

Financial Data:

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

Consolidated Balance Sheets (Unaudited)	2
Consolidated Statements of Income (Unaudited)	3
Consolidated Statements of Comprehensive Income (Unaudited)	4
Consolidated Statements of Changes in Net Assets (Unaudited)	5
Consolidated Statements of Cash Flows (Unaudited)	8
Notes to the Interim Consolidated Financial Statements (Unaudited)	10
Non-Consolidated Balance Sheets (Unaudited)	44
Non-Consolidated Statements of Income (Unaudited)	45
Non-Consolidated Statements of Changes in Net Assets (Unaudited)	46
Statement of Trust Account (Unaudited)	49
Notes to the Interim Statements of Trust Account (Unaudited)	50

Financial Data:

Consolidated Balance Sheets (Unaudited)

Sumitomo Mitsui Trust Holdings, Inc. and its Consolidated Subsidiaries
As of September 30, 2020 and March 31, 2020

	Millions of Yen		Millions of U.S. Dollars
	As of Sep. 30, 2020	As of Mar. 31, 2020	As of Sep. 30, 2020
Assets:			
Cash and Due from Banks	¥ 17,498,102	¥ 13,141,192	\$ 165,373
Call Loans and Bills Bought	21,818	71,236	206
Receivables under Resale Agreements	145,010	1,220,761	1,370
Receivables under Securities Borrowing Transactions	779,616	740,658	7,368
Monetary Claims Bought	760,573	999,705	7,188
Trading Assets (Note 1)	462,094	507,646	4,367
Money Held in Trust	9,438	7,230	89
Securities (Notes 1, 7, and 13)	6,739,324	6,437,599	63,693
Loans and Bills Discounted (Notes 2, 3, 4, 5, 6, 7, and 8)	30,140,335	29,703,375	284,853
Foreign Exchanges	46,173	36,952	436
Lease Receivables and Investment Assets (Note 7)	666,424	673,880	6,298
Other Assets (Note 7)	1,726,180	2,124,043	16,314
Tangible Fixed Assets (Notes 9 and 10)	212,718	213,547	2,010
Intangible Fixed Assets	127,622	129,455	1,206
Assets for Retirement Benefits	98,613	87,096	932
Deferred Tax Assets	13,705	14,564	130
Customers' Liabilities for Acceptances and Guarantees	520,768	518,811	4,922
Allowance for Loan Losses	(124,896)	(127,205)	(1,180)
Total Assets	¥ 59,843,624	¥ 56,500,552	\$ 565,576
Liabilities:			
Deposits (Note 7)	¥ 34,071,925	¥ 30,688,920	\$ 322,010
Negotiable Certificates of Deposit	6,970,204	5,860,292	65,875
Call Money and Bills Sold	24,348	142,974	230
Payables under Repurchase Agreements (Note 7)	1,379,058	1,558,919	13,033
Trading Liabilities	325,463	371,950	3,076
Borrowed Money (Notes 7 and 11)	5,551,590	5,856,384	52,468
Foreign Exchanges	1,866	3,213	18
Short-Term Bonds Payable	2,532,452	1,707,097	23,934
Bonds Payable (Note 12)	1,277,082	1,125,731	12,070
Borrowed Money from Trust Account	3,517,414	4,750,289	33,243
Other Liabilities	926,421	1,215,433	8,756
Provision for Bonuses	14,305	18,619	135
Provision for Directors' Bonuses	27	172	0
Provision for Stocks Payment	386	279	4
Liabilities for Retirement Benefits	14,146	14,044	134
Provision for Reward Points Program	16,707	16,889	158
Provision for Reimbursement of Deposits	4,415	4,867	42
Provision for Contingent Losses	1,455	1,440	14
Deferred Tax Liabilities	53,295	50,875	504
Deferred Tax Liabilities for Land Revaluation (Note 9)	2,439	2,439	23
Acceptances and Guarantees	520,768	518,811	4,922
Total Liabilities	¥ 57,205,777	¥ 53,909,645	\$ 540,646
Net Assets:			
Total Shareholders' Equity:	¥ 2,385,947	¥ 2,334,377	\$ 22,549
Capital Stock	261,608	261,608	2,472
Capital Surplus	580,160	580,595	5,483
Retained Earnings	1,546,998	1,495,029	14,621
Treasury Stock	(2,820)	(2,855)	(27)
Total Accumulated Other Comprehensive Income:	216,430	220,889	2,045
Valuation Differences on Available-for-Sale Securities	345,021	351,459	3,261
Deferred Gains (Losses) on Hedges	(57,826)	(56,765)	(547)
Revaluation Reserve for Land (Note 9)	(6,623)	(6,623)	(63)
Foreign Currency Translation Adjustments	334	1,332	3
Remeasurements of Defined Benefit Plans	(64,475)	(68,513)	(609)
Subscription Rights to Shares	1,041	1,057	10
Non-Controlling Interests	34,427	34,583	325
Total Net Assets	¥ 2,637,847	¥ 2,590,907	\$ 24,930
Total Liabilities and Net Assets	¥ 59,843,624	¥ 56,500,552	\$ 565,576
		Yen	U.S. Dollars
Net Assets per Share of Common Stock		¥ 6,948.09	\$ 65.67

See accompanying notes.

The figures in U.S. Dollars are converted from yen for convenience of readers outside Japan at the rate of ¥105.81 to U.S.\$1.00, the exchange rate as of September 30, 2020.

Financial Data:

Consolidated Statements of Income (Unaudited)

Sumitomo Mitsui Trust Holdings, Inc. and its Consolidated Subsidiaries
For the Six Months Ended September 30, 2020 and 2019

	Millions of Yen		Millions of U.S. Dollars
	Six Months Ended Sep. 30, 2020	Six Months Ended Sep. 30, 2019	Six Months Ended Sep. 30, 2020
Income:			
Trust Fees	¥ 50,272	¥ 49,094	\$ 475
Interest Income:	184,022	252,739	1,739
Interest on Loans and Discounts	140,867	179,960	1,331
Interest and Dividends on Securities	33,838	45,631	320
Fees and Commissions	178,320	200,855	1,685
Trading Income	17,562	42,831	166
Other Ordinary Income	172,288	182,836	1,628
Other Income (Note 1)	25,375	22,615	240
Total Income	¥ 627,842	¥ 750,973	\$ 5,934
Expenses:			
Interest Expenses:	¥ 80,624	¥ 193,906	\$ 762
Interest on Deposits	27,062	65,698	256
Fees and Commissions Payments	55,761	54,171	527
Trading Expenses	—	110	—
Other Ordinary Expenses	135,075	127,239	1,277
General and Administrative Expenses (Note 2)	211,125	213,110	1,995
Other Expenses (Note 3)	32,316	11,169	305
Total Expenses	¥ 514,904	¥ 599,708	\$ 4,866
Income before Income Taxes	¥ 112,938	¥ 151,264	\$ 1,067
Income Taxes:	31,850	43,427	301
Current	29,457	26,630	278
Deferred	2,392	16,796	23
Net Income	81,087	107,837	766
Net Income Attributable to Non-Controlling Interests	996	1,797	9
Net Income Attributable to Owners of the Parent	¥ 80,091	¥ 106,039	\$ 757
		Yen	U.S. Dollars
Net Income per Share of Common Stock	¥ 213.83	¥ 281.86	\$ 2.02
Diluted Net Income per Share of Common Stock	¥ 213.70	¥ 281.68	\$ 2.02

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, 2020 and 2019

	Millions of Yen		Millions of U.S. Dollars
	Six Months Ended Sep. 30, 2020	Six Months Ended Sep. 30, 2019	Six Months Ended Sep. 30, 2020
Net Income	¥ 81,087	¥ 107,837	\$ 766
Other Comprehensive Income (Loss):			
Valuation Differences on Available-for-Sale Securities	(6,100)	(30,198)	(58)
Deferred Gains (Losses) on Hedges	(1,606)	(11,177)	(15)
Foreign Currency Translation Adjustments	(308)	(1,835)	(3)
Remeasurements of Defined Benefit Plans	4,027	716	38
Share of Other Comprehensive Income of Equity-Method Affiliated Companies	(487)	(807)	(5)
Total Other Comprehensive Income (Loss)	¥ (4,476)	¥ (43,301)	\$ (42)
Comprehensive Income:	¥ 76,611	¥ 64,535	\$ 724
Comprehensive Income Attributable to Owners of the Parent	¥ 75,632	¥ 62,849	\$ 715
Comprehensive Income Attributable to Non-Controlling Interests	978	1,686	9

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, 2020 and 2019

For the Six Months Ended September 30, 2020

	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	¥ 580,595	¥ 1,495,029	¥ (2,855)	¥ 2,334,377
Changes during the Period					
Cash Dividends			(28,122)		(28,122)
Net Income Attributable to Owners of the Parent			80,091		80,091
Purchase of Treasury Stock				(6)	(6)
Disposal of Treasury Stock		(1)		42	40
Retirement of Treasury Stock					—
Purchase of Shares of Consolidated Subsidiaries		(432)			(432)
Reversal of Revaluation Reserve for Land					—
Net Changes of Items Other Than Shareholders' Equity					
Total Changes during the Period	—	(434)	51,968	35	51,569
Balance at the End of the Period	¥ 261,608	¥ 580,160	¥ 1,546,998	¥ (2,820)	¥ 2,385,947

