

Explanation of "Composition of Capital Disclosure"

Mizuho Trust & Banking [Non-Consolidated]
As of September 30, 2016

(in million yen)

Items	Balance sheet as in published financial statements		Cross-reference to Appended template	Reference # of common disclosure template under the Composition of Capital Disclosure
	As of September 30, 2016	As of September 30, 2015		
(Assets)				
Cash and Due from Banks	1,739,206	1,855,222		
Call Loans	11,628	4,318		
Guarantee Deposits Paid under Securities Borrowing Transactions	110,036	-		
Other Debt Purchased	10,862	15,052		
Trading Assets	132,466	74,011	6-a	
Money Held in Trust	3,053	2,706		
Securities	1,262,886	1,419,344	6-b	
Loans and Bills Discounted	3,330,571	3,315,643	6-c	
Foreign Exchange Assets	4,733	4,628		
Other Assets	78,257	118,008	6-d	
Tangible Fixed Assets	24,681	24,763		
Intangible Fixed Assets	27,961	22,449	2	
Prepaid Pension Costs	49,438	47,769	3	
Customers' Liabilities for Acceptances and Guarantees	40,209	43,861		
Reserves for Possible Losses on Loans	(5,164)	(5,789)		
Total Assets	6,820,830	6,941,994		
(Liabilities)				
Deposits	3,286,590	2,915,231		
Negotiable Certificates of Deposit	262,710	553,510		
Call Money	729,953	891,566		
Payable under Repurchase Agreements	60,672	47,988		
Guarantee Deposits Received under Securities Lending Transactions	313,198	488,369		
Trading Liabilities	124,363	71,694	6-e	
Borrowed Money	298,083	277,368	7-a	
Foreign Exchange Liabilities	-	0		
Bonds and Notes	10,000	40,000	7-b	
Due to Trust Accounts	1,092,577	1,046,832		
Other Liabilities	58,240	23,190	6-f	
Reserve for Bonus Payments	2,100	1,999		
Reserve for Variable Compensation	206	-		
Reserve for Reimbursement of Deposits	1,089	1,101		
Deferred Tax Liabilities	9,079	12,876	4-b	
Acceptances and Guarantees	40,209	43,861		
Total Liabilities	6,289,077	6,415,589		
(Net Assets)				
Common Stock and Preferred Stock	247,369	247,369	1-a	
Capital Surplus	15,505	15,505	1-b	
Retained Earnings	182,167	161,272	1-c	
Total Shareholders' Equity	445,042	424,147		
Net Unrealized Gains (Losses) on Other Securities, net of Taxes	84,231	104,681		
Net