

**Explanation on reconciliation between balance sheet items and regulatory capital elements (December 31, 2017)**

1. Shareholders' equity

(1) Consolidated balance sheet (in million yen)

Consolidated balance sheet item	Amount	Remarks
Capital stock	2,141,513	
Capital surplus	1,287,931	
Retained earnings	9,902,124	
Treasury stock	(613,285)	
<b>Total shareholders' equity</b>	<b>12,718,283</b>	

(2) Composition of capital

Composition of capital disclosure	Amount	Remarks
Directly issued qualifying common share capital plus related capital surplus and retained earnings	12,718,283	Shareholders' equity attributable to common shares (before adjusting national specific regulatory adjustments (earnings to be distributed))
of which: capital and capital surplus	3,429,444	
of which: retained earnings	9,902,124	
of which: treasury stock	(613,285)	
of which: other than above	-	
Directly issued qualifying Additional Tier 1 instruments plus related capital surplus of which: classified as equity under applicable accounting standards	-	Shareholders' equity attributable to preferred shares with a loss absorbency clause upon entering into effectively bankruptcy

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2. Intangible fixed assets

(1) Consolidated balance sheet

Consolidated balance sheet item	Amount	Remarks
Intangible fixed assets	1,237,548	
Securities	60,316,869	
of which: goodwill attributable to equity-method investees	142,703	Goodwill attributable to equity-method investees

Income taxes related to above	283,287	Income taxes related to intangibles other than goodwill and mortgage servicing rights
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(2) Composition of capital

Composition of capital disclosure	Amount	Remarks
Goodwill (net of related tax liability, including those equivalent)	397,860	
Other intangibles other than goodwill and mortgage servicing rights (net of related tax liability)	688,336	
Mortgage servicing rights	6,270	
Amount exceeding the 10% threshold on specified items	-	
Amount exceeding the 15% threshold on specified items	-	
Mortgage servicing rights that are below the thresholds for deduction (before risk weighting)	6,270	

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3. Net defined benefit assets

(1) Consolidated balance sheet

Consolidated balance sheet item	Amount	Remarks
Net defined benefit assets	702,052	

Income taxes related to above	221,340	
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(2) Composition of capital

Composition of capital disclosure	Amount	Remarks
Net defined benefit assets	480,712	

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4. Deferred tax assets

(1) Consolidated balance sheet

Consolidated balance sheet item	Amount	Remarks
Deferred tax assets	88,660	
Deferred tax liabilities	972,929	
Deferred tax liabilities for land revaluation	123,109	

Tax effects on other intangible fixed assets	283,287	
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Tax effects on net defined benefit assets	221,340	
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**Explanation on reconciliation between balance sheet items and regulatory capital elements (December 31, 2017)**

(2) Composition of capital

Composition of capital disclosure	Amount	Remarks	Basel III Template No.
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	1,215	This item does not agree with the amount reported on the balance sheet due to offsetting of assets and liabilities.	10
Deferred tax assets that rely on future profitability arising from temporary differences (net of related tax liability)	71,948	This item does not agree with the amount reported on the balance sheet due to offsetting of assets and liabilities.	
Amount exceeding the 10% threshold on specified items	-		21
Amount exceeding the 15% threshold on specified items	-		25
Deferred tax assets arising from temporary differences that are below the thresholds for deduction (before risk weighting)	71,948		75

5. Deferred gains or losses on derivatives under hedge accounting

(1) Consolidated balance sheet

Consolidated balance sheet item	Amount	Remarks
Net deferred gains (losses) on hedging instruments	76,119	

(2) Composition of capital

Composition of capital disclosure	Amount	Remarks	Basel III Template No.
Deferred gains or losses on derivatives under hedge accounting	77,746	Excluding those items whose valuation differences arising from hedged items are recognized as "Total accumulated other comprehensive income"	11

6. Items associated with investments in the capital of financial institutions

(1) Consolidated balance sheet

Consolidated balance sheet item	Amount	Remarks
Trading assets	19,289,929	Including trading account securities and derivatives for trading assets
Securities	60,316,869	
Loans and bills discounted	109,914,663	Including subordinated loans
Other assets	11,703,183	Including derivatives and investments in the capital
Trading liabilities	13,833,413	Including trading account securities sold and derivatives for trading-assets
Other liabilities	9,187,776	Including derivatives

(2) Composition of capital

Composition of capital disclosure	Amount	Remarks	Basel III Template No.
Investments in own capital instruments	58,102		
Common equity Tier 1 capital	23,512		16
Additional Tier 1 capital	22,839		37
Tier 2 capital	11,750		52
Reciprocal cross-holdings in the capital of banking, financial and insurance entities	-		
Common equity Tier 1 capital	-		17
Additional Tier 1 capital	-		38
Tier 2 capital	-		53
Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)	1,096,799		
Common equity Tier 1 capital	-		18
Additional Tier 1 capital	-		39
Tier 2 capital	-		54
Non-significant investments in the capital of other financials that are below the thresholds for deduction (before risk weighting)	1,096,799		72
Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions	1,162,846		
Amount exceeding the 10% threshold on specified items	-		19
Amount exceeding the 15% threshold on specified items	-		23
Additional Tier 1 capital	565		40
Tier 2 capital	28,814		55
Significant investments in the capital of financials that are below the thresholds for deduction (before risk weighting)	1,133,466		73

**Explanation on reconciliation between balance sheet items and regulatory capital elements (December 31, 2017)**

7. Non-controlling interests

(1) Consolidated balance sheet

Consolidated balance sheet item	Amount	Remarks
Non-controlling interests	1,406,639	

(2) Composition of capital

Composition of capital disclosure	Amount	Remarks	Basel III Template No.
Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	178,752	After reflecting amounts eligible for inclusion (after non-controlling interest adjustments)	5
Qualifying Additional Tier1 instruments plus related capital surplus issued by special purpose vehicles and other equivalent entities	-	After reflecting amounts eligible for inclusion (after non-controlling interest adjustments)	30-31ab-32
Additional Tier 1 instruments issued by subsidiaries and held by third parties (amount allowed in group AT1)	150,248	After reflecting amounts eligible for inclusion (after non-controlling interest adjustments)	34-35
Qualifying Tier2 instruments plus related capital surplus issued by special purpose vehicles and other equivalent entities	-	After reflecting amounts eligible for inclusion (after non-controlling interest adjustments)	46
Tier 2 instruments issued by subsidiaries and held by third parties (amount allowed in group Tier 2)	77,387	After reflecting amounts eligible for inclusion (after non-controlling interest adjustments)	48-49

8. Other capital instruments

(1) Consolidated balance sheet

Consolidated balance sheet item	Amount	Remarks
Borrowed money	18,992,165	
Bonds payable	10,667,235	
Total	29,659,400	

(2) Composition of capital

Composition of capital disclosure	Amount	Remarks	Basel III Template No.
Directly issued qualifying Additional Tier 1 instruments plus related capital surplus of which: classified as liabilities under applicable accounting standards	1,270,000		32
Directly issued qualifying Tier 2 instruments plus related capital surplus of which: classified as liabilities under applicable accounting standards	1,372,000		46

Notes:

1. The amounts in the "Composition of capital disclosure" are based on those before considering transitional arrangements and includes "Amounts excluded under transitional arrangements" disclosed in "Composition of Capital Disclosure" as well as the amounts included in regulatory capital. In addition, items included in regulatory capital under transitional arrangements are excluded from this table.

2. As of December 31, 2017, the regulatory scope of consolidation was the same as the accounting scope of consolidation.