	Millions of Yen								
	Accumulated Other Comprehensive Income						Subscription Rights to Shares	Non-Controlling Interests	Total Net Assets
	Valuation Differences on Available-for-Sale Securities	Deferred Gains (Losses) on Hedges	Revaluation Reserve for Land	Foreign Currency Translation Adjustments	Remeasurements of Defined Benefit Plans	Total Accumulated Other Comprehensive Income			
Balance at the Beginning of the Period	¥ 351,459	¥ (56,765)	¥ (6,623)	¥ 1,332	¥ (68,513)	¥ 220,889	¥ 1,057	¥ 34,583	¥ 2,590,907
Changes during the Period									
Cash Dividends									(28,122)
Net Income Attributable to Owners of the Parent									80,091
Purchase of Treasury Stock									(6)
Disposal of Treasury Stock									40
Retirement of Treasury Stock									—
Purchase of Shares of Consolidated Subsidiaries									(432)
Reversal of Revaluation Reserve for Land									—
Net Changes of Items Other Than Shareholders' Equity	(6,438)	(1,060)	—	(997)	4,038	(4,458)	(16)	(155)	(4,630)
Total Changes during the Period	(6,438)	(1,060)	—	(997)	4,038	(4,458)	(16)	(155)	46,939
Balance at the End of the Period	¥ 345,021	¥ (57,826)	¥ (6,623)	¥ 334	¥ (64,475)	¥ 216,430	¥ 1,041	¥ 34,427	¥ 2,637,847

See accompanying notes.

For the Six Months Ended September 30, 2019

	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	¥ 645,003	¥ 1,387,592	¥ (51,222)	¥ 2,242,982
Changes during the Period					
Cash Dividends			(28,394)		(28,394)
Net Income Attributable to Owners of the Parent			106,039		106,039
Purchase of Treasury Stock				(17,479)	(17,479)
Disposal of Treasury Stock		(354)		1,827	1,472
Retirement of Treasury Stock		(64,024)		64,024	—
Purchase of Shares of Consolidated Subsidiaries		(29)			(29)
Reversal of Revaluation Reserve for Land			889		889
Net Changes of Items Other Than Shareholders' Equity					
Total Changes during the Period	—	(64,408)	78,534	48,371	62,498
Balance at the End of the Period	¥ 261,608	¥ 580,595	¥ 1,466,126	¥ (2,850)	¥ 2,305,480

	Millions of Yen								
	Accumulated Other Comprehensive Income						Subscription Rights to Shares	Non-Controlling Interests	Total Net Assets
	Valuation Differences on Available-for-Sale Securities	Deferred Gains (Losses) on Hedges	Revaluation Reserve for Land	Foreign Currency Translation Adjustments	Remeasurements of Defined Benefit Plans	Total Accumulated Other Comprehensive Income			
Balance at the Beginning of the Period	¥ 467,448	¥ (36,764)	¥ (5,698)	¥ 4,702	¥ (19,209)	¥ 410,478	¥ 1,062	¥ 75,832	¥ 2,730,356
Changes during the Period									
Cash Dividends									(28,394)
Net Income Attributable to Owners of the Parent									106,039
Purchase of Treasury Stock									(17,479)
Disposal of Treasury Stock									1,472
Retirement of Treasury Stock									—
Purchase of Shares of Consolidated Subsidiaries									(29)
Reversal of Revaluation Reserve for Land									889
Net Changes of Items Other Than Shareholders' Equity	(28,701)	(11,888)	(889)	(3,322)	721	(44,079)	(2)	(41,051)	(85,133)
Total Changes during the Period	(28,701)	(11,888)	(889)	(3,322)	721	(44,079)	(2)	(41,051)	(22,635)
Balance at the End of the Period	¥ 438,747	¥ (48,652)	¥ (6,587)	¥ 1,380	¥ (18,488)	¥ 366,399	¥ 1,060	¥ 34,781	¥ 2,707,721

See accompanying notes.

For the Six Months Ended September 30, 2020

	Millions of U.S. Dollars				
	Shareholders' Equity				
	Capital Stock	Capital Surplus	Retained Earnings	Treasury Stock	Total Shareholders' Equity
Balance at the Beginning of the Period	\$ 2,472	\$ 5,487	\$ 14,129	\$ (27)	\$ 22,062
Changes during the Period					
Cash Dividends			(266)		(266)
Net Income Attributable to Owners of the Parent			757		757
Purchase of Treasury Stock				(0)	(0)
Disposal of Treasury Stock		(0)		0	0
Retirement of Treasury Stock					—
Purchase of Shares of Consolidated Subsidiaries		(4)			(4)
Reversal of Revaluation Reserve for Land					—
Net Changes of Items Other Than Shareholders' Equity					
Total Changes during the Period	—	(4)	491	0	487
Balance at the End of the Period	\$ 2,472	\$ 5,483	\$ 14,621	\$ (27)	\$ 22,549

	Millions of U.S. Dollars								
	Accumulated Other Comprehensive Income						Subscription Rights to Shares	Non-Controlling Interests	Total Net Assets
	Valuation Differences on Available-for-Sale Securities	Deferred Gains (Losses) on Hedges	Revaluation Reserve for Land	Foreign Currency Translation Adjustments	Remeasurements of Defined Benefit Plans	Total Accumulated Other Comprehensive Income			
Balance at the Beginning of the Period	\$ 3,322	\$ (536)	\$ (63)	\$ 13	\$ (648)	\$ 2,088	\$ 10	\$ 327	\$ 24,486
Changes during the Period									
Cash Dividends									(266)
Net Income Attributable to Owners of the Parent									757
Purchase of Treasury Stock									(0)
Disposal of Treasury Stock									0
Retirement of Treasury Stock									—
Purchase of Shares of Consolidated Subsidiaries									(4)
Reversal of Revaluation Reserve for Land									—
Net Changes of Items Other Than Shareholders' Equity	(61)	(10)	—	(9)	38	(42)	(0)	(1)	(44)
Total Changes during the Period	(61)	(10)	—	(9)	38	(42)	(0)	(1)	444
Balance at the End of the Period	\$ 3,261	\$ (547)	\$ (63)	\$ 3	\$ (609)	\$ 2,045	\$ 10	\$ 325	\$ 24,930

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, 2020 and 2019

	Millions of Yen		Millions of U.S. Dollars
	Six Months Ended Sep. 30, 2020	Six Months Ended Sep. 30, 2019	Six Months Ended Sep. 30, 2020
Cash Flows from Operating Activities:			
Income before Income Taxes	¥ 112,938	¥ 151,264	\$ 1,067
Depreciation and Amortization	17,215	16,970	163
Impairment Losses	164	124	2
Amortization of Goodwill	3,936	4,506	37
Equity in Losses (Earnings) of Affiliated Companies	(5,196)	(4,408)	(49)
Increase (Decrease) in Allowance for Loan Losses	(2,309)	(10,501)	(22)
Increase (Decrease) in Provision for Bonuses	(4,313)	(3,227)	(41)
Increase (Decrease) in Provision for Directors' Bonuses	(144)	(316)	(1)
Increase (Decrease) in Provision for Stocks Payment	107	139	1
Decrease (Increase) in Assets for Retirement Benefits	(5,687)	(10,305)	(54)
Increase (Decrease) in Liabilities for Retirement Benefits	32	36	0
Increase (Decrease) in Provision for Reward Points Program	(181)	(785)	(2)
Increase (Decrease) in Provision for Reimbursement of Deposits	(451)	(975)	(4)
Increase (Decrease) in Provision for Contingent Losses	15	(2,080)	0
Interest Income	(184,022)	(252,739)	(1,739)
Interest Expenses	80,624	193,906	762
Loss (Gain) Related to Securities	(24,841)	(26,415)	(235)
Loss (Gain) on Money Held in Trust	(1,773)	(95)	(17)
Foreign Exchange Losses (Gains)	18,417	49,823	174
Loss (Gain) on Disposal of Fixed Assets	332	(286)	3
Net Decrease (Increase) in Trading Assets	45,552	25,448	431
Net Increase (Decrease) in Trading Liabilities	(46,486)	45,610	(439)
Net Decrease (Increase) in Loans and Bills Discounted	(436,959)	(60,864)	(4,130)
Net Increase (Decrease) in Deposit	3,383,005	(1,179,801)	31,972
Net Increase (Decrease) in Negotiable Certificates of Deposit	1,109,912	577,993	10,490
Net Increase (Decrease) in Borrowed Money (excluding Subordinated Borrowings)	(304,794)	47,089	(2,881)
Net Decrease (Increase) in Due from Banks (excluding Due from the Bank of Japan)	631,829	223,342	5,971
Net Decrease (Increase) in Call Loans	1,364,313	237,483	12,894
Net Decrease (Increase) in Receivables under Securities Borrowing Transactions	(38,957)	18,462	(368)
Net Increase (Decrease) in Call Money	(298,486)	1,817,958	(2,821)
Net Increase (Decrease) in Payables under Securities Lending Transactions	—	36,388	—
Net Decrease (Increase) in Foreign Exchange-Assets	(9,220)	4,781	(87)
Net Increase (Decrease) in Foreign Exchange-Liabilities	(1,347)	(109)	(13)
Net Decrease (Increase) in Lease Receivables and Investment Assets	7,455	(14,594)	70
Net Increase (Decrease) in Short-Term Bonds Payable	825,354	405,276	7,800
Increase (Decrease) in Straight Bonds-Issuance and Redemption	161,713	(175,152)	1,528
Net Increase (Decrease) in Borrowed Money from Trust Account	(1,232,875)	(1,442,748)	(11,652)
Proceeds from Fund Management	206,017	265,808	1,947
Payments for Finance	(95,312)	(201,931)	(901)
Other, Net	24,761	(153,157)	234
Subtotal	¥ 5,300,338	¥ 581,917	\$ 50,093
Income Taxes (Paid) Refunded	(28,812)	(16,908)	(272)
Net Cash Provided by (Used in) Operating Activities	¥ 5,271,525	¥ 565,009	\$ 49,821

