Offering Circular Supplement
(To Base Offering Circular dated August 30, 2023)

Sumitomo Mitsui Trust Bank, Limited

U.S.$30,000,000,000 Global Medium Term Notes Program

This supplement to the base offering circular dated August 30, 2023 is prepared in connection with our U.S.$30,000,000,000 Global Medium Term Notes Program (the "Program"). This supplement is supplemental to, and should be read in conjunction with, the base offering circular. The statements appearing on the cover page and pages ii to vi of the base offering circular are deemed repeated herein, except that references therein to the "base offering circular" are deemed to be to the base offering circular as supplemented by this supplement and any applicable pricing term sheet. Words and expressions defined in the base offering circular and used without being defined in this supplement shall have the same meanings assigned to them in the base offering circular. If the information in this supplement or an applicable pricing term sheet differs from the information in the base offering circular, prospective investors in notes offered under the Program should rely on the information in this supplement or such applicable pricing term sheet, as the case may be.

See "Risk Factors" in the base offering circular for risk factors relevant to an investment in the Notes.

The Notes offered under the Program have not been, and will not be, registered under the U.S. Securities Act and may not be offered or sold except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act. Accordingly, the Notes are being offered and sold by the dealers, as set forth in "Plan of Distribution" in the base offering circular, only in the United States to persons reasonably believed to be QIBs, within the meaning of, and in reliance on, Rule 144A, and outside the United States to non-U.S. persons in offshore transactions in reliance on Regulation S under the U.S. Securities Act. The Notes are subject to certain restrictions on transfer. See "Transfer Restrictions" and "Plan of Distribution" in the base offering circular.

The Notes offered under the Program are subject to the reservation by us of the right to sell Notes directly on our own behalf, through one or more of the dealers named in the base offering circular or this offering circular supplement or through any other dealers named in another applicable supplement or pricing term sheet, each, a dealer and collectively, the dealers. One or more dealers may purchase Notes from us for resale to investors and other purchasers at a fixed offering price set forth in the relevant supplement or at varying prices reflecting prevailing market conditions. In addition, if agreed to by us and a dealer, such dealer may utilize reasonable efforts to place the Notes with investors on an agency basis.

Co-Arrangers

Goldman Sachs & Co. LLC **J.P. Morgan**

Dealers

Goldman Sachs & Co. LLC **J.P. Morgan**

Offering Circular Supplement dated February 26, 2024.

Forward-looking Statements

We may from time to time make written or oral forward-looking statements. Written forward-looking statements may appear in this offering circular supplement. This offering circular supplement contains forward-looking statements regarding the intent, belief, current expectations and targets of our management with respect to our financial condition and future results of operations. In many cases, but not all, we use such words as “aim,” “anticipate,” “believe,” “continue,” “endeavor,” “estimate,” “expect,” “initiate,” “intend,” “may,” “plan,” “probability,” “project,” “risk,” “seek,” “should,” “strive,” “target,” “will” and similar expressions in relation to us or our management to identify forward-looking statements. You can also identify forward-looking statements by discussions of strategy, plans or intentions. These statements reflect our current views with respect to future events and are subject to risks, uncertainties and assumptions. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, our actual results may vary materially from those we currently anticipate.

Potential risks and uncertainties include, without limitation, those identified and discussed in “Risk Factors,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” “Business” and elsewhere in the base offering circular and in “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” “Business” and elsewhere in this offering circular supplement. Given these risks and uncertainties, prospective investors are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date of the base offering circular and this offering circular supplement, respectively. We disclaim any obligation to update, or to announce publicly any revision to, any of the forward-looking statements contained in the base offering circular or this offering circular supplement to reflect future actual events or developments.

CAPITALIZATION AND INDEBTEDNESS

The table below sets forth our consolidated capitalization and indebtedness as of September 30, 2023. This table should be read in conjunction with our unaudited interim consolidated financial statements and related notes and other financial information included elsewhere in this base offering circular. The table has not been adjusted to give effect to any issuance of any Notes.

	As of September 30, 2023 (billions of yen)
Indebtedness:	
Bonds and notes (excluding short-term bonds and subordinated debt)[1]	¥1,976.5
Subordinated debt:	
Bonds and notes	72.9
Borrowed money	616.0
Total subordinated debt	688.9
Total indebtedness	¥2,665.5
Net assets:	
Capital stock	¥ 342.0
Common stock:	
Authorized 3,000,000,000 shares; issued 1,674,537,008 shares	
Preferred stock:	
Authorized 400,000,000 shares; issued 0 shares	
Capital surplus	342.8
Retained earnings	1,549.8
Total shareholders' equity	2,234.7
Valuation differences on available-for-sale securities	361.1
Deferred losses on hedges	(6.0)
Revaluation reserve for land	(4.7)
Foreign currency translation adjustments	20.2
Remeasurement of defined benefit plans	(21.5)
Total accumulated other comprehensive income	349.1
Non-controlling interests	29.7
Total net assets	2,613.6
Total capitalization and indebtedness	¥5,279.2

Note:
(1) On October 19, 2023, we issued €500 million of covered bonds and on January 25, 2024, we issued ¥47 billion of domestic senior bonds.

Except as stated above, there has been no material change in our capitalization and indebtedness since September 30, 2023.

We regularly issue securities in different currencies and markets. We also analyze market opportunities for the issuance of other types of securities. The above table does not account for potential future securities issuances.

SELECTED FINANCIAL DATA AND OTHER INFORMATION

The tables below set forth our selected consolidated financial data as of and for the six months ended September 30, 2022 and 2023, derived from our unaudited interim consolidated financial statements. The unaudited interim consolidated financial statements and their notes as of and for the six months ended September 30, 2022 and 2023 are contained elsewhere in this offering circular supplement. Our results of operations for the six months ended September 30, 2023 are not necessarily indicative of our results of operations for the fiscal year ending March 31, 2024 or for any other period. We have not published consolidated financial information as of or for the nine months ended December 31, 2023. For additional information as of and for the nine months ended December 31, 2023, see "Management's Discussion and Analysis of Financial Condition and Results of Operations—Recent Financial Highlights."

Some statistical information, including problem loan classifications data, is primarily reported by Japanese banks on a non-consolidated basis and is presented as such in this base offering circular. You should read the selected financial information presented below together with the information included in "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our consolidated financial statements, including the notes thereto and other financial information, included elsewhere in this base offering circular. The information presented below is qualified in its entirety by reference to that information.

	For the six months ended September 30,	
	2022	2023
	(billions of yen)	
Statement of income data:		
Interest income	¥259.3	¥472.1
Interest expense	162.2	509.7
Net interest income (loss)	97.0	(37.6)
Trust fees	54.8	56.9
Fees and commissions	154.6	161.5
Fees and commissions payments	45.6	47.3
Net fees and commissions	108.9	114.1
Trading income	9.0	1.0
Trading expenses	40.7	9.7
Net trading loss	(31.7)	(8.6)
Other ordinary income	243.8	347.9
Other ordinary expenses	146.1	123.9
Net other ordinary income	97.6	223.9
General and administrative expenses	190.5	210.9
Other income	34.8	88.6
Other expenses	41.4	185.5
Income before income taxes	129.6	41.0
Income taxes—current	14.9	3.3
Income taxes—deferred	20.0	3.4
Net income attributable to non-controlling interests	0.5	0.4
Net income attributable to owners of the parent	¥ 94.0	¥ 33.7

	As of September 30, 2023
	(billions of yen)
Balance sheet data:	
Cash and due from banks	¥22,176.8
Loans and bills discounted	32,722.6
Securities	8,056.2
Allowance for loan losses	(107.9)
Other	10,019.3
Total assets	72,867.0
Deposits and negotiable certificates of deposit	45,600.1
Borrowed money from trust account	4,794.8
Other	19,858.3
Total liabilities	70,253.4
Non-controlling interests	29.7
Total net assets	2,613.6
Total liabilities and net assets	¥72,867.0

The following table sets forth our non-consolidated balance sheet data as of December 31, 2023:

	As of December 31, 2023
	(billions of yen)
Balance sheet data:	
Cash and due from banks	¥22,233.3
Loans and bills discounted	32,944.2
Securities	8,781.1
Allowance for loan losses	(85.0)
Other	7,136.7
Total assets	71,010.3
Deposits and negotiable certificates of deposit	46,215.4
Borrowed money from trust account	4,156.6
Other	18,345.9
Total liabilities	68,718.1
Total net assets	2,292.2
Total liabilities and net assets	¥71,010.3

The following tables set forth certain of our supplemental non-consolidated financial information as of and for the nine months ended December 31, 2022 and 2023:

	As of and for the nine months ended December 31,	
	2022	2023
	(billions of yen, except percentages)	
Problem asset information:		
Balance of NPLs	¥144.5	¥ 84.6
Bankrupt and practically bankrupt	8.8	8.6
Doubtful	108.4	39.2
Substandard	27.3	36.8
Ratio of NPLs to total loan balance	0.4%	0.3%
Total credit costs	¥ 11.4	¥ 2.3
Sales volume:		
Investment trust sales	¥509.1	¥554.2
Fund wrap, separately managed account sales	167.3	166.3
Insurance sales	247.2	236.8

	As of and for the nine months ended December 31,	
	2022	2023
	(billions of yen, except percentages)	
General and administrative expenses	¥ 196.2	¥ 215.2
Less: Amortization of net actuarial losses, prior service costs and retirement benefit	2.9	3.6
Adjusted general and administrative expenses(1)	(193.2)	(211.6)
Personnel	(87.3)	(94.3)
Non-personnel	(98.8)	(110.9)
Miscellaneous taxes	(7.0)	(6.3)
Adjusted overhead ratio(2)	52.8%	52.9%
Gross business profit (*gyomu sorieki*)(3)	¥ 365.7	¥ 400.0
Net business profit before credit costs (*jisshitsu gyomu jun-eki*)(4)	172.4	188.3
Loans-to-deposits ratio(5)	74.7%	71.3%
JGB holding ratio(6)	2.3%	4.0%

Notes:

(1) Adjusted general and administrative expenses is a non-Japanese GAAP measure calculated as general and administrative expenses under Japanese GAAP minus amortization of net actuarial losses, prior service costs and retirement benefit.

(2) Adjusted overhead ratio is a non-Japanese GAAP measure calculated as adjusted general and administrative expenses divided by gross business profit.

(3) Gross business profit is the total of trust fees, net interest income, net fees and commissions, net trading income and net other ordinary income (gains or losses on sales of bonds, net gains or losses on foreign exchange transactions, net income or expenses on derivatives other than trading or hedging, etc.). Gross business profit is a non-Japanese GAAP measure. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Supplemental Financial Measures" for further discussion and reconciliation to net income prepared in accordance with Japanese GAAP.

(4) Net business profit before credit costs is net business profit plus credit costs for principal guaranteed trusts and transfer to general allowance for loan losses. Net business profit is gross business profit, less adjusted general and administrative expenses and transfer to general allowance for loan losses. Net business profit before credit costs and net business profit are non-Japanese GAAP measures. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Supplemental Financial Measures" for further discussion and reconciliation to net income prepared in accordance with Japanese GAAP.

(5) Loans-to-deposits ratio is equal to:

$$\left(\frac{\text{Loans and bills discounted}}{\text{Deposits + negotiable certificates of deposit}} \right) \times 100$$

(6) JGB holding ratio is equal to: (total Japanese government bonds holdings/total assets) x 100

Our domestic loan-deposit margin (measured by subtracting the average yield on our domestic deposits from the average yield on our domestic loans and bills discounted) for our banking account on a non-consolidated basis was 0.59% as of December 31, 2023, as compared to 0.59% as of March 31, 2023. Our international loan-deposit margin (measured by subtracting the average yield on our foreign deposits from the average yield on our foreign loans and bills discounted) for our banking account on a non-consolidated basis was 1.16% as of December 31, 2023, as compared to 1.26% as of March 31, 2023.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Prospective investors should read the following discussion of our financial condition and results of operations together with "Additional Financial Information" and the financial statements and related notes included elsewhere in the base offering circular and this offering circular supplement. This section contains forward-looking statements. Unless otherwise indicated, all financial information is presented on a consolidated basis. Certain problem loan figures and other data are presented on a non-consolidated basis.

Overview

The SuMi TRUST Group is an independent financial group specializing in trust banking established on April 1, 2011 through a share exchange between CMTH and STB. To further the SuMi TRUST Group's integration, we were created when SuMi TRUST Holdings merged its three trust bank subsidiaries on April 1, 2012. We are a wholly owned subsidiary of SuMi TRUST Holdings and form the core of the SuMi TRUST Group. We are one of the largest Japanese trust banks in terms of trust account assets, with ¥255.0 trillion in total assets in our trust account as of December 31, 2023.

Recent Developments and Outlook for Fiscal Year Ending March 31, 2024

On October 30, 2023, SuMi TRUST Holdings announced a downward revision of its consolidated earnings forecast for the fiscal year ending March 31, 2024. In particular, SuMi TRUST Holdings expects to record a large amount of net losses on stocks and other securities for the fiscal year ending March 31, 2024, primarily relating to the sale of bear funds through which SuMi TRUST Group hedges its exposure to strategic shareholdings that are continuing to be reduced in line with its policy on strategic shareholdings. For the six months ended September 30, 2023 and nine months ended December 31, 2023, SuMi TRUST Holdings recorded ¥95.4 billion and ¥142.0 billion of net losses on stocks and other securities, respectively, of which losses from the sale of bear funds amounted to ¥157.0 billion and ¥217.3 billion, partially offset by gains on sales of strategic shareholdings of ¥62.0 billion and ¥76.0 billion, respectively. SuMi TRUST Bank holds a substantial majority of the strategic shareholdings and related hedges, therefore, SuMi TRUST Bank recorded ¥97.0 billion and ¥142.6 billion of net losses on stocks and other securities for the six months ended September 30, 2023 and nine months ended December 31, 2023, respectively, on a non-consolidated basis, and expects to record a large amount of net losses on stocks and other securities for the fiscal year ending March 31, 2024.

In part as a result of the foregoing, SuMi TRUST Holdings and SuMi TRUST Bank expect to record a large decrease in net income attributable to owners of parent for the fiscal year ending March 31, 2024 as compared to the prior fiscal year.

Recent Financial Highlights

Results of Operations for the Nine Months Ended December 31, 2022 and 2023 (Non-consolidated basis)

The table below sets forth our selected non-consolidated financial data for the nine months ended December 31, 2022 and 2023. Our results of operations for the nine months ended December 31, 2023 are not necessarily indicative of our operating results for the year ending March 31, 2024 or for any other period.

	For the nine months ended December 31,	
	2022	2023
	(billions of yen)	
Ordinary income	¥858.6	¥1,409.7
Trust fees	82.0	85.1
Interest income	440.8	745.0
Interest on loans and discounts	278.1	444.2
Interest and dividends on securities	100.5	175.5
Fees and commissions	154.6	159.1
Trading income	13.4	69.8
Other ordinary income	129.0	254.1
Other income	38.6	96.3
Ordinary expenses	711.6	1,380.1
Interest expenses	341.1	816.6
Interest on deposits	105.3	252.5
Fees and commissions payments	80.9	85.5
Trading expenses	3.1	2.4
Other ordinary expenses	28.9	8.7
General and administrative expenses	196.2	215.2
Other expenses	61.1	251.4
Ordinary profit	147.0	29.6
Extraordinary income	0.0	2.6
Extraordinary losses	1.3	1.9
Income before income taxes	145.7	30.3
Income taxes—current	16.5	(8.3)
Income taxes—deferred	20.0	0.0
Income taxes	36.5	(8.3)
Net income	¥109.1	¥ 38.7

	As of and for the nine months ended December 31,	
	2022	2023
	(billions of yen, except percentages)	
Other information:		
Total credit costs	¥ (11.4)	¥ (2.3)
Investment trust sales	509.1	554.2
Insurance sales	247.2	236.8
Loans-to-deposits ratio	74.7%	71.3%

For the nine months ended December 31, 2023, our non-consolidated ordinary income was ¥1,409.7 billion, an increase of ¥551.1 billion compared to the same period in the prior year. We recorded interest income of ¥745.0 billion, an increase of ¥304.1 billion compared to the same period in the prior year, primarily due to an increase in interest on loans and discounts of ¥166.1 billion, an increase in interest and dividends on securities of ¥75.0 billion and an increase in interest on deposits of ¥52.7 billion. We also experienced an increase of ¥4.5 billion in fees and commissions compared to the same period in the prior year primarily due to an increase in corporate credit-related fees of ¥11.4 billion, partially offset by a decrease in real estate brokerage fees of ¥8.2 billion.

Our non-consolidated ordinary expenses increased by ¥668.5 billion to ¥1,380.1 billion for the nine months ended December 31, 2023 compared to the same period in the prior year. We recorded interest expenses of ¥816.6 billion, an increase of ¥475.4 billion compared to the same period in the prior year due primarily to an increase in interest on deposits of ¥147.2 billion, an increase in interest on negotiable certificates of deposit of ¥133.5 billion, an increase in interest on interest rate swaps of ¥70.5 billion and an increase in interest on short-term bonds of ¥49.3 billion. Other ordinary expenses decreased by ¥20.2 billion to ¥8.7 billion compared to the same period in the prior year, primarily due to a decrease in losses on sales of domestic bonds of ¥21.7 billion. In addition, we recorded other expenses of ¥251.4 billion, an increase of ¥190.2 billion compared to the same period in the prior year due primarily to an increase in losses on sales of stocks and other securities of ¥197.0 billion mainly from sales of bear funds.

As a result of the foregoing, our non-consolidated ordinary profit was ¥29.6 billion for the nine months ended December 31, 2023, a decrease of ¥117.4 billion compared to ¥147.0 billion for the same period in the prior year. We recorded non-consolidated net income of ¥38.7 billion, a decrease of ¥70.4 billion compared to ¥109.1 billion for the same period in the prior year.

Total credit costs were ¥2.3 billion, as compared to total credit costs of ¥11.4 billion for the same period in the prior year.

Our domestic loan-deposit margin for the banking account was 0.59% for the nine months ended December 31, 2023, as compared to 0.58% for the nine months ended December 31, 2022 primarily due to an increase in interest received on loans of 0.01%.

Operating Environment

Our results of operations and financial condition are significantly affected by developments in Japan as well as the global economy.

Although the Japanese economy has showed signs of recovery from the impacts of the COVID-19 pandemic in 2021, 2022 and 2023 as the impact of COVID-19 lessened, the outlook for the Japanese economy remains uncertain and is dependent on factors such as inflation, the interest rate environment, the ongoing impacts from Russia's invasion of Ukraine, geopolitical developments including in the United States and China, the armed conflict between Israel and Hamas and other potential recessionary pressures and consumption and capital investments.

In recent years, the yen has experienced substantial volatility against the U.S. dollar. In mid-March 2020, the COVID-19 pandemic triggered a short period of significant volatility in foreign exchange markets, which caused the yen to sharply rise, and then fall, against the U.S. dollar. Since April 2020, the yen strengthened considerably against the U.S. dollar with intermittent periods of fluctuation, before experiencing an overall trend of weakening against the U.S. dollar from February 2021 onwards, then dropping sharply against the U.S. dollar in 2022 and hit a 32-year low near in October 2022. The yen then reversed course, as the Japanese government carried out interventions and the Bank of Japan revised its yield curve control policy in December 2022. Since January 2023, the yen has generally shown a depreciating trend against the U.S. dollar with some volatility.

