Capital Stock and Capital Surplus	752,237		798,270	
2	of Which: Retained Earnings	1,128,923		1,030,148	
1c	of Which: Treasury Stock (Deduction)	—		—	
26	of Which: Earnings to be Distributed (Deduction)	76,023		21,132	
	of Which: Others	—		—	
1b	Subscription Rights to Common Shares	—		—	
3	Valuation and Translation Adjustments	478,570		389,908	¥ 97,477
	Amount Allowed in Group Common Equity Tier 1 Subject to Transitional Arrangements	—		—	
6	Common Equity Tier 1 Capital: Instruments and Reserves (A)	2,283,708		2,197,195	
Common Equity Tier 1 Capital: Regulatory Adjustments					
8+9	Intangible Assets Other than Mortgage Servicing Rights (Net of Related Deferred Tax Liabilities)	45,428		38,200	9,550
8	of Which: Goodwill (Including Those Equivalent)	—		—	—
9	of Which: Other Intangible Assets	45,428		38,200	9,550
10	Deferred Tax Assets That Rely on Future Profitability Excluding Those Arising from Temporary Differences (Net of Related Deferred Tax Liabilities)	—		—	—
11	Deferred Gains or Losses on Derivatives under Hedge Accounting	(7,191)		(11,794)	(2,948)
12	Shortfall of Eligible Provisions to Expected Losses	23,224		13,208	3,302
13	Securitisation Gain on Sale	1,740		1,677	419
14	Gains and Losses Due to Changes in Own Credit Risk on Fair Valued Liabilities	—		—	—
15	Defined-Benefit Pension Fund Net Assets (Prepaid Pension Expenses) (Net of Related Deferred Tax Liabilities)	115,003		87,524	21,881
16	Investments in Own Shares (Excluding Those Reported in the Net Assets Section)	—		—	—
17	Reciprocal Cross-Holdings in Common Equity	—		—	—
	Investments in the Common Stock of Banking, Financial and Insurance Entities That are Outside the Scope of Regulatory Consolidation, Net of Eligible Short Positions, Where the Bank Does Not Own More than 10% of the Issued Share Capital (Amount above 10% Threshold)	—		—	—
18		—		—	—
19+20+21	Amount above the 10% Threshold on the Specified Items	—		—	—
	of Which: Significant Investments in the Common Stock of Banking, Financial and Insurance Entities That are Outside the Scope of Regulatory Consolidation, Net of Eligible Short Positions	—		—	—
19		—		—	—
20	of Which: Mortgage Servicing Rights	—		—	—
	of Which: Deferred Tax Assets Arising from Temporary Differences (Net of Related Deferred Tax Liabilities)	—		—	—
21		—		—	—
22	Amount Exceeding the 15% Threshold on the Specified Items	—		—	—
	of Which: Significant Investments in the Common Stock of Banking, Financial and Insurance Entities That are Outside the Scope of Regulatory Consolidation, Net of Eligible Short Positions	—		—	—
23		—		—	—
24	of Which: Mortgage Servicing Rights	—		—	—
	of Which: Deferred Tax Assets Arising from Temporary Differences (Net of Related Deferred Tax Liabilities)	—		—	—
25		—		—	—
27	Regulatory Adjustments Applied to Common Equity Tier 1 Due to Insufficient Additional Tier 1 and Tier 2 to Cover Deductions	—		—	—
28	Common Equity Tier 1 Capital: Regulatory Adjustments (B)	178,205		128,816	
Common Equity Tier 1 Capital (CET1)					
29	Common Equity Tier 1 Capital (C) = (A)-(B)	¥ 2,105,502		¥ 2,068,378	

As of September 30		Millions of Yen, %			
Basel III Template No.	Items	2018	Amounts Excluded under Transitional Arrangements	2017	Amounts Excluded under Transitional Arrangements
Additional Tier 1 Capital: Instruments					
30	31a Directly Issued Qualifying Additional Tier 1 Instruments Plus Related Capital Surplus of Which Classified as Equity under Applicable Accounting Standards	¥ —		¥ —	
	31b Subscription Rights to Additional Tier 1 Instruments	—		—	
	32 Directly Issued Qualifying Additional Tier 1 Instruments Plus Related Capital Surplus of Which Classified as Liabilities under Applicable Accounting Standards	340,000		290,000	
	Qualifying Additional Tier 1 Instruments Issued by Special Purpose Vehicles	—		—	
	33+35 Eligible Tier 1 Capital Instruments Subject to Phase out from Additional Tier 1 Capital	—		110,000	
	Amount Allowed in Group Additional Tier 1 Subject to Transitional Arrangements of Which: Foreign Currency Translation Adjustment			(0)	
				(0)	
36	Additional Tier 1 Capital: Instruments (D)	340,000		399,999	
Additional Tier 1 Capital: Regulatory Adjustments					
37	Investments in Own Additional Tier 1 Instruments	—		—	¥ —
38	Reciprocal Cross-Holdings in Additional Tier 1 Instruments	—		—	—
39	Investments in the Additional Tier 1 Instruments of Banking, Financial and Insurance Entities That are Outside the Scope of Regulatory Consolidation, Net of Eligible Short Positions, Where the Bank Does not Own More than 10% of the Issued Common Share Capital of the Entity (Amount above 10% Threshold)	—		—	—
	Significant Investments in the Additional Tier 1 Instruments of Banking, Financial and Insurance Entities That are Outside the Scope of Regulatory Consolidation, Net of Eligible Short Positions	—		—	—
40	Regulatory Adjustments Applied to Additional Tier 1 Subject to Transitional Arrangements of Which: Equivalent to Capital Increase Due to Securitisation Transactions			2,070	
	of Which: Equivalent to 50% of Shortfall of Eligible Provisions to Expected Losses			419	
				1,651	
	Regulatory Adjustments Applied to Additional Tier 1 Due to Insufficient Tier 2 to Cover Deductions	—		—	
42	Additional Tier 1 Capital: Regulatory Adjustments (E)	—		2,070	
Additional Tier 1 Capital (ATI)					
44	Additional Tier 1 Capital (F) = (D) - (E)	340,000		397,929	
Tier 1 Capital (TI = CETI + ATI)					
45	Tier 1 Capital (G) = (C) + (F)	2,445,502		2,466,308	
Tier 2 Capital: Instruments and Provisions					
46	Directly Issued Qualifying Tier 2 Instruments Plus Related Capital Surplus of Which Classified as Equity under Applicable Accounting Standards	—		—	
	Subscription Rights to Tier 2 Instruments	—		—	
	Directly Issued Qualifying Tier 2 Instruments Plus Related Capital Surplus of Which Classified as Liabilities under Applicable Accounting Standards	270,000		180,000	
	Qualifying Tier 2 Instruments Issued by Special Purpose Vehicles	—		—	
47+49	Eligible Tier 2 Capital Instruments Subject to Phase out from Tier 2	279,192		344,156	
50	Provisions Allowed in Group Tier 2	—		—	
50a	of Which: General Allowance for Credit Losses	—		—	
50b	of Which: Excess Amount of Eligible Provisions to Expected Losses	—		—	
	Amount Allowed in Group Tier 2 Subject to Transitional Arrangements of Which: 45% of Net Unrealized Gain on Available-for-Sale Securities			65,174	
	of Which: 45% of Revaluation Reserve for Land			65,027	
				147	
51	Tier 2 Capital: Instruments and Provisions (H)	¥ 549,192		¥ 589,331	

As of September 30		Millions of Yen, %			
Basel III Template No.	Items	2018	Amounts Excluded under Transitional Arrangements	2017	Amounts Excluded under Transitional Arrangements
Tier 2 Capital: Regulatory Adjustments					
52	Investments in Own Tier 2 Instruments	¥ —	¥ —	—	¥ —
53	Reciprocal Cross-Holdings in Tier 2 Instruments	—	—	—	—
54	Investments in the Tier 2 Instruments of Banking, Financial and Insurance Entities That are Outside the Scope of Regulatory Consolidation, Net of Eligible Short Positions, Where the Bank Does not Own More than 10% of the Issued Common Share Capital of the Entity (Amount above 10% Threshold)	—	—	—	—
55	Significant Investments in the Tier 2 Instruments of Banking, Financial and Insurance Entities That are Outside the Scope of Regulatory Consolidation, Net of Eligible Short Positions	1,540	—	—	—
	Regulatory Adjustments Applied to Tier 2 Subject to Transitional Arrangements	—	—	1,651	—
	of Which: Investments in the Instruments of Banking, Financial and Insurance Entities That are Outside the Scope of Regulatory Consolidation, Net of Eligible Short Positions	—	—	—	—
	of which: Equivalent to 50% of Shortfall of Eligible Provisions to Expected Losses	—	—	1,651	—
57	Tier 2 Capital: Regulatory Adjustments (I)	1,540	—	1,651	—
Tier 2 Capital (TII)					
58	Tier 2 Capital (J) = (H) - (I)	547,652	—	587,680	—
Total Capital (TC = T1 + TII)					
59	Total Capital (K) = (G) + (J)	2,993,154	—	3,053,988	—
Total Risk Weighted Assets					
	Risk Weighted Assets Subject to Transitional Arrangements	—	—	31,431	—
	of Which: Intangible Assets Other than Mortgage Servicing Rights (Net of Related Deferred Tax Liabilities)	—	—	9,550	—
	of Which: Defined-Benefit Pension Fund Net Assets (Net of Related Deferred Tax Liabilities)	—	—	21,881	—
	of Which: Investments in the Instruments of Banking, Financial and Insurance Entities That are Outside the Scope of Regulatory Consolidation, Net of Eligible Short Positions	—	—	—	—
60	Total Risk Weighted Assets (L)	19,426,260	—	18,859,250	—
Capital Ratios (Consolidated)					
61	Common Equity Tier 1 Capital Ratio (C)/(L)	10.83%	—	10.96%	—
62	Tier 1 Capital Ratio (G)/(L)	12.58%	—	13.07%	—
63	Total Capital Ratio (K)/(L)	15.40%	—	16.19%	—
Regulatory Adjustments (before Risk Weighting)					
72	Investments in the Instruments of Banking, Financial and Insurance Entities That are Outside the Scope of Regulatory Consolidation, Where the Bank Does not Own More than 10% of the Issued Share Capital (Amount below the Threshold for Deduction)	165,401	—	188,878	—
73	Significant Investments in the Common Stock of Banking, Financial and Insurance Entities (Amount below the Thresholds for Deduction)	62,909	—	53,026	—
74	Mortgage Servicing Rights (Amount below the Thresholds for Deduction)	—	—	—	—
75	Deferred Tax Assets Arising from Temporary Differences (Amount below the Thresholds for Deduction)	—	—	—	—
Provisions Included in Tier 2 Capital: Instruments and Provisions					
76	Provisions Eligible for Inclusion in Tier 2 in Respect of Exposures Subject to Standardised Approach (Prior to Applicable of Cap)	—	—	—	—
77	Cap on Inclusion of Provisions in Tier 2 under Standardised Approach	2,394	—	2,899	—
78	Provisions Eligible for Inclusion in Tier 2 in Respect of Exposures Subject to Internal Ratings-Based Approach (Prior to Applicable of Cap)	—	—	—	—
79	Cap on Inclusion of Provisions in Tier 2 under Internal Ratings-Based Approach	101,921	—	100,327	—
Capital Instruments Subject to Phase out Arrangements					
82	Current Cap on Additional Tier 1 Instruments Subject to Phase out Arrangements	155,600	—	194,500	—
83	Amount Excluded from Additional Tier 1 Due to Cap (Excess over Cap after Redemptions and Maturities)	—	—	—	—
84	Current Cap on Tier 2 Instruments Subject to Phase out Arrangements	343,163	—	428,954	—
85	Amount Excluded from Tier 2 Due to Cap (Excess over Cap after Redemptions and Maturities)	¥ —	¥ —	—	—