(Continued)

	Millions of Yen		Millions of U.S. Dollars
	Six Months Ended Sep. 30, 2020	Six Months Ended Sep. 30, 2019	Six Months Ended Sep. 30, 2020
Cash Flows from Investing Activities:			
Purchase of Securities	¥ (2,582,758)	¥ (2,802,707)	\$ (24,409)
Proceeds from Sales of Securities	1,014,153	1,875,351	9,585
Proceeds from Redemption of Securities	1,351,758	785,198	12,775
Increase in Money Held in Trust	(500)	(3,300)	(5)
Purchase of Tangible Fixed Assets	(4,251)	(10,617)	(40)
Proceeds from Sales of Tangible Fixed Assets	46	2,217	0
Purchase of Intangible Fixed Assets	(14,850)	(16,153)	(140)
Purchase of Shares of Subsidiaries			
Resulting in Change in the Scope of Consolidation	—	(400)	—
Purchase of Shares of Affiliated Companies Accounted for Using the Equity Method	(22)	(5)	(0)
Net Cash Provided by (Used in) Investing Activities	¥ (236,424)	¥ (170,415)	\$ (2,234)
Cash Flows from Financing Activities:			
Proceeds from Issuance of Subordinated Bonds and Bonds with Subscription Rights to Shares	39,784	39,785	376
Payments for Redemption of Subordinated Bonds and Bonds with Subscription Rights to Shares	(50,000)	(10,000)	(473)
Purchase of Shares of Subsidiaries without Change in the Scope of Consolidation	(1,161)	(71)	(11)
Repayments to Non-Controlling Interests	—	(41,000)	—
Cash Dividends Paid	(28,117)	(28,388)	(266)
Cash Dividends Paid to Non-Controlling Interests	(259)	(1,512)	(2)
Purchase of Treasury Stock	(6)	(17,479)	(0)
Proceeds from Sales of Treasury Stock	0	1,472	0
Net Cash Provided by (Used in) Financing Activities	¥ (39,759)	¥ (57,193)	\$ (376)
Effect of Exchange Rate Change on Cash and Cash Equivalents	¥ (6,603)	¥ (9,774)	\$ (62)
Net Increase (Decrease) in Cash and Cash Equivalents	¥ 4,988,739	¥ 327,624	\$ 47,148
Cash and Cash Equivalents at the Beginning of the Period	¥ 10,960,024	¥ 14,079,768	\$ 103,582
Cash and Cash Equivalents at the End of the Period (Note 1)	¥ 15,948,763	¥ 14,407,393	\$ 150,730

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 ¥105.81 to U.S. \$1, the approximate rate of exchange as of September 30, 2020. 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, 2020:

62 companies

Principal Company:

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

Sumitomo Mitsui Trust Asset Management Co., Ltd.

Nikko Asset management Co., Ltd.

Sumitomo Mitsui Trust Loan & Finance Co., Ltd.

Sumitomo Mitsui Trust Panasonic Finance Co., Ltd.

There are no changes in the consolidated subsidiaries during the interim period ended September 30, 2020.

(2) Unconsolidated Subsidiaries

Principal Companies:

Hummingbird Co., Ltd.

ASIA GATEWAY I, L.P.

Hummingbird Co., Ltd. and 21 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 they are operators engaged in leasing activities through silent partnership arrangements and their assets and profits/losses do not belong to the subsidiaries.

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

2. Application of the Equity Method

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

None

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

32 companies

Principal Companies:

Custody Bank of Japan, Ltd.

SBI Sumishin Net Bank, Ltd.

Changes in the affiliated companies accounted for by the equity method during the interim period ended September 30, 2020, are as follows:

JTC Holdings, Ltd. and Trust & Custody Services Bank, Ltd. were absorbed and merged into Japan Trustee Services Bank, Ltd. ("JTSB") and therefore, excluded from the scope of the application of the equity method effective from the interim period ended September 30, 2020. JTSB was subsequently renamed as Custody Bank of Japan, Ltd.

(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 21 other companies are excluded from the scope of the 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 they are operators engaged in leasing activities through silent partnership arrangements, and their assets and profits/losses do not belong to the subsidiaries.

ASIA GATEWAY I, L.P. and other unconsolidated subsidiaries and affiliated companies that are not accounted for by the equity method are excluded from the scope of application of the equity method because such exclusion would not materially affect the 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 29:	1 company
March 31:	5 companies
May 31:	1 company
June 30:	6 companies
September 30:	46 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 29: 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, 2020, 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, 2020.

(2) Securities

(a) Under the accounting standards for financial instruments in Japan, SuMi TRUST Holdings is required to determine the purposes 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.

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

(3) Financial Derivatives

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

(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 primarily provided based on the estimated loan losses over the next one to three years, which are calculated based on the average historical loan-loss ratios during a certain period on the basis of historical loan losses over the past one to three years.

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 ¥24,123 million (U.S. \$228 million) for the six months ended September 30, 2020.

(Additional Information)

For the fiscal year ended March 31, 2020, some of the consolidated subsidiaries made necessary modifications to their historical loan-loss ratios, to incorporate the impact of the spread of COVID-19 on borrowers.

In particular, some of the consolidated subsidiaries identified industries and products (“the Industries and Others”) that may be affected by a downturn in business performance due to the spread of COVID-19. Therefore, they recorded an additional allowance for loan losses for anticipated future credit losses, assuming that internal ratings of certain credits of the Industries and Others will be downgraded to some extent.

There is no significant change to this assumption for the six-month period ended September 30, 2020.

(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 for the estimated directors’ bonuses attributable to the current interim period.

(8) Provision for Stocks Payment

A provision for stocks payment is provided for estimated stock-based payments to directors of SuMi TRUST Holdings and some consolidated subsidiaries under a stock-based compensation scheme that have been earned by September 30, 2020.

(9) Provision for Reward Points Program

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

(10) Provision for Reimbursement of Deposits in Dormant Accounts

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

(11) Provision for Contingent Losses

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

(12) Accounting for Retirement Benefits

In determining the retirement benefit obligations, projected benefits to the periods up to the interim period ended September 30, 2020, are attributed based on the plan’s benefit formula. Past service cost and actuarial gains or losses are expensed using the following methods:

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

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

Some consolidated subsidiaries adopt the simplified method in calculating liabilities for retirement benefits and retirement benefit expenses for lump-sum retirement

benefit plans, recording liabilities at amounts that would be required for voluntary termination at the end of the current interim period.

(13) 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.

(14) 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.

(15) 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, 2020, totaled ¥25 million (U.S. \$0.2 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 foreign currency payables of spot and forward foreign exchange contracts exist in excess of the acquisition cost of such foreign currency-denominated securities on a foreign currency basis.

The foreign exchange risk associated with investment in the shares of stocks in foreign subsidiaries and affiliated

companies is individually hedged using forward exchange contracts denominated in the same currency, and foreign currency translation adjustments arising from the hedging instruments are included in “Foreign Currency Translation Adjustments.”

(c) Internal hedge transactions and others

Among derivative transactions of SuMi TRUST Bank that take place between consolidated subsidiaries or that are made internally between designated trading accounts and some other accounts, those interest rate swaps and cross-currency swaps designated as hedging instruments are carried out in accordance with standards for cover deals with external parties, which eliminate discretion and enable strict management on hedges pursuant to 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.

(16) 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).

(17) 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.

(18) Adoption of Consolidated Tax Return System

SuMi TRUST Holdings adopts the consolidated tax return system.

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

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

Additional Information

Share Delivery Trust for the Directors

1. Overview

SuMi Trust Holdings applies the Performance-Based Stock Compensation System (the “System”) with trusts to SuMi Trust Holdings’ directors (excluding directors who are Audit Committee members and external directors) and executive officers (as defined in the Companies Act and as defined in SuMi Trust Holdings’ internal policies), and the directors (excluding directors who are Audit and Supervisory Committee members and external directors) and executive officers (as defined in the internal policies) of SuMi TRUST Bank and Sumitomo Mitsui Trust Asset Management Co., Ltd. (“SuMi TRUST AM”), which are core companies of the SuMi TRUST Group. The above mentioned directors and executive officers of SuMi TRUST Holdings, SuMi TRUST Bank, and SuMi TRUST AM are collectively referred to as the “Directors.”