Economic conditions in Japan are also significantly influenced by monetary policy measures implemented by the Bank of Japan. In February 2016, the Bank of Japan began implementing a negative interest rate policy, applying a rate of negative 0.1% to certain excess reserves that financial institutions hold at the bank. In September 2016, the Bank of Japan announced a new policy framework of quantitative and qualitative monetary easing with yield curve control, which included the introduction of an interest-rate target for 10-year JGBs. The policy framework consists of two major components: yield curve control for short-term and long-term interest rates and a commitment by the Bank of Japan to expand the monetary base until the year-on-year rate of increase in the consumer price index exceeds 2 percent and stays above it in a stable manner. In July 2018, the Bank of Japan decided to introduce forward guidance for policy rates with a view to persistently continuing with powerful monetary easing. Further, on October 31, 2019, the Bank of Japan amended its forward guidance to indicate that it expects short- and long-term interest rates to remain at or below their present levels so long as the Bank of Japan believes it is necessary to pay close attention to the possibility of a loss in momentum toward achieving its 2% price stability target. Under such circumstances, the uncollateralized overnight call rate, which is the benchmark short-term interest rate, remained negative for the fiscal year ended March 31, 2023.

The yield on newly issued JGBs with a maturity of 10 years, which is the benchmark long-term interest rate, was positive for the fiscal year ended March 31, 2021, remained positive for the fiscal year ended March 31, 2022, with an increasing trend from the fourth quarter of the fiscal year ended March 31, 2022 that saw it rise above 0.2% for the first time since 2016, and continued to rise for the fiscal year ended March 31, 2023, exceeding 0.5% on occasion. On December 20, 2022, the Bank of Japan, without abandoning its overall policy of monetary easing, revised the range of yield curve control for 10-year JGBs from around plus and minus 0.25 percentage points to around plus and minus 0.5 percentage points, resulting in a significant rise in the yield of 10-year JGBs past the upper end of the Bank of Japan's yield curve control policy, before falling again as the Bank of Japan maintained the yield curve control range. Thereafter on July 28, 2023, the Bank of Japan announced that, while maintaining such yield curve control range, it would conduct yield curve control "with greater flexibility" regarding the upper and lower bounds of the range as references, not as rigid limits. On October 31, 2023, the Bank of Japan announced further adjustments to its yield curve control policy, potentially allowing 10-year JGB yields to increase above 1.0%, and more recently announced that it would maintain this approach on December 19, 2023. The prolonged adoption of the Bank of Japan's negative interest rate policy and policy of monetary easing has negatively impacted domestic interest spread and interest income for Japanese banks and may have unforeseen side effects on the functioning of Japan's financial markets and competition in the banking industry.

Outside of Japan, despite the global economy experiencing a strong recovery in 2021 and 2022 as the impact of the COVID-19 pandemic lessened, Russia's invasion of Ukraine has exacerbated volatility in energy and commodity prices and there is an expectation for reduced growth in China due to a contraction in the real estate sector, subdued demand and other macroeconomic challenges. Increasing inflation also led to monetary tightening in many economies around the world, including the United States and Europe, which is expected to result in reduced economic growth or even contraction, however there are expectations that the rise in inflation is starting to moderate. Due to considerations including the foregoing, the International Monetary Fund projected in October 2023 that the global economy will grow by 3.0% in 2023 and 2.9% in 2024. However, significant uncertainty surrounds this outlook, related to the future trajectory of the Chinese economy, the continued impact of Russia's invasion of Ukraine, the armed conflict between Israel and Hamas, extreme weather-related events and the continued impact of monetary tightening.

Recent financial indicators include:

- The Nikkei Stock Average was 29,178.80 as of March 31, 2021 and decreased by 4.65% to 27,821.43 as of March 31, 2022. It then increased to 28,041.48 as of March 31, 2023 and increased to 38,262.16 as of February 21, 2024.
- The Tokyo Stock Exchange Real Estate Investment Trust Index, a weighted aggregate market price index for all Japanese real estate investment trusts listed on the Tokyo Stock Exchange, was 2,013.08 on March 31, 2021 and decreased to 2,003.04 as of March 31, 2022. It then decreased to 1,785.77 as of March 31, 2023 and decreased to 1,712.07 as of February 21, 2024.
- The Japanese yen to U.S. dollar central spot exchange rate, according to the Bank of Japan, was ¥110.70 to U.S.$1.00 as of March 31, 2021 and weakened to ¥122.40 to U.S.$1.00 as of March 31, 2022. It then weakened to ¥133.48 to U.S. $1.00 as of March 31, 2023 and then weakened to ¥150.05 to U.S. $1.00 as of February 21, 2024.

It is uncertain how these recent policy measures from the Bank of Japan and other governments as well as market and foreign exchange trends will affect our results of operations going forward. While improved performance of Japanese equities leads to increases in the value of our assets under management and reductions in impairments in our equity portfolio along with increased gains on sales of stocks and other securities, declines in the performance of Japanese equities would reverse some of those gains, and such performance may be impacted by our hedging activities.

Low interest rates resulting from the Bank of Japan's quantitative easing policies, including its negative interest rate policy and bond-buying program, have negatively affected our net interest income. In principle, an increase in interest rates in the Japanese market over the longer term would create opportunities for us to increase the spread between the rates we pay on interest-bearing liabilities and those we earn on interest-bearing assets. Sharp increases in rates, however, could cause impairment losses with respect to our holdings of domestic fixed rate bonds and might take time for us to reflect in the rates we charge our borrowers.

We expect the continuation of the current low or negative interest rate policy in Japan, or any departure therefrom, together with the continuation of other market conditions described above to continue to affect our results of operations in the near-to-medium term.

Operating Results

Six Months Ended September 30, 2023 Compared with the Six Months Ended September 30, 2022

The following table sets forth an overview of our key operating results for the six months ended September 30, 2022 and 2023:

	For the six months ended September 30,	
	2022	2023
	(billions of yen)	
Interest income	¥259.3	¥472.1
Interest expenses	162.2	509.7
Net interest income (loss)	97.0	(37.6)
Trust fees	54.8	56.9
Fees and commissions	154.6	161.5
Fees and commissions payments	45.6	47.3
Net fees and commissions	108.9	114.1
Trading income	9.0	1.0
Trading expenses	40.7	9.7
Net trading loss	(31.7)	(8.6)
Other ordinary income	243.8	347.9
Other ordinary expenses	146.1	123.9
Net other ordinary income	97.6	223.9
General and administrative expenses	190.5	210.9
Other income	34.8	88.6
Other expenses	41.4	185.5
Income before income taxes	129.6	41.0
Income taxes—current	14.9	3.3
Income taxes—deferred	20.0	3.4
Net income attributable to non-controlling interests	0.5	0.4
Net income attributable to owners of the parent	¥ 94.0	¥ 33.7

Net Interest Income. The following table shows our average asset balances, interest and average interest rates of the interest-earning assets and the interest-bearing liabilities for the six months ended September 30, 2022 and 2023:

	For the six months ended September 30, 2022			For the six months ended September 30, 2023		
	Average balance	Interest	Average rate	Average balance	Interest	Average rate
	(billions of yen, except percentages)					
Interest income[1]	¥60,245.2	¥259.3	0.85%	¥62,734.1	¥472.1	1.50%
Interest on loans and discounts	31,593.6	175.4	1.10	32,376.2	300.0	1.84
Interest and dividends on securities	7,490.1	54.1	1.44	7,006.1	88.8	2.52
Interest on call loans and bills bought	193.6	0.4	0.49	342.9	1.0	0.62
Interest on receivables under resale agreements	52.7	—	—	136.5	—	—
Interest on receivables under securities borrowing transactions	639.6	—	—	461.1	—	—
Interest on deposits with banks	18,350.4	21.6	0.23	20,237.6	64.5	0.63
Interest expenses[2]	60,303.5	162.2	0.53	62,703.2	509.7	1.62
Interest on deposits	34,618.0	50.3	0.29	36,375.8	162.1	0.88
Interest on negotiable certificates of deposit	7,613.4	36.4	0.95	7,617.6	135.2	3.54
Interest on call money and bills sold	584.4	0.2	0.08	963.4	(0.0)	(0.00)
Interest on payables under repurchase agreements	1,566.9	10.5	1.34	1,137.3	30.1	5.29
Interest on payables under securities lending transactions	—	—	—	—	—	—
Interest on borrowings	7,300.4	8.0	0.21	6,890.8	18.6	0.54
Net interest income (loss)		97.0			(37.6)	

Notes:
(1) Interest income also includes ¥7.6 billion and ¥17.6 billion of other interest income for the six months ended September 30, 2022 and 2023, respectively.
(2) Interest expenses also includes ¥14.3 billion and ¥50.0 billion of interest on short-term borrowings, ¥9.0 billion and ¥23.3 billion of interest on bonds and ¥33.2 billion and ¥90.1 billion of other interest expenses for the six months ended September 30, 2022 and 2023, respectively.

We recorded interest income of ¥472.1 billion for the six months ended September 30, 2023, an increase of ¥212.8 billion, or 82.1%, compared to ¥259.3 billion for the same period in the prior year. The increase was due primarily to an increase in interest on loans and discounts of ¥124.6 billion, an increase in interest on deposits with banks of ¥42.8 billion and an increase in interest and dividends on securities of ¥34.6 billion.

Interest expenses increased by ¥347.5 billion to ¥509.7 billion for the six months ended September 30, 2023, compared to ¥162.2 billion, or 214.2% for the same period in the prior year. The increase was mainly due to an increase in interest on deposits of ¥111.7 billion, an increase in interest on negotiable certificates of deposit of ¥98.7 billion, an increase in interest on interest rate swaps of ¥55.2 billion and an increase in interest on short-term bonds of ¥35.7 billion.

As a result of the foregoing, we recorded net interest loss of ¥37.6 billion for the six months ended September 30, 2023, a decrease of ¥134.7 billion, or 138.7%, from net interest income of ¥97.0 billion recorded for the same period in the prior year.

The average rates on interest-earning assets and interest-bearing liabilities and net interest margin for the years ended September 30, 2022 and 2023 were as set forth in the following table:

	For the six months ended September 30,	
	2022	2023
	(percentages)	
Net interest margin:		
Average rate on interest-earning assets (A)	0.85%	1.50%
Average rate on interest-bearing liabilities (B)	0.53	1.62
Net interest margin ((A) – (B))	0.32	(0.12)

Trust Fees. Trust fees increased to ¥56.9 billion for the six months ended September 30, 2023, compared with ¥54.8 billion for the same period in the prior year.

Net Fees and Commissions. The table below sets forth the principal components of our net fees and commissions for the six months ended September 30, 2022 and 2023.

	For the six months ended September 30,	
	2022	2023
	(billions of yen)	
Fees and commissions:		
Trust-related business	¥ 57.7	¥ 56.3
Deposits and lending business	26.1	33.6
Foreign exchange	0.6	0.6
Securities-related business	11.6	11.4
Agency business	21.6	21.5
Safe custody and safety deposit box business	0.4	0.4
Guarantee business	3.7	3.2
Others	32.6	34.2
Total fees and commissions	154.6	161.5
Fees and commissions payments:		
Foreign exchange	0.4	0.4
Others	45.2	46.8
Total fees and commissions payments	45.6	47.3
Net fees and commissions	¥108.9	¥114.1

Fees and commissions increased by ¥6.8 billion, or 4.4%, to ¥161.5 billion for the six months ended September 30, 2023 compared to the same period in the prior year. The change was mainly due to an increase in deposits and loan-related fees and commissions of ¥7.4 billion.

Fees and commissions payments increased by ¥1.6 billion, or 3.6%, to ¥47.3 billion for the six months ended September 30, 2023. The change was primarily due to an increase in other fees and commissions payments.

As a result of the foregoing, net fees and commissions increased by ¥5.1 billion, or 4.8%, to ¥114.1 billion during the six months ended September 30, 2023, as compared to the same period in the prior year.

Net Trading Loss. Our net trading loss decreased by ¥23.1 billion, or 72.8%, to ¥8.6 billion in the six months ended September 30, 2023, compared to a net trading loss of ¥31.7 billion for the same period in the prior year. The decrease was due primarily to a decrease in derivative instruments expenses of ¥31.0 billion, partially offset by a decrease in income on trading securities of ¥7.9 billion.

Net Other Ordinary Income. The table below sets forth the principal components of our net other ordinary income for the six months ended September 30, 2022 and 2023:

	For the six months ended September 30,	
	2022	2023
	(billions of yen)	
Other ordinary income:		
Net gains on foreign exchange transactions	¥ 84.4	¥190.4
Gains on sales and redemption of bonds	0.2	1.0
Others[1]	159.1	156.4
Total other ordinary income	243.8	347.9
Other ordinary expenses:		
Losses on sales and redemption of bonds	26.1	3.8
Net losses on foreign exchange transactions	—	—
Others[2]	120.0	120.1
Total other ordinary expenses	146.1	123.9
Net other ordinary income	¥ 97.6	¥223.9

Notes:
(1) Mainly lease income recognized by our consolidated subsidiaries.
(2) Mainly lease expense recognized by our consolidated subsidiaries.

We recorded other ordinary income of ¥347.9 billion for the six months ended September 30, 2023, an increase of ¥104.0 billion, or 42.7%, compared to ¥243.8 billion for the same period in the prior year. The increase was due primarily to an increase in income on foreign exchange trades of ¥106.0 billion.

Other ordinary expenses decreased by ¥22.1 billion, or 15.2%, to ¥123.9 billion for the six months ended September 30, 2023. The primary cause of the decrease was a decrease in losses on sales of domestic bonds of ¥22.3 billion.

As a result of the foregoing, we recorded net other ordinary income of ¥223.9 billion in the six months ended September 30, 2023, a ¥126.2 billion increase compared to net other ordinary income of ¥97.6 billion for the same period in the prior year.

General and Administrative Expenses. The table below sets forth the principal components of our general and administrative expenses for the six months ended September 30, 2022 and 2023:

	For the six months ended September 30,	
	2022	2023
	(billions of yen)	
Taxes other than income taxes	¥ 6.2	¥ 6.1
Personnel expenses	87.9	96.1
Others	96.4	108.7
Total general and administrative expenses	¥190.5	¥210.9

General and administrative expenses increased by ¥20.3 billion, or 10.7%, to ¥210.9 billion for the six months ended September 30, 2023, due primarily to an increase in personnel expenses of ¥8.2 billion and an increase in non-personnel expenses of ¥12.2 billion.

Other Income and Expenses. The following table sets forth other income and expenses for the six months ended September 30, 2022 and 2023:

	For the six months ended September 30,	
	2022	2023
	(billions of yen)	
Other income:		
Gains on sales of stocks and other securities	¥19.8	¥ 73.9
Gains on money held in trust	0.0	0.0
Recoveries of written-off claims	0.7	0.4
Equity in earnings of affiliated companies	7.5	6.1
Gains on disposal of fixed assets	0.0	0.0
Reversal of allowance for loan loss	—	2.0
Others	6.6	5.8
Total other income	34.8	88.6
Other expenses:		
Write-off of loans	1.1	4.2
Losses on sales of stocks and other securities	18.8	168.5
Losses on devaluation of stocks and other securities	1.5	1.2
Losses on disposal of fixed assets	0.2	0.2
Losses on impairment of fixed assets	0.3	1.4
Others	19.3	9.6
Total other expenses	41.4	185.5
Net other income (expenses)	¥ (6.6)	¥ (96.8)

We recorded other income of ¥88.6 billion for the six months ended September 30, 2023, an increase of ¥53.8 billion, or 154.5%, compared to ¥34.8 billion for the same period in the prior year. The increase was due primarily to an increase in gains on sales of stocks and other securities of ¥54.0 billion mainly from sales of cross-shareholdings.

Other expenses for the six months ended September 30, 2023 increased by ¥144.0 billion, or 347.6%, to ¥185.5 billion, compared to ¥41.4 billion for the same period in the prior year. The increase was due primarily to an increase in losses on sales of stocks and other securities of ¥149.7 billion mainly from sales of bear funds.

Income before Income Taxes. As a result of the foregoing, our income before income taxes decreased by ¥88.6 billion, or 68.3%, to ¥41.0 billion for the six months ended September 30, 2023, compared to ¥129.6 billion for same period in the prior year.

Income Taxes. Income taxes for the six months ended September 30, 2022 and 2023 were as follows:

	For the six months ended September 30,	
	2022	2023
	(billions of yen, except percentages)	
Income taxes:		
Current	¥14.9	¥ 3.3
Deferred	20.0	3.4
Total	¥35.0	¥ 6.8
Effective income tax rate	27.0%	16.6%

Current income taxes decreased by ¥11.6 billion to ¥3.3 billion for the six months ended September 30, 2023 compared ¥14.9 billion to the same period in the prior year. Deferred income taxes decreased by ¥16.6 billion to ¥3.4 billion for the six months ended September 30, 2023.

Net Income Attributable to Non-controlling Interests. Net income attributable to non-controlling interests was ¥0.4 billion for the six months ended September 30, 2023, compared to ¥0.5 billion for the six months ended September 30, 2022.

Net Income Attributable to Owners of the Parent. As a result of the foregoing, net income attributable to owners of the parent decreased by ¥60.2 billion, or 64.1%, to ¥33.7 billion for the six months ended September 30, 2023, compared to ¥94.0 billion for the same period in the prior year.

Supplemental Financial Measures

Gross Business Profit and Related Measures. In addition to the reporting items set forth in our consolidated financial statements, we also disclose gross business profit (*gyomu sorieki*) on a non-consolidated basis, as required for Japanese banks by the Banking Act of Japan (Act. No. 59 of 1981), as amended (the "Banking Act"). Furthermore, in the Japanese banking industry, net business profit before credit costs (*jisshitsu gyomu jun-eki*) has traditionally been used as a measure of the profitability of core banking operations. We review these non-Japanese GAAP performance measures on a non-consolidated basis in monitoring the results of our operations.

Gross business profit for trust banks is the sum of:

- net interest income, excluding net interest income on money held in trust;
- trust fees;
- net fees and commissions;
- net trading income; and
- net other ordinary income (gains or losses on sales of bonds, net gains or losses on foreign exchange transactions, net income or expenses on derivatives other than trading or hedging, etc.).

Net business profit (*gyomu jun-eki*) is a non-Japanese GAAP measure that is calculated as gross business profit (a non-Japanese GAAP measure), less general and administrative expenses (excluding certain amortization of net actuarial losses, prior service costs and retirement benefit), which we refer to as adjusted general and administrative expenses (a non-Japanese GAAP measure, see "Selected Financial Data and Other Information"), and transfer to general allowance for loan losses. Net business profit before credit costs adds back to net business profit the transfer to general allowance for loan losses and credit costs for principal-guaranteed trusts.

Due to the adjustments made to certain line items, net business profit before credit costs is not readily calculable based on information presented in our financial statements. Net business profit before credit costs does not reflect certain income and expenses that are reflected in net income. Accordingly, net business profit before credit costs does not necessarily reflect changes to net earnings that affect our equity and regulatory capital.

While neither net business profit nor net business profit before credit costs should be viewed as a substitute for net income, management believes that they provide a meaningful way of comparing a number of the important components of our income and profitability from year to year.