Note: SuMi TRUST Bank received an external audit by KPMG AZSA LLC of the calculation of the non-consolidated BIS capital adequacy ratio in line with "Agreed Upon Methods for the Implementation of Capital Adequacy Ratio Audits" (Pronouncement 30 of the Japanese Institute of Certified Public Accountants, Bank Auditing Committee, May 13, 2014). The external audit is not part of the accounting audit of the non-consolidated financial statements but was conducted by the external auditor as part of the internal risk management framework concerning the calculation of the non-consolidated BIS capital adequacy ratio under agreed-upon examination procedures, which we considered it necessary, and is a report of the results presented to us. It thus does not represent an opinion by the external auditor regarding the non-consolidated BIS capital adequacy ratio itself or parts of internal risk management framework which concern the ratio.

Explanation on Reconciliation between Balance Sheet Items and Regulatory Capital Elements Non-consolidated

As of September 30, 2018

Items	Non-consolidated Balance Sheet	Ref. No. of Appendix	Basel III Template No. under the Composition of Capital Disclosure
	Amount (Millions of Yen)		
(Assets)			
Cash and Due from Banks	¥ 16,413,891		
Call Loans	65,103		
Receivables under Resale Agreements	32,319		
Receivables under Securities Borrowing Transactions	726,971		
Monetary Claims Bought	56,455		
Trading Assets	406,180		
Money Held in Trust	99		
Securities	6,583,179	6-a	
Loans and Bills Discounted	28,870,898	6-b	
Foreign Exchanges	29,651		
Other Assets	1,503,743	6-c	
Tangible Fixed Assets	193,853		
Intangible Fixed Assets	65,478	2	
Prepaid Pension Expenses	165,758	3	
Customers' Liabilities for Acceptances and Guarantees	390,766		
Allowance for Loan Losses	(61,147)		
Total Assets	¥ 55,443,203		

Items	Non-consolidated Balance Sheet Amount (Millions of Yen)	Ref. No. of Appendix	Basel III Template No. under the Composition of Capital Disclosure
(Liabilities)			
Deposits	¥ 30,717,721		
Negotiable Certificates of Deposit	7,131,640		
Call Money	666,992		
Payables under Repurchase Agreements	1,789,950		
Payables under Securities Lending Transactions	115,094		
Trading Liabilities	224,905		
Borrowed Money	4,306,957	7	
Foreign Exchanges	18,837		
Short-term Bonds Payable	839,757		
Bonds Payable	955,857		
Borrowed Money from Trust Account	4,963,929		
Other Liabilities	773,106	6-d	
Provision for Bonuses	8,462		
Provision for Retirement Benefits	726		
Provision for Reimbursement of Deposits	3,858		
Provision for Contingent Loss	1,549		
Deferred Tax Liabilities	170,493	4-a	
Deferred Tax Liabilities for Land Revaluation	2,864	4-b	
Acceptances and Guarantees	390,766		
Total Liabilities	53,083,471		
(Net Assets)			
Capital Stock	342,037	1-a	
Capital Surplus	410,200	1-b	
Retained Earnings	1,128,923	1-c	
Total Shareholders' Equity	1,881,161		
Valuation Difference on Available-for-Sale Securities	488,415		
Deferred Gains or Losses on Hedges	(8,048)	5	
Revaluation Reserve for Land	(1,796)		
Total Valuation and Translation Adjustments	478,570		3
Total Net Assets	2,359,732		
Total Liabilities and Net Assets	¥ 55,443,203		

(Appendix)

Note: Amounts in the "Composition of capital" exclude items for regulatory purpose under transitional arrangement.

1. Shareholders' equity

(1) Balance sheet

Non-consolidated Balance Sheet Items	Amount (Millions of Yen)	Remarks	Ref. No.
Capital Stock	¥ 342,037		1-a
Capital Surplus	410,200		1-b
Retained Earnings	1,128,923		1-c
Total Shareholders' Equity	¥ 1,881,161		

(2) Composition of capital

Items in the Composition of Capital Disclosure	Amount (Millions of Yen)	Remarks	Basel III Template No.
Directly Issued Qualifying Common Share Capital Plus Related Capital Surplus and Retained Earnings	¥ 1,881,161	Shareholders' Equity Attributable to Common Shares (before Adjusting National Specific Regulatory Adjustments (Earnings to be Distributed))	
of Which: Capital Stock and Capital Surplus	752,237		1a
of Which: Retained Earnings	1,128,923		2
of Which: Treasury Stock (Deduction)	—		1c
of Which: Others	—		
Directly Issued Qualifying Additional Tier 1 Instruments Plus Related Capital Surplus of Which Classified as Equity under Applicable Accounting Standards	—	Shareholders' Equity Attributable to Preferred Shares with a Loss Absorbency at the Point of Non-Viability	31a

2. Intangible assets

(1) Balance sheet

Non-consolidated Balance Sheet Items	Amount (Millions of Yen)	Remarks	Ref. No.
Intangible Fixed Assets	¥ 65,478		2
Associated Deferred Tax Liabilities	20,049		

(2) Composition of capital

Items in the Composition of Capital Disclosure	Amount (Millions of Yen)	Remarks	Basel III Template No.
Goodwill (Net of Related Deferred Tax Liabilities, Including Those Equivalent)	¥ —		8
Other Intangible Assets (Net of Related Deferred Tax Liabilities)	45,428	Excluding Goodwill, Mortgage Servicing Rights (Software, etc.)	9
Mortgage Servicing Rights (Net of Related Deferred Tax Liabilities)	—		
Amount above the 10% Threshold on the Specified Items	—		20
Amount exceeding the 15% Threshold on the Specified Items	—		24
Amount below the Thresholds for Deduction (before Risk Weighting)	—		74

3. Defined-benefit pension fund net assets (prepaid pension Expenses)**(1) Balance sheet**

Non-consolidated Balance Sheet Items	Amount (Millions of Yen)	Remarks	Ref. No.
Prepaid Pension Expenses	¥ 165,758		3
Associated Deferred Tax Liabilities	50,755		

(2) Composition of capital

Items in the Composition of Capital Disclosure	Amount (Millions of Yen)	Remarks	Basel III Template No.
Defined-Benefit Pension Fund Net Assets (Prepaid Pension Expenses) (Net of Related Deferred Tax Liabilities)	¥ 115,003		15

4. Deferred tax assets**(1) Balance sheet**

Non-consolidated Balance Sheet Items	Amount (Millions of Yen)	Remarks	Ref. No.
Deferred Tax Liabilities	¥ 170,493		4-a
Deferred Tax Liabilities for Land Revaluation	2,864		4-b
Associated Intangible Fixed Assets	20,049		
Associated Prepaid Pension Expenses	50,755		

(2) Composition of capital

Items in the Composition of Capital Disclosure	Amount (Millions of Yen)	Remarks	Basel III Template No.
Deferred Tax Assets That Rely on Future Profitability excluding Those Arising from Temporary Differences (Net of Related Deferred Tax Liabilities)	¥ —	This Item Does not Agree with the Amount Reported on the Balance Sheet Due to Offsetting of Assets and Liabilities.	10
Deferred Tax Assets Arising from Temporary Differences (Net of Related Deferred Tax Liabilities)	—	This Item Does not Agree with the Amount Reported on the Balance Sheet Due to Offsetting of Assets and Liabilities.	
Amount above the 10% Threshold on the Specified Items	—		21
Amount exceeding the 15% Threshold on the Specified Items	—		25
Amount below the Thresholds for Deduction (before Risk Weighting)	—		75

5. Deferred gains or losses on hedges

(1) Balance sheet

Non-consolidated Balance Sheet Items	Amount (Millions of Yen)	Remarks	Ref. No.
Deferred Gains or Losses on Hedges	¥ (8,048)		5

(2) Composition of capital

Items in the Composition of Capital Disclosure	Amount (Millions of Yen)	Remarks	Basel III Template No.
Deferred Gains or Losses on Derivatives under Hedge Accounting	¥ (7,191)	Excluding those items whose valuation differences arising from hedged items are recognized as "Total valuation and translation adjustments"	11

6. Investments in the capital of financial entities

(1) Balance sheet

Non-consolidated Balance Sheet Items	Amount (Millions of Yen)	Remarks	Ref. No.
Securities	¥ 6,583,179		6-a
Loans and Bills Discounted	28,870,898	Including subordinated loans	6-b
Other Assets	1,503,743	Including derivatives	6-c
Other Liabilities	¥ 773,106	Including derivatives	6-d