Under the System, a portion of the remuneration of the Directors is linked to performance targets set out in SuMi TRUST Holdings’ current Midterm Management Plan. By paying part of the remuneration for Directors in shares, the linkage between the remuneration of the Directors and the performance of the SuMi TRUST Group becomes clearer, and the Directors share the same benefits and risks of share price

fluctuations with the shareholders. Through these initiatives, the System is designed to heighten the Director's attention to enhancement of medium- and long-term business performance and the corporate value of the SuMi TRUST Group.

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

Notes to the Interim Consolidated Balance Sheets

1. Securities

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

	Millions of Yen	Millions of U.S. Dollars
	Sep. 30, 2020	Sep. 30, 2020
Stocks	¥ 155,625	\$ 1,471
Equity Investments	27,796	263

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

	Millions of Yen	Millions of U.S. Dollars
	Sep. 30, 2020	Sep. 30, 2020
Securities that are Further Collateralized	¥ 134,648	\$ 1,273
Securities that are Further Loaned	1,017,883	9,620
Securities Held without Selling or Repledging as of the End of the Current Period	10,071	95

2. Loans and Bills Discounted

Loans and bills discounted as of September 30, 2020, consist of the following:

	Millions of Yen	Millions of U.S. Dollars
	Sep. 30, 2020	Sep. 30, 2020
Loans in Bankruptcy Proceedings	¥ 2,468	\$ 23
Delinquent Loans	74,611	705

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

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

The carrying amount and the number of shares of SuMi TRUST Holdings held by the Trust as of September 30, 2020, was ¥1,446 million (U.S. \$14 million) and 422 thousand shares (carrying amount and the number of shares as of September 30, 2019, was ¥1,469 million and 429 thousand shares). The shares are recorded as treasury stock in the net assets section of the interim consolidated balance sheet.

("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

Loans past due three months or more as of September 30, 2020, consist of the following:

	Millions of Yen	Millions of U.S. Dollars
	Sep. 30, 2020	Sep. 30, 2020
Loans Past Due Three Months or More	¥ 6,531	\$ 62

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, 2020, consist of the following:

	Millions of Yen	Millions of U.S. Dollars
	Sep. 30, 2020	Sep. 30, 2020
Restructured Loans	¥ 42,022	\$ 397

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, 2020, consists of the following:

	Millions of Yen	Millions of U.S. Dollars
	Sep. 30, 2020	Sep. 30, 2020
Total of Loans in Bankruptcy Proceedings, Delinquent Loans, Loans Past Due Three Months or More, and Restructured Loans	¥ 125,634	\$ 1,187

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, 2020	Sep. 30, 2020
Bills Discounted	¥ 746	\$ 7

7. Assets Pledged as Collateral

Assets pledged as collateral as of September 30, 2020, consist of the following:

	Millions of Yen	Millions of U.S. Dollars
	Sep. 30, 2020	Sep. 30, 2020
Assets Pledged as Collateral:		
Securities	¥ 2,092,410	\$ 19,775
Loans and Bills Discounted	5,019,313	47,437
Lease Receivables and Investment Assets	54,196	512
Other Assets	6,242	59
Total	¥ 7,172,163	\$ 67,783
Corresponding Liabilities to Assets Pledged as Collateral:		
Deposits	¥ 27,683	\$ 262
Payables under Repurchase Agreements	392,903	3,713
Borrowed Money	4,330,880	40,931

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, 2020	Sep. 30, 2020
Securities	¥ 122,351	\$ 1,156

"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, 2020	Sep. 30, 2020
Initial Margins of Futures Markets	¥ 40,432	\$ 382
Security Deposits	24,087	228
Cash Collateral Pledged for Financial Instruments-Assets	802,430	7,584

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, 2020	Sep. 30, 2020
Amount of Unused Credit under Agreements	¥ 13,399,348	\$ 126,636
Attributable to Agreements Expiring within One Year or which May Be Unconditionally Canceled at Any Time	8,475,524	80,101

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, 2020, consists of the following:

	Millions of Yen	Millions of U.S. Dollars
	Sep. 30, 2020	Sep. 30, 2020
Accumulated Depreciation of Tangible Fixed Assets	¥ 174,475	\$ 1,649

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, 2020	Sep. 30, 2020
Subordinated Borrowings	¥ 60,000	\$ 567
Subordinated Borrowings with a Debt Relief Clause at the Contractual Point of Non-Viability	10,000	95

12. Bonds Payable

Bonds payable includes subordinated bonds.

	Millions of Yen	Millions of U.S. Dollars
	Sep. 30, 2020	Sep. 30, 2020
Subordinated Bonds	¥ 920,595	\$ 8,700
Subordinated Bonds with a Debt Relief Clause at the Contractual Point of Non-Viability	680,000	6,427

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, 2020	Sep. 30, 2020
Guarantee Obligations on Corporate Bonds Placed through Private Securities Offerings	¥ 80,800	\$ 764

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, 2020	Sep. 30, 2020
Money Trusts	¥ 3,309,878	\$ 31,281

Notes to the Interim Consolidated Statements of Income

1. Other Income

Other income for the six months ended September 30, 2020, consists of the following:

	Millions of Yen	Millions of U.S. Dollars
	Sep. 30, 2020	Sep. 30, 2020
Gains on Sales of Stocks and Other Securities	¥ 15,362	\$ 145
Equity in Earnings of Affiliated Companies	5,196	49

2. General and Administrative Expenses

General and administrative expenses for the six months ended September 30, 2020, consist of the following:

	Millions of Yen	Millions of U.S. Dollars
	Sep. 30, 2020	Sep. 30, 2020
Salaries and Allowances	¥ 82,483	\$ 780

3. Other Expenses

Other expenses for the six months ended September 30, 2020, consist of the following:

	Millions of Yen	Millions of U.S. Dollars
	Sep. 30, 2020	Sep. 30, 2020
Losses on Sales of Stocks and Other Securities	¥ 3,954	\$ 37
Losses on Devaluation of Stocks and Other Securities	585	6
Expenses on Stock-Related Derivatives	11,591	110

Notes to the Interim Consolidated Statements 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, 2020, 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, 2020					
Number of Issued Shares:					
Common Share	850,000	375,291	—	—	375,291
Treasury Stock:					
Common Share		755	2 ¹⁾	11 ²⁾	746 ³⁾

(Notes)

1) The number of shares of common stock held as treasury stock increased by 2 thousand shares due to the purchase of odd-lot or less than one thousand shares.

2) The number of shares of common stock held as treasury stock decreased by 0 thousand shares due to purchase requests from odd-lot or less than one thousand shareholders, by 4 thousand shares due to the transfer of shares upon exercise of stock option rights, and by 6 thousand shares

due to the disposal of shares under the scheme of the share delivery trust for the Directors.

3) The number of shares of common stock held as treasury stock as of September 30, 2020, includes 422 thousand shares of SuMi TRUST Holdings held by the share delivery trust for the Directors. The number of shares held by the share delivery trust for the Directors decreased by 6 thousand shares during the six months ended September 30, 2020.

2. Subscription Rights to Shares

Subscription rights to shares for the six months ended September 30, 2020, consist of the following:

	Millions of Yen	Millions of U.S. Dollars
	Sep. 30, 2020	Sep. 30, 2020
SuMi TRUST Holdings		
Subscription Rights to Shares as Stock Options	¥ 1,041	\$ 10

3. Dividends

(1) Dividends paid for the six months ended September 30, 2020, consist of the following:

Resolution	Type of Shares	Cash Dividends Declared	Dividend Resources	Cash Dividends per Share	Record Date	Effective Date
		Millions of Yen (Millions of U.S. Dollars)		Yen (U.S. Dollars)		
June 26, 2020						
Ordinary General Meeting of Shareholders	Common Share	¥ 28,122 (\$266)	Retained Earnings	¥ 75.00 (\$0.71)	March 31, 2020	June 29, 2020

(Note)

Cash dividends declared at the Ordinary General Meeting of Shareholders held on June 26, 2020 include ¥32 million (U.S. \$0.3 million) of dividends for treasury stock held by the share delivery trust for the Directors.

(2) Dividends with a record date during the current interim period ended September 30, 2020, but whose effective date is after September 30, 2020, are as follows:

Resolution	Type of Shares	Cash Dividends Declared	Dividend Resources	Cash Dividends per Share	Record Date	Effective Date
		Millions of Yen (Millions of U.S. Dollars)		Yen (U.S. Dollars)		
November 12, 2020						
Board of Directors' Meeting	Common Share	¥ 28,122 (\$266)	Retained Earnings	¥ 75.00 (\$0.71)	September 30, 2020	December 2, 2020

(Note)

Cash dividends declared at the Board of Directors' Meeting held on November 12, 2020 include ¥31 million (U.S. \$0.3 million) of dividends for treasury stock held by the share delivery trust for the Directors.