The table below sets forth these supplemental financial data and corresponding reconciliations to net income under Japanese GAAP on a non-consolidated basis for the nine months ended December 31, 2022 and 2023:

	For the nine months ended December 31,	
	2022	2023
	(billions of yen)	
Gross business profit (*gyomu sorieki*):		
Net interest income and related profit	¥ 114.9	¥ (55.6)
Net fees and commissions and related profit	140.5	142.8
Net trading profit	10.2	67.4
Net other operating profit (loss)	100.0	245.3
Net gains on foreign exchange transactions	119.3	239.2
Net gains (losses) on bonds	(27.7)	4.5
Net gains from derivatives other than for trading or hedging	9.2	3.9
Total gross business profit (*gyomu sorieki*)	365.7	400.0
Adjusted general and administrative expenses[1]	(193.2)	(211.6)
Provision of general allowance for loan losses	4.5	—
Principal guaranteed trust account credit costs	—	—
Net business profit (*gyomu jun-eki*)[2]	177.0	188.3
Net non-recurring profit (loss)	(30.0)	(158.6)
Banking account credit costs	(16.5)	(4.3)
Reversal of allowance for loan losses, etc.	0.5	1.9
Net gains (losses) on stocks	1.6	(142.6)
Others	(15.7)	(13.6)
Ordinary profit	147.0	29.6
Net extraordinary profit (loss)	(1.2)	0.7
Income before income taxes	145.7	30.3
Current income taxes	(16.5)	8.3
Deferred income taxes	(20.0)	(0.0)
Net income	109.1	38.7
Net business profit before credit costs (*jisshitsu gyomu jun-eki*)[3]	172.4	188.3

Notes:
(1) Excludes non-recurring expenses, which comprise amortization of net actuarial losses and prior service costs and retirement benefit. See "Selected Financial Data and Other Information."
(2) Net business profit = gross business profit, less adjusted general and administrative expenses and provision of general allowance for loan losses.
(3) Net business profit before credit costs = net business profit, plus provision of general allowance for loan losses and principal guaranteed trust account credit costs.

Business Segment Information

The following table sets forth the internal breakdown of total gross business profit by reportable business segment on a non-consolidated basis for the nine months ended December 31, 2022 and 2023. Segment information for the nine months ended December 31, 2022 and 2023 is reported under our new segments as in effect from April 1, 2022.

	For the nine months ended December 31,	
	2022	2023
	(billions of yen)	
Retail	¥ 98.7	¥103.9
Corporate	115.6	125.5
Investor services	57.0	56.4
Real estate	30.4	22.5
Global markets	51.3	49.8
Others[1]	12.6	41.7
Total	¥365.7	¥400.0

Note:
(1) Includes the costs of capital funding, dividends of shares for cross-shareholding, general and administrative expenses of headquarters, etc.

The following table sets forth the internal breakdown of net business profit, which is equal to gross business profit minus adjusted general and administrative expenses, by reportable business segment on a non-consolidated basis for the nine months ended December 31, 2022 and 2023. Segment information for the nine months ended December 31, 2022 and 2023 is reported under our new segments as in effect from April 1, 2022.

	For the nine months ended December 31,	
	2022	2023
	(billions of yen)	
Retail	¥ 14.9	¥ 15.0
Corporate	84.1	89.0
Investor services	32.6	29.0
Real estate	22.9	14.2
Global markets	40.3	35.7
Others[1]	(22.5)	5.2
Total	¥172.4	¥188.3

Note:
(1) Includes the costs of capital funding, dividends of shares for cross-shareholding, general and administrative expenses of headquarters, etc.

Financial Condition

Total Assets and Total Liabilities

As of September 30, 2023, we had total assets of ¥72,867.0 billion, representing an increase of ¥4,129.0 billion, or 6.0%, from total assets of ¥68,737.9 billion as of March 31, 2023. The increase was due primarily to an increase in securities of ¥1,252.1 billion, an increase in loans and bills discounted of ¥911.6 billion and an increase in cash and due from banks of ¥654.1 billion.

Total liabilities as of September 30, 2023 were ¥70,253.4 billion, an increase of ¥3,983.6 billion, or 6.0%, from total liabilities of ¥66,269.7 billion as of March 31, 2023. The increase was due primarily to an increase in deposits of ¥2,771.1 billion and an increase in short-term bonds payable of ¥771.0 billion.

Monetary Claims and Securities

As of September 30, 2023, we held ¥8,056.2 billion of securities, representing an increase of ¥1,252.1 billion, or 18.4%, from ¥6,804.1 billion of securities as of March 31, 2023. The increase was due primarily to an increase in foreign securities of ¥811.9 billion and an increase in domestic government bonds of ¥414.8 billion.

Loan Portfolio

As of September 30, 2023, we had ¥32,819.4 billion in loans and bills discounted in our banking account on a non-consolidated basis, representing 46.3% of non-consolidated total assets in our banking account and an increase of ¥872.0 billion, or 2.7%, from ¥31,947.3 billion compared to March 31, 2023.

Credit Portfolio

The table below sets forth a breakdown of our credit portfolio on a non-consolidated basis as of March 31, 2021, 2022 and 2023 and September 30, 2023:

	As of March 31,			As of September 30,
	2021	2022	2023	2023
	(trillions of yen) [1]			
Loans to individuals	¥10.81	¥11.25	¥11.09	¥11.07
Product related (foreign currency)	2.81	3.14	3.82	4.62
Product related (yen)	3.21	3.26	3.12	3.14
Corporate loans (foreign currency)	3.22	3.32	3.53	3.94
Corporate loans (yen)	11.88	11.28	11.85	11.80
Total	¥31.96	¥32.26	¥33.44	¥34.59

Note:
(1) Amounts for loans and products denominated in foreign currencies were translated into yen at the exchange rates prevailing at March 31, 2021, 2022 and 2023 and September, 30, 2023, respectively.

Loan Maturity

The table below sets forth the composition of the loan portfolio in our banking account and trust account on a non-consolidated basis, classified by type of interest rate and maturity as of the dates indicated therein:

	As of September 30, 2023
	(billions of yen)
Banking account:	
Fixed-interest loans:	
One year or less[1]	¥ —
Over one year to three years	2,052.5
Over three years to five years	1,646.0
Over five years to seven years	846.1
Over seven years	2,001.8
Indefinite term	0.0
Floating-interest loans:	
One year or less[1]	—
Over one year to three years	4,571.6
Over three years to five years	2,879.6
Over five years to seven years	2,039.7
Over seven years	8,322.3
Indefinite term	2,612.9
Total loans:	
One year or less	5,846.5
Over one year to three years	6,624.2
Over three years to five years	4,525.6
Over five years to seven years	2,885.8
Over seven years	10,324.1
Indefinite term	2,612.9
Total loans	¥32,819.4
Trust account:	
One year or less	674.0
Over one year to three years	592.2
Over three years to five years	200.4
Over five years to seven years	391.1
Over seven years	557.0
Total loans	¥ 2,414.9

Note:
(1) We do not categorize loans with a maturity of one year or less as fixed-interest or variable-interest loans.

Funding and Liquidity Management

Deposits

On a consolidated basis, as of September 30, 2023, we had deposits, including negotiable certificates of deposit, of ¥45,600.1 billion, which constituted 65.0% of our total liabilities and represented an increase of ¥2,662.2 billion, or 6.2%, compared with ¥42,937.9 billion as of March 31, 2023.

On a consolidated basis, as of September 30, 2023, we had deposits, excluding negotiable certificates of deposit, of ¥38,189.0 billion on a non-consolidated basis, representing an increase of ¥2,771.1 billion, or 7.8%, compared with ¥35,417.9 billion as of March 31, 2023.

The table below sets forth a breakdown of our time deposits on a non-consolidated basis by remaining maturity as of the dates indicated therein:

	As of September 30, 2023
	(billions of yen)
Less than three months	¥10,264.9
Three months or more, but less than six months	4,188.9
Six months or more, but less than one year	3,516.1
One year or more, but less than two years	3,925.7
Two years or more, but less than three years	1,612.1
Three years or more	2,196.3
Total	¥25,704.3

Borrowed Money from Trust Account

We obtain loans from the trust account, which are recorded on the balance sheet of the banking account as borrowed money from trust account, as a supplemental source of funds. As of September 30, 2023, we had ¥4,794.8 billion in borrowed money from trust account, which was equal to 6.8% of total liabilities. This represented an increase of ¥462.3 billion, or 10.7%, from ¥4,332.4 billion as of March 31, 2023.

Borrowed Money

As of September 30, 2023, we had ¥7,229.8 billion in borrowed money outstanding. This represented 10.3% of our total liabilities as of that date and constituted an increase of ¥600.3 billion, or 9.1%, from ¥6,629.5 billion as of March 31, 2023.

Bonds Payable

We issue a variety of fixed and floating, dated and undated senior and subordinated bonds. As of September 30, 2023, we had ¥72.9 billion and ¥1,976.6 billion of subordinated bonds and other bonds payable, respectively, and ¥3,103.4 billion of short-term bonds payable outstanding.

Credit Ratings

Our borrowing costs and ability to raise funds are affected directly by the credit ratings assigned to us and by any changes thereto. Our credit ratings as of February 21, 2024 are set forth in the table below:

Rating agency	Long-term	Outlook	Short-term	Financial
S&P	A	Stable	A-1	—
Moody's	A1	Stable	P-1	—
Fitch	A-	Stable	F1	a-(1)
Japan Credit Rating Agency	AA	Stable	—	—
Rating and Investment Information, Inc.	AA-	Stable	a-1+	—

Note:
(1) Viability rating.

The credit ratings assigned to us reflect the current opinions of the ratings agencies regarding our overall financial capacity (creditworthiness) to fulfill our financial obligations. The credit ratings are subject to suspension, reduction or withdrawal at any time by the assigning ratings agencies.

Foreign Currency Assets and Liabilities

The table below sets forth our foreign currency-denominated assets and liabilities on a non-consolidated basis as of the dates indicated therein:

	As of December 31, 2023 (billions of U.S. dollars)(1)
Assets:	
Loans	$ 53.0
Credit securities	11.0
Net interbank deposits	15.6
Foreign currency forwards	57.8
Bond investments	11.0
Total foreign currency assets	$148.7
Liabilities:	
Client deposits, deposits from central banks, etc.	$ 45.8
Negotiable certificates of deposit, U.S. commercial paper	58.9
Cross-currency swaps	20.2
Repurchase agreements utilizing client assets	4.4
Senior and subordinated debt	13.3
Bond repurchases	5.8
Total foreign currency liabilities	$148.7

Note:
(1) Figures for foreign currency funding are calculated in U.S. dollars.

Liquidity and Funding

Our consolidated and non-consolidated LCRs for the three months ended December 31, 2023, calculated in accordance with Japanese GAAP and the FSA's guidelines for LCR, are as set forth in the following table:

	For the three months ended December 31, 2023[1]
	(billions of yen, except percentages)
Consolidated	
Total high-quality liquid assets ("HQLA") allowed to be included in the calculation (weighted)	¥20,722.0
Net cash outflows (weighted)	12,593.6
LCR[1]	164.5%
Non-consolidated	
Total HQLA allowed to be included in the calculation (weighted)	¥20,473.1
Net cash outflows (weighted)	11,983.0
LCR[1]	170.8%

Note:
(1) Under the FSA's guidelines for LCR, LCR is set as the three-month average of the daily LCR for the previous quarter, which is calculated by dividing the balance of HQLA by the amount of total net cash outflows on a daily basis for the relevant quarter.

Our consolidated and non-consolidated NSFRs as of December 31, 2023, calculated in accordance with Japanese GAAP and the FSA's guidelines for NSFR, are as set forth in the following table:

	As of December 31, 2023[1]
	(billions of yen, except percentages)
Consolidated	
Total available stable funding (weighted)	¥37,905.6
Total required stable funding (weighted)	33,295.0
NSFR[1]	113.8%
Non-consolidated	
Total available stable funding (weighted)	¥36,852.3
Total required stable funding (weighted)	30,919.2
NSFR[1]	119.1%

Note:
(1) Under the FSA's guidelines for NSFR, NSFR is defined as the ratio obtained by dividing the sum of the amounts of available stable funding by the amount of required stable funding, each as defined in and calculated pursuant to such guidelines. The minimum NSFR under the NSFR guidelines is 100% on both a consolidated and non-consolidated basis for banks with international operations and on a consolidated basis for bank holding companies with international operations.

See "Supervision and Regulation—Japan—Regulation Regarding Capital Adequacy and Liquidity—Liquidity Requirement" in the base offering circular.

Capital Resources and Adequacy

Net Assets

The following table sets forth a summary of our total net assets on a consolidated basis as of September 30, 2023:

	As of September 30, 2023
	(billions of yen)
Total Shareholders' equity	¥2,234.7
Total accumulated other comprehensive income	349.1
Non-controlling interests	29.7
Total net assets	¥2,613.6

Capital Adequacy Ratios

Consolidated Capital Adequacy Ratios

Our and SuMi TRUST Holdings' consolidated capital adequacy ratios and leverage ratios as of December 31, 2023, calculated in accordance with Japanese GAAP and the bank capital adequacy guidelines established by the FSA, are as set forth in the following tables:

	SuMi TRUST Bank	
	As of December 31, 2023	Minimum capital requirements
	(billions of yen, except percentages)	
Common Equity Tier 1 capital ratio	9.96%	4.50%
Tier 1 capital ratio	11.17%	6.00%
Total capital ratio	12.32%	8.00%
Directly issued qualifying common share capital plus related capital surplus and retained earnings	¥ 2,199.6	
Accumulated other comprehensive income	419.3	
Instruments and reserves	2,618.9	
Regulatory adjustments	283.7	
Common Equity Tier 1 capital	2,335.2	
Additional Tier 1 capital	284.3	
Tier 1 capital	2,619.5	
Tier 2 capital	268.6	
Total capital	¥ 2,888.1	
Amount of credit risk-weighted assets (including counterparty credit risk)	¥20,836.6	
Amount of market risk equivalents	1,713.4	
Amount of operational risk equivalents	881.0	
Total risk-weighted assets(1)	¥23,431.1	
Leverage ratio(2)	4.69%	3.00%

Notes:

(1) After applying scaling factor. Individual subitems do not sum to total.

(2) Due to amendments adopted by the FSA in response to the COVID-19 pandemic, financial institutions are permitted to exclude the outstanding balance of their current accounts at the Bank of Japan from the calculation of leverage ratios until the end of March 2024 (and the FSA published amendments to the relevant guideline to the effect that, effective as from April 2024, the minimum leverage ratio will be raised from 3% to 3.15%, while continuing to exclude such outstanding balance of accounts at the Bank of Japan from the calculation of the leverage ratios, taking into account exceptional macroeconomic conditions and other circumstances). Including such balances at the Bank of Japan, SuMi TRUST Bank's consolidated leverage ratio would have been 3.47% as of December 31, 2023.

	SuMi TRUST Holdings	
	As of December 31, 2023	Minimum capital requirements[1]
	(billions of yen, except percentages)	
Common Equity Tier 1 capital ratio	11.02%	7.50%
Tier 1 capital ratio	12.20%	9.00%
Total capital ratio	13.32%	11.00%
Directly issued qualifying common share capital plus related capital surplus and retained earnings	¥ 2,556.5	
Subscription rights to common shares	0.8	
Accumulated other comprehensive income	422.9	
Instruments and reserves	2,980.3	
Regulatory adjustments	323.7	
Common Equity Tier 1 capital	2,656.5	
Additional Tier 1 capital	284.3	
Tier 1 capital	2,940.9	
Tier 2 capital	268.6	
Total capital	¥ 3,209.5	
Amount of credit risk-weighted assets (including counterparty credit risk)	¥21,253.0	
Amount of market risk equivalents	1,760.0	
Amount of operational risk equivalents	1,076.8	
Total risk-weighted assets[2]	¥24,089.9	
Leverage ratio[3]	5.24%	3.00%

Notes:

(1) The capital conservation buffer, which was 2.50%, additional loss absorption capacity requirement, which was 0.50% and countercyclical capital buffer, which was 0.06%, each as of December 31, 2023, are taken into account and added to the minimum regulatory requirements for each capital ratio.

(2) After applying scaling factor. Individual subitems do not sum to total.

(3) Due to amendments adopted by the FSA in response to the COVID-19 pandemic, financial institutions are permitted to exclude the outstanding balance of their current accounts at the Bank of Japan from the calculation of leverage ratios until the end of March 2024 (and the FSA published amendments to the relevant guideline to the effect that, effective as from April 2024, the minimum leverage ratio will be raised from 3% to 3.15%, while continuing to exclude such outstanding balance of accounts at the Bank of Japan from the calculation of the leverage ratios, taking into account exceptional macroeconomic conditions and other circumstances). Including such balances at the Bank of Japan, SuMi TRUST Holdings' consolidated leverage ratio would have been 3.89% as of December 31, 2023.

Loan Losses and Problem Loans

The following discussion presents certain of our financial information on a non-consolidated basis, unless otherwise specified, for the six months ended September 30, 2022 and 2023.

Disclosure of Claims Classified under the Financial Reconstruction Act

The table below shows the balances of problem claims in our banking account and trust account on a non-consolidated basis as of September 30, 2023:

	As of September 30, 2023
	(billions of yen, except percentages)
Banking account:	
Bankrupt and practically bankrupt (A)	¥ 9.0
Doubtful (B)	36.0
Substandard (C)	39.1
Total of (A), (B) and (C)	¥ 84.1
Total balance[1]	33,445.3
Ratio to total balance	0.25%
Principal guaranteed trust account:	
Bankrupt and practically bankrupt (A)	¥ —
Doubtful (B)	0.0
Substandard (C)	0.0
Total of (A), (B), and (C)	¥ 0.0
Total balance	9.5
Ratio to total balance	0.66%

Note:
(1) Partial direct write-off amounts were ¥9.8 billion as of September 30, 2023.

Coverage Ratios

As of September 30, 2023, our coverage ratios on a non-consolidated basis for problem claims in our banking and principal guaranteed trust accounts, which represent the total of collateral pledged against such claims, guarantees for such claims and allowance for loan losses, measured against total problem claims, expressed as a percentage, were 100.0% for claims against bankrupt and practically bankrupt borrowers, 83.4% for doubtful claims and 40.5% for substandard claims. For all claims so classified, the coverage ratio was 65.2%.

Allowances for possible loan losses in the trust account are not provided. Instead, we are required to establish allowances in our trust account for the impairment of guaranteed trust principal of our JOMTs with guaranteed principal based on the probability of failure to collect during the next year, which is calculated based upon historical results of failure to collect, pursuant to entrustment contracts for the JOMTs.

In the case of real estate collateral, we value the collateral mainly based on recent transactions in similar properties and government-appraised values.

The table below shows our coverage ratios for problem claims as of September 30, 2023 on a non-consolidated basis:

	Amount of claims (A)	Collateral and guarantees (B)	Allowance for loan losses (C)[1]	Allowance coverage ratio (C)/((A)– (B))[2]	Total allowance/ collateral and guarantees (B) + (C)	Total coverage ratio ((B) + (C))/(A)[2]
	(billions of yen, except percentages)					
As of September 30, 2023						
Claims against bankrupt and practically bankrupt borrowers:						
Banking account. . .	¥ 9.0	¥ 5.6	¥ 3.4	100.0%	¥9.0	100.0%
Trust account	—	—			—	100.0
Subtotal	9.0	5.6				
Doubtful claims:						
Banking account. . .	36.0	18.1	11.9	66.5	30.0	83.3
Trust account	—	0.0			0.0	100.0
Subtotal	36.0	18.1				
Substandard claims:						
Banking account. . .	39.1	13.6	2.2	8.7	15.8	40.5
Trust account	—	0.0			0.0	100.0
Subtotal	39.1	13.6				
Total problem claims:						
Banking account. . .	84.1	37.3	17.5	37.4	54.8	65.2
Trust account	0.1	0.0			0.0	100.0
Total	¥84.2	¥37.4				

Notes:
(1) As of September 30, 2023, we had reserves for JOMTs of ¥0.0 billion.
(2) Our coverage ratio as of September 30, 2023 is calculated as the sum of the collateral value after considering haircuts and the allowance for loan losses, divided by the loan balance. The allowance coverage ratio is calculated as the allowance for loan losses divided by the difference of the loan balance minus the collateral value after considering haircuts.