(2) Composition of capital

Items in the Composition of Capital Disclosure	Amount (Millions of Yen)	Remarks	Basel III Template No.
Investments in Own Capital Instruments	¥ —		
Common Equity Tier 1 Capital	—		16
Additional Tier 1 Capital	—		37
Tier 2 Capital	—		52
Reciprocal Cross-Holdings in Capital Instruments	—		
Common Equity Tier 1 Capital	—		17
Additional Tier 1 Capital	—		38
Tier 2 Capital	—		53
Investments in the Instruments of Banking, Financial and Insurance Entities That are Outside the Scope of Regulatory Consolidation, Where the Bank Does not Own More than 10% of the Issued Share Capital	165,401		
Common Equity Tier 1 Capital	—		18
Additional Tier 1 Capital	—		39
Tier 2 Capital	—		54
Amount below the Thresholds for Deduction (before Risk Weighting)	165,401		72
Significant Investments in the Instruments of Banking, Financial and Insurance Entities That are Outside the Scope of Regulatory Consolidation, Net of Eligible Short Positions	64,449		
Amount above the 10% Threshold on the Specified Items	—		19
Amount exceeding the 15% Threshold on the Specified Items	—		23
Additional Tier 1 Capital	—		40
Tier 2 Capital	1,540		55
Amount below the Thresholds for Deduction (before Risk Weighting)	62,909		73

7. Other Capital Instruments

(1) Balance sheet

Non-consolidated Balance Sheet Items	Amount (Millions of Yen)	Remarks	Ref. No.
Borrowed Money	¥ 4,306,957		7

(2) Composition of capital

Items in the Composition of Capital Disclosure	Amount (Millions of Yen)	Remarks	Basel III Template No.
Directly Issued Qualifying Additional Tier 1 Instruments Plus Related Capital Surplus of Which Classified as Liabilities under Applicable Accounting Standards	¥ 340,000		32
Directly Issued Qualifying Tier 2 Instruments Plus Related Capital Surplus of Which Classified as Liabilities under Applicable Accounting Standards	270,000		46

As of September 30, 2017

Items	Non-consolidated Balance Sheet Amount (Millions of Yen)	Ref. No. of Appendix	Basel III Template No. under the Composition of Capital Disclosure
(Assets)			
Cash and Due from Banks	¥ 15,461,093		
Call Loans	99,904		
Receivables under Resale Agreements	75,310		
Receivables under Securities Borrowing Transactions	615,975		
Monetary Claims Bought	73,168		
Trading Assets	626,316		
Money Held in Trust	99		
Securities	5,642,612	6-a	
Loans and Bills Discounted	28,226,793	6-b	
Foreign Exchanges	32,772		
Other Assets	1,600,731	6-c	
Tangible Fixed Assets	199,021		
Intangible Fixed Assets	68,825	2	
Prepaid Pension Expenses	157,689	3	
Customers' Liabilities for Acceptances and Guarantees	377,849		
Allowance for Loan Losses	(79,405)		
Total Assets	¥ 53,178,760		

Items	Non-consolidated Balance Sheet Amount (Millions of Yen)	Ref. No. of Appendix	Basel III Template No. under the Composition of Capital Disclosure
(Liabilities)			
Deposits	¥ 29,202,613		
Negotiable Certificates of Deposit	7,172,838		
Call Money	1,715,595		
Payables under Repurchase Agreements	1,624,326		
Payables under Securities Lending Transactions	11,881		
Trading Liabilities	345,958		
Borrowed Money*	4,534,859	7	
Foreign Exchanges	358		
Short-term Bonds Payable	211,360		
Bonds Payable	1,095,085		
Borrowed Money from Trust Account	3,447,144		
Other Liabilities	937,606	6-d	
Provision for Bonuses	8,299		
Provision for Retirement Benefits	706		
Provision for Reimbursement of Deposits	3,593		
Provision for Contingent Loss	8,545		
Deferred Tax Liabilities	161,412	4-a	
Deferred Tax Liabilities for Land Revaluation	3,016	4-b	
Acceptances and Guarantees	377,849		
Total Liabilities	50,863,052		
(Net Assets)			
Capital Stock	342,037	1-a	
Capital Surplus	456,233	1-b	
Retained Earnings	1,030,050	1-c	
Total Shareholders' Equity	1,828,321		
Valuation Difference on Available-for-Sale Securities	505,551		
Deferred Gains or Losses on Hedges	(16,784)	5	
Revaluation Reserve for Land	(1,381)		
Total Valuation and Translation Adjustments	487,385		3
Total Net Assets	2,315,707		
Total Liabilities and Net Assets	¥ 53,178,760		

* The item "borrowed money" includes ¥110,000 million in subordinate debt, and of the total of eligible tier 1 capital instruments subject to phase out from additional Tier 1 capital, in the disclosure of the composition of capital, "borrowed money" is included in the total of core additional Tier 1 capital.

(Appendix)

Note: Amounts in the “Composition of capital” are based on those before considering under transitional arrangements. Therefore, they include “Amounts excluded under transitional arrangements” disclosed in “Composition of capital disclosure” and exclude items for regulatory purpose under transitional arrangement from these tables.

1. Shareholders' equity

(1) Balance sheet

Non-consolidated Balance Sheet Items	Amount (Millions of Yen)	Remarks	Ref. No.
Capital Stock	¥ 342,037		1-a
Capital Surplus	456,233		1-b
Retained Earnings	1,030,050		1-c
Total Shareholders' Equity	¥ 1,828,321		

(2) Composition of capital

Items in the Composition of Capital Disclosure	Amount (Millions of Yen)	Remarks	Basel III Template No.
Directly Issued Qualifying Common Share Capital Plus Related Capital Surplus and Retained Earnings	¥ 1,828,419	Shareholders' Equity Attributable to Common Shares (before Adjusting National Specific Regulatory Adjustments (Earnings to be Distributed))	
of Which: Capital Stock and Capital Surplus	798,270		1a
of Which: Retained Earnings	1,030,148		2
of Which: Treasury Stock (Deduction)	—		1c
of Which: Others	—		
Directly Issued Qualifying Additional Tier 1 Instruments Plus Related Capital Surplus of Which Classified as Equity under Applicable Accounting Standards	—	Shareholders' Equity Attributable to Preferred Shares with a Loss Absorbency at the Point of Non-Viability	31a

2. Intangible assets

(1) Balance sheet

Non-consolidated Balance Sheet Items	Amount (Millions of Yen)	Remarks	Ref. No.
Intangible Fixed Assets	¥ 68,825		2
Associated Deferred Tax Liabilities	21,074		

(2) Composition of capital

Items in the Composition of Capital Disclosure	Amount (Millions of Yen)	Remarks	Basel III Template No.
Goodwill (Net of Related Deferred Tax Liabilities, Including Those Equivalent)	¥ —		8
Other Intangible Assets (Net of Related Deferred Tax Liabilities)	47,751	Excluding Goodwill, Mortgage Servicing Rights (Software, etc.)	9
Mortgage Servicing Rights (Net of Related Deferred Tax Liabilities)	—		
Amount above the 10% Threshold on the Specified Items	—		20
Amount exceeding the 15% Threshold on the Specified Items	—		24
Amount below the Thresholds for Deduction (before Risk Weighting)	—		74

3. Defined-benefit pension fund net assets (prepaid pension Expenses)

(1) Balance sheet

Non-consolidated Balance Sheet Items	Amount (Millions of Yen)	Remarks	Ref. No.
Prepaid Pension Expenses	¥ 157,689		3
Associated Deferred Tax Liabilities	48,284		

(2) Composition of capital

Items in the Composition of Capital Disclosure	Amount (Millions of Yen)	Remarks	Basel III Template No.
Defined-Benefit Pension Fund Net Assets (Prepaid Pension Expenses) (Net of Related Deferred Tax Liabilities)	¥ 109,405		15

4. Deferred tax assets

(1) Balance sheet

Non-consolidated Balance Sheet Items	Amount (Millions of Yen)	Remarks	Ref. No.
Deferred Tax Liabilities	¥ 161,412		4-a
Deferred Tax Liabilities for Land Revaluation	3,016		4-b
Associated Intangible Fixed Assets	21,074		
Associated Prepaid Pension Expenses	48,284		

(2) Composition of capital

Items in the Composition of Capital Disclosure	Amount (Millions of Yen)	Remarks	Basel III Template No.
Deferred Tax Assets That Rely on Future Profitability excluding Those Arising from Temporary Differences (Net of Related Deferred Tax Liabilities)	¥ —	This Item Does not Agree with the Amount Reported on the Balance Sheet Due to Offsetting of Assets and Liabilities.	10
Deferred Tax Assets Arising from Temporary Differences (Net of Related Deferred Tax Liabilities)	—	This Item Does not Agree with the Amount Reported on the Balance Sheet Due to Offsetting of Assets and Liabilities.	
Amount above the 10% Threshold on the Specified Items	—		21
Amount exceeding the 15% Threshold on the Specified Items	—		25
Amount below the Thresholds for Deduction (before Risk Weighting)	—		75

5. Deferred gains or losses on hedges

(1) Balance sheet

Non-consolidated Balance Sheet Items	Amount (Millions of Yen)	Remarks	Ref. No.
Deferred Gains or Losses on Hedges	¥ (16,784)		5

(2) Composition of capital

Items in the Composition of Capital Disclosure	Amount (Millions of Yen)	Remarks	Basel III Template No.
Deferred Gains or Losses on Derivatives under Hedge Accounting	¥ (14,743)	Excluding those items whose valuation differences arising from hedged items are recognized as "Total valuation and translation adjustments"	11

6. Investments in the capital of financial entities

(1) Balance sheet

Non-consolidated Balance Sheet Items	Amount (Millions of Yen)	Remarks	Ref. No.
Securities	¥ 5,642,612		6-a
Loans and Bills Discounted	28,226,793	Including subordinated loans	6-b
Other Assets	1,600,731	Including derivatives	6-c
Other Liabilities	¥ 937,606	Including derivatives	6-d

(2) Composition of capital

Items in the Composition of Capital Disclosure	Amount (Millions of Yen)	Remarks	Basel III Template No.
Investments in Own Capital Instruments	¥ —		
Common Equity Tier 1 Capital	—		16
Additional Tier 1 Capital	—		37
Tier 2 Capital	—		52
Reciprocal Cross-Holdings in Capital Instruments	—		
Common Equity Tier 1 Capital	—		17
Additional Tier 1 Capital	—		38
Tier 2 Capital	—		53
Investments in the Instruments of Banking, Financial and Insurance Entities That are Outside the Scope of Regulatory Consolidation, Where the Bank Does not Own More than 10% of the Issued Share Capital	188,878		
Common Equity Tier 1 Capital	—		18
Additional Tier 1 Capital	—		39
Tier 2 Capital	—		54
Amount below the Thresholds for Deduction (before Risk Weighting)	188,878		72
Significant Investments in the Instruments of Banking, Financial and Insurance Entities That are Outside the Scope of Regulatory Consolidation, Net of Eligible Short Positions	53,026		
Amount above the 10% Threshold on the Specified Items	—		19
Amount exceeding the 15% Threshold on the Specified Items	—		23
Additional Tier 1 Capital	—		40
Tier 2 Capital	—		55
Amount below the Thresholds for Deduction (before Risk Weighting)	53,026		73