Note to the Interim Consolidated Statements of Cash Flows

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, 2020.

	Millions of Yen	Millions of U.S. Dollars
	Sep. 30, 2020	Sep. 30, 2020
Cash and Due from Banks	¥ 17,498,102	\$ 165,373
Due from Banks Held by SuMi TRUST Bank (Excluding Due from the Bank of Japan)	1,549,338	14,643
Cash and Cash Equivalents	¥ 15,948,763	\$ 150,730

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, 2020, are as follows:

	Millions of Yen	Millions of U.S. Dollars
	Sep. 30, 2020	Sep. 30, 2020
Due in One Year or Less	¥ 3,942	\$ 37
Due in More than One Year	19,747	187
Total	¥ 23,690	\$ 224

As a lessor:

Total future lease payments under non-cancelable operating leases as of September 30, 2020, are as follows:

	Millions of Yen	Millions of U.S. Dollars
	Sep. 30, 2020	Sep. 30, 2020
Due in One Year or Less	¥ 4,777	\$ 45
Due in More than One Year	23,028	218
Total	¥ 27,805	\$ 263

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, 2020, 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, 2020			Sep. 30, 2020		
	Carrying Amount	Fair Value	Difference	Carrying Amount	Fair Value	Difference
(1) Cash and Due from Banks (*1)	¥ 17,497,940	¥ 17,497,940	¥ —	\$ 165,371	\$ 165,371	\$ —
(2) Call Loans and Bills Bought	21,818	21,818	—	206	206	—
(3) Receivables under Resale Agreements	145,010	145,010	—	1,370	1,370	—
(4) Receivables under Securities Borrowing Transactions	779,616	779,616	—	7,368	7,368	—
(5) Monetary Claims Bought (*1)	753,330	754,035	705	7,120	7,126	7
(6) Trading Assets						
Trading Securities	34,716	34,716	—	328	328	—
(7) Money Held in Trust	9,338	9,338	—	88	88	—
(8) Securities						
Held-to-Maturity Securities	259,514	276,454	16,939	2,453	2,613	160
Available-for-Sale Securities	6,082,009	6,082,009	—	57,480	57,480	—
(9) Loans and Bills Discounted	30,140,335			284,853		
Allowance for Loan Losses (*2)	(110,829)			(1,047)		
	30,029,506	30,346,598	317,092	283,806	286,803	2,997
(10) Foreign Exchanges	46,173	46,173	—	436	436	—
(11) Lease Receivables and Investment Assets (*1)	660,060	674,624	14,563	6,238	6,376	138
Total Assets	¥ 56,319,036	¥ 56,668,337	¥ 349,300	\$ 532,266	\$ 535,567	\$ 3,301
(1) Deposits	¥ 34,071,925	¥ 34,093,279	¥ 21,353	\$ 322,010	\$ 322,212	\$ 202
(2) Negotiable Certificates of Deposit	6,970,204	6,970,204	—	65,875	65,875	—
(3) Call Money and Bills Sold	24,348	24,348	—	230	230	—
(4) Payables under Repurchase Agreements	1,379,058	1,379,058	—	13,033	13,033	—
(5) Borrowed Money	5,551,590	5,550,480	(1,109)	52,468	52,457	(10)
(6) Foreign Exchanges	1,866	1,866	—	18	18	—
(7) Short-Term Bonds Payable	2,532,452	2,532,452	—	23,934	23,934	—
(8) Bonds Payable	1,277,082	1,295,501	18,418	12,070	12,244	174
(9) Borrowed Money from Trust Account	3,517,414	3,517,414	—	33,243	33,243	—
Total Liabilities	¥ 55,325,943	¥ 55,364,605	¥ 38,661	\$ 522,880	\$ 523,245	\$ 365
Derivative Transactions (*3)						
Derivative Transactions Not Qualifying for Hedge Accounting	¥ (17,196)	¥ (17,196)	¥ —	\$ (163)	\$ (163)	\$ —
Derivative Transactions Qualifying for Hedge Accounting	(26,064)	(26,064)	—	(246)	(246)	—
Total Derivative Transactions	¥ (43,260)	¥ (43,260)	¥ —	\$ (409)	\$ (409)	\$ —

(*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

Fair values of monetary claims bought for which counterparties' quoted prices or dealer/broker-quoted prices are available are stated at such prices. Fair values for all other 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, floating-rate loans for which their carrying amounts are deemed to approximate fair value, due to the nature of the loan or the borrower's credit situation subsequent to the execution of the loans, are stated at their carrying amounts.

For claims executed to borrowers who went into legal bankruptcy, virtual bankruptcy, and possible bankruptcy, estimated loan losses are calculated based on the present value of estimated future cash flows or the expected recoverable amounts from collateral or guarantees. Therefore, fair values for these claims are stated at the amounts by deducting the allowance for loan losses from the amounts in the 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, (6) Foreign Exchanges, (7) Short-Term Bonds Payable, and (9) 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.

(5) Borrowed Money

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

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

(8) 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, 2020		Sep. 30, 2020	
	Carrying Amount		Carrying Amount	
Monetary Claims Bought	¥	6,635	\$	63
Securities		214,382		2,026
Unlisted Stocks (*3)		73,537		695
Investments in Associations		105,988		1,002
Others (*3)		34,856		329
Total	¥	221,017	\$	2,089

(*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 of subsidiaries and affiliated companies are not included in the above table.

(*3) During the current interim period ended September 30, 2020, impairment losses of ¥309 million (U.S. \$3 million) are recognized against "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, 2020, consist of the following:

September 30, 2020	Millions of Yen		
	Carrying Amount	Fair Value	Difference
Securities for which Fair Value Exceeds Carrying Amount			
Government Bonds	¥ 118,218	¥ 135,439	¥ 17,220
Corporate Bonds	33,200	33,610	410
Other Securities	77,089	77,219	130
Foreign Bonds	21,162	21,174	12
Others	55,927	56,045	117
Subtotal	228,508	246,269	17,760
Securities for which Fair Value Does Not Exceed Carrying Amount			
Government Bonds	¥ —	¥ —	¥ —
Corporate Bonds	—	—	—
Other Securities	86,934	86,229	(704)
Foreign Bonds	86,934	86,229	(704)
Others	—	—	—
Subtotal	86,934	86,229	(704)
Total	¥ 315,442	¥ 332,499	¥ 17,056

September 30, 2020	Millions of U.S. Dollars		
	Carrying Amount	Fair Value	Difference
Securities for which Fair Value Exceeds Carrying Amount			
Government Bonds	\$ 1,117	\$ 1,280	\$ 163
Corporate Bonds	314	318	4
Other Securities	729	730	1
Foreign Bonds	200	200	0
Others	529	530	1
Subtotal	2,160	2,327	168
Securities for which Fair Value Does Not Exceed Carrying Amount			
Government Bonds	\$ —	\$ —	\$ —
Corporate Bonds	—	—	—
Other Securities	822	815	(7)
Foreign Bonds	822	815	(7)
Others	—	—	—
Subtotal	822	815	(7)
Total	\$ 2,981	\$ 3,142	\$ 161

2. Available-for-Sale Securities

Available-for-sale securities as of September 30, 2020, consist of the following:

September 30, 2020	Millions of Yen		
	Carrying Amount	Acquisition Cost	Difference
Securities for which Carrying Amount Exceeds Acquisition Cost			
Stocks	¥ 1,159,031	¥ 420,700	¥ 738,331
Bonds	1,734,329	1,730,239	4,090
Government Bonds	1,249,360	1,248,840	519
Local Government Bonds	8,131	8,095	36
Corporate Bonds	476,837	473,303	3,534
Other Securities	786,888	758,880	28,008
Foreign Stocks	2,878	185	2,692
Foreign Bonds	637,042	623,059	13,983
Others	146,967	135,634	11,332
Subtotal	3,680,249	2,909,820	770,429
Securities for which Carrying Amount Does Not Exceed Acquisition Cost			
Stocks	¥ 101,477	¥ 137,749	¥ (36,272)
Bonds	607,014	608,749	(1,734)
Government Bonds	392,460	393,408	(948)
Local Government Bonds	11,144	11,168	(23)
Corporate Bonds	203,410	204,172	(761)
Other Securities	1,733,217	1,976,253	(243,036)
Foreign Stocks	787	1,285	(498)
Foreign Bonds	655,775	659,188	(3,412)
Others	1,076,654	1,315,779	(239,125)
Subtotal	2,441,709	2,722,752	(281,043)
Total	¥ 6,121,959	¥ 5,632,572	¥ 489,386

September 30, 2020	Millions of U.S. Dollars		
	Carrying Amount	Acquisition Cost	Difference
Securities for which Carrying Amount Exceeds Acquisition Cost			
Stocks	\$ 10,954	\$ 3,976	\$ 6,978
Bonds	16,391	16,352	39
Government Bonds	11,808	11,803	5
Local Government Bonds	77	77	0
Corporate Bonds	4,507	4,473	33
Other Securities	7,437	7,172	265
Foreign Stocks	27	2	25
Foreign Bonds	6,021	5,888	132
Others	1,389	1,282	107
Subtotal	34,782	27,500	7,281
Securities for which Carrying Amount Does Not Exceed Acquisition Cost			
Stocks	\$ 959	\$ 1,302	\$ (343)
Bonds	5,737	5,753	(16)
Government Bonds	3,709	3,718	(9)
Local Government Bonds	105	106	(0)
Corporate Bonds	1,922	1,930	(7)
Other Securities	16,380	18,677	(2,297)
Foreign Stocks	7	12	(5)
Foreign Bonds	6,198	6,230	(32)
Others	10,175	12,435	(2,260)
Subtotal	23,076	25,732	(2,656)
Total	\$ 57,858	\$ 53,233	\$ 4,625

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 to recover to the 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 ¥275 million (U.S. \$3 million) on stocks were recognized during the current interim period.