The following chart provides an overview of our self-assessment classification and resulting categories and disclosure of claims (banking account and principal guaranteed trust account combined) on a non-consolidated basis as of September 30, 2023:

(Billions of yen, %)

Borrower classification under the self-assessment		NPLs based on Banking Act and Reconstruction Act		Self-assessment: Not categorized	Self-assessment: Category II	Self-assessment: Category III	Self-assessment: Category IV	Allowance (*)	Coverage ratio	Allowance ratio
Legal bankruptcy		(1) Bankrupt/practically bankrupt	9.0	(1) Guarantee and collateral	5.6	Entirely covered by allowances	Entirely written-off or covered by allowances	(1) Specific allowance for loan losses 3.4	100.0	100.0
Virtual bankruptcy										
Possible bankruptcy		(2) Doubtful	36.1	(2) Guarantee and collateral	18.1	Partially covered by allowances		(2) Specific allowance for loan losses 11.9	83.4	66.5
Requiring careful monitoring	Substandard debtors	(3) Substandard	39.2	(3) Guarantee and collateral	13.6			(3) General allowance for loan losses 2.2	40.5	8.7
		Loans past due 3 months or more	-							
		Restructured loans	39.2							
	Special mention (exc. Substandard)	A. Assets to substandard borrowers (exc. Substandard)	6.2							
		B. Assets to borrowers requiring caution (excluding assets to substandard borrowers	386.8							
Normal		C. Assets to normal borrowers	32,977.7							
		(4) Normal assets (A + B + C) 33,370.6								
		NPLs based on Banking Act and Reconstruction Act (1) + (2) + (3)	84.3	Guarantee and collateral (1) + (2) + (3)	37.4			Allowance for loan losses (1) + (2) + (3) 17.5	65.2	37.4
Total balance (1) + (2) + (3) + (4)			33,454.9	Not categorized, category II	33,448.9	category III	5.9	category IV -		

(*) 0.0 billion yen of reserves for loan trust and reserves for JOMT (Jointly-operated money trust) are posted in principal guaranteed trust account.

Credit Costs

The following tables set forth a breakdown of our credit costs in our banking account and in our trust account for six months ended September 30, 2022 and 2023:

	For the six months ended September 30,	
	2022	2023
	(billions of yen)	
Banking account:		
Banking account credit costs:		
Write-off of loans	¥ (1.1)	¥(4.2)
Net provision of specific allowance for loan losses	(13.0)	—
Losses (gains) on sales of loans	(0.0)	—
Subtotal (A)	(14.2)	(4.2)
Trust account:		
Principal guaranteed trust account credit costs (B)	—	—
Provision (reversal) of general allowance for loan losses (C)	4.5	—
Reversal of allowance for loan losses (D)	—	2.0
Recoveries of written-off claims (E)	0.7	0.4
Credit costs (gains) (A + B + C – D – E)	¥ (8.8)	¥(1.7)

Allowance for Loan Losses

The following table sets forth a breakdown of our total allowance for loan losses in the banking account on a consolidated basis as of September 30, 2023:

	As of September 30, 2023
	(billions of yen, except percentages)
General allowance for loan losses	¥ 88.7
Specific allowance for loan losses	19.2
Total allowance for loan losses	¥ 107.9
Total loans and bills discounted in the banking account	¥32,722.6
Ratio of total allowance for loan losses to total loans and bills discounted in banking account	0.33%

Risk-monitored Loans

The following tables set forth information concerning our risk-monitored loans in our banking account and trust account on a consolidated basis as of September 30, 2023:

	As of September 30, 2023 (billions of yen, except percentages)
Banking account:	
Loans and bills discounted	¥32,722.6
Bankrupt and practically bankrupt loans (A)	11.3
Doubtful loans (B)	49.2
Loans past due three months or more (C)	—
Restructured loans (D)	42.3
Total risk-monitored loans (A) + (B) + (C) + (D)	¥ 102.8
Ratio to total loans and bills discounted	0.3%
Principal-guaranteed trust account:	
Loans and bills discounted	¥ 2,414.9
Bankrupt and practically bankrupt loans (A)	—
Doubtful loans (B)	0.0
Loans past due three months or more (C)	—
Restructured loans (D)	0.0
Total risk-monitored loans (A) + (B) + (C) + (D)	¥ 0.0
Ratio to total loans and bills discounted	0.0%

The following table sets forth our domestic risk-monitored loans in our banking account and trust account as of the dates indicated therein on a non-consolidated basis by industry of borrower and as a percentage of all domestic risk-monitored loans as of September 30, 2023:

	As of September 30, 2023 (billions of yen, except percentages)	
Domestic branches (excluding offshore):		
Manufacturing	¥19.8	28.6%
Agriculture, forestry, fisheries, mining, quarrying of stone and gravel gathering	0.1	0.1
Construction	—	—
Electric, gas, heat supply and water	—	—
Information and communications	—	—
Transport and postal activities	0.1	0.1
Wholesale and retail trade	5.6	8.1
Finance and insurance	0.4	0.6
Real estate	5.1	7.4
Goods rental and leasing	—	—
Others	38.2	55.2
Total domestic branches (A)	69.2	100.0%
Overseas branches and offshore (B)	15.0	
Total (A) + (B)	¥84.3	

Quantitative and Qualitative Disclosure about Credit, Market and Other Risks

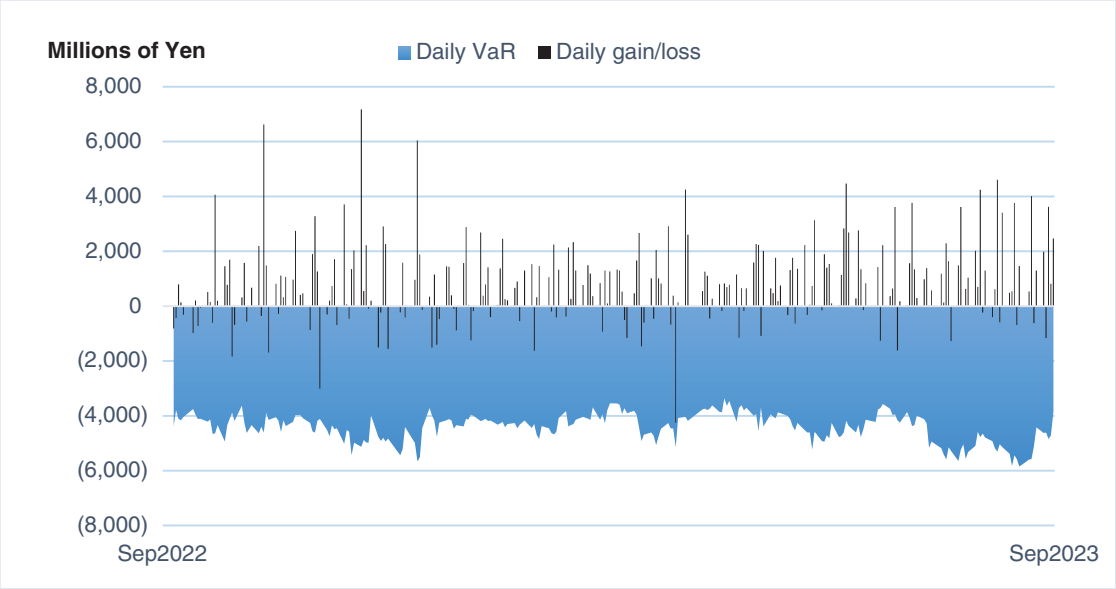
Value-at-Risk

The VaR and Stressed VaR of our trading transactions on a consolidated basis for the six months ended September 30, 2022 and 2023 are presented below:

	For the six months ended September 30,	
	2022	2023
	(billions of yen)	
VaR:		
Maximum	¥13.1	¥17.5
Minimum	7.1	8.7
Average	8.9	12.4
End of period	13.1	10.0
Stressed VaR:		
Maximum	¥34.0	¥39.0
Minimum	18.0	23.0
Average	25.7	30.2
End of period	33.6	37.8

Back Testing and Stress Testing

The graph below shows our daily VaR of trading activities for the one-year period ended September 30, 2023, and the corresponding paired distribution of profits and losses on a consolidated basis. As shown below, during the one-year period ended September 30, 2023, there were no cases in our trading account where losses exceeded VaR.



BUSINESS

Prospective investors should read the following discussion of our business together with "Business" in the base offering circular. This section contains forward-looking statements.

Introduction

SuMi TRUST Holdings had a market capitalization of approximately ¥2.1 trillion as of February 20, 2024 and consolidated total assets of ¥73,348.1 billion and consolidated net assets of ¥3,010.2 billion, each as of December 31, 2023.

Our Purpose and Brand Slogan

On January 31, 2024, in connection with the 100th anniversary of our founding, the SuMi TRUST Group announced our purpose and brand slogan, "Trust for a flourishing future", to represent the profoundness of "being entrusted" by clients and society and our strong will to continue responding to their "wishes for the future.

Group Corporate Structure

For a chart of our group corporate structure, see "Business—Group Corporate Structure" in the base offering circular. For information with respect to our principal subsidiaries and affiliates, see "Principal Subsidiaries and Affiliates" in the base offering circular.

Retail

As of December 31, 2023, our balance of non-consolidated loans to individuals totaled ¥11.0 trillion. As of March 31, 2023, our PD and LGD for residential mortgages on a non-consolidated basis, used to calculate capital adequacy ratios, remained lower than those of our peer banks in Japan. A substantial majority of our loans to individuals are residential mortgage loans. We believe that our portfolio of residential mortgage loans and business loans to individuals remains strong despite current economic conditions because of our focus on metropolitan areas, including the Tokyo metropolitan area, the Osaka metropolitan area and the district of Nagoya.

Investment Trusts

Nikko AM had ¥32.2 trillion in assets under management as of December 31, 2023.

Corporate

Real Estate Finance

As of December 31, 2023, overseas real estate non-recourse loans were approximately 12% of our total foreign currency product exposure, of which approximately ¥170 billion were non-recourse loans for offices, of which approximately ¥35 billion were in North America.

As of December 31, 2023, non-recourse loans were approximately 26% of our yen-denominated product exposure, of which over 50% was collateralized by offices.

Asset Finance

As of December 31, 2023, aircraft finance loans were approximately 9% of our total foreign currency product exposure.

Asset Securitization

As of September 30, 2023, all of our holdings of collateralized loan obligations were rated AAA and were approximately 19% of our total foreign currency product exposure.

Asset Management

The SuMi TRUST Group's balance of assets under management on a consolidated basis stood at approximately ¥127 trillion as of December 31, 2023, meaning that the SuMi TRUST Group maintained its leading position in this metric among Japan's financial institutions.

On December 22, 2023, SuMi TRUST Holdings announced that SuMi TRUST Group would establish a strategic investment facility for asset management and invest up to ¥500 billion by the fiscal year ending March 31, 2031, primarily in global inorganic strategies, emerging asset managers, and others.

From 2024, Japan has phased out the previous NISA and junior NISA individual savings accounts and introduced a new version of a tax-advantaged individual savings account called New NISA. The SuMi TRUST Group aims to take part in the acceleration in the shift from savings to investments in the Japan market by launching New NISA offerings, further enhancing the asset management businesses at Sumitomo Mitsui Trust Asset Management and Nikko AM.

ADDITIONAL FINANCIAL INFORMATION

Set forth below is certain additional financial information concerning our deposits, loans, investments and derivatives.

Deposits

The following table sets forth the mix of our corporate, individual and other deposits on a non-consolidated basis as of September 30, 2023:

	As of September 30, 2023
	(billions of yen)
Corporations	¥ 9,545.2
Individuals	16,815.6
Other	4,927.4
Total[1]	¥31,288.3

Note:
(1) Excludes negotiable certificates of deposit, overseas branch accounts and Japan offshore market accounts.

The following table sets forth a breakdown of our deposits (including negotiable certificates of deposit) on a non-consolidated basis as of September 30, 2023:

	As of September 30, 2023
	(billions of yen)
Time deposits	¥25,704.3
Liquid deposits[1]	10,417.6
Other	1,739.9
Total deposits	37,861.9
Negotiable certificates of deposit	7,468.6
Total deposits and negotiable certificates of deposit	¥45,330.5

Note:
(1) Includes current deposits, ordinary deposits, savings deposits and deposits at notice.

The following tables set forth our average balance of certain deposit categories (including negotiable certificates of deposit) on a non-consolidated basis for the six months ended September 30, 2022 and 2023:

	For the six months ended September 30,	
	2022	2023
	(billions of yen)	
Time deposits	¥23,462.3	¥24,091.5
Liquid deposits[1]	9,771.7	10,521.8
Other	994.1	1,410.4
Total deposits	34,228.2	36,023.8
Negotiable certificates of deposit	7,727.6	7,695.2
Total deposits and negotiable certificates of deposit	¥41,955.8	¥43,719.1

Note:
(1) Includes current deposits, ordinary deposits, savings deposits and deposits at notice.

Loans

The following table sets forth loans in our banking account and in our trust account, each on a non-consolidated basis, as of September 30, 2023:

	As of September 30, 2023 (billions of yen, except percentages)	
Banking account:		
Domestic offices (excluding Japan offshore market accounts):		
Manufacturing	¥ 2,987.6	11.1%
Agriculture and forestry	11.6	0.0
Mining, quarrying of stone and gravel gathering	42.5	0.2
Construction	232.4	0.9
Electric, gas, heat supply and water	1,431.4	5.3
Information and communications	263.9	1.0
Transportation and postal activities	1,119.9	4.1
Wholesale and retail trade	1,255.9	4.6
Finance and insurance	2,502.6	9.3
Real estate	3,494.8	12.9
Goods rental and leasing	1,347.0	5.0
Local government	17.4	0.1
Others	12,301.2	45.5
Total domestic (A)	¥27,008.9	100.0%
Overseas branches and offshore (including Japan offshore market accounts):		
Governments	¥ 0.5	0.0%
Financial institutions	11.2	0.2
Others	5,798.6	99.8
Total overseas (B)	5,810.4	100.0%
Total (A + B)	¥32,819.4	
Trust account:		
Manufacturing	¥ 86.0	3.6%
Electric, gas, heat supply and water	2.0	0.1
Information and communications	142.4	5.9
Transportation and postal activities	0.4	0.0
Wholesale and retail trade	11.7	0.5
Finance and insurance	1,923.1	79.6
Real estate	18.3	0.8
Goods rental and leasing	36.4	1.5
Others	194.4	8.0
Total	¥ 2.414.9	100.0%

The following table sets forth the composition of the loans outstanding (including loans and bills discounted) in our banking account and trust account on a non-consolidated basis as of September 30, 2023:

	As of September 30, 2023
	(billions of yen)
Banking account:	
Funds for capital investment	¥17,527.3
Funds for working capital	15,292.1
Total	¥32,819.4
Trust account:	
Funds for capital investment	¥ 9.1
Funds for working capital	2,405.8
Total	¥ 2,414.9

The following table sets forth the secured and unsecured loans outstanding (including bills discounted) in our banking account and trust account on a non-consolidated basis as of September 30, 2023:

	As of September 30, 2023
	(billions of yen)
Banking account:	
Securities	¥ 726.2
Commercial claims	196.9
Real estate	2,736.6
Factories	353.0
Foundations	140.9
Shipping	1,212.9
Others	2,667.4
Total secured loans and bills discounted	8,034.2
Guaranteed loans and bills discounted	10,964.3
Unsecured loans and bills discounted	13,820.8
Total loans and bills discounted	¥32,819.4
Trust account:	
Commercial claims	¥ —
Real estate	0.2
Others	—
Total secured loans and bills discounted	0.2
Guaranteed loans and bills discounted	7.8
Unsecured loans and bills discounted	2,406.8
Total loans and bills discounted	¥ 2,414.9

Securities Portfolio

The following table sets forth the composition of the portfolio of securities in our banking account on a consolidated basis as of September 30, 2023:

	As of September 30, 2023
	(billions of yen)
Banking account:	
Japanese government bonds	¥1,964.1
Japanese municipal bonds	40.7
Japanese corporate bonds	739.3
Japanese stocks	1,376.2
Foreign securities and other	3,935.7
Total	¥8,056.2

The following tables set forth the acquisition cost for, book value of, and unrealized gains and losses on, marketable available-for-sale securities in our banking account on a consolidated basis as of September 30, 2023:

	As of September 30, 2023				
	Acquisition cost	Book value	Net unrealized gains (losses)	Unrealized gains	Unrealized losses
			(billions of yen)		
Banking account:					
Japanese government bonds	¥1,854.8	¥1,847.0	¥ (7.7)	¥ 0.0	¥ 7.8
Japanese municipal bonds	41.5	40.7	(0.8)	0.0	0.8
Japanese corporate bonds	725.7	724.9	(0.7)	2.5	3.2
Japanese stocks	488.5	1,182.6	694.1	700.0	5.9
Other securities	3,535.2	3,368.9	(166.2)	47.2	213.4
Total	¥6,645.8	¥7,164.3	¥ 518.5	¥749.8	¥231.3

Trust Account Information

Statement of Trust Account

The following table sets forth the trust account data of our trust business on a non-consolidated basis as of September 30, 2023:

	As of September 30, 2023
	(billions of yen)
Assets:	
Loans and bills discounted	¥ 2,414.9
Securities	837.9
Beneficiary rights	188,038.7
Securities held in custody accounts	20.6
Monetary claims	23,208.0
Tangible fixed assets	24,808.0
Intangible fixed assets	235.1
Other claims	10,909.4
Loans to banking account	4,794.8
Cash and due from banks	930.8
Total assets	¥256,198.7
Liabilities:	
Money trusts	¥ 38,813.6
Pension trusts	13,953.9
Property formation benefit trusts	18.0
Securities investment trusts	80,862.0
Money entrusted, other than money trusts	40,434.3
Securities in trust	23,789.5
Money claims trusts	23,396.8
Land and fixture trusts	0.8
Composite trusts	34,929.4
Total liabilities	¥256,198.7

The following table sets forth the loan portfolio (including bills discounted) attributable to our money trusts on a non-consolidated basis as of September 30, 2023, classified by contractual maturity:

	As of September 30, 2023
	(billions of yen)
One year or less	¥ 674.0
Over one year to three years	592.2
Over three years to five years	200.4
Over five years to seven years	391.1
Over seven years	557.0
Total	¥2,414.9

Guaranteed Trusts

Money Trusts

We guarantee the principal of certain money trusts. The following table sets forth the assets and liabilities of such guaranteed money trusts on a non-consolidated basis as of September 30, 2023:

	As of September 30, 2023
	(billions of yen)
Assets:	
Loans and bills discounted	¥ 9.5
Securities	—
Other	4,525.2
Total	¥4,534.7
Liabilities:	
Principal	¥4,534.4
Allowance for impairment of guaranteed trust principal	0.0
Other	0.3
Total	¥4,534.7

Sumitomo Mitsui Trust Bank, Limited

Directors and Audit and Supervisory Committee Members

As of September 30, 2023, none of our directors is the owner of more than 1% of the common stock of our parent company, SuMi TRUST Holdings, and none of our directors has voting rights with respect to SuMi TRUST Holdings common stock that are different from any other holder of SuMi TRUST Holdings common stock.

Employees

On a consolidated basis, including locally hired overseas staff but excluding contract employees and temporary staff, we had 21,157 full-time employees as of September 30, 2023.

TAXATION

Certain U.S. Federal Income Tax Considerations

The seventh sentence of the third paragraph in the section entitled the "Stated Interest" on page 174 of the base offering circular is hereby replaced in its entirety by the following:

The U.S. Internal Revenue Service (the "IRS") released notices that provide relief from certain of the provisions of the Treasury regulations described above for taxable years ending before the date that a notice or other guidance withdrawing or modifying the temporary relief is issued (or any later date specified in such notice or other guidance).