7. Other Capital Instruments

(1) Balance sheet

Non-consolidated Balance Sheet Items	Amount (Millions of Yen)	Remarks	Ref. No.
Borrowed Money	¥ 4,534,859		7

(2) Composition of capital

Items in the Composition of Capital Disclosure	Amount (Millions of Yen)	Remarks	Basel III Template No.
Directly Issued Qualifying Additional Tier 1 Instruments Plus Related Capital Surplus of Which Classified as Liabilities under Applicable Accounting Standards	¥ 290,000		32
Directly Issued Qualifying Tier 2 Instruments Plus Related Capital Surplus of Which Classified as Liabilities under Applicable Accounting Standards	180,000		46

Disclosure Data Designated as Per the Appended Forms

Non-consolidated

OV1: Overview of Risk-weighted assets (RWA)

OV1 Basel III Template No.		Millions of yen			
		Risk-weighted assets (RWA)		Minimum capital requirements	
		September 30, 2018	September 30, 2017	September 30, 2018	September 30, 2017
1	Credit risk (excluding counterparty credit risk)	¥ 13,207,661		¥ 1,109,572	
2	of Which: Standardised Approach (SA)	741		59	
3	of Which: Internal Ratings-Based (IRB) Approach	11,033,199		935,615	
	of Which: Significant investments in commercial entities	—		—	
	of Which: Lease residual value	—		—	
	Other assets	2,173,720		173,897	
4	Counterparty credit risk (CCR)	660,517		54,041	
5	of Which: Standardised Approach for Counterparty Credit Risk (SA-CCR)	—		—	
	of Which: Current Exposure Method (CEM)	230,153		19,517	
6	of Which: Expected Positive Exposure (EPE)	—		—	
	of Which: Credit Valuation Adjustment (CVA)	375,711		30,056	
	of Which: Central Counterparty (CCP)	34,835		2,786	
	Others	19,816		1,680	
7	Equity positions in banking book under market-based approach	305,087		25,871	
	Equity investment in funds (SA)	—		—	
	Equity investment in funds (IRB)	2,283,880		193,673	
11	Settlement risk	—		—	
12	Securitisation exposures in banking book	125,404		10,634	
13	of Which: IRB Ratings-Based Approach (RBA)	37,755		3,201	
14	of Which: IRB Supervisory Formula Approach (SFA)	40,946		3,472	
15	of Which: Standardised Approach (SA)	—		—	
	of Which: subject to 1,250% risk weight	46,702		3,960	
16	Market risk	1,109,536		88,762	
17	of Which: Standardised Approach (SA)	3,750		300	
18	of Which: Internal Model Approaches (IMA)	1,105,786		88,462	
19	Operational risk	727,622		58,209	
20	of Which: Basic Indicator Approach (BIA)	428		34	
21	of Which: The Standardised Approach (TSA)	—		—	
22	of Which: Advanced Measurement Approach (AMA)	727,194		58,175	
23	Amounts below the thresholds for deduction (subject to 250% risk weight)	157,262		13,335	
	Amounts included under transitional arrangements	—		—	
24	Floor adjustment	—		—	
25	Total (after applying scaling factor)	¥ 19,426,260		¥ 1,554,100	

Note: Total risk-weighted assets of Template No.25 are only applied scaling factor.

IRRBB1: Interest rate risk

IRRBB1		Millions of yen			
		a	b	c	d
		ΔEVE		ΔNII	
		September 30, 2018	September 30, 2017	September 30, 2018	September 30, 2017
Item No.					
1	Parallel up	¥ 95,109		¥ (73,955)	
2	Parallel down	60,573		77,431	
3	Steepener	71,337			
4	Flattener	11,051			
5	Short rate up	35,977			
6	Short rate down	45,461			
7	Maximum	95,109		77,431	
		e		f	
		September 30, 2018		September 30, 2017	
8	Tier 1 Capital	¥ 2,445,502			

Liquidity Coverage Ratio (LCR)

Non-consolidated

Quantitative Disclosure Items for the Liquidity Coverage Ratio (LCR) on a non-consolidated basis

Items		Millions of Yen, %, the Number of Data			
		Fiscal Year 2018 2nd Quarter		Fiscal Year 2018 1st Quarter	
High-Quality Liquid Assets (1)					
1	Total high-quality liquid assets (HQLA)	¥ 15,942,059		¥ 15,453,890	
Cash Outflows (2)		Total Unweighted Value	Total Weighted Value	Total Unweighted Value	Total Weighted Value
2	Cash outflows related to unsecured retail funding	¥ 17,553,809	¥ 801,174	¥ 17,552,009	¥ 791,034
3	of which: Stable deposits	650,216	19,506	628,482	18,854
4	of which: Less stable deposits	7,778,240	781,667	7,679,834	772,179
5	Cash outflows related to unsecured wholesale funding	13,095,984	9,124,762	12,547,758	8,653,438
6	of which: Qualifying operational deposits	0	0	0	0
7	of which: Cash outflows related to unsecured wholesale funding other than qualifying operational deposits and debt securities	10,884,991	6,913,769	10,311,354	6,417,034
8	of which: Debt securities	2,210,993	2,210,993	2,236,404	2,236,404
9	Cash outflows related to secured funding, etc.	78,963		69,245	
Cash outflows related to derivative transactions, etc. funding programs, credit and liquidity facilities		4,658,168	1,236,259	4,758,264	1,321,712
11	of which: Cash outflows related to derivative transactions, etc.	478,780	478,780	545,232	545,232
12	of which: Cash outflows related to funding programs	0	0	0	0
13	of which: Cash outflows related to credit and liquidity facilities	4,179,388	757,479	4,213,032	776,480
14	Cash outflows related to contractual funding obligations, etc.	370,601	241,171	573,049	207,658
15	Cash outflows related to contingencies	12,352,857	23,470	12,486,082	24,298
16	Total cash outflows	11,505,799		11,067,385	
Cash Inflows (3)		Total Unweighted Value	Total Weighted Value	Total Unweighted Value	Total Weighted Value
17	Cash inflows related to secured lending, etc.	15,638	272	18,230	16,467
18	Cash inflows related to collection of loans, etc.	2,873,086	2,094,122	4,975,152	3,360,024
19	Other cash inflows	427,680	272,706	350,170	254,125
20	Total cash inflows	3,316,404	2,367,100	5,343,552	3,630,616
Non-consolidated Liquidity Coverage Ratio (4)					
21	Total HQLA allowed to be included in the calculation	15,942,059		15,453,890	
22	Net cash outflows	9,138,699		7,436,769	
23	Non-consolidated Liquidity Coverage Ratio (LCR)	174.4		207.8	
24	The number of data used to calculate the average value	62		62	

Qualitative Disclosure Items for the Liquidity Coverage Ratio (LCR) on a non-consolidated basis

(1) Items concerning fluctuations in the LCR over time

Our LCR has trended steadily for the most part in the past two years.

(2) Items concerning evaluation of the LCR level

The LCR satisfies the required criteria and we do not expect the LCR to significantly fluctuate from the current level. Furthermore, the actual LCR is not significantly different from our forecast.

(3) Items concerning the composition of totals for eligible high-quality liquid assets

The majority of our eligible high-quality liquid assets are reserve deposit held at central banks and sovereign bonds. There have been no material fluctuations in the composition of currencies, their types and locations. Furthermore, there has been no material difference between totals for eligible high-quality assets and net cash outflows in major currencies.

(4) Other items concerning LCR

We apply neither the "treatment for qualifying operational deposit" nor the "additional collateral required to market valuation changes based on the scenario approach."

Disclosure Data for First Half of Fiscal Year 2017 (as of September 30, 2017)

Capital Adequacy

Non-consolidated

Amounts of Required Capital

(1) Amounts of required capital against credit risk (excluding equity exposures to which the IRB Approach is applied and exposures held in funds)

As of September 30	Millions of Yen	
	2017	
Portfolios to Which the Standardised Approach is Applied	¥	20,307
Exposures to Business Units Set for Phased Roll-out Application		—
Exposures Excluded from Application		20,307
Portfolios to Which the IRB Approach is Applied and Breakdown by Portfolio		1,205,079
Corporate Exposures		836,009
Sovereign Exposures		16,067
Financial Institution Exposures		35,395
Residential Mortgage Exposures		109,762
Qualifying Revolving Retail Exposures		456
Other Retail Exposures		8,394
Other Exposures ^{*1}		198,993
Securitisation Exposures	¥	10,733

*1. Other exposures refer to the exposures below.