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

- For securities whose issuers are classified as “normal” under the asset self-assessment, a decline of 50% or more in the fair values compared with the acquisition cost is deemed to be significant;
- 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 is deemed to be significant; and
- 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, 2020.

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, 2020, consists of the following:

September 30, 2020	Millions of Yen				
	Carrying Amount	Acquisition Cost	Difference	Positive Difference	Negative Difference
Other Money Held in Trust	¥ 1,343	¥ 983	¥ 360	¥ 360	¥ —

September 30, 2020	Millions of U.S. Dollars				
	Carrying Amount	Acquisition Cost	Difference	Positive Difference	Negative Difference
Other Money Held in Trust	\$ 13	\$ 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, 2020	Sep. 30, 2020
Valuation Differences		
Available-for-Sale Securities	¥ 490,607	\$ 4,637
Other Money Held in Trust	360	3
Total Valuation Differences	490,967	4,640
Amount Equivalent to Deferred Tax Assets (Liabilities)	(148,978)	(1,408)
Total (Before Adjustment for Non-Controlling Interests and Parent Company's Portions in Available-for-Sale Securities Owned by its Affiliated Companies)	341,989	3,232
Non-Controlling Interests	(72)	(1)
Parent Company's Portions in Available-for-Sale Securities Owned by Its Affiliated Companies	3,103	29
Valuation Differences on Available-for-Sale Securities	¥ 345,021	\$ 3,261

(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 ¥1,286 million (U.S. \$12 million) on available-for-sale securities composing assets held by associated companies 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, 2020, consist of the following:

	Millions of Yen				Millions of U.S. Dollars			
	Sep. 30, 2020				Sep. 30, 2020			
	Notional Amount		Fair Value	Valuation Difference	Notional Amount		Fair Value	Valuation Difference
Total	Over One Year	Total			Over One Year			
Listed								
Interest Futures								
Sold	¥ 14,722,272	¥ 4,685,668	¥ (33,585)	¥ (33,585)	\$ 139,139	\$ 44,284	\$ (317)	\$ (317)
Purchased	14,794,708	4,596,540	33,444	33,444	139,823	43,441	316	316
Interest Options								
Sold	2,494,548	—	(647)	(347)	23,576	—	(6)	(3)
Purchased	2,440,767	—	679	289	23,067	—	6	3
OTC								
Forward Rate Agreements								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Interest Rate Swaps								
Fixed Interest Rate Receivable/ Floating Interest Rate Payable	47,248,260	35,511,841	2,026,388	2,026,388	446,539	335,619	19,151	19,151
Floating Interest Rate Receivable/ Fixed Interest Rate Payable	39,958,821	31,628,243	(1,996,161)	(1,996,161)	377,647	298,915	(18,866)	(18,866)
Floating Interest Rate Receivable/ Floating Interest Rate Payable	22,419,954	18,047,194	70	70	211,889	170,562	1	1
Interest Options								
Sold	9,500,003	9,488,477	(850)	8,276	89,784	89,675	(8)	78
Purchased	6,752,922	6,731,049	7,407	2,890	63,821	63,614	70	27
Others								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Total			¥ 36,744	¥ 41,265			\$ 347	\$ 390

(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, 2020, consist of the following:

	Millions of Yen				Millions of U.S. Dollars											
	Sep. 30, 2020				Sep. 30, 2020											
	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		5,776,803		4,958,684		24,170		24,170		54,596		46,864		228		228
Forward Exchange Contracts																
Sold		11,186,921		809,548		(34,432)		(34,432)		105,727		7,651		(325)		(325)
Purchased		16,663,092		236,891		(36,319)		(36,319)		157,481		2,239		(343)		(343)
Currency Options																
Sold		1,156,527		654,385		(42,597)		11,774		10,930		6,185		(403)		111
Purchased		883,885		446,929		37,907		(7,626)		8,354		4,224		358		(72)
Others																
Sold		—		—		—		—		—		—		—		—
Purchased		—		—		—		—		—		—		—		—
Total						¥ (51,270)		¥ (42,432)						\$ (485)		\$ (401)

(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, 2020, consist of the following:

	Millions of Yen				Millions of U.S. Dollars			
	Sep. 30, 2020				Sep. 30, 2020			
	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	¥ 56,774	¥ —	¥ (434)	¥ (434)	\$ 537	\$ —	\$ (4)	\$ (4)
Purchased	31,848	—	70	70	301	—	1	1
Stock Index Options								
Sold	99,967	—	(750)	223	945	—	(7)	2
Purchased	108,081	—	226	(1,178)	1,021	—	2	(11)
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			¥ (888)	¥ (1,319)			\$ (8)	\$ (12)

(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, 2020, consist of the following:

	Millions of Yen				Millions of U.S. Dollars			
	Sep. 30, 2020				Sep. 30, 2020			
	Notional Amount		Fair Value	Valuation Difference	Notional Amount		Fair Value	Valuation Difference
Total	Over One Year	Total			Over One Year			
Listed								
Bond Futures								
Sold	¥ 535,500	¥ —	¥ (1,696)	¥ (1,696)	\$ 5,061	\$ —	\$ (16)	\$ (16)
Purchased	560,239	—	133	133	5,295	—	1	1
Bond Future Options								
Sold	368,016	—	(673)	530	3,478	—	(6)	5
Purchased	142,996	—	148	(191)	1,351	—	1	(2)
OTC								
Bond Forward Contracts								
Sold	112,279	—	52	52	1,061	—	0	0
Purchased	113,956	—	251	251	1,077	—	2	2
Bond Options								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Others								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Total			¥ (1,782)	¥ (918)			\$ (17)	\$ (9)

(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, 2020.

(6) Credit Derivative Transactions

Credit derivative transactions not qualifying for hedge accounting as of September 30, 2020, consist of the following:

	Millions of Yen				Millions of U.S. Dollars			
	Sep. 30, 2020				Sep. 30, 2020			
	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	¥ 53,600	¥ 36,000	¥ 936	¥ 936	\$ 507	\$ 340	\$ 9	\$ 9
Purchased	53,600	36,000	(936)	(936)	507	340	(9)	(9)
Others								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Total			¥ (0)	¥ (0)			\$ (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, 2020, consist of the following:

Major Hedged Item	Millions of Yen			Millions of U.S. Dollars		
	Sep. 30, 2020			Sep. 30, 2020		
	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	¥ 541,717	¥ 293,620	¥ 1,501	\$ 5,120	\$ 2,775	\$ 14
Floating Interest						
Rate Receivable/ Fixed Interest						
Rate Payable	1,484,562	1,307,571	(49,727)	14,030	12,358	(470)
Interest Futures						
Sold	—	—	—	—	—	—
Purchased	—	—	—	—	—	—
Interest Options						
Sold	—	—	—	—	—	—
Purchased	—	—	—	—	—	—
Others						
Sold	—	—	—	—	—	—
Purchased	—	—	—	—	—	—
Exceptional Treatment for Interest Rate Swaps						
Interest Rate Swaps						
Fixed Interest						
Rate Receivable/ Floating Interest						
Rate Payable	—	—		—	—	
Floating Interest						
Rate Receivable/ Fixed Interest						
Rate Payable	—	—		—	—	
Total			¥ (48,226)			\$ (456)

(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.

(2) Currency-Related Transactions

Currency-related transactions qualifying for hedge accounting as of September 30, 2020, consist of the following:

Major Hedged Item	Millions of Yen			Millions of U.S. Dollars		
	Sep. 30, 2020			Sep. 30, 2020		
	Notional Amount		Fair Value	Notional Amount		Fair Value
	Total	Over One Year		Total	Over One Year	
Deferral Method						
Currency Swaps	¥ 2,804,809	¥ 1,846,989	¥ 20,104	\$ 26,508	\$ 17,456	\$ 190
Forward Exchange Contracts						
Sold	15,074	—	(36)	142	—	(0)
Purchased	76,981	—	902	728	—	9
Others						
Sold	—	—	—	—	—	—
Purchased	—	—	—	—	—	—
Method of Including Foreign Currency Translation Adjustments Arising from the Hedging Instruments in "Foreign Currency Translation Adjustments"						
Forward Exchange Contracts						
Sold	¥ 91,846	¥ —	¥ 1,192	\$ 868	\$ —	\$ 11
Purchased	—	—	—	—	—	—
Total			¥ 22,162			\$ 209

(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, 2020.