PLAN OF DISTRIBUTION

Selling Restrictions

Singapore

The section entitled "Singapore" on page 182 and 183 of the base offering circular is hereby replaced in its entirety by the following:

This base offering circular has not been registered as a prospectus with the MAS. Accordingly, this base offering circular or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of such Notes may not be circulated or distributed, nor may the Notes be offered or sold, or made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA or (ii) to an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA and (where applicable) Regulation 3 of the Securities and Futures (Classes of Investors) Regulations 2018.

Investors should note that there may be restrictions on the secondary sale of the Notes under Section 276 of the SFA.

Any reference to the SFA is a reference to the Securities and Futures Act 2001 of Singapore and a reference to any term as defined in the SFA or any provision in the SFA is a reference to that term or provision as modified or amended from time to time including by such of its subsidiary legislation as may be applicable at the relevant time.

Section 309B Notification: Unless otherwise specified in an applicable supplement or pricing term sheet, all Notes issued or to be issued under the Program are prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

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Unaudited interim consolidated financial statements of Sumitomo Mitsui Trust Bank, Limited as of and for the six months ended September 30, 2023 and 2022

Consolidated Financial Statements as of and for the six months ended September 30, 2023 and 2022 . . . . . F-2

Notes to Unaudited Interim Consolidated Financial Statements F-10

Consolidated Balance Sheets (Unaudited)

Sumitomo Mitsui Trust Bank, Limited and its Consolidated Subsidiaries
As of September 30, 2023 and March 31, 2023

	Millions of Yen		Millions of U.S. Dollars
	As of Sep. 30, 2023	As of Mar. 31, 2023	**As of Sep. 30, 2023**
Assets:			
Cash and Due from Banks	**¥ 22,176,859**	¥ 21,522,753	**$ 148,310**
Call Loans and Bills Bought	**20,000**	24,006	**134**
Receivables under Resale Agreements	**110,028**	110,003	**736**
Receivables under Securities Borrowing Transactions	**472,875**	436,093	**3,162**
Monetary Claims Bought	**912,156**	970,058	**6,100**
Trading Assets (Notes 2 and 5)	**2,209,971**	1,514,603	**14,779**
Money Held in Trust	**100**	1,442	**1**
Securities (Notes 1, 2, 3, 5 and 11)	**8,056,287**	6,804,176	**53,877**
Loans and Bills Discounted (Notes 3, 4, 5, and 6)	**32,722,624**	31,810,926	**218,837**
Foreign Exchanges (Note 3)	**41,202**	47,445	**276**
Lease Receivables and Investment Assets (Note 5)	**693,742**	688,933	**4,639**
Other Assets (Note 3 and 5)	**4,340,945**	3,781,008	**29,031**
Tangible Fixed Assets (Notes 7 and 8)	**229,190**	230,096	**1,533**
Intangible Fixed Assets	**117,692**	108,362	**787**
Assets for Retirement Benefits	**240,806**	232,599	**1,610**
Deferred Tax Assets	**22,798**	22,951	**152**
Customers' Liabilities for Acceptances and Guarantees (Note 3)	**607,793**	562,523	**4,065**
Allowance for Loan Losses	**(107,990)**	(129,998)	**(722)**
Total Assets	**¥ 72,867,085**	¥ 68,737,987	**$ 487,307**
Liabilities:			
Deposits (Note 5)	**¥ 38,189,055**	¥ 35,417,923	**$ 255,394**
Negotiable Certificates of Deposit	**7,411,118**	7,520,005	**49,563**
Call Money and Bills Sold	**87,498**	1,912,878	**585**
Payables under Repurchase Agreements (Note 5)	**1,378,219**	1,030,780	**9,217**
Trading Liabilities	**2,089,800**	1,472,636	**13,976**
Borrowed Money (Notes 5 and 9)	**7,229,871**	6,629,543	**48,351**
Foreign Exchanges	**330**	847	**2**
Short-Term Bonds Payable	**3,103,416**	2,332,377	**20,754**
Bonds Payable (Note 10)	**2,049,589**	1,911,760	**13,707**
Borrowed Money from Trust Account	**4,794,839**	4,332,472	**32,066**
Other Liabilities	**3,120,680**	3,019,064	**20,870**
Provision for Bonuses	**12,695**	12,902	**85**
Provision for Directors' Bonuses	**—**	95	**—**
Provision for Stocks Payment	**1,015**	810	**7**
Liabilities for Retirement Benefits	**11,462**	11,442	**77**
Provision for Reward Points Program	**21,914**	21,282	**147**
Provision for Reimbursement of Deposits	**2,856**	3,028	**19**
Provision for Contingent Losses	**1,502**	1,344	**10**
Deferred Tax Liabilities	**137,365**	73,663	**919**
Deferred Tax Liabilities for Land Revaluation (Note 7)	**2,381**	2,381	**16**
Acceptances and Guarantees	**607,793**	562,523	**4,065**
Total Liabilities	**¥ 70,253,407**	¥ 66,269,765	**$ 469,828**
Net Assets:			
Total Shareholders' Equity:	**¥ 2,234,756**	¥ 2,232,088	**$ 14,945**
Capital Stock	**342,037**	342,037	**2,287**
Capital Surplus	**342,889**	342,889	**2,293**
Retained Earnings	**1,549,830**	1,547,162	**10,365**
Total Accumulated Other Comprehensive Income:	**349,152**	206,616	**2,335**
Valuation Differences on Available-for-Sale Securities	**361,152**	269,861	**2,415**
Deferred Gains (Losses) on Hedges	**(6,044)**	(47,792)	**(40)**
Revaluation Reserve for Land (Note 7)	**(4,724)**	(4,479)	**(32)**
Foreign Currency Translation Adjustments	**20,270**	12,202	**136**
Remeasurements of Defined Benefit Plans	**(21,502)**	(23,175)	**(144)**
Non-Controlling Interests	**29,767**	29,517	**199**
Total Net Assets	**¥ 2,613,677**	¥ 2,468,222	**$ 17,479**
Total Liabilities and Net Assets	**¥ 72,867,085**	¥ 68,737,987	**$ 487,307**

	Yen		U.S. Dollars
Net Assets per Share of Common Stock	**¥ 1,543.05**	¥ 1,456.34	**$ 10.32**

See accompanying notes.

The figures in U.S. dollars are converted from yen for the convenience of readers outside Japan at the rate of ¥149.53 to U.S. $1.00, the exchange rate as of September 30, 2023.

Consolidated Statements of Income (Unaudited)

Sumitomo Mitsui Trust Bank, Limited and its Consolidated Subsidiaries
For the Six Months Ended September 30, 2023 and 2022

	Millions of Yen		Millions of U.S. Dollars
	Six Months Ended Sep. 30, 2023	Six Months Ended Sep. 30, 2022	**Six Months Ended Sep. 30, 2023**
Income:			
Trust Fees	**¥ 56,966**	¥ 54,824	**$ 381**
Interest Income:	**472,164**	259,341	**3,158**
Interest on Loans and Discounts	**300,081**	175,400	**2,007**
Interest and Dividends on Securities	**88,855**	54,186	**594**
Fees and Commissions	**161,520**	154,670	**1,080**
Trading Income	**1,090**	9,016	**7**
Other Ordinary Income	**347,925**	243,854	**2,327**
Other Income (Note 1)	**88,634**	34,832	**593**
Total Income	**¥ 1,128,302**	¥ 756,541	**$ 7,546**
Expenses:			
Interest Expenses:	**¥ 509,768**	¥ 162,242	**$ 3,409**
Interest on Deposits	**162,147**	50,394	**1,084**
Fees and Commissions Payments	**47,330**	45,675	**317**
Trading Expenses	**9,725**	40,752	**65**
Other Ordinary Expenses	**123,997**	146,194	**829**
General and Administrative Expenses (Note 2)	**210,972**	190,587	**1,411**
Other Expenses (Note 3)	**185,502**	41,440	**1,241**
Total Expenses	**¥ 1,087,297**	¥ 626,893	**$ 7,271**
Income before Income Taxes	**¥ 41,004**	¥ 129,648	**$ 274**
Income Taxes:	**6,807**	35,059	**46**
Current	**3,340**	14,981	**22**
Deferred	**3,467**	20,077	**23**
Net Income	**34,196**	94,589	**229**
Net Income Attributable to Non-Controlling Interests	**443**	546	**3**
Net Income Attributable to Owners of the Parent	**¥ 33,753**	¥ 94,042	**$ 226**
	Yen		U.S. Dollars
Net Income per Share of Common Stock	**¥ 20.15**	¥ 56.16	**$ 0.13**

See accompanying notes.

Consolidated Statements of Comprehensive Income (Unaudited)

Sumitomo Mitsui Trust Bank, Limited and its Consolidated Subsidiaries
For the Six Months Ended September 30, 2023 and 2022

	Millions of Yen		Millions of U.S. Dollars
	Six Months Ended Sep. 30, 2023	Six Months Ended Sep. 30, 2022	**Six Months Ended Sep. 30, 2023**
Net Income	**¥ 34,196**	¥ 94,589	**$ 229**
Other Comprehensive Income (Loss):			
Valuation Differences on Available-for-Sale Securities	**¥ 93,961**	¥ (59,082)	**$ 628**
Deferred Gains (Losses) on Hedges	**40,849**	8,494	**273**
Foreign Currency Translation Adjustments	**5,035**	6,552	**34**
Remeasurements of Defined Benefit Plans	**1,672**	1,325	**11**
Share of Other Comprehensive Income of Equity-Method Affiliated Companies	**1,502**	2,899	**10**
Total Other Comprehensive Income (Loss)	**¥ 143,021**	¥ (39,809)	**$ 956**
Comprehensive Income:	**¥ 177,218**	¥ 54,779	**$ 1,185**
Comprehensive Income Attributable to Owners of the Parent	**¥ 176,534**	¥ 53,951	**$ 1,181**
Comprehensive Income Attributable to Non-Controlling Interests	**683**	827	**5**

Consolidated Statements of Changes in Net Assets (Unaudited)

Sumitomo Mitsui Trust Bank, Limited and its Consolidated Subsidiaries
For the Six Months Ended September 30, 2023 and 2022

For the Six Months Ended September 30, 2023

	Millions of Yen			
	Shareholders' Equity			
	Capital Stock	Capital Surplus	Retained Earnings	Total Shareholders' Equity
Balance at the Beginning of the Period	¥ 342,037	¥ 342,889	¥ 1,547,162	¥ 2,232,088
Changes during the Period				
Cash Dividends			(31,330)	(31,330)
Net Income Attributable to Owners of the Parent			33,753	33,753
Purchase of Shares of Consolidated Subsidiaries				—
Reversal of Revaluation Reserve for Land			244	244
Net Changes of Items Other Than Shareholders' Equity				
Total Changes during the Period	—	—	2,667	2,667
Balance at the End of the Period	¥ 342,037	¥ 342,889	¥ 1,549,830	¥ 2,234,756

	Millions of Yen							
	Accumulated Other Comprehensive Income							
	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	Non-Controlling Interests	Total Net Assets
Balance at the Beginning of the Period	¥ 269,861	¥ (47,792)	¥ (4,479)	¥ 12,202	¥ (23,175)	¥ 206,616	¥ 29,517	¥ 2,468,222
Changes during the Period								
Cash Dividends								(31,330)
Net Income Attributable to Owners of the Parent								33,753
Purchase of Shares of Consolidated Subsidiaries								—
Reversal of Revaluation Reserve for Land								244
Net Changes of Items Other Than Shareholders' Equity	91,290	41,748	(244)	8,068	1,673	142,536	250	142,787
Total Changes during the Period	91,290	41,748	(244)	8,068	1,673	142,536	250	145,455
Balance at the End of the Period	¥ 361,152	¥ (6,044)	¥ (4,724)	¥ 20,270	¥ (21,502)	¥ 349,152	¥ 29,767	¥ 2,613,677

See accompanying notes.

For the Six Months Ended September 30, 2022

	Millions of Yen			
	Shareholders' Equity			
	Capital Stock	Capital Surplus	Retained Earnings	Total Shareholders' Equity
Balance at the Beginning of the Period	¥ 342,037	¥ 342,853	¥ 1,429,874	¥ 2,114,764
Changes during the Period				
Cash Dividends			(23,594)	(23,594)
Net Income Attributable to Owners of the Parent			94,042	94,042
Purchase of Shares of Consolidated Subsidiaries		36		36
Reversal of Revaluation Reserve for Land			6	6
Net Changes of Items Other Than Shareholders' Equity				
Total Changes during the Period	—	36	70,455	70,491
Balance at the End of the Period	¥ 342,037	¥ 342,889	¥ 1,500,329	¥ 2,185,256

	Millions of Yen							
	Accumulated Other Comprehensive Income							
	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	Non-Controlling Interests	Total Net Assets
Balance at the Beginning of the Period	¥ 290,154	¥ (41,661)	¥ (4,456)	¥ 3,713	¥ (42,703)	¥ 205,045	¥ 28,699	¥ 2,348,510
Changes during the Period								
Cash Dividends								(23,594)
Net Income Attributable to Owners of the Parent								94,042
Purchase of Shares of Consolidated Subsidiaries								36
Reversal of Revaluation Reserve for Land								6
Net Changes of Items Other Than Shareholders' Equity	(63,315)	10,013	(6)	11,881	1,329	(40,097)	334	(39,763)
Total Changes during the Period	(63,315)	10,013	(6)	11,881	1,329	(40,097)	334	30,728
Balance at the End of the Period	¥ 226,838	¥ (31,648)	¥ (4,463)	¥ 15,595	¥ (41,374)	¥ 164,948	¥ 29,033	¥ 2,379,238

See accompanying notes.

For the Six Months Ended September 30, 2023

	Millions of U.S. Dollars			
	Shareholders' Equity			
	Capital Stock	Capital Surplus	Retained Earnings	Total Shareholders' Equity
Balance at the Beginning of the Period	$ 2,287	$ 2,293	$ 10,347	$ 14,927
Changes during the Period				
Cash Dividends			(210)	(210)
Net Income Attributable to Owners of the Parent			226	226
Purchase of Shares of Consolidated Subsidiaries				—
Reversal of Revaluation Reserve for Land			2	2
Net Changes of Items Other Than Shareholders' Equity				
Total Changes during the Period	—	—	18	18
Balance at the End of the Period	$ 2,287	$ 2,293	$ 10,365	$ 14,945

	Millions of U.S. Dollars							
	Accumulated Other Comprehensive Income							
	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	Non-Controlling Interests	Total Net Assets
Balance at the Beginning of the Period	$ 1,805	$ (320)	$ (30)	$ 82	$ (155)	$ 1,382	$ 197	$ 16,507
Changes during the Period								
Cash Dividends								(210)
Net Income Attributable to Owners of the Parent								226
Purchase of Shares of Consolidated Subsidiaries								—
Reversal of Revaluation Reserve for Land								2
Net Changes of Items Other Than Shareholders' Equity	611	279	(2)	54	11	953	2	955
Total Changes during the Period	611	279	(2)	54	11	953	2	973
Balance at the End of the Period	$ 2,415	$ (40)	$ (32)	$ 136	$ (144)	$ 2,335	$ 199	$ 17,479

See accompanying notes.

Consolidated Statements of Cash Flows (Unaudited)

Sumitomo Mitsui Trust Bank, Limited and its Consolidated Subsidiaries
For the Six Months Ended September 30, 2023 and 2022

	Millions of Yen		Millions of U.S. Dollars
	Six Months Ended Sep. 30, 2023	Six Months Ended Sep. 30, 2022	**Six Months Ended Sep. 30, 2023**
Cash Flows from Operating Activities:			
Income before Income Taxes	**¥ 41,004**	¥ 129,648	**$ 274**
Depreciation and Amortization	**16,689**	14,635	**112**
Impairment Losses	**1,425**	377	**10**
Amortization of Goodwill	**1,903**	2,199	**13**
Equity in Losses (Earnings) of Affiliated Companies	**(6,160)**	(7,567)	**(41)**
Increase (Decrease) in Allowance for Loan Losses	**(22,007)**	(26,575)	**(147)**
Increase (Decrease) in Provision for Bonuses	**(206)**	(1,770)	**(1)**
Increase (Decrease) in Provision for Directors' Bonuses	**(95)**	(98)	**(1)**
Increase (Decrease) in Provision for Stocks Payment	**205**	115	**1**
Decrease (Increase) in Assets for Retirement Benefits	**(5,837)**	(3,796)	**(39)**
Increase (Decrease) in Liabilities for Retirement Benefits	**20**	75	**0**
Increase (Decrease) in Provision for Reward Points Program	**631**	593	**4**
Increase (Decrease) in Provision for Reimbursement of Deposits	**(171)**	(373)	**(1)**
Increase (Decrease) in Provision for Contingent Losses	**158**	(351)	**1**
Interest Income	**(472,164)**	(259,341)	**(3,158)**
Interest Expenses	**509,768**	162,242	**3,409**
Loss (Gain) Related to Securities	**98,112**	26,385	**656**
Loss (Gain) on Money Held in Trust	**(36)**	(45)	**(0)**
Foreign Exchange Losses (Gains)	**(273,744)**	(289,224)	**(1,831)**
Loss (Gain) on Disposal of Fixed Assets	**199**	246	**1**
Net Decrease (Increase) in Trading Assets	**(695,367)**	(824,727)	**(4,650)**
Net Increase (Decrease) in Trading Liabilities	**617,163**	833,526	**4,127**
Net Decrease (Increase) in Loans and Bills Discounted	**(911,698)**	(1,405,026)	**(6,097)**
Net Increase (Decrease) in Deposit	**2,771,132**	1,263,946	**18,532**
Net Increase (Decrease) in Negotiable Certificates of Deposit	**(108,887)**	1,161,391	**(728)**
Net Increase (Decrease) in Borrowed Money (excluding Subordinated Borrowings)	**522,128**	(1,225,592)	**3,492**
Net Decrease (Increase) in Due from Banks (excluding Due from the Bank of Japan)	**144,921**	(209,608)	**969**
Net Decrease (Increase) in Call Loans	**61,905**	266,635	**414**
Net Decrease (Increase) in Receivables under Securities Borrowing Transactions	**(36,782)**	143,192	**(246)**
Net Increase (Decrease) in Call Money	**(1,477,941)**	(59,086)	**(9,884)**
Net Decrease (Increase) in Foreign Exchange-Assets	**6,243**	(6,799)	**42**
Net Increase (Decrease) in Foreign Exchange-Liabilities	**(517)**	(526)	**(3)**
Net Decrease (Increase) in Lease Receivables and Investment Assets	**(4,809)**	9,523	**(32)**
Net Increase (Decrease) in Short-Term Bonds Payable	**771,039**	359,321	**5,156**
Increase (Decrease) in Straight Bonds-Issuance and Redemption	**137,828**	322,881	**922**
Net Increase (Decrease) in Borrowed Money from Trust Account	**462,367**	58,833	**3,092**
Interest Received	**416,098**	241,455	**2,783**
Interest Paid	**(472,535)**	(144,913)	**(3,160)**
Other, Net	**(416,168)**	(36,939)	**(2,783)**
Subtotal	**¥ 1,675,811**	¥ 494,863	**$ 11,207**
Income Taxes (Paid) Refunded	**(21,214)**	(28,357)	**(142)**
Net Cash Provided by (Used in) Operating Activities	**¥ 1,654,597**	¥ 466,506	**$ 11,065**

(Continued)

	Millions of Yen		Millions of U.S. Dollars
	Six Months Ended Sep. 30, 2023	Six Months Ended Sep. 30, 2022	**Six Months Ended Sep. 30, 2023**
Cash Flows from Investing Activities:			
Purchase of Securities	**¥ (3,648,196)**	¥ (2,782,679)	**$ (24,398)**
Proceeds from Sales of Securities	**1,430,655**	726,294	**9,568**
Proceeds from Redemption of Securities	**1,377,737**	2,870,188	**9,214**
Decrease in Money Held in Trust	**1,455**	—	**10**
Purchase of Tangible Fixed Assets	**(4,410)**	(2,776)	**(29)**
Proceeds from Sales of Tangible Fixed Assets	**388**	18	**3**
Purchase of Intangible Fixed Assets	**(24,297)**	(23,811)	**(162)**
Purchase of Shares of Subsidiaries Resulting in Change in the Scope of Consolidation	**(20,335)**	—	**(136)**
Purchase of Shares of Affiliated Companies Accounted for using the Equity Method	**(1,289)**	(1,167)	**(9)**
Proceeds from Sales of Shares of Affiliated Companies Accounted for Using the Equity Method	**3,549**	—	**24**
Net Cash Provided by (Used in) Investing Activities	**¥ (884,741)**	¥ 786,067	**$ (5,917)**
Cash Flows from Financing Activities:			
Proceeds from Subordinated Borrowings	**¥ 41,000**	¥ —	**$ 274**
Repayments of Subordinated Borrowings	**(30,000)**	(20,000)	**(201)**
Payments for Redemption of Subordinated Bonds and Bonds with Subscription Rights to Shares	**—**	(56,100)	**—**
Cash Dividends Paid	**(31,330)**	(23,594)	**(210)**
Cash Dividends Paid to Non-Controlling Interests	**(432)**	(456)	**(3)**
Net Cash Provided by (Used in) Financing Activities	**¥ (20,763)**	¥ (100,151)	**$ (139)**
Effect of Exchange Rate Change on Cash and Cash Equivalents	**¥ 49,934**	¥ 94,881	**$ 334**
Net Increase (Decrease) in Cash and Cash Equivalents	**¥ 799,027**	¥ 1,247,303	**$ 5,344**
Cash and Cash Equivalents at the Beginning of the Period	**¥ 19,092,918**	¥ 15,653,061	**$ 127,686**
Cash and Cash Equivalents at the End of the Period (Note 1)	**¥ 19,891,946**	¥ 16,900,365	**$ 133,030**

See accompanying notes.