Purchased receivables, unsettled transactions, CVA risk, central counterparty-related, equities, with 250% risk-weight applied and other assets

*2. The calculation method of the amounts of required capital against credit risk is as follows:

Portfolios to which the Standardised Approach is applied: amount of credit risk-weighted assets x 8%

Portfolios to which the IRB Approach is applied: (amount of credit risk-weighted assets x 1.06) x 8% + expected loss amount

Securitisation exposures: (amount of credit risk-weighted assets x 1.06) x 8% + expected loss amount

(2) Amounts of required capital against credit risk concerning equity exposures to which the IRB Approach is applied

As of September 30	Millions of Yen	
	2017	
Equity Exposures	¥	125,979
PD/LGD Approach		109,860
Simple Risk-Weight Method of the Market-based Approach		16,119
Internal Model Method of the Market-based Approach		—

* The calculation method of the amounts of required capital against credit risk concerning equity exposures to which the IRB Approach is applied is as follows:

Those applicable to the PD/LGD approach: (amount of credit risk-weighted assets x 1.06) x 8%

Those applicable to the simple risk-weight method of the market-based approach: (amount of credit risk-weighted assets x 1.06) x 8%

(3) Amounts of required capital against credit risk concerning exposures held in funds

	Millions of Yen
As of September 30	2017
Exposures Held in Funds*	¥ 144,889

* (Amount of credit risk-weighted assets x 1.06) x 8% + expected loss amount

(4) Amounts of required capital against market risk

	Millions of Yen
As of September 30	2017
Market Risk	¥ 58,035
Amounts of Required Capital by Category under the Standardised Approach	9,879
Interest Rate Risk	6,198
Equity Position Risk	—
Foreign Exchange Risk	3,680
Commodities Risk	—
Options Transactions	—
Internal Model Approach	48,156

(5) Amounts of required capital against operational risk

	Millions of Yen
As of September 30	2017
Operational Risk	¥ 58,173
Advanced Measurement Approach	58,173
Standardised Approach	—
Basic Indicator Approach	—

(6) Total required capital

	Millions of Yen
As of September 30	2017
Total Required Capital*	¥ 1,508,740

* (Total amount of credit risk-weighted assets + market risk equivalents/8% + operational risk equivalents/8%) x 8%

Credit Risk

Non-consolidated

Term-end Balance of Credit Risk Exposures by Category and their Breakdown by Major Type of Assets

As of September 30	Millions of Yen					
	2017					
	Credit Risk Exposures					Exposures Three Months or Longer Overdue or Exposures in Default
		Loans, Call Loans, Deposits, etc.	Securities	Derivative Transactions	Other Off-balance Sheet Transactions	
Japan	¥ 42,047,795	¥ 36,835,005	¥ 1,941,946	¥ 389,658	¥ 2,881,184	¥ 64,716
Outside Japan	6,872,789	4,802,986	1,156,543	339,685	573,574	11,243
Total for Geographic Regions	¥ 48,920,584	¥ 41,637,991	¥ 3,098,490	¥ 729,344	¥ 3,454,758	¥ 75,960
Manufacturing	4,106,018	2,544,743	494,300	28,905	1,038,069	11,005
Agriculture and Forestry	4,475	4,349	10	100	15	—
Fisheries	44	—	44	—	—	—
Mining and Quarrying of Stones and Gravel	22,315	7,277	201	—	14,836	—
Construction	203,271	116,234	28,088	861	58,087	13
Electricity, Gas, Heat Supply and Water	1,161,620	929,939	17,007	15,698	198,973	—
Information and Communication	471,146	407,414	5,579	807	57,344	—
Transport and Postal Activities	1,399,427	1,126,452	149,463	16,619	106,892	58
Wholesale and Retail Trade	1,646,565	1,276,057	81,448	3,353	285,706	1,690
Finance and Insurance	2,319,835	1,580,620	290,941	265,543	182,729	228
Real Estate	3,815,920	3,088,173	399,911	26,543	301,292	12,559
Goods Rental and Leasing	928,738	825,200	7,512	1,016	95,009	224
Local Public Bodies	63,035	48,266	4,808	—	9,960	—
Individuals	8,884,442	8,835,278	—	—	49,163	38,276
Others	23,893,726	20,847,985	1,619,171	369,893	1,056,676	11,904
Total for Industry Sectors	¥ 48,920,584	¥ 41,637,991	¥ 3,098,490	¥ 729,344	¥ 3,454,758	¥ 75,960
To 1 year	8,395,982	6,165,318	510,277	242,572	1,477,814	
> 1 year to 3 years	5,205,542	4,158,722	281,526	84,270	681,023	
> 3 years to 5 years	18,567,843	17,479,510	473,640	109,344	505,348	
> 5 years	16,751,215	13,834,441	1,833,046	293,156	790,572	
Total for Residual Maturity	¥ 48,920,584	¥ 41,637,991	¥ 3,098,490	¥ 729,344	¥ 3,454,758	
Average Balance during the Period	¥ 48,027,387	¥ 40,682,204	¥ 3,137,179	¥ 733,729	¥ 3,474,273	

Notes: 1. Of exposures subject to the calculation of credit risk-weighted assets, the above lists corporate, retail, equities, etc., and purchased receivables.
2. "Others" in the industry sectors include non-residents and state public services. Exposures for residual maturity of over 5 years include those with no fixed maturities.
3. "Average Balance during the Period" is the average of the balance as of March 31, 2017 and September 30, 2017.
4. The above data represents amounts after credit risk mitigation effects of netting contracts allowed under the law and netting against the obligor's cash on deposit.

Balance and Changes of General Allowance for Loan Losses, Specific Allowance for Loan Losses, and Allowance for Loan Losses from Specified Foreign Country Borrowers

(1) General allowance for loan losses

	Millions of Yen		
	September 30, 2017	March 31, 2017	Change
	Balance	Balance	
General Allowance for Loan Losses	¥ 73,281	¥ 79,336	¥ (6,055)

(2) Specific allowance for loan losses (breakdown by region, industry sector)

	Millions of Yen		
	September 30, 2017	March 31, 2017	Change
	Balance	Balance	
Japan	¥ 3,218	¥ 7,727	¥ (4,508)
Outside Japan	2,905	2,966	(61)
Total for Geographic Regions	¥ 6,124	¥ 10,693	¥ (4,569)
Manufacturing	1,354	4,699	(3,345)
Agriculture and Forestry	—	—	—
Fisheries	—	—	—
Mining and Quarrying of Stones and Gravel	—	—	—
Construction	—	—	—
Electricity, Gas, Heat Supply and Water	—	—	—
Information and Communication	—	—	—
Transport and Postal Activities	—	—	—
Wholesale and Retail Trade	402	410	(8)
Finance and Insurance	139	172	(33)
Real Estate	—	312	(312)
Goods Rental and Leasing	—	—	—
Local Public Bodies	—	—	—
Individuals	1,041	1,064	(22)
Others	3,186	4,033	(847)
Total for Industry Sectors	¥ 6,124	¥ 10,693	¥ (4,569)

Note: "Others" in the industry sectors include non-residents and state public services.

(3) Allowance for loan losses from specified foreign country borrowers

Not applicable as of the end of September 2017 and March 2017.

Amounts of Written-off Loans by Industry Sector

	Millions of Yen
	Six Months Ended September 30, 2017
Manufacturing	¥ 501
Agriculture and Forestry	—
Fisheries	—
Mining and Quarrying of Stones and Gravel	—
Construction	—
Electricity, Gas, Heat Supply and Water	—
Information and Communication	—
Transport and Postal Activities	—
Wholesale and Retail Trade	—
Finance and Insurance	—
Real Estate	—
Goods Rental and Leasing	—
Local Public Bodies	—
Individuals	—
Others	699
Total for Industry Sectors	¥1,200

Note: "Others" in the industry sectors include non-residents and state public services.

Balance of Exposures to which the Standardised Approach is Applied by Risk-Weight Category

As of September 30	Millions of Yen	
	2017	Subject to Rating
Balance of Exposures to which the Standardised Approach is Applied after Allowing for the Credit Risk Mitigation Effect by Risk-Weight Category	¥ 256,949	¥ —
0%	—	—
10%	—	—
20%	3,883	—
35%	—	—
50%	—	—
75%	—	—
100%	253,066	—
150%	—	—
Amounts of exposures with 1,250% risk-weight applied	—	—

Exposures to which the IRB Approach is Applied

As of September 30		Millions of Yen
		2017
Specialised Lending under the Slotting Criteria		¥ 2,047,233
High-Volatility Commercial Real Estate Exposures		286,386
Maturities of 2.5 Years or Longer		235,730
Strong	95%	36,086
Good	120%	60,494
Satisfactory	140%	139,149
Weak	250%	—
Default	0%	—
Maturities of Less than 2.5 Years		50,655
Strong	70%	1,162
Good	95%	21,351
Satisfactory	140%	28,141
Weak	250%	—
Default	0%	—
Other Exposures		¥ 1,760,847
Maturities of 2.5 Years or Longer		1,612,705
Strong	70%	498,545
Good	90%	823,320
Satisfactory	115%	254,094
Weak	250%	36,745
Default	0%	—
Maturities of Less than 2.5 Years		148,142
Strong	50%	34,327
Good	70%	73,747
Satisfactory	115%	28,717
Weak	250%	11,349
Default	0%	—
Equity Exposures to which the Simple Risk-Weight Method of the Market-based Approach is Applied		¥ 58,211
300%		42,761
400%		15,450

Portfolios to which the IRB Approach is Applied

(1) Corporate exposures

As of September 30	Millions of Yen							
	2017							
	Weighted Average of PD Value	Weighted Average of LGD Value	Weighted Average of EL_default	Weighted Average of Risk-Weight	EAD Value		Undrawn Commitments	CCF
					On-balance Sheet Asset Items	Off-balance Sheet Asset Items		
Ordinary Assets (Seijo-Saki)	0.38%	32.58%	/	38.11%	¥ 14,244,118	¥ 2,625,179	¥ 2,094,697	75.00%
Assets to Special Mention Debtors (Yo-Chui-Saki) (Not Including Assets to Substandard Debtors)	18.60%	32.86%	/	176.17%	325,354	133,484	105,859	75.00%
Substandard Debtors (Yo-Kanri-Saki) or Worse	100.00%	37.72%	36.47%	16.51%	28,500	9,130	562	75.00%
Total	1.08%	32.60%	/	41.71%	¥ 14,597,973	¥ 2,767,793	¥ 2,201,119	75.00%

(2) Sovereign exposures

As of September 30	Millions of Yen								
	2017							Undrawn Commitments	CCF
	Weighted Average of PD Value	Weighted Average of LGD Value	Weighted Average of EL_default	Weighted Average of Risk-Weight	EAD Value				
					On-balance Sheet Asset Items	Off-balance Sheet Asset Items			
Ordinary Assets (Seijo-Saki)	0.00%	44.11%	/	0.80%	¥ 17,535,547	¥ 138,870	¥ 21,674	75.00%	
Assets to Special Mention Debtors (Yo-Chui-Saki) (Not Including Assets to Substandard Debtors)	34.12%	45.00%	/	282.39%	11,283	746	—	—	
Substandard Debtors (Yo-Kanri-Saki) or Worse	—	—	—	—	—	—	—	—	
Total	0.03%	44.11%	/	0.99%	¥ 17,546,831	¥ 139,617	¥ 21,674	75.00%	

(3) Financial Institution exposures

As of September 30	Millions of Yen							
	2017							
	Weighted Average of PD Value	Weighted Average of LGD Value	Weighted Average of EL_default	Weighted Average of Risk-Weight	EAD Value		Undrawn Commitments	CCF
				On-balance Sheet Asset Items	Off-balance Sheet Asset Items			
Ordinary Assets (Seijo-Saki)	0.13%	41.07%	/	25.60%	¥ 1,012,128	¥ 671,414	¥ 74,729	75.00%
Assets to Special Mention Debtors (Yo-Chui-Saki) (Not Including Assets to Substandard Debtors)	—	—	/	—	—	—	—	—
Substandard Debtors (Yo-Kanri-Saki) or Worse	—	—	—	—	—	—	—	—
Total	0.13%	41.07%	/	25.60%	¥ 1,012,128	¥ 671,414	¥ 74,729	75.00%

(4) Equity exposures under the PD/LGD Approach

	Millions of Yen		
	2017		
	Weighted Average of PD Value	Weighted Average of Risk-Weight	Balance
As of September 30			
Ordinary Assets (Seijo-Saki)	0.22%	144.58%	¥ 925,255
Assets to Special Mention Debtors (Yo-Chui-Saki) (Not Including Assets to Substandard Debtors)	14.05%	656.84%	5,393
Substandard Debtors (Yo-Kanri-Saki) or Worse	100.00%	1,192.50%	8
Total	0.30%	147.56%	¥ 930,656

Note: Weighted average of risk-weight include the amounts obtained by multiplying the expected loss amounts by 1,250% risk-weight.