(4) Bond-Related Transactions

There are no bond-related transactions qualifying for hedge accounting as of September 30, 2020.

Stock Option Plans

There are no corresponding items as of September 30, 2020.

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 from each of the reportable segments to make decisions about the allocation of management resources and to assess performance.

The main activities of the reportable segment are presented below:

Retail Total Solution Services:

Provision of services to individual customers

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

Provision of services to corporate customers

Stock Transfer Agency Services:

Undertaking of stock-related services on behalf of customers

Real Estate:

Provision of services related to the real estate business

Fiduciary Services:

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

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 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.

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, 2020, are as follows:

Six Months Ended September 30, 2020	Millions of Yen								
	Retail Total Solution Services	Wholesale Financial Services	Stock Transfer Agency Services	Real Estate	Fiduciary Services		Global Markets	Others	Total
					Asset Management Business				
Substantial Gross Business Profit	¥ 85,244	¥ 96,581	¥ 21,425	¥ 16,618	¥ 83,087	¥ 40,087	¥ 36,094	¥ 19,740	¥ 358,791
General and Administrative Expenses	(79,127)	(37,129)	(10,101)	(11,730)	(53,312)	(26,204)	(7,574)	(18,720)	(217,696)
Net Business Profit	¥ 6,116	¥ 59,451	¥ 11,324	¥ 4,888	¥ 29,774	¥ 13,882	¥ 28,520	¥ 1,019	¥ 141,095

Six Months Ended September 30, 2020	Millions of U.S. Dollars								
	Retail Total Solution Services	Wholesale Financial Services	Stock Transfer Agency Services	Real Estate	Fiduciary Services		Global Markets	Others	Total
					Asset Management Business				
Substantial Gross Business Profit	\$ 806	\$ 913	\$ 202	\$ 157	\$ 785	\$ 379	\$ 341	\$ 187	\$ 3,391
General and Administrative Expenses	(748)	(351)	(95)	(111)	(504)	(248)	(72)	(177)	(2,057)
Net Business Profit	\$ 58	\$ 562	\$ 107	\$ 46	\$ 281	\$ 131	\$ 270	\$ 10	\$ 1,333

(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 interest income, net trust fees, 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) Figures for the "Asset Management Business" are

combined total of (the consolidated group of) SuMi TRUST AM, (the consolidated group of) Nikko Asset Management Co., Ltd., and two affiliated companies accounted for using the equity method which are involved in asset management operations.

- 5) "Others" include costs of capital funding, dividends for shares for cross-shareholdings, general and administrative expenses of headquarters, and elimination of internal transactions.

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

The details of reconciliation between total profit or loss for reportable segments and income before income taxes in the consolidated statements of income for the six months ended September 30, 2020, are as follows:

	Millions of Yen	Millions of U.S. Dollars
	2020	2020
Net Business Profit	¥ 141,095	\$ 1,333
Other Income	25,375	240
Other Expenses	(32,316)	(305)
Other Adjustments	(21,217)	(201)
Income before Income Taxes	¥ 112,938	\$ 1,067

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, 2020, consists of the following:

Millions of Yen					
Six Months Ended September 30, 2020	Japan	Americas	Europe	Asia and Oceania	Total
	¥ 527,277	¥ 42,083	¥ 27,567	¥ 30,914	¥ 627,842

Millions of U.S. Dollars					
Six Months Ended September 30, 2020	Japan	Americas	Europe	Asia and Oceania	Total
	\$ 4,983	\$ 398	\$ 261	\$ 292	\$ 5,934

(Notes)

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

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

(2) Tangible Fixed Assets

More than 90% of the SuMi TRUST Group’s tangible fixed assets on the 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 major counterparty; accordingly, information by major customer is not presented.

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

Losses on impairment of fixed assets are not allocated to reportable segments. Losses on impairment of fixed assets recognized during the six months ended September 30, 2020, are ¥164 million (U.S. \$2 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 recognized during the six months ended September 30, 2020 is ¥3,936 million (U.S. \$37 million). Unamortized balance of goodwill as of September 30, 2020, is ¥41,165 million (U.S. \$389 million).

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, 2020.

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, 2020, 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, 2020			
Net Assets as Reported	¥ 2,637,847		
Less:	35,468		
Subscription Rights to Shares	1,041		
Non-Controlling Interests	34,427		
Net Assets Attributable to Common Shareholders	¥ 2,602,378	374,545	¥ 6,948.09

	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, 2020			
Net Assets as Reported	\$ 24,930		
Less:	335		
Subscription Rights to Shares	10		
Non-Controlling Interests	325		
Net Assets Attributable to Common Shareholders	\$ 24,595	374,545	\$ 65.67

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, 2020, are as follows:

Six Months Ended September 30, 2020	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	¥ 80,091		
Net Income Not Attributable to Common Shareholders	—		
Net Income Related to Common Stock that Is Attributable to Owners of the Parent	¥ 80,091	374,539	¥ 213.83

Six Months Ended September 30, 2020	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	\$ 757		
Net Income Not Attributable to Common Shareholders	—		
Net Income Related to Common Stock that Is Attributable to Owners of the Parent	\$ 757	374,539	\$ 2.02

Six Months Ended September 30, 2020	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		237	¥ 213.70

Six Months Ended September 30, 2020	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		237	\$ 2.02

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 1 Subscription Rights to Shares (Stock Options)	SuMi TRUST Holdings Common Stock	20,000 shares
Series 2 Subscription Rights to Shares (Stock Options)	SuMi TRUST Holdings Common Stock	19,300 shares
Series 3 Subscription Rights to Shares (Stock Options)	SuMi TRUST Holdings Common Stock	39,300 shares

2) Consolidated Subsidiaries (Nikko Asset Management Co., Ltd.)

Subscription Rights to Shares (Stock Options)	Nikko Asset Management Common Stock	6,872,100 shares
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In the calculation of net income per share of common stock, shares of SuMi TRUST Holdings remaining in the share delivery trust for the Directors, which have been recorded as treasury stock in shareholder's equity, are included in treasury stock. Treasury stock is excluded from the calculation of the average number of shares of common stock outstanding for the interim period ended September 30, 2020. In addition, in the calculation of net assets per share of common stock, such shares are included in treasury stock, which is also excluded from the number of shares of

common stock outstanding as of September 30, 2020.

The average number of shares of treasury stock, which is excluded from the calculation of net income per share of common stock, is 427 thousand for the interim period ended September 30, 2020 (30 thousand for the interim period ended September 30, 2019). The number of shares of treasury stock, which is also excluded from the calculation of net assets per share of common stock, is 422 thousand as of September 30, 2020 (429 thousand for the interim period ended September 30, 2019).

Significant Subsequent Event

Not applicable.

Financial Data: Non-Consolidated Balance Sheets (Unaudited)

Sumitomo Mitsui Trust Holdings, Inc.
As of September 30, 2020 and March 31, 2020

	Millions of Yen		Millions of U.S. Dollars
	As of Sep. 30, 2020	As of Mar. 31, 2020	As of Sep. 30, 2020
Assets:			
Current Assets:			
Cash and Due from Banks	¥ 3,300	¥ 2,349	\$ 31
Securities	147,000	129,000	1,389
Prepaid Expenses	103	201	1
Income Tax Refunds Receivable	15,387	15,588	145
Other Current Assets	17,250	28,330	163
Total Current Assets	183,041	175,470	1,730
Non-Current Assets:			
Tangible Fixed Assets	0	0	0
Intangible Fixed Assets	1	1	0
Investments and Other Assets:	2,089,283	2,049,281	19,746
Investment Securities	652	652	6
Investments in Subsidiaries and Affiliated Companies (Stocks)	1,398,398	1,398,398	13,216
Long-Term Loans Receivable from Subsidiaries and Affiliated Companies	690,000	650,000	6,521
Deferred Tax Assets	138	136	1
Other Investments	94	94	1
Total Non-Current Assets	2,089,285	2,049,283	19,746
Total Assets	¥ 2,272,326	¥ 2,224,754	\$ 21,476
Liabilities:			
Current Liabilities:			
Accrued Expenses	¥ 2,464	¥ 2,457	\$ 23
Income Taxes Payable	8,869	969	84
Provision for Bonuses	189	187	2
Provision for Directors' Bonuses	—	42	—
Other Current Liabilities	497	959	5
Total Current Liabilities	12,020	4,616	114
Non-Current Liabilities:			
Bonds Payable	680,000	640,000	6,427
Long-Term Loans Payable	10,000	10,000	95
Provision for Share-Based Remuneration	78	52	1
Other Non-Current Liabilities	71	40	1
Total Non-Current Liabilities	690,150	650,093	6,523
Total Liabilities	¥ 702,170	¥ 654,709	\$ 6,636
Net Assets:			
Total Shareholders' Equity:	¥ 1,569,114	¥ 1,568,986	\$ 14,830
Capital Stock	261,608	261,608	2,472
Capital Surplus:	977,093	977,094	9,234
Legal Capital Surplus	702,933	702,933	6,643
Other Capital Surplus	274,159	274,160	2,591
Retained Earnings:	333,233	333,139	3,149
Other Retained Earnings:			
Retained Earnings Brought Forward	333,233	333,139	3,149
Treasury Stock-At Cost	(2,820)	(2,855)	(27)
Subscription Rights to Shares	1,041	1,057	10
Total Net Assets	¥ 1,570,155	¥ 1,570,044	\$ 14,839
Total Liabilities and Net Assets	¥ 2,272,326	¥ 2,224,754	\$ 21,476