Notes to Interim Consolidated Financial Statements (Unaudited)

Basis of Presentation of Financial Statements

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

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

The interim consolidated financial statements are stated in Japanese yen, the currency of the country in which SuMi TRUST Bank is incorporated and operates. The translation of Japanese yen amounts into U.S. dollar amounts is included solely for the convenience of readers outside Japan. The translation has been made at the rate of ¥149.53 to U.S. $1, the approximate rate of exchange as of September 30, 2023. 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, 2023:

39 companies

Principal Companies:

Sumitomo Mitsui Trust Loan & Finance Co., Ltd.

Sumitomo Mitsui Trust Panasonic Finance Co., Ltd.

Sumitomo Mitsui Trust Realty Co., Ltd.

Sumitomo Mitsui Trust Guarantee Co., Ltd.

Sumitomo Mitsui Trust Club Co., Ltd.

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

A change in the consolidated subsidiaries during the interim period ended September 30, 2023, is as follows:

A silent partnership whose operator is Spade House, LLC. has been included in the scope of consolidation from the interim period ended September 30, 2023, due to the acquisition of equity interests.

(2) Unconsolidated Subsidiaries

Principal Companies:

Cattleya Co., Ltd.

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

Cattleya Co., Ltd. and 10 other companies are excluded from the scope of consolidation in accordance with Article 5, Paragraph 1, Item 2 of "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.

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

2. Application of the Equity Method

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

None

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

20 companies

Principal Companies:

SBI Sumishin Net Bank, Ltd.

A change in the affiliated companies accounted for by the equity method during the interim period ended September 30, 2023, is as follows:

Board Advisors Japan, Inc. has been included in the scope of application of the equity method from the interim period ended September 30, 2023, due to the acquisition of shares.

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

Principal Companies:

Cattleya Co., Ltd.

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

Cattleya Co., Ltd. and 10 other companies are excluded from the scope of the application of the equity method in accordance with Article 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.

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

3. Interim Balance Sheet Dates of the Consolidated Subsidiaries

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

October 31:	2 companies
February 28:	1 company
March 31:	4 companies
May 31:	1 company
June 30:	5 companies
September 30:	26 companies

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

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

Material transactions arising between the interim consolidated balance sheet date, September 30, 2023, 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 inter-market 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 March 31, 2023 and September 30, 2023.

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

(2) Securities

(a) Under the accounting standards for financial instruments in Japan, SuMi TRUST Bank is required to determine the purposes of holding each security and classify such securities 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 that are not accounted for by the equity method are stated at moving-average cost. “Available-for-Sale Securities” are valued at the market price (cost of securities sold is calculated using primarily the moving-average method). Equity securities with no market prices are carried at cost using the moving-average method.

Valuation differences on “Available-for-Sale Securities” are recorded as a separate component of net assets and reported in the 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.

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

(4) Depreciation and Amortization Methods

(a) Tangible fixed assets other than lease assets

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

Useful lives of major asset categories:

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

(b) Intangible fixed assets

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

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

(5) Allowance for Loan Losses

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

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

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

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

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

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

For claims against bankrupt borrowers or virtually bankrupt borrowers with collateral or guarantees, claims against borrowers in legal or virtually bankrupt borrowers, net of amounts expected to be collected through the disposal of collateral or through the execution of guarantees, are directly deducted from the original amount of claims. The deducted amount was ¥19,925 million (U.S. $133 million) for the six months ended September 30, 2023.

(Additional Information)

There is no significant change to the assumption for the adjustments made to loan losses based on future forecasts described in the “Significant Accounting Estimates” section of the Annual Report for the fiscal year ended March 31, 2023, during the six-month period ended September 30, 2023.

(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 at SuMi TRUST Bank for the estimated stock-based payments to directors and employees under a stock-based compensation system attributable to the current interim period.

(9) Provision for Reward Points Program

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

(10) Provision for Reimbursement of Deposits in Dormant Accounts

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

(11) Provision for Contingent Losses

A provision for contingent losses is provided for 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, 2023, are attributed based on the plan’s benefit formula. Past service cost and actuarial gains or losses are expensed using the following methods:

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

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

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

(13) Basis for Recognition of Significant Revenues and Expenses

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

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

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

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

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

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

(14) Foreign Currency Translation

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

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

(15) Accounting for Leases

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

(16) Hedge Accounting

(a) Interest-related risk hedge

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

(b) Currency-related risk hedge

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

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

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

(c) Internal hedge transactions and others

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

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

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

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

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

(18) Nondeductible Consumption Taxes Associated with Assets

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

(19) Adoption of Group Tax Sharing System

SuMi TRUST Bank adopts the group tax sharing system.

Change in Accounting Estimates

With regard to the fair value adjustment method in the calculation of the fair values of derivative transactions, based on the fact that a certain period of time has passed since its introduction and the results of the verification of the reasonably calculated fair values, SuMi TRUST Bank reviewed the previous inputs used for the adjustments of credit risks and changed the method to the one using inputs that are more appropriate for the substance of each of SuMi TRUST Bank's portfolios from the six months ended September 30, 2023.

As a result of the change, compared with the previous method, Trading Assets increased by ¥1,929 million (U.S. $13 million), Other Assets increased by ¥7,639 million (U.S. $51 million), Trading Liabilities decreased by ¥749 million (U.S. $5 million), and Other Liabilities increased by ¥469 million (U.S. $3 million) as of September 30, 2023. Income before Income Taxes increased by ¥9,848 million (U.S. $66 million) during the six months ended September 30, 2023.

Notes to the Interim Consolidated Balance Sheets

1. Securities

"Securities" include stocks and equity investments in unconsolidated subsidiaries and affiliated companies as follows:

	Millions of Yen	Millions of U.S. Dollars
	Sep. 30, 2023	**Sep. 30, 2023**
Stocks	**¥ 121,513**	**$ 813**
Equity Investments	**250,548**	**1,676**

2. Securities with Free Disposal Rights to Sell or Repledge

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

	Millions of Yen	Millions of U.S. Dollars
	Sep. 30, 2023	**Sep. 30, 2023**
Securities that are Further Collateralized	**¥ 109,655**	**$ 733**
Securities that are Further Loaned	**934,496**	**6,250**
Securities Held without Selling or Repledging as of the End of the Current Period	**—**	**—**

3. Loans and Bills Discounted

Loans in accordance with the Banking Act and the Act on Emergency Measures for Revitalization of the Financial Functions are presented below. Loans include corporate bonds in "securities" (limited to those issued in private placement of securities prescribed in Section 3 of Paragraph 2 in the Financial Instruments and Exchange Act, and those with wholly or partially guaranteed redemption of the principal and payment of the interest), loans and bills discounted, foreign exchanges, interest receivables, suspense payments, and customers' liabilities for acceptances and guarantees in "other assets" presented in the interim consolidated balance sheets, and securities loaned (limited to those under a loan for use or lease contract) provided in the notes, etc.

	Millions of Yen	Millions of U.S. Dollars
	Sep. 30, 2023	Sep. 30, 2023
Bankrupt and Practically Bankrupt Loans	¥ 11,315	$ 76
Doubtful Loans	49,200	329
Loans Past Due Three Months or More	—	—
Restructured Loans	42,353	283
Total	¥ 102,870	$ 688

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

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

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

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

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

4. Bills Discounted

Bills discounted are treated as financial transactions in accordance with Guidance No.24. SuMi TRUST Bank has a free disposal right to sell or repledge such commercial bills. The total face value of such bills was as follows:

	Millions of Yen	Millions of U.S. Dollars
	Sep. 30, 2023	Sep. 30, 2023
Bills Discounted	¥ 523	$ 4

5. Assets Pledged as Collateral

Assets pledged as collateral as of September 30, 2023, consisted of the following:

	Millions of Yen	Millions of U.S. Dollars
	Sep. 30, 2023	Sep. 30, 2023
Assets Pledged as Collateral:		
Trading Assets	¥ 49,990	$ 334
Securities	2,870,596	19,197
Loans and Bills Discounted	4,556,668	30,473
Lease Receivables and Investment Assets	42,994	288
Other Assets	133,602	893
Total	¥ 7,653,851	$ 51,186
Corresponding Liabilities to Assets Pledged as Collateral:		
Deposits	¥ 8,518	$ 57
Payables under Repurchase Agreements	794,694	5,315
Borrowed Money	4,938,032	33,024

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, 2023	Sep. 30, 2023
Securities	¥ 456,146	$ 3,051

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

	Millions of Yen	Millions of U.S. Dollars
	Sep. 30, 2023	Sep. 30, 2023
Initial Margins of Futures Markets	¥ 76,135	$ 509
Security Deposits	24,078	161
Cash Collateral Pledged for Financial Instruments-Assets	1,435,503	9,600

6. Overdraft Facility Agreements and Commitment Lines of Credit

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

	Millions of Yen	Millions of U.S. Dollars
	Sep. 30, 2023	Sep. 30, 2023
Amount of Unused Credit under Agreements	¥ 13,483,722	$ 90,174
Attributable to Agreements Expiring within One Year or which May Be Unconditionally Canceled at Any Time	8,720,950	58,322

The balance of unused credit will not necessarily affect the future cash flows of SuMi TRUST Bank and its consolidated subsidiaries because most of these agreements expire without credit being extended. Most of these agreements contain clauses allowing SuMi TRUST Bank and its consolidated subsidiaries to reject requests for credit outright or reduce the credit limits due to changes in financial circumstances, the need to preserve claims, or other reasonable causes. Besides requesting collateral, such as real estate or securities, as necessary at the time of entering into the agreement, the SuMi TRUST Bank Group has also adopted other measures to keep its credit sound, such as periodically assessing the condition of customers' businesses following the internal procedures and revising agreements, as necessary.

7. 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 Liabilities for Land Revaluation" in liabilities, and the amount net of such difference was recorded as a "Revaluation Reserve for Land" in net assets.

Revaluation date: March 31, 1998, and March 31, 1999 Revaluation method prescribed by Paragraph 3 of Article 3 of the Act:

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

8. Accumulated Depreciation of Tangible Fixed Assets

Accumulated depreciation of tangible fixed assets as of September 30, 2023, consisted of the following:

	Millions of Yen	Millions of U.S. Dollars
	Sep. 30, 2023	**Sep. 30, 2023**
Accumulated Depreciation of Tangible Fixed Assets	**¥ 189,122**	**$ 1,265**

9. 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, 2023	**Sep. 30, 2023**
Subordinated Borrowings	**¥ 616,000**	**$ 4,120**
Subordinated Borrowings with a Debt Relief Clause at the Contractual Point of Non-Viability	**616,000**	**4,120**

10. Bonds Payable

Bonds payable includes subordinated bonds.

	Millions of Yen	Millions of U.S. Dollars
	Sep. 30, 2023	**Sep. 30, 2023**
Subordinated Bonds	**¥ 72,997**	**$ 488**

11. 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, 2023	**Sep. 30, 2023**
Guarantee Obligations on Corporate Bonds Placed through Private Securities Offerings	**¥ 63,850**	**$ 427**

12. Principal of Guaranteed Trust Accounts

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

	Millions of Yen	Millions of U.S. Dollars
	Sep. 30, 2023	**Sep. 30, 2023**
Money Trusts	**¥ 4,534,475**	**$ 30,325**

Notes to the Interim Consolidated Statement of Income

1. Other Income

Other income for the six months ended September 30, 2023, consisted of the following:

	Millions of Yen	Millions of U.S. Dollars
	Sep. 30, 2023	**Sep. 30, 2023**
Gains on Sales of Stocks and Other Securities	**¥ 73,950**	**$ 495**
Equity in Earnings of Affiliated Companies	**6,160**	**41**
Gains on Stock-Related Derivatives	**3,083**	**21**
Gains on Sales of Investments in Subsidiaries and Affiliated Companies	**592**	**4**

2. General and Administrative Expenses

General and administrative expenses for the six months ended September 30, 2023, consisted of the following:

	Millions of Yen	Millions of U.S. Dollars
	Sep. 30, 2023	**Sep. 30, 2023**
Salaries and Allowances	**¥ 81,812**	**$ 547**

3. Other Expenses

Other expenses for the six months ended September 30, 2023, consisted of the following:

	Millions of Yen	Millions of U.S. Dollars
	Sep. 30, 2023	**Sep. 30, 2023**
Losses on Sales of Stocks and Other Securities	**¥ 168,596**	**$ 1,128**
Losses on Investment in Partnerships	**¥ 5,426**	**$ 36**

Notes to the Interim Consolidated Statements of Changes in Net Assets

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

Classes and the number of issued shares of common stock for the six months ended September 30, 2023, consisted of the following:

	Thousands of Shares				
	Authorized	Number of Shares Outstanding at the Beginning of the Current Period	Increase	Decrease	Number of Shares Outstanding at the End of the Current Period
For the Six Months Ended September 30, 2023					
Number of Issued Shares:					
Common Share	**3,000,000**	**1,674,537**	**—**	**—**	**1,674,537**

2. Subscription Rights to Shares

There were no subscription rights to shares for the six months ended September 30, 2023.

3. Dividends

(1) Dividends paid for the six months ended September 30, 2023, consisted of the following:

Resolution	Type of Shares	Cash Dividends Declared: Millions of Yen (Millions of U.S. Dollars)	Dividend Resources	Cash Dividends per Share: Yen (U.S. Dollars)	Record Date	Effective Date
June 23, 2023 Ordinary General Meeting of Shareholders	Common Share	**¥ 31,330 ($210)**	Retained Earnings	**¥ 18.71 ($0.13)**	March 31, 2023	June 26, 2023

(2) Dividends with a record date during the current interim period ended September 30, 2023, but whose effective date is after September 30, 2023, are as follows:

Resolution	Type of Shares	Cash Dividends Declared: Millions of Yen (Millions of U.S. Dollars)	Dividend Resources	Cash Dividends per Share: Yen (U.S. Dollars)	Record Date	Effective Date
November 14, 2023 Board of Directors' Meeting	Common Share	**¥ 38,196 ($255)**	Retained Earnings	**¥ 22.81 ($0.15)**	September 30, 2023	December 1, 2023

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, 2023.

	Millions of Yen	Millions of U.S. Dollars
	Sep. 30, 2023	**Sep. 30, 2023**
Cash and Due from Banks	**¥ 22,176,859**	**$ 148,310**
Due from Banks (Excluding Due from the Bank of Japan)	**(2,284,913)**	**(15,281)**
Cash and Cash Equivalents	**¥ 19,891,946**	**$ 133,030**

Leases

1. Finance Leases

As a lessee:

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

1) Description of lease assets

Tangible fixed assets

Mainly branch buildings and office equipment

2) Method for depreciating 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, 2023, were as follows:

	Millions of Yen	Millions of U.S. Dollars
	Sep. 30, 2023	**Sep. 30, 2023**
Due in One Year or Less	**¥ 2,020**	**$ 14**
Due in More than One Year	**10,562**	**71**
Total	**¥ 12,582**	**$ 84**

As a lessor:

Total future lease payments under non-cancelable operating leases as of September 30, 2023, were as follows:

	Millions of Yen	Millions of U.S. Dollars
	Sep. 30, 2023	**Sep. 30, 2023**
Due in One Year or Less	**¥ 12,679**	**$ 85**
Due in More than One Year	**76,556**	**512**
Total	**¥ 89,235**	**$ 597**

Financial Instruments

Fair Values of Financial Instruments and Breakdown by Input Level

The carrying amounts on the interim consolidated balance sheets and fair values of financial instruments as of September 30, 2023, as well as the differences between these values and fair values by input level are presented below.

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

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

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

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

Level 3: Fair value determined based on significant unobservable inputs

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

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

	Millions of Yen				Millions of U.S. Dollars			
	Sep. 30, 2023				Sep. 30, 2023			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Monetary Claims Bought	¥ —	¥ 126,983	¥ —	¥ 126,983	$ —	$ 849	$ —	$ 849
Trading Assets								
Trading Securities	1,623	111,482	—	113,106	11	746	—	756
Money Held in Trust	—	—	—	—	—	—	—	—
Securities								
Available-for-Sale Securities	4,087,756	2,947,818	1,797	7,037,372	27,337	19,714	12	47,063
Stocks	1,182,678	—	—	1,182,678	7,909	—	—	7,909
Bonds	1,847,078	763,885	1,797	2,612,760	12,353	5,109	12	17,473
Government Bonds	1,847,078	—	—	1,847,078	12,353	—	—	12,353
Local Government Bonds	—	40,722	—	40,722	—	272	—	272
Short-Term Corporate Bonds	—	—	—	—	—	—	—	—
Corporate Bonds	—	723,163	1,797	724,960	—	4,836	12	4,848
Other Securities	1,058,000	2,183,933	—	3,241,933	7,076	14,605	—	21,681
Foreign Stocks	4,640	—	—	4,640	31	—	—	31
Foreign Bonds	1,037,285	1,483,358	—	2,520,644	6,937	9,920	—	16,857
Others	16,074	700,574	—	716,648	107	4,685	—	4,793
Total Assets	¥4,089,379	¥3,186,285	¥1,797	¥7,277,462	$27,348	$21,309	$ 12	$48,669
Derivative Transactions (*1)(*2)(*3)								
Interest Rate Related Transactions	¥ 1,470	¥ (117,718)	¥4,604	¥ (111,643)	$ 10	$ (787)	$ 31	$ (747)
Currency Related Transactions	—	(122,979)	—	(122,979)	—	(822)	—	(822)
Stock Related Transactions	(146)	—	—	(146)	(1)	—	—	(1)
Bond Related Transactions	1,077	(6)	—	1,070	7	(0)	—	7
Credit and Derivative Transactions	—	(727)	—	(727)	—	(5)	—	(5)
Total Derivative Transactions	¥ 2,402	¥ (241,432)	¥4,604	¥ (234,425)	$ 16	$ (1,615)	$ 31	$ (1,568)

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

(*2) As for derivative transactions applying hedge accounting, ¥(359,696) million (U.S. $(2,406) million) is recorded on the interim consolidated balance sheets as of September 30, 2023.