(5) Residential mortgage exposures, qualifying revolving retail exposures, and other retail exposures

As of September 30	Millions of Yen							
	2017							
	Weighted Average of PD Value	Weighted Average of LGD Value	Weighted Average of EL_default	Weighted Average of Risk-Weight	EAD Value		Undrawn Commitments	CCF
					On-balance Sheet Asset Items	Off-balance Sheet Asset Items		
Residential Mortgage								
Current	0.23%	26.83%		12.03%	¥ 8,481,903	¥ 25,009	¥ 1,239	100.00%
Overdue	21.11%	27.44%		163.11%	72,364	71	—	—
Default	100.00%	28.32%	19.87%	111.95%	31,149	19	—	—
Qualifying Revolving Retail								
Current	0.55%	68.37%		14.68%	6,493	14,053	47,807	29.40%
Overdue	24.93%	68.14%		204.80%	158	51	173	29.40%
Default	100.00%	68.28%	62.69%	74.04%	61	38	131	29.40%
Other Retail (consumer)								
Current	1.27%	34.68%		32.82%	39,367	8,437	33,661	24.75%
Overdue	26.25%	36.24%		94.57%	502	22	88	23.90%
Default	100.00%	36.41%	21.87%	192.69%	2,374	298	1,143	22.51%
Other Retail (commercial)								
Current	0.62%	30.18%		25.87%	196,258	1,022	250	100.00%
Overdue	23.36%	30.18%		75.73%	449	0	—	—
Default	100.00%	30.18%	25.40%	63.39%	4,195	139	1	100.00%
Total	0.85%	27.06%		14.14%	¥ 8,835,278	¥ 49,163	¥ 84,497	28.69%

Actual Credit Losses in the Current Period and Year-on-Year Change for Portfolios to which the IRB Approach is Applied

	Millions of Yen			
	Six Months Ended September 30, 2017			Change in Actual Credit Losses
	Actual Credit Losses	Provisions	Reversals	
Corporate Exposures	¥ (5,066)	¥ 1,721	¥ (6,787)	¥ (3,400)
Sovereign Exposures	58	58	—	422
Financial Institution Exposures	—	—	—	—
Retail Exposures	160	216	(56)	(368)

Note: Of total credit costs, only those that can be identified as stemming from specified asset classes are shown in the table.

Factor Analysis

In the first half of FY2017, actual credit losses decreased by ¥3.3 billion year on year.

This was mainly due to the recognition of only a limited amount of new non-performing loans in our corporate exposures, as well as the booking of reversals from loan loss allowances with the improvement in the credit status of specific obligors in this category.

Estimated Credit Losses and Comparable Actual Credit Losses for Portfolios to which the IRB Approach is Applied

	Millions of Yen	
	Six Months Ended September 30, 2017	Six Months Ended September 30, 2016
	Actual Credit Losses	Estimated Credit Losses
Corporate Exposures	¥ 23,238	¥ 81,485
Sovereign Exposures	(646)	1,964
Financial Institution Exposures	—	989
Retail Exposures	786	18,589

Notes: 1. Estimated credit losses for the first half of fiscal year 2016 are the expected loss amount as of September 30, 2016.

2. Actual credit losses for the first half of fiscal year 2017 are the sum of the losses for the most recent one-year period ended September 30, 2017.

	Millions of Yen	
	Six Months Ended September 30, 2016	Six Months Ended September 30, 2015
	Actual Credit Losses	Estimated Credit Losses
Corporate Exposures	¥ 9,293	¥ 93,954
Sovereign Exposures	2,566	2,514
Financial Institution Exposures	—	1,275
Retail Exposures	577	18,275

Notes: 1. Estimated credit losses for the first half of fiscal year 2015 are the expected loss amount as of September 30, 2015.

2. Actual credit losses for the first half of fiscal year 2016 are the sum of the losses for the most recent one-year period ended September 30, 2016.

	Millions of Yen	
	Six Months Ended September 30, 2015	Six Months Ended September 30, 2014
	Actual Credit Losses	Estimated Credit Losses
Corporate Exposures	¥ (6,199)	¥ 161,194
Sovereign Exposures	1,067	362
Financial Institution Exposures	—	920
Retail Exposures	899	25,553

Notes: 1. Estimated credit losses for the first half of fiscal year 2014 are the expected loss amount as of September 30, 2014.

2. Actual credit losses for the first half of fiscal year 2015 are the sum of the losses for the most recent one-year period ended September 30, 2015.

	Millions of Yen	
	Six Months Ended September 30, 2014	Six Months Ended September 30, 2013
	Actual Credit Losses	Estimated Credit Losses
Corporate Exposures	¥ (3,416)	¥ 176,194
Sovereign Exposures	(2)	521
Financial Institution Exposures	—	900
Retail Exposures	210	25,418

Notes: 1. Estimated credit losses for the first half of fiscal year 2013 are the expected loss amount as of September 30, 2013.

2. Actual credit losses for the first half of fiscal year 2014 are the sum of the losses for the most recent one-year period ended September 30, 2014.

	Millions of Yen	
	Six Months Ended September 30, 2013	Six Months Ended September 30, 2012
	Actual Credit Losses	Estimated Credit Losses
Corporate Exposures	¥ (2,782)	¥ 183,251
Sovereign Exposures	(1)	309
Financial Institution Exposures	(29)	1,044
Retail Exposures	(196)	22,736

Notes: 1. Estimated credit losses for the first half of fiscal year 2012 are the expected loss amount as of September 30, 2012.

2. Actual credit losses for the first half of fiscal year 2013 are the sum of the losses for the most recent one-year period ended September 30, 2013.

	Millions of Yen	
	Six Months Ended September 30, 2012	Six Months Ended September 30, 2011
	Actual Credit Losses	Estimated Credit Losses
Corporate Exposures	¥ 8,781	¥ 183,243
Sovereign Exposures	(21)	301
Financial Institution Exposures	7	1,078
Retail Exposures	990	29,380

Notes: 1. Estimated credit losses for the first half of fiscal year 2011 are the expected loss amount as of September 30, 2011.

2. Actual credit losses for the first half of fiscal year 2012 are the sum of the losses for the most recent one-year period ended September 30, 2012.

	Millions of Yen	
	Six Months Ended September 30, 2011	Six Months Ended September 30, 2010
	Actual Credit Losses	Estimated Credit Losses
Corporate Exposures	¥ 12,373	¥ 211,789
Sovereign Exposures	4,753	227
Financial Institution Exposures	(346)	3,526
Retail Exposures	1,112	31,938

Notes: 1. Estimated credit losses for the first half of fiscal year 2010 are the expected loss amount as of September 30, 2010.

2. Actual credit losses for the first half of fiscal year 2011 are the sum of the losses for the most recent one-year period ended September 30, 2011.

Credit Risk Mitigation Techniques

Non-consolidated

Amounts of Exposures to which Credit Risk Mitigation Techniques are Applied

As of September 30	Millions of Yen			
	2017			
	Eligible Financial Collateral	Other Eligible Collateral	Guarantees	Credit Derivatives
Portfolios to which the Standardised Approach is Applied	¥ —	¥ —	¥ —	¥ —
Portfolios to which the IRB Approach is Applied	2,740,338	234,200	326,568	—
Corporate Exposures	623,068	229,580	178,317	—
Sovereign Exposures	37,356	4,619	147,408	—
Financial Institution Exposures	2,079,913	—	842	—
Retail Exposures	—	—	—	—

Counterparty Risk in Derivative and Long-term Settlement Transactions

Non-consolidated

Derivative Transactions

As of September 30	Millions of Yen
	2017
Aggregate Sum of Amounts of Gross Reconstruction Costs (limited only to those not below zero)	¥ 1,446,291
Credit Equivalents Before Effect of Mitigation by Collateral under the Credit Risk Mitigation Technique	826,738
Foreign Exchange Related	960,784
Interest Rate Related	1,209,944
Credit Derivatives	9,288
Others	—
Effect of Mitigating Credit Equivalents Due to Close-out Netting Contracts (Deduction)	1,353,279
Amounts of Collateral	95,220
Deposits	93,606
Securities	1,614
Credit Equivalents After Effect of Mitigation by Collateral under the Credit Risk Mitigation Technique	731,517
Notional Principal Amounts of Credit Derivatives Subject to the Calculation of Credit Equivalents	150,300
Purchasing Protection by Credit Default Swaps	74,400
Providing Protection by Credit Default Swaps	75,900
Notional Principal Amounts of Credit Derivatives Used to Allow for the Effect of Credit Risk Mitigation Technique	—

Note: Credit equivalents are calculated with the current exposure approach.

Long-term Settlement Transactions

As of September 30	Millions of Yen
	2017
Aggregate Sum of Amounts of Gross Reconstruction Costs (limited only to those not below zero)	¥ —
Credit Equivalents Before Effect of Mitigation by Collateral under the Credit Risk Mitigation Technique	7
Amounts of Collateral	—
Credit Equivalents After Effect of Mitigation by Collateral under the Credit Risk Mitigation Technique	7

Note: Credit equivalents are calculated with the current exposure approach.

Securitisation Exposures

Non-consolidated

Securitisation Exposures Originated by SuMi TRUST Bank

First Half of Fiscal Year 2017

Subject to the Calculation of Credit Risk-Weighted Assets

(1) Outline of securitisations during the first half of fiscal year 2017, type and status of principal underlying assets

Not applicable.