Financial Data:

Non-Consolidated Statements of Income (Unaudited)

Sumitomo Mitsui Trust Holdings, Inc.
For the Six Months Ended September 30, 2020 and 2019

	Millions of Yen		Millions of U.S. Dollars
	Six Months Ended Sep. 30, 2020	Six Months Ended Sep. 30, 2019	Six Months Ended Sep. 30, 2020
Operating Income:			
Dividends Received from Subsidiaries	¥ 28,124	¥ 38,582	\$ 266
Fees and Commissions Received from Subsidiaries	2,457	874	23
Total Operating Income	30,582	39,456	289
Operating Expenses:			
General and Administrative Expenses	1,878	1,801	18
Total Operating Expenses	1,878	1,801	18
Operating Profit	28,703	37,654	271
Non-Operating Income	4,103	4,068	39
Non-Operating Expenses	4,445	5,130	42
Income before Income Taxes	28,361	36,592	268
Income Taxes:			
Current	147	(12,331)	1
Deferred	(1)	11,480	(0)
Net Income	¥ 28,216	¥ 37,443	\$ 267
Net Income per Share of Common Stock			
	¥ 75.33	¥ 99.52	\$ 0.71

Financial Data:

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

Sumitomo Mitsui Trust Holdings, Inc.
For the Six Months Ended September 30, 2020 and 2019

For the Six Months Ended September 30, 2020

	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	¥ 274,160	¥ 977,094	¥ 333,139	¥ 333,139
Changes during the Period						
Cash Dividends					(28,122)	(28,122)
Net Income					28,216	28,216
Purchase of Treasury Stock						
Disposal of Treasury Stock			(1)	(1)		
Retirement of Treasury Stock						
Net Changes of Items Other Than Shareholders' Equity						
Total Changes during the Period	—	—	(1)	(1)	93	93
Balance at the End of the Period	¥ 261,608	¥ 702,933	¥ 274,159	¥ 977,093	¥ 333,233	¥ 333,233

	Millions of Yen			
	Shareholders' Equity			Total Net Assets
	Treasury Stock	Total Shareholders' Equity	Subscription Rights to Shares	
Balance at the Beginning of the Period	¥ (2,855)	¥ 1,568,986	¥ 1,057	¥ 1,570,044
Changes during the Period				
Cash Dividends		(28,122)		(28,122)
Net Income		28,216		28,216
Purchase of Treasury Stock	(6)	(6)		(6)
Disposal of Treasury Stock	42	40		40
Retirement of Treasury Stock		—		—
Net Changes of Items Other Than Shareholders' Equity			(16)	(16)
Total Changes during the Period	35	127	(16)	111
Balance at the End of the Period	¥ (2,820)	¥ 1,569,114	¥ 1,041	¥ 1,570,155

For the Six Months Ended September 30, 2019

	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	¥ 338,540	¥ 1,041,473	¥ 295,798	¥ 295,798
Changes during the Period						
Cash Dividends					(28,394)	(28,394)
Net Income					37,443	37,443
Purchase of Treasury Stock						
Disposal of Treasury Stock			(354)	(354)		
Retirement of Treasury Stock			(64,024)	(64,024)		
Net Changes of Items Other Than Shareholders' Equity						
Total Changes during the Period	—	—	(64,378)	(64,378)	9,048	9,048
Balance at the End of the Period	¥ 261,608	¥ 702,933	¥ 274,161	¥ 977,094	¥ 304,846	¥ 304,846

	Millions of Yen			
	Shareholders' Equity			Total Net Assets
	Treasury Stock	Total Shareholders' Equity	Subscription Rights to Shares	
Balance at the Beginning of the Period	¥ (51,222)	¥ 1,547,658	¥ 1,062	¥ 1,548,721
Changes during the Period				
Cash Dividends		(28,394)		(28,394)
Net Income		37,443		37,443
Purchase of Treasury Stock	(17,479)	(17,479)		(17,479)
Disposal of Treasury Stock	1,827	1,472		1,472
Retirement of Treasury Stock	64,024	—		—
Net Changes of Items Other Than Shareholders' Equity			(2)	(2)
Total Changes during the Period	48,371	(6,958)	(2)	(6,961)
Balance at the End of the Period	¥ (2,850)	¥ 1,540,700	¥ 1,060	¥ 1,541,760

For the Six Months Ended September 30, 2020

	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	\$ 2,472	\$ 6,643	\$ 2,591	\$ 9,234	\$ 3,148	\$ 3,148
Changes during the Period						
Cash Dividends					(266)	(266)
Net Income					267	267
Purchase of Treasury Stock						
Disposal of Treasury Stock			(0)	(0)		
Retirement of Treasury Stock						
Net Changes of Items Other Than Shareholders' Equity						
Total Changes during the Period	—	—	(0)	(0)	1	1
Balance at the End of the Period	\$ 2,472	\$ 6,643	\$ 2,591	\$ 9,234	\$ 3,149	\$ 3,149

	Millions of U.S. Dollars			
	Shareholders' Equity			Total Net Assets
	Treasury Stock	Total Shareholders' Equity	Subscription Rights to Shares	
Balance at the Beginning of the Period	\$ (27)	\$ 14,828	\$ 10	\$ 14,838
Changes during the Period				
Cash Dividends		(266)		(266)
Net Income		267		267
Purchase of Treasury Stock	(0)	(0)		(0)
Disposal of Treasury Stock	0	0		0
Retirement of Treasury Stock		—		—
Net Changes of Items Other Than Shareholders' Equity			(0)	(0)
Total Changes during the Period	0	1	(0)	1
Balance at the End of the Period	\$ (27)	\$ 14,830	\$ 10	\$ 14,839

Financial Data:

Statement of Trust Account (Unaudited)

Sumitomo Mitsui Trust Holdings, Inc.
As of September 30, 2020 and March 31, 2020

	Millions of Yen		Millions of U.S. Dollars
	As of Sep. 30, 2020	As of Mar. 31, 2020	As of Sep. 30, 2020
Assets:			
Loans and Bills Discounted (Note 2)	¥ 1,498,293	¥ 1,543,160	\$ 14,160
Securities	984,205	1,075,184	9,302
Beneficiary Rights	180,267,917	172,441,244	1,703,695
Securities Held in Custody Accounts	22,694	22,849	214
Monetary Claims	22,489,651	19,271,003	212,548
Tangible Fixed Assets	18,102,951	17,315,570	171,089
Intangible Fixed Assets	195,377	194,224	1,846
Other Claims	7,241,801	7,273,403	68,442
Loans to Banking Account	3,517,414	4,750,289	33,243
Cash and Due from Banks	549,906	538,396	5,197
Total Assets	¥ 234,870,214	¥ 224,425,327	\$ 2,219,736
Liabilities:			
Money Trusts (Note 3)	¥ 32,736,105	¥ 33,415,451	\$ 309,386
Pension Trusts	12,560,673	13,023,778	118,710
Property Formation Benefit Trusts	18,729	19,060	177
Securities Investment Trusts	81,136,214	79,777,245	766,810
Money in Trust Other Than Money Trusts	37,001,915	32,458,304	349,701
Securities in Trust	22,713,010	20,975,736	214,658
Money Claims in Trust	22,591,388	19,383,820	213,509
Real Estate in Trust	976	78,450	9
Composite Trusts	26,111,201	25,293,482	246,774
Total Liabilities	¥ 234,870,214	¥ 224,425,327	\$ 2,219,736

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, 2020, is ¥3,309,878 million (U.S. \$31,281 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 ¥105.81 to U.S. \$1, the approximate rate of exchange as of September 30, 2020. 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, 2020, is equal to the trust account in SuMi TRUST Bank. 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, repayments of the principal of customers' trust assets are guaranteed by SuMi TRUST Bank, and loans on such guaranteed trust assets as of September 30, 2020, include the following:

	Millions of Yen	Millions of U.S. Dollars
	Sep. 30, 2020	Sep. 30, 2020
Other Delinquent Loans	¥ 172	\$ 2
Restructured Loans	33	0
Total	¥ 205	\$ 2

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, 2020	Sep. 30, 2020
Assets:		
Loans and Bills Discounted	¥ 17,525	\$ 166
Other	3,292,592	31,118
Total	¥ 3,310,117	\$ 31,284
Liabilities:		
Principal	¥ 3,309,878	\$ 31,281
Allowance for Impairment of Guaranteed Trust Principal	21	0
Other	218	2
Total	¥ 3,310,117	\$ 31,284

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.