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

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

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

	Millions of Yen					
	Sep. 30, 2023					
	Level 1	Level 2	Level 3	Total	Interim consolidated balance sheet amount	Net unrealized gains (losses)
Monetary Claims Bought (*)	**¥ —**	**¥ 37,145**	**¥ 748,929**	**¥ 786,074**	**¥ 784,943**	**¥ 1,131**
Securities						
Held-to-Maturity Securities	**125,080**	**161,486**	**—**	**286,566**	**278,603**	**7,962**
Government Bonds	**125,080**	**—**	**—**	**125,080**	**117,085**	**7,994**
Local Government Bonds	**—**	**—**	**—**	**—**	**—**	**—**
Corporate Bonds	**—**	**14,503**	**—**	**14,503**	**14,400**	**103**
Other Securities	**—**	**146,982**	**—**	**146,982**	**147,117**	**(135)**
Foreign Bonds	**—**	**146,982**	**—**	**146,982**	**147,117**	**(135)**
Others	**—**	**—**	**—**	**—**	**—**	**—**
Loans and Bills Discounted					**32,722,624**	
Allowance for Loan Losses (*)					**(93,542)**	
	—	**—**	**32,721,397**	**32,721,397**	**32,629,082**	**92,315**
Lease Receivables and Investment Assets (*)	**—**	**—**	**695,817**	**695,817**	**688,341**	**7,475**
Total Assets	**¥ 125,080**	**¥ 198,631**	**¥ 34,166,144**	**¥ 34,489,856**	**¥ 34,380,970**	**¥ 108,885**
Deposits	**¥ —**	**¥ 38,207,681**	**¥ —**	**¥ 38,207,681**	**¥ 38,189,055**	**¥ 18,625**
Negotiable Certificates of Deposit	**—**	**7,411,118**	**—**	**7,411,118**	**7,411,118**	**—**
Borrowed Money	**—**	**7,157,124**	**—**	**7,157,124**	**7,229,871**	**(72,746)**
Bonds Payable	**—**	**1,994,960**	**—**	**1,994,960**	**2,049,589**	**(54,629)**
Total Liabilities	**¥ —**	**¥ 54,770,884**	**¥ —**	**¥ 54,770,884**	**¥ 54,879,634**	**¥ (108,750)**

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

	Millions of U.S. Dollars					
	Sep. 30, 2023					
	Level 1	Level 2	Level 3	Total	Interim consolidated balance sheet amount	Net unrealized gains (losses)
Monetary Claims Bought (*)	$ —	$ 248	$ 5,009	$ 5,257	$ 5,249	$ 8
Securities						
Held-to-Maturity Securities	836	1,080	—	1,916	1,863	53
Government Bonds	836	—	—	836	783	53
Local Government Bonds	—	—	—	—	—	—
Corporate Bonds	—	97	—	97	96	1
Other Securities	—	983	—	983	984	(1)
Foreign Bonds	—	983	—	983	984	(1)
Others	—	—	—	—	—	—
Loans and Bills Discounted				219,155	218,837	
Allowance for Loan Losses (*)				(335)	(626)	
	—	—	218,828	218,828	218,211	617
Lease Receivables and Investment Assets (*)	—	—	4,653	4,653	4,603	50
Total Assets	$ 836	$ 1,328	$ 228,490	$ 230,655	$ 229,927	$ 728
Deposits	$ —	$ 255,519	$ —	$ 255,519	$ 255,394	$ 125
Negotiable Certificates of Deposit	—	49,563	—	49,563	49,563	—
Borrowed Money	—	47,864	—	47,864	48,351	(487)
Bonds Payable	—	13,342	—	13,342	13,707	(365)
Total Liabilities	$ —	$ 366,287	$ —	$ 366,287	$ 367,014	$ (727)

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

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

Monetary Claims Bought

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

Trading Assets

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

Money Held in Trust

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

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

Securities

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

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

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

Loans and Bills Discounted

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

Lease Receivables and Investment Assets

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

Deposits and Negotiable Certificates of Deposit

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

Borrowed Money

Borrowed money at floating rates is stated at their carrying amounts. The carrying amounts are deemed to approximate fair value because such amounts reflect short-term market interest rates, and

there have been no significant changes in credit condition subsequent to undertaking the borrowed money. Fair values of borrowed money at fixed rates are calculated by discounting their future cash flows by the interest rate adjusted for the residual term and credit risk. Fair values for obligations with short maturities (one year or less) are stated at their carrying amounts because the carrying amounts approximate fair value. These fair values are classified into Level 2.

Bonds Payable

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

Derivative transactions

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

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

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

(1) Quantitative information on significant unobservable inputs

Quantitative information on significant unobservable inputs for the interim period ended September 30, 2023, consisted of the following:

	Valuation technique	Significant unobservable inputs	Range
Securities			
Corporate Bonds	Discounted present value method	Discount Rate	0.8% - 1.4%
Derivative Transactions			
Interest Rate Related Transactions	Option valuation model	Correlation between interest rate and foreign exchange rate	(40.2)% - (2.3)%
		Correlation between interest rates	7.5%

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

Reconciliation between the beginning and ending balances, and net unrealized gains (losses) recognized in the profit or loss in the period ended September 30, 2023, are as follows:

	Millions of Yen							
	Sep. 30, 2023							
	Beginning balance	Profit or losses for the period (*1)	Other comprehensive income (*2)	Net amount of purchase, issuance, sale, and settlement	Transfer to Level 3 (*3)	Transfer from Level 3 (*3)	Ending balance	Net unrealized gains (losses) on financial assets and liabilities held at interim consolidated balance sheet date recognized in profit or losses of the period (*1)
Securities	**¥ 1,292**	**¥ —**	**¥ 6**	**¥ (50)**	**¥ 548**	**¥ —**	**¥ 1,797**	**¥ —**
Derivative Transactions (Interest Rate Related Transactions) (*4)	**2,768**	**1,836**	**—**	**—**	**—**	**—**	**4,604**	**1,836**

	Millions of U.S. Dollars							
	Sep. 30, 2023							
	Beginning balance	Profit or losses for the period (*1)	Other comprehensive income (*2)	Net amount of purchase, issuance, sale, and settlement	Transfer to Level 3 (*3)	Transfer from Level 3 (*3)	Ending balance	Net unrealized gains (losses) on financial assets and liabilities held at interim consolidated balance sheet date recognized in profit or losses of the period (*1)
Securities	**$ 9**	**$ —**	**$ 0**	**$ (0)**	**$ 4**	**$ —**	**$ 12**	**$ —**
Derivative Transactions (Interest Rate Related Transactions) (*4)	**19**	**12**	**—**	**—**	**—**	**—**	**31**	**12**

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

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

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

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

(3) Description of the fair value valuation process

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

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

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

Discount Rate

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

Correlation

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

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

	Millions of Yen	Millions of U.S. Dollars
	Sep. 30, 2023	**Sep. 30, 2023**
Equity Securities with No Market Prices, etc. (*1)(*3)	**¥ 91,700**	**$ 613**
Investments in Partnership, etc. (*2)(*3)	**276,647**	**1,850**

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

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

(*3) Impairment losses of ¥1,238 million (U.S. $8 million) were recognized against unlisted stocks and others for the six-month period ended September 30, 2023.

Securities

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."

1. Held-to-Maturity Securities with Fair Value

Held-to-maturity securities with fair value as of September 30, 2023, consisted of the following:

	Millions of Yen		
September 30, 2023	Carrying Amount	Fair Value	Difference
Securities for which Fair Value Exceeds Carrying Amount			
Government Bonds	¥ 117,085	¥ 125,080	¥ 7,994
Local Government Bonds	—	—	—
Short-Term Corporate Bonds	—	—	—
Corporate Bonds	14,400	14,503	103
Other Securities	99,575	100,095	520
Foreign Bonds	62,633	62,950	316
Others	36,942	37,145	203
Subtotal	231,061	239,679	8,617
Securities for which Fair Value Does Not Exceed Carrying Amount			
Government Bonds	¥ —	¥ —	¥ —
Local Government Bonds	—	—	—
Short-Term Corporate Bonds	—	—	—
Corporate Bonds	—	—	—
Other Securities	84,484	84,032	(451)
Foreign Bonds	84,484	84,032	(451)
Others	—	—	—
Subtotal	84,484	84,032	(451)
Total	¥ 315,545	¥ 323,711	¥ 8,166

	Millions of U.S. Dollars		
September 30, 2023	Carrying Amount	Fair Value	Difference
Securities for which Fair Value Exceeds Carrying Amount			
Government Bonds	$ 783	$ 836	$ 53
Local Government Bonds	—	—	—
Short-Term Corporate Bonds	—	—	—
Corporate Bonds	96	97	1
Other Securities	666	669	3
Foreign Bonds	419	421	2
Others	247	248	1
Subtotal	1,545	1,603	58
Securities for which Fair Value Does Not Exceed Carrying Amount			
Government Bonds	$ —	$ —	$ —
Local Government Bonds	—	—	—
Short-Term Corporate Bonds	—	—	—
Corporate Bonds	—	—	—
Other Securities	565	562	(3)
Foreign Bonds	565	562	(3)
Others	—	—	—
Subtotal	565	562	(3)
Total	$ 2,110	$ 2,165	$ 55

2. Available-for-Sale Securities

Available-for-sale securities as of September 30, 2023, consisted of the following:

	Millions of Yen		
September 30, 2023	Carrying Amount	Acquisition Cost	Difference
Securities for which Carrying Amount Exceeds Acquisition Cost			
Stocks	¥ 1,111,795	¥ 411,752	¥ 700,042
Bonds	900,752	898,163	2,588
Government Bonds	455,979	455,933	45
Local Government Bonds	907	904	3
Short-Term Corporate Bonds	—	—	—
Corporate Bonds	443,865	441,325	2,540
Other Securities	705,370	658,161	47,208
Foreign Stocks	4,640	257	4,382
Foreign Bonds	237,957	235,902	2,055
Others	462,772	422,001	40,771
Subtotal	2,717,917	1,968,077	749,840
Securities for which Carrying Amount Does Not Exceed Acquisition Cost			
Stocks	¥ 70,882	¥ 76,805	¥ (5,922)
Bonds	1,712,008	1,723,925	(11,916)
Government Bonds	1,391,099	1,398,911	(7,812)
Local Government Bonds	39,815	40,628	(812)
Short-Term Corporate Bonds	—	—	—
Corporate Bonds	281,094	284,386	(3,291)
Other Securities	2,663,547	2,877,039	(213,492)
Foreign Stocks	—	—	—
Foreign Bonds	2,282,686	2,360,460	(77,773)
Others	380,860	516,579	(135,718)
Subtotal	4,446,438	4,677,770	(231,331)
Total	¥ 7,164,356	¥ 6,645,847	¥ 518,509

	Millions of U.S. Dollars		
September 30, 2023	Carrying Amount	Acquisition Cost	Difference
Securities for which Carrying Amount Exceeds Acquisition Cost			
Stocks	$ 7,435	$ 2,754	$ 4,682
Bonds	6,024	6,007	17
Government Bonds	3,049	3,049	0
Local Government Bonds	6	6	0
Short-Term Corporate Bonds	—	—	—
Corporate Bonds	2,968	2,951	17
Other Securities	4,717	4,402	316
Foreign Stocks	31	2	29
Foreign Bonds	1,591	1,578	14
Others	3,095	2,822	273
Subtotal	18,176	13,162	5,015
Securities for which Carrying Amount Does Not Exceed Acquisition Cost			
Stocks	$ 474	$ 514	$ (40)
Bonds	11,449	11,529	(80)
Government Bonds	9,303	9,355	(52)
Local Government Bonds	266	272	(5)
Short-Term Corporate Bonds	—	—	—
Corporate Bonds	1,880	1,902	(22)
Other Securities	17,813	19,241	(1,428)
Foreign Stocks	—	—	—
Foreign Bonds	15,266	15,786	(520)
Others	2,547	3,455	(908)
Subtotal	29,736	31,283	(1,547)
Total	$ 47,913	$ 44,445	$ 3,468

3. Impairment of Securities

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

Impairment losses on Stocks recognized during the current interim period was ¥45 million (U.S. $0.3 million).

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

For securities whose issuers are classified as "normal" under the asset self-assessment, a decline of 50% or more in the fair values compared with the acquisition cost; for securities whose issuers are classified as "close-observation borrowers," a decline of 30% or more in the fair values compared with the acquisition cost. In addition, the fair values of some securities are deemed unrecoverable and impairment losses are recognized when their fair values have declined more than 30%, but less than 50% from 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 was no held-to-maturity money held in trust as of September 30, 2023.

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, 2023, consisted of the following:

	Millions of Yen				
September 30, 2023	Carrying Amount	Acquisition Cost	Difference	Positive Difference	Negative Difference
Other Money Held in Trust	**¥ 100**	**¥ 100**	**¥ —**	**¥ —**	**¥ —**

	Millions of U.S. Dollars				
September 30, 2023	Carrying Amount	Acquisition Cost	Difference	Positive Difference	Negative Difference
Other Money Held in Trust	**$ 1**	**$ 1**	**$ —**	**$ —**	**$ —**

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

Valuation Differences on Available-for-Sale Securities

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

	Millions of Yen	Millions of U.S. Dollars
	Sep. 30, 2023	**Sep. 30, 2023**
Valuation Differences		
Available-for-Sale Securities	**¥ 532,700**	**$ 3,563**
Other Money Held in Trust	**—**	**—**
Total Valuation Differences	**532,700**	**3,563**
Amount Equivalent to Deferred Tax Assets (Liabilities)	**(164,055)**	**(1,097)**
Total (Before Adjustment for Non-Controlling Interests and Parent Company's Portions in Available-for-Sale Securities Owned by its Affiliated Companies)	**368,644**	**2,465**
Non-Controlling Interests	**(377)**	**(3)**
Parent Company's Portions in Available-for-Sale Securities Owned by Its Affiliated Companies	**(7,114)**	**(48)**
Valuation Differences on Available-for-Sale Securities	**¥ 361,152**	**$ 2,415**

(Notes)

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

2) The valuation difference of ¥13,638 million (U.S. $91 million) on available-for-sale securities composing assets held by associated companies is included in "Available-for-Sale Securities" under "Valuation Differences."

Derivatives

1. Derivatives Transactions Not Qualifying for Hedge Accounting

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

(1) Interest-Related Transactions

Interest-related transactions not qualifying for hedge accounting as of September 30, 2023, consisted of the following:

	Millions of Yen				Millions of U.S. Dollars			
	Sep. 30, 2023				**Sep. 30, 2023**			
	Notional Amount				Notional Amount			
	Total	Over One Year	Fair Value	Valuation Difference	Total	Over One Year	Fair Value	Valuation Difference
Listed								
Interest Futures								
Sold	**¥ 13,501,766**	**¥ 3,929,321**	**¥ 13,625**	**¥ 13,625**	**$ 90,295**	**$ 26,278**	**$ 91**	**$ 91**
Purchased	**12,265,217**	**3,868,808**	**(12,148)**	**(12,148)**	**82,025**	**25,873**	**(81)**	**(81)**
Interest Options								
Sold	**265,737**	**—**	**(44)**	**32**	**1,777**	**—**	**(0)**	**0**
Purchased	**130,496**	**—**	**37**	**(10)**	**873**	**—**	**0**	**(0)**
OTC								
Forward Rate Agreements								
Sold	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
Purchased	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
Interest Rate Swaps								
Fixed Interest Rate Receivable/ Floating Interest Rate Payable	**53,796,194**	**43,077,717**	**(1,736,962)**	**(1,736,962)**	**359,769**	**288,087**	**(11,616)**	**(11,616)**
Floating Interest Rate Receivable/ Fixed Interest Rate Payable	**45,628,427**	**37,839,437**	**1,702,951**	**1,702,951**	**305,146**	**253,056**	**11,389**	**11,389**
Floating Interest Rate Receivable/ Floating Interest Rate Payable	**12,071,314**	**9,249,982**	**(2,885)**	**(2,885)**	**80,728**	**61,860**	**(19)**	**(19)**
Interest Options								
Sold	**9,777,655**	**9,716,934**	**(85,485)**	**(82,825)**	**65,389**	**64,983**	**(572)**	**(554)**
Purchased	**7,940,857**	**7,718,780**	**77,546**	**74,461**	**53,105**	**51,620**	**519**	**498**
Others								
Sold	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
Purchased	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
Total	**/**	**/**	**¥ (43,364)**	**¥ (43,760)**	**/**	**/**	**$ (290)**	**$ (293)**

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

(2) Currency-Related Transactions

Currency-related transactions not qualifying for hedge accounting as of September 30, 2023, consisted of the following:

	Millions of Yen				Millions of U.S. Dollars			
	Sep. 30, 2023				**Sep. 30, 2023**			
	Notional Amount				Notional Amount			
	Total	Over One Year	Fair Value	Valuation Difference	Total	Over One Year	Fair Value	Valuation Difference
Listed								
Currency Futures								
Sold	¥ —	¥ —	¥ —	¥ —	$ —	$ —	$ —	$ —
Purchased	—	—	—	—	—	—	—	—
Currency Options								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
OTC								
Currency Swaps	**9,777,191**	**8,537,715**	**170,118**	**170,118**	**65,386**	**57,097**	**1,138**	**1,138**
Forward Exchange Contracts								
Sold	**22,683,065**	**2,022,828**	**(815,835)**	**(815,835)**	**151,696**	**13,528**	**(5,456)**	**(5,456)**
Purchased	**30,190,199**	**364,363**	**823,776**	**823,776**	**201,901**	**2,437**	**5,509**	**5,509**
Currency Options								
Sold	**1,935,716**	**1,000,218**	**(123,061)**	**(26,040)**	**12,945**	**6,689**	**(823)**	**(174)**
Purchased	**1,655,037**	**845,334**	**113,440**	**34,359**	**11,068**	**5,653**	**759**	**230**
Others								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Total	/	/	**¥ 168,438**	**¥ 186,378**	/	/	**$ 1,126**	**$ 1,246**

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

(3) Stock-Related Transactions

Stock-related transactions not qualifying for hedge accounting as of September 30, 2023, consisted of the following:

	Millions of Yen				Millions of U.S. Dollars			
	Sep. 30, 2023				**Sep. 30, 2023**			
	Notional Amount				Notional Amount			
	Total	One Year Over	Fair Value	Valuation Difference	Total	Over One Year	Fair Value	Valuation Difference
Listed								
Stock Index Futures								
Sold	**¥ 2,892**	**¥ —**	**¥ 73**	**¥ 73**	**$19**	**$ —**	**$ 0**	**$ 0**
Purchased	**7,571**	**—**	**(201)**	**(201)**	**51**	**—**	**(1)**	**(1)**
Stock Index Options								
Sold	**3,482**	**—**	**(34)**	**(14)**	**23**	**—**	**(0)**	**(0)**
Purchased	**3,757**	**—**	**15**	**(7)**	**25**	**—**	**0**	**(0)**
OTC								
OTC Stock Options								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
OTC Stock Swaps								
Volatility of Stock Price and Other Receivable/ Short-Term Floating Interest Rate Payable	—	—	—	—	—	—	—	—
Short-Term Floating Interest Rate Receivable/ Volatility of Stock Price and Other Payable	—	—	—	—	—	—	—	—
Others								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Total	/	/	**¥ (146)**	**¥ (150)**	/	/	**$ (1)**	**$ (1)**

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

(4) Bond-Related Transactions

Bond-related transactions not qualifying for hedge accounting as of September 30, 2023, consisted of the following:

	Millions of Yen				Millions of U.S. Dollars			
	Sep. 30, 2023				**Sep. 30, 2023**			
	Notional Amount				Notional Amount			
	Total	Over One Year	Fair Value	Valuation Difference	Total	Over One Year	Fair Value	Valuation Difference
Listed								
Bond Futures								
Sold	**¥ 1,692,945**	**¥ —**	**¥ 12,636**	**¥ 12,636**	**$ 11,322**	**$ —**	**$ 85**	**$ 85**
Purchased	**1,514,832**	**—**	**(10,945)**	**(10,945)**	**10,131**	**—**	**(73)**	**(73)**
Bond Future Options								
Sold	**260,000**	**—**	**(1,194)**	**(173)**	**1,739**	**—**	**(8)**	**(1)**
Purchased	**206,469**	**—**	**581**	**105**	**1,381**	**—**	**4**	**1**
OTC								
Bond Forward Contracts								
Sold	**14,653**	**—**	**206**	**206**	**98**	**—**	**1**	**1**
Purchased	**14,728**	**—**	**(221)**	**(221)**	**99**	**—**	**(1)**	**(1)**
Bond Options								
Sold	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
Purchased	**994**	**994**	**8**	**(23)**	**7**	**7**	**0**	**(0)**
Others								
Sold	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
Purchased	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
Total	**/**	**/**	**¥ 1,070**	**¥ 1,584**	**/**	**/**	**$ 7**	**$ 11**

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

(5) Commodity-Related Transactions

There were no commodity-related transactions not qualifying for hedge accounting as of September 30, 2023.