(2) Amounts of securitisation exposures held and breakdown of main principal underlying assets by type

As of September 30	Millions of Yen				
	2017				
	Exposure Amounts		Aggregate Sum of Underlying Assets		
	On-balance Sheet Transactions	Off-balance Sheet Transactions		Asset Transfer-Type Securitisation Transactions	Synthetic Securitisation Transaction
Securitisation Exposures except					
Resecuritisation Exposures	¥ 34,188	¥ —	¥ 166,961	¥ 166,961	¥ —
Residential Mortgage Loans	34,188	—	166,961	166,961	—
Others	—	—	—	—	—
Resecuritisation Exposures	—	—	—	—	—
Total	¥ 34,188	¥ —	¥ 166,961	¥ 166,961	¥ —

(3) Cumulative total of underlying assets overdue for three months or longer or in default related to securitisation exposures held, cumulative total of losses, and breakdown by type of main principal underlying assets

	Millions of Yen	
	Six Months Ended September 30, 2017	
	Cumulative Total of Underlying Assets Overdue for Three Months or Longer or in Default	Cumulative Total Losses
Residential Mortgage Loans	¥ 67	¥ (9)
Others	—	—
Total	¥ 67	¥ (9)

(4) Amounts of assets held for the purpose of securitisation transactions and breakdown of principal assets by type

Not applicable.

(5) Balance and amounts of required capital of securitisation exposures held by risk-weight category

As of September 30	Millions of Yen			
	2017			
	Balance		Required Capital	
	On-balance Sheet Transactions	Off-balance Sheet Transactions	On-balance Sheet Transactions	Off-balance Sheet Transactions
Securitisation Exposures except				
Resecuritisation Exposures (IRB Approach)	¥ 34,188	¥ —	¥ 4,094	¥ —
Less than 20%	—	—	—	—
20% to Less than 50%	16,245	—	445	—
50% to Less than 100%	15,143	—	680	—
100% to Less than 350%	—	—	—	—
350% to Less than 1,250%	—	—	—	—
1,250%	2,800	—	2,968	—
Resecuritisation Exposures (IRB Approach)	—	—	—	—
Less than 20%	—	—	—	—
20% to Less than 50%	—	—	—	—
50% to Less than 100%	—	—	—	—
100% to Less than 350%	—	—	—	—
350% to Less than 1,250%	—	—	—	—
1,250%	—	—	—	—
Total	¥ 34,188	¥ —	¥ 4,094	¥ —

(6) Amounts equivalent to the increase in capital following securitisation and breakdown by type of principal underlying assets

As of September 30	Millions of Yen
	2017
Residential Mortgage Loans	¥ 2,096
Others	—
Total	¥ 2,096

(7) Amounts of securitisation exposures by type of principal underlying assets risk-weighted at 1,250% under provisions of the Notification, Article 247

As of September 30	Millions of Yen
	2017
Residential Mortgage Loans	¥ 2,800
Others	—
Total	¥ 2,800

(8) Items by type of principal underlying assets of securitisation exposures with early redemption clauses

Not applicable.

(9) Application of credit risk mitigation techniques to resecuritisation exposures held

Not applicable.

(10) Amounts of gains/losses on sale following securitisation transactions recognized during the first half of fiscal year 2017 and breakdown by type of principal underlying assets

Not applicable.

Subject to the Calculation of Market Risk Assets

Not applicable.

Securitisation Exposures Purchased by SuMi TRUST Bank

First Half of Fiscal Year 2017

Subject to the Calculation of Credit Risk-Weighted Assets

(1) Amounts of securitisation exposures held and breakdown of main principal underlying assets by type

As of September 30	Millions of Yen	
	2017	
	Exposure Amounts	
	On-balance Sheet Transactions	Off-balance Sheet Transactions
Securitisation Exposures except Resecuritisation Exposures	¥ 654,210	¥ 72,291
Residential Mortgage Loans	81,056	6,373
Credit Card Loans	34,479	255
Claims on Lease Payments, Installment Receivables	132,573	13,388
Commercial Real Estate-Secured Loans	3,395	—
Other Claims on Corporates	402,706	52,273
Resecuritisation Exposures	1,397	—
Securitisation Exposures to Residential Mortgage Loans and Residential Mortgage Loans as Underlying Assets	—	—
Securitisation Exposures to Commercial Real Estate Secured Loans and Commercial Real Estate Secured Loans as Underlying Assets	—	—
Securitisation Exposures to Other Claims on Corporates and Other Claims on Corporates as Underlying Assets	1,397	—
Total	¥ 655,608	¥ 72,291

(2) Balance and amounts of required capital of securitisation exposures held by risk-weight category

As of September 30	Millions of Yen			
	2017			
	Balance		Required Capital	
	On-balance Sheet Transactions	Off-balance Sheet Transactions	On-balance Sheet Transactions	Off-balance Sheet Transactions
Securitisation Exposures except Resecuritisation Exposures (IRB Approach)	¥ 654,210	¥ 72,291	¥ 4,920	¥ 1,684
Less than 20%	629,231	48,235	3,823	286
20% to Less than 50%	10,171	717	181	21
50% to Less than 100%	11,411	23,338	583	1,376
100% to Less than 350%	3,395	—	330	—
350% to Less than 1,250%	—	—	—	—
1,250%	0	—	0	—
Resecuritisation Exposures (IRB Approach)	1,397	—	34	—
Less than 20%	—	—	—	—
20% to Less than 50%	1,397	—	34	—
50% to Less than 100%	—	—	—	—
100% to Less than 350%	—	—	—	—
350% to Less than 1,250%	—	—	—	—
1,250%	—	—	—	—
Total	¥ 655,608	¥ 72,291	¥ 4,954	¥ 1,684

(3) Amounts of securitisation exposures by type of underlying assets risk-weighted at 1,250% under provisions of the Notification, Article 247

As of September 30	Millions of Yen	
	2017	
Residential Mortgage Loans	¥	0
Credit Card Loans		—
Claims on Lease Payments, Installment Receivables		—
Commercial Real Estate-Secured Loans		—
Other Claims on Corporates		—
Total	¥	0

(4) Application of credit risk mitigation techniques to resecuritisation exposures held
Not applicable.**Subject to the Calculation of Market Risk Assets**

Not applicable.

Market Risk

Non-consolidated

(1) Value at Risk (VaR) as of the end of period and maximum, mean, and minimum VaR for the period

	Billions of Yen			
	As of September 30, 2017	Six Months Ended September 30, 2017		
		Maximum	Minimum	Mean
VaR in Banking Account	¥ 859.0	¥ 1,115.5	¥ 768.3	¥ 914.8
VaR in Trading Account	5.1	7.2	2.6	4.9

VaR Measurement Standards (We implemented model revisions relating to Value at Risk (VaR) measurement from the base date of June 23, 2017)
(Through the base date of June 22, 2017)

Measurement method: Hybrid method (combines variance-covariance method for calculating VaR with the historical simulation method)

Banking account Confidence interval: one-tailed 99% Holding period: 21 business days to 1 year Observation period: 1 year

Trading account Confidence interval: one-tailed 99% Holding period: 10 business days Observation period: 1 year

(After the base date of June 23, 2017)

Measurement method: Historical simulation method

Banking account Confidence interval: one-tailed 99% Holding period: 21 business days to 1 year Observation period: 5 years (exponential weight applied)

Trading account Confidence interval: one-tailed 99% Holding period: 10 business days Observation period: 5 years (exponential weight applied)

(2) Term-end Stressed Value at Risk and maximum, mean and minimum of Stressed Value at Risk for the period

	Billions of Yen			
	As of September 30, 2017	Six Months Ended September 30, 2017		
		Maximum	Minimum	Mean
Stressed VaR in Trading Account	¥ 21.5	¥ 21.5	¥ 3.8	¥ 8.1
	[6.8]	[6.8]	[1.2]	[2.5]

Stressed VaR Measurement Standards (We implemented model revisions relating to Stressed Value at Risk (Stressed VaR) measurement from the base date of June 23, 2017)
(Through the base date of June 22, 2017)

Measurement method: Hybrid method (combines variance-covariance method for calculating Stressed VaR with the historical simulation method)

Trading account Confidence interval: one-tailed 99% Holding period: 10 business days Observation period: 1 year

(After the base date of June 23, 2017)

Measurement method: Historical simulation method

Trading account Confidence interval: one-tailed 99% Holding period: 10 business days Observation period: 1 year

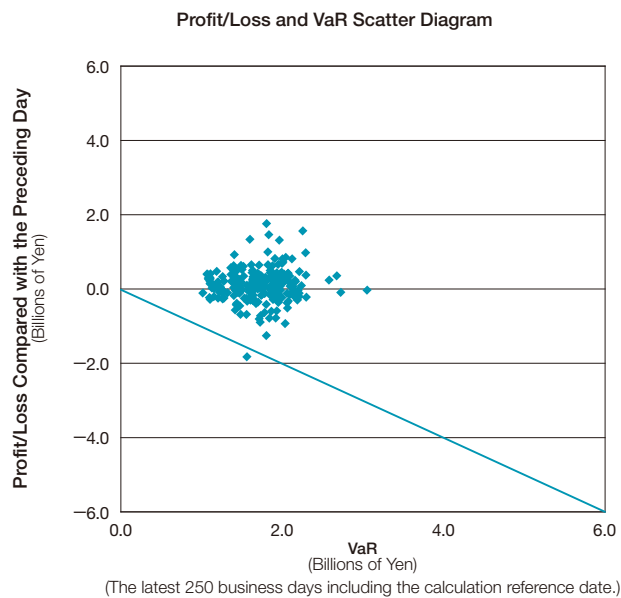
The figures inside the square brackets above denote stress VaR in a case where the holding period is one business day.

(3) The amounts of required capital related to term-end incremental risk and comprehensive risk, and maximum, mean and minimum amounts of required capital related to incremental risk and comprehensive risk for the period
Not applicable in the first half of fiscal year 2017.

(4) Results of back testing and reasons for large downward deviations between actual losses and VaR

- Back testing of the trading account

First Half of Fiscal Year 2017



Note: As shown above, for the first half of fiscal year 2017 back testing of the trading accounts shows one instance of losses in excess of VaR.