(6) Credit Derivatives Transactions

Credit derivatives transactions not qualifying for hedge accounting as of September 30, 2023, consisted of the following:

	Millions of Yen				Millions of U.S. Dollars			
	Sep. 30, 2023				**Sep. 30, 2023**			
	Notional Amount				Notional Amount			
	Total	Over One Year	Fair Value	Valuation Difference	Total	Over One Year	Fair Value	Valuation Difference
OTC								
Credit Default Swaps								
Sold	**¥ 21,600**	**¥ 20,600**	**¥ 531**	**¥ 531**	**$ 144**	**$ 138**	**$ 4**	**$ 4**
Purchased	**75,588**	**74,588**	**(1,259)**	**(1,259)**	**506**	**499**	**(8)**	**(8)**
Others								
Sold	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
Purchased	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
Total	**/**	**/**	**¥ (727)**	**¥ (727)**	**/**	**/**	**$ (5)**	**$ (5)**

(Notes)

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

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

2. Derivatives Transactions Qualifying for Hedge Accounting

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

(1) Interest-Related Transactions

Interest-related transactions qualifying for hedge accounting as of September 30, 2023, consisted of the following:

		Millions of Yen			Millions of U.S. Dollars		
		Sep. 30, 2023			**Sep. 30, 2023**		
		Notional Amount			Notional Amount		
	Major Hedged Item	Total	Over One Year	Fair Value	Total	Over One Year	Fair Value
Deferral Method							
Interest Rate Swaps							
Fixed Interest Rate Receivable/ Floating Interest Rate Payable	Financial Assets/ Liabilities such as Loans and Bills Discounted, Available-for-Sale Securities (Bonds), Deposits, and Bonds Payable	**¥ 1,671,893**	**¥ 1,286,068**	**¥ (101,686)**	**$ 11,181**	**$ 8,601**	**$ (680)**
Floating Interest Rate Receivable/ Fixed Interest Rate Payable		**1,338,940**	**1,098,515**	**33,408**	**8,954**	**7,346**	**223**
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		/	/	**¥ (68,278)**	/	/	**$ (457)**

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

(2) Currency-Related Transactions

Currency-related transactions qualifying for hedge accounting as of September 30, 2023, consisted of the following:

		Millions of Yen			Millions of U.S. Dollars		
		Sep. 30, 2023			**Sep. 30, 2023**		
		Notional Amount			Notional Amount		
	Major Hedged Item	Total	Over One Year	Fair Value	Total	Over One Year	Fair Value
Deferral Method							
Currency Swaps		**¥ 4,689,026**	**¥ 2,362,408**	**¥ (304,951)**	**$ 31,358**	**$ 15,799**	**$ (2,039)**
Forward Exchange Contracts	Loans and Bills Discounted and Securities Denominated in Foreign Currencies						
Sold		**2,056**	**—**	**39**	**14**	**—**	**0**
Purchased		**254,665**	**—**	**14,924**	**1,703**	**—**	**100**
Others							
Sold		**—**	**—**	**—**	**—**	**—**	**—**
Purchased		**—**	**—**	**—**	**—**	**—**	**—**
Method of Including Foreign Currency Translation Adjustments Arising from the Hedging Instruments in "Foreign Currency Translation Adjustments"							
Forward Exchange Contracts	Investment in the Shares of Subsidiaries and Affiliated Companies						
Sold		**¥ 113,710**	**¥ —**	**¥ (1,431)**	**$ 760**	**$ —**	**$ (10)**
Purchased		**—**	**—**	**—**	**—**	**—**	**—**
Total		**/**	**/**	**¥ (291,418)**	**/**	**/**	**$ (1,949)**

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

(3) Stock-Related Transactions

There were no stock-related transactions qualifying for hedge accounting as of September 30, 2023.

(4) Bond-Related Transactions

There were no bond-related transactions qualifying for hedge accounting as of September 30, 2023.

Stock Option Plans

There are no corresponding items as of September 30, 2023.

Information Related to Revenue Recognition

The information related to disaggregation of revenue from contracts with customers for the six months ended September 30, 2023, is as follows:

	Millions of Yen									
	SuMi Trust Bank									
Six Months Ended September 30, 2023	Retail	Wholesale	Investor Services	Real Estate	Global Markets	Others	Subsidiaries	Total	Other Ordinary Income	Total
Trust Fees	**¥ 3,197**	**¥ 7,576**	**¥ 44,114**	**¥ 2,078**	**¥ —**	**¥ —**	**¥ —**	**¥ 56,966**	**¥ —**	**¥ 56,966**
Fees and Commissions	**30,479**	**23,927**	**7,936**	**12,323**	**230**	**—**	**41,910**	**116,808**	**44,712**	**161,520**
Ordinary Income from Contracts with Customers	**¥ 33,676**	**¥ 31,503**	**¥ 52,051**	**¥ 14,401**	**¥ 230**	**¥ —**	**¥ 41,910**	**¥ 173,774**		

	Millions of U.S. Dollars									
	SuMi Trust Bank									
Six Months Ended September 30, 2023	Retail	Wholesale	Investor Services	Real Estate	Global Markets	Others	Subsidiaries	Total	Other Ordinary Income	Total
Trust Fees	$ 21	$ 51	$ 295	$ 14	$ —	$ —	$ —	$ 381	$ —	$ 381
Fees and Commissions	204	160	53	82	2	—	280	781	299	1,080
Ordinary Income from Contracts with Customers	$ 225	$ 211	$ 348	$ 96	$ 2	$ —	$ 280	$ 1,162		

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

Segment Information

1. Reportable Segment Information

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

The reportable segments of the SuMi TRUST Bank Group are determined based on services offered by SuMi TRUST Bank.

The main activities of the reportable segment are presented below:

Retail Business:

Provision of services to individual customers

Wholesale Business:

Provision of services to corporate customers

Investor Services Business:

Provision of services to investors

Real Estate Business:

Provision of services related to the real estate business

Global Markets Business:

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

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

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

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

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

3. Profit or Loss and Fixed Assets by Reportable Segment

The details and amounts of profit or loss and fixed assets by reportable segment for the six months ended September 30, 2023, are as follows:

	Millions of Yen						
	SuMi TRUST Bank						
Six Months Ended September 30, 2023	Retail	Wholesale	Investor Services	Real Estate	Global Markets	Others	Total
Gross Business Profit	¥ 69,261	¥ 83,107	¥ 37,839	¥ 14,453	¥ 43,665	¥ 45,980	¥ 294,307
General and Administrative Expenses	(58,583)	(24,572)	(18,189)	(5,514)	(8,948)	(26,322)	(142,131)
Net Business Profit	¥ 10,677	¥ 58,535	¥ 19,649	¥ 8,939	¥ 34,716	¥ 19,657	¥ 152,176
Fixed Assets	¥ 78,264	¥ 36,059	¥ 23,350	¥ 9,244	¥ 30,610	¥ 169,353	¥ 346,882

	Millions of U.S. Dollars						
	SuMi TRUST Bank						
Six Months Ended September 30, 2023	Retail	Wholesale	Investor Services	Real Estate	Global Markets	Others	Total
Gross Business Profit	$ 463	$ 556	$ 253	$ 97	$ 292	$ 307	$ 1,968
General and Administrative Expenses	(392)	(164)	(122)	(37)	(60)	(176)	(951)
Net Business Profit	$ 71	$ 391	$ 131	$ 60	$ 232	$ 131	$ 1,018
Fixed Assets	$ 523	$ 241	$ 156	$ 62	$ 205	$ 1,133	$ 2,320

(Notes)

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

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

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

4) “Others” include costs of capital funding, dividends for shares for cross-shareholdings, and general and administrative expenses of headquarters.

5) “Others” within “Fixed Assets” include corporate assets not allocated to any segment. For fixed assets not allocated to each segment, some of related expenses are allocated to each segment based on a reasonable allocation method.

4. Reconciliation Between Total Amount of Reportable Segments and the Carrying Amounts in the Interim Consolidated Financial Statements

(1) 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, 2023, are as follows:

	Millions of Yen	Millions of U.S. Dollars
	2023	2023
Total Profit or Loss for Reportable Segments	¥ 152,176	$ 1,018
Net Business Profit of Consolidated Subsidiaries that are Excluded from the Reportable Segments (Note)	100	1
Other Income	87,968	588
Other Expenses	(183,804)	(1,229)
Other Adjustments	(14,404)	(96)
Income before Income Taxes	¥ 42,035	$ 281

(Note) The amounts include elimination of internal transactions.

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

The details of fixed assets for reportable segments and fixed assets in the consolidated balance sheets as of September 30, 2023, are as follows:

	Millions of Yen	Millions of U.S. Dollars
	2023	2023
Total Fixed Assets for Reportable Segments	¥ 281,782	$ 1,884
Fixed Assets of Consolidated Subsidiaries that are Excluded from the Reportable Segments	64,206	429
Consolidated Adjustments	893	6
Fixed Assets	¥ 346,882	$ 2,320

Related Information

1. Information by Service

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

2. Geographic Information

(1) Income

Income by geographical area for the six months ended September 30, 2023, consisted of the following:

	Millions of Yen				
Six Months Ended September 30, 2023	Japan	Americas	Europe	Asia and Oceania	Total
	¥ 726,618	¥ 187,934	¥ 124,021	¥ 89,727	¥ 1,128,302

	Millions of U.S. Dollars				
Six Months Ended September 30, 2023	Japan	Americas	Europe	Asia and Oceania	Total
	$ 4,859	$ 1,257	$ 829	$ 600	$ 7,546

(Notes)

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

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

(2) Tangible Fixed Assets

More than 90% of the SuMi TRUST Bank Group's tangible fixed assets on the interim consolidated balance sheet are located in Japan; accordingly, tangible fixed assets by geographical area are not presented.

3. Information by Major Customer

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

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

Losses on impairment of fixed assets allocated to reportable segments during the six months ended September 30, 2023, were as follows:

	Millions of Yen						
	SuMi TRUST Bank						
Six Months Ended September 30, 2023	Retail	Wholesale	Investor Services	Real Estate	Global Markets	Others	Total
Losses on Impairment of Fixed Assets	¥ —	¥ —	¥ —	¥ —	¥ —	¥ 1,425	¥ 1,425

	Millions of U.S. Dollars						
	SuMi TRUST Bank						
Six Months Ended September 30, 2023	Retail	Wholesale	Investor Services	Real Estate	Global Markets	Others	Total
Losses on Impairment of Fixed Assets	$ —	$ —	$ —	$ —	$ —	$ 10	$ 10

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

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

Amortization of goodwill recognized during the six months ended September 30, 2023, was ¥1,903 million (U.S. $13 million). Unamortized balance of goodwill as of September 30, 2023, was ¥6,176 million (U.S. $41 million).

Information Related to Gain on Negative Goodwill by Reportable Segment

There were no gains on negative goodwill by reportable segment during the six months ended September 30, 2023.

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, 2023, are as follows:

Six Months Ended September 30, 2023	Net Assets [Millions of Yen] (Numerator)	The Number of Shares of Common Stock Outstanding [Thousands of Shares] (Denominator)	Amount per Share of Common Stock [Yen]
Net Assets as Reported	¥ 2,613,677		
Less:	29,767		
Non-Controlling Interests	29,767		
Net Assets Attributable to Common Shareholders	¥ 2,583,909	1,674,537	¥ 1,543.05

Six Months Ended September 30, 2023	Net Assets [Millions of U.S. Dollars] (Numerator)	The Number of Shares of Common Stock Outstanding [Thousands of Shares] (Denominator)	Amount per Share of Common Stock [U.S. Dollars]
Net Assets as Reported	$ 17,479		
Less:	199		
Non-Controlling Interests	199		
Net Assets Attributable to Common Shareholders	$ 17,280	1,674,537	$ 10.32

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

The details of net income per share of common stock and the basis for calculation for the six months ended September 30, 2023, are as follows:

Six Months Ended September 30, 2023	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	**¥ 33,753**		
Net Income Not Attributable to Common Shareholders	**—**		
Net Income Related to Common Stock that is Attributable to Owners of the Parent	**¥ 33,753**	**1,674,537**	**¥ 20.15**

Six Months Ended September 30, 2023	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	**$ 226**		
Net Income Not Attributable to Common Shareholders	**—**		
Net Income Related to Common Stock that is Attributable to Owners of the Parent	**$ 226**	**1,674,537**	**$ 0.13**

(Note) Fully diluted net income per share of common stock is not presented because there were no potential shares.

Significant Subsequent Event

There were no significant subsequent events that need to be disclosed for the interim period ended September 30, 2023.

ISSUER

Sumitomo Mitsui Trust Bank, Limited
4-1, Marunouchi 1-chome
Chiyoda-ku, Tokyo 100-8233
Japan

TRUSTEE

The Bank of New York Mellon
240 Greenwich Street
New York, NY 10286
United States of America

DTC REGISTRAR, DTC TRANSFER AGENT AND DTC PAYING AGENT

The Bank of New York Mellon
240 Greenwich Street
New York, NY 10286
United States of America

ICSD PAYING AGENT

The Bank of New York Mellon, London Branch
160 Queen Victoria Street
London EC4V 4LA
United Kingdom

ICSD TRANSFER AGENT AND ICSD REGISTRAR

The Bank of New York Mellon SA/NV, Luxembourg Branch
Vertigo Building – Polaris
2-4 rue Eugène Ruppert
L-2453 Luxembourg

LEGAL ADVISORS TO THE ISSUER

as to Japanese law
Nagashima Ohno & Tsunematsu
JP Tower
7-2, Marunouchi 2-chome
Chiyoda-ku, Tokyo 100-7036
Japan

as to U.S. law
Davis Polk & Wardwell LLP
Izumi Garden Tower, 33rd Floor
6-1, Roppongi 1-chome
Minato-ku, Tokyo 106-6033
Japan

LEGAL ADVISORS TO THE DEALERS

as to U.S. law
Linklaters
10th Floor, Alexandra House
Chater Road
Hong Kong

INDEPENDENT AUDITORS

KPMG AZSA LLC
AZSA Center Building
1-2, Tsukudo-cho
Shinjuku-ku, Tokyo 162-8551
Japan

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Sumitomo Mitsui Trust Bank, Limited

U.S.$30,000,000,000
Global Medium Term Notes Program

SUMITOMO MITSUI
TRUST BANK

Co-Arrangers

Goldman Sachs & Co. LLC
J.P. Morgan

Dealers

Goldman Sachs & Co. LLC
J.P. Morgan

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Reference	SG240307OTHRKFJS
MessageReference	AYL6W7E056G8LTI7
LastMessageReference	
BroadcastDateTime	2024-03-07T09:53:12
SubmissionDateTime	2024-03-07T09:53:12
AnnouncementType Code	Listing Confirmation
Message FunctionType	New
Announcement Title	Debt - Listing Confirmation
Announcement SubTitle	US$500,000,000 5.35% SENIOR NOTES DUE 2034
Additional title information for event	
FinancialReportType	
SubmittedBy	Securities Market Control
Designation	SGX-ST
NumberOf Independent Directors	
Number of cessations	
The asset class of the security	

Security Details	
ImplementationCode	IMPL_SGX
LongName	SUMITRUSTUS$500M5.35%N340307A
ShortName	SUMITRBKN340307A
SequenceNumber	1
StatusCode	PL
MarketCode	BOND
ImplementationCode	IMPL_SGX
LongName	SUMITRUSTUS$500M5.35%N340307R
ShortName	SUMITRBKN340307R
SequenceNumber	1
StatusCode	PL
MarketCode	BOND
IBM Code	3XI3
Stock Code	9G1B
Master Code	9G1B_BD
ISIN	US86563VBR96
HP Short Name	SumitMTrustn5.35%340307A
IBM Short Name	SUMITRBKN340307A
IBM Code	33IQ
Stock Code	MFAB
Master Code	MFAB_BD
ISIN	USJ7771YSY43
HP Short Name	SumitMTrustn5.35%340307R
IBM Short Name	SUMITRBKN340307R
Security Type	Medium Term Notes
TradingCurrency	USD
ParCurrency	USD
Security Type	Medium Term Notes

TradingCurrency	USD
ParCurrency	USD
PlaceOfListing	XSES
PlaceOfListing	XSES
Classification Type	Bonds/ Notes
Classification Type	Bonds/ Notes

Issuer Details	
Name	SUMITOMO MITSUI TRUST BANK, LIMITED
Status	Active
CountryOfIncorporation	JP
CompanyRegistrationNumber	N.A.
AddressLine1	1-4-1 Marunouchi Chiyoda-ku Tokyo
AddressCity	Tokyo
AddressCountry	JP
AddressPostalCode	100-8233
ContactPersonPhone	

Dates	
Effective Date/ Time	2023-03-08T09:00:00
Announcement Date/ Time	2024-03-07T09:53:12

Additional Details	
Event Description	1. The Notes will be listed and quoted in the Bonds Market with effect from 9.00 a.m. on 08-Mar-2024. 2. (I) The short name of the Notes is SumitMTrustn5.35%340307A and the ISIN Code is US86563VBR96. (II) The short name of the Notes is SumitMTrustn5.35%340307R and the ISIN Code is USJ7771YSY43. The letter 'R' denotes that trading of the Notes issued under Regulation S. The letter 'A' denotes that trading of the Notes issued under Rule 144A. 3. The Notes will be quoted and traded in US Dollar (USD). The Notes will be in denomination of USD200,000 and in integral multiples of USD1,000. The Notes will be traded in a minimum board lot size of USD200,000. 4. The issue date of the Notes is 07-Mar-2024. 5. The above Notes will not be CDP eligible securities and will not be settled through CDP. 6. Please refer to the Issuer's offering documents for complete details before trading.