Capital Subscriptions or Equity Exposures in the Banking Account

Non-consolidated

As of September 30	Millions of Yen			
	2017			
	Book Value		Fair Value	
Book and Fair Values* ¹				
Listed Shares Exposures	¥ 1,484,484		¥ 1,484,484	
Capital Subscriptions or Equity Exposures Other than Above	57,056		57,056	
Amounts of Gains/Losses on Sales and Write-offs of Capital Subscriptions or Equity Exposures* ²	Gains/Losses	Gains	Losses	Write-offs
	9,671	10,551	879	0
Amounts of Unrealized Gains/Losses Recognized in the Balance Sheets and not Recognized in the Statements of Income	842,431			
Amounts of Unrealized Gains/Losses not Recognized in the Balance Sheets and Statements of Income	Not applicable			

*1. Figures for available-for-sale securities include only Japanese and foreign stocks.

*2. Statements of income show gains/losses on stockholdings and related write-offs.

	Millions of Yen
As of September 30	2017
Amounts by Portfolio Category	¥ 988,838
Portfolios Adopting the Market-based Approach	58,211
Portfolios Adopting the PD/LGD Approach	930,626

Note: Amounts by portfolio category show exposures subject to the calculation of credit risk-weighted assets.

Exposures Relating to Funds

Non-consolidated

	Millions of Yen
As of September 30	2017
Total exposures relating to funds	¥ 1,878,782
Look-through Approach	1,759,337
Simple Majority Approach	58,537
Mandate-based Approach	25,901
Internal Model Approach	—
Fall-back Approach (subject to 400% risk weight)	33,929
Others (Exposures not included in any categories above)	1,076

Note: Exposures subject to the calculation of credit risk-weighted assets under the provisions of Article 167 of the FSA Capital Adequacy Notification are shown.

Gains/Losses and Changes in Economic Value Due to Interest Rate Shocks under Internal Control Management Used by SuMi TRUST Bank Regarding Interest Rate Risk in the Banking Account

Non-consolidated

• Outlier ratios

	Millions of Yen, %
As of September 30	2017
Overall Amounts of Interest Rate Risk	¥ 120,444
Japanese Yen Interest Rates	45,610
U.S. Dollar Interest Rates	59,629
Other Interest Rates	15,204
Outlier Ratios	3.9%

Note: The above table indicates figures calculated by individual banks in accordance with the outlier standard specified by the "Comprehensive Guidelines for Supervision of Major Banks, etc." and based on the following assumptions:

- Risk measurement method: Interest rate sensitivity approach
- Interest rate fluctuation scenario: An interest rate shock consisting of the 1st and 99th percentile of the fluctuation of interest rates measured for the one-year holding period and a minimum observation period of five years.
- Definition of the core deposits: The lowest of the following three is the upper limit on the core deposit amount (No.3 is adopted) and the maturity is five years (an average remaining term of 2.5 years): 1) The lowest balance of deposits in the past five years, 2) the balance left after deducting the maximum annual outflow of deposits in the past five years from the current balance of deposits, or 3) the amount equivalent to 50% of the current balance of deposits.

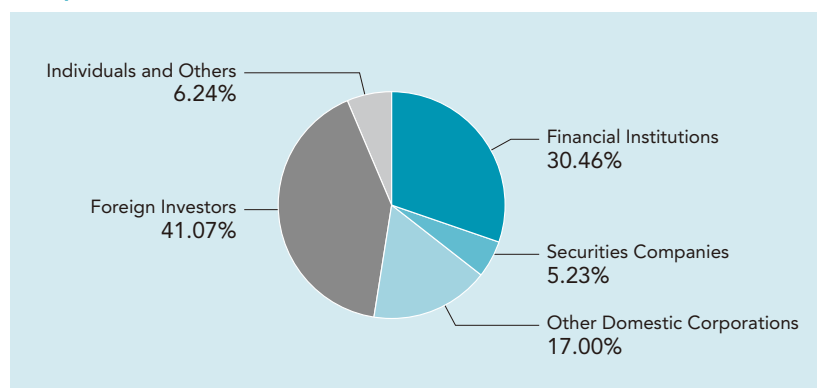
Stock Information (as of September 30, 2018)

Major Shareholders (Common Shares)

Shareholder Name	Number of Shares Held (Shares)	Shareholding Ratio (%)
1 The Master Trust Bank of Japan, Ltd. (Trust Account)	20,302,600	5.36
2 Japan Trustee Services Bank, Ltd. (Trust Account)	19,929,600	5.26
3 Japan Trustee Services Bank, Ltd. (Trust Account 9)	10,728,400	2.83
4 The Bank of New York 133524	9,405,419	2.48
5 JP Morgan Chase Bank 385151	7,594,423	2.00
6 Japan Trustee Services Bank, Ltd. (Trust Account 5)	7,558,700	1.99
7 Japan Trustee Services Bank, Ltd. (Trust Account 1)	5,517,400	1.45
8 Japan Trustee Services Bank, Ltd. (Trust Account 2)	5,448,300	1.43
9 State Street Bank West Client - Treaty 505234	5,306,959	1.40
10 Japan Trustee Services Bank, Ltd. (Trust Account 7)	5,303,700	1.40

(Note) The shareholding ratio is calculated by excluding the treasury stock and rounded down to second decimal places.

Composition of Shareholders (Common Shares)



(Note 1) Excluding the treasury stock (11,749,433 shares)

(Note 2) The component ratio is rounded off to second decimal places.

ADR (American Depositary Receipt) Information

ADR:	Underlying Share Ratio 1:1
Exchange:	OTC (Over-the-Counter)
Symbol:	SUTNY
CUSIP:	86562X106
Level of Program:	Level I
Depository:	The Bank of New York Mellon Depository Receipts Division 101 Barclay Street, 22nd Floor, New York, NY 10286, U.S.A. Telephone: 1 (201) 680-6825 U.S. toll free: 888-269-2377 (888-BNY-ADRS) Facsimile: 1 (212) 571-3050/3051/3052 http://www.adrbnymellon.com

Other Data

Authorized Shares:	
Common Shares:	850,000,000 Shares
Preferred Shares:	40,000,000 Shares
Number of Shares issued:	
Common Shares:	390,348,640 Shares
Preferred Shares:	0 Shares
Number of Shareholders:	
Common Shares:	60,639
Preferred Shares:	0

Disclosure Policy

SuMi TRUST Holdings is fully aware of the importance of its social responsibility and public mission, and constantly seeks to secure unwavering trust from society through sound management based on rigorous self-discipline. For this purpose, we endeavor to ensure appropriate disclosure of corporate information to assure the transparency of our corporate management.

Attitude toward Disclosure

We not only comply strictly with various laws and rules, such as the Companies Act, the Banking Law and the Financial Instruments and Exchange Act (including the rules for timely disclosure of corporate information, etc., defined by securities exchanges on which our shares are listed), but also endeavor to disclose corporate information that helps our clients, shareholders, and investors better understand the SuMi TRUST Group, under the basic conditions of appropriate timing, accuracy and fairness, and realize highly transparent management.

We do not release personal information, client data or any information, the disclosure of which violates the rights of the parties concerned by such action.

Disclosure Methods

When disclosing information, we make active use of the Internet, various publications and other media tools to reach the broadest possible number of interested parties, whether clients, shareholders or investors, in or outside Japan, in a timely, accurate and fair manner.

In the disclosure of various materials, we strive to provide easy-to-understand explanations of the main points of SuMi TRUST Group's management policies, business results, finance situation, etc. We explain these main points at our information meetings, etc.

Establishment of Disclosure System

We maintain and promote the appropriate disclosure system by such means as the establishment of an Information Disclosure Committee to ensure disclosure of SuMi TRUST Group's information in accordance with the above disclosure policy.

Corporate Information (as of September 30, 2018)

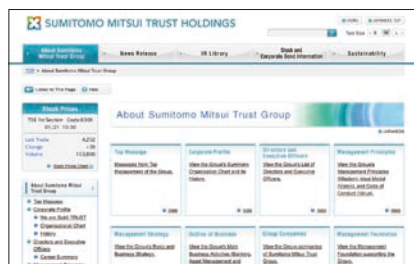
Registered Trade Name:	Sumitomo Mitsui Trust Holdings, Inc.
Headquarters Location:	1-4-1 Marunouchi, Chiyoda-ku, Tokyo 100-8233, Japan
Date of Establishment:	February 1, 2002 (Change of trade name: April 1, 2011)
Main Business:	With trust banking at its core, Sumitomo Mitsui Trust Holdings, Inc., will focus on the management of business operations, as the holding company of the Sumitomo Mitsui Trust Group, and sets the following (1) - (6) as its key functions: <ul style="list-style-type: none"> (1) Supervising management strategies (including the allocation of management resources) (2) Supervising financial management (3) Supervising human resource management (4) Controlling budget and expenses (5) Supervising IT management (6) Supervising risk management (7) Supervising compliance management (8) Managing internal auditing
Capital:	261,608,725,000 Yen
Stock Exchange Listings:	Tokyo, Nagoya Stock Exchanges Tokyo (1st Section), Nagoya (1st Section)
Securities Code:	8309

Rating Information (as of December 31, 2018)

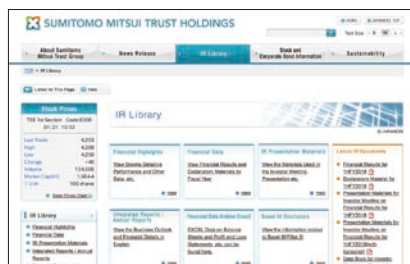
		Long-term	Short-term
Sumitomo Mitsui Trust Holdings	JCR	AA-	—
	R&I	A	—
	S&P	A	A-1
	Moody's	A1	P-1
Sumitomo Mitsui Trust Bank	Fitch	A-	F1
	JCR	AA-	—
	R&I	A+	a-1

Website

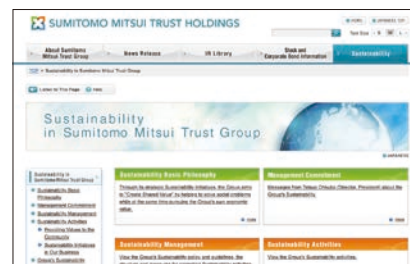
Please go to our website for specifics on our Group.



About The Sumitomo Mitsui Trust Group
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IR Library
<https://www.smth.jp/en/ir/index.html>



Sustainability in The Sumitomo Mitsui Trust Group
<https://www.smth.jp/en/csr/index.html>

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IR Department

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 e-mail: ir@smth.jp
 URL: <https://www.smth.jp/en/ir/index.html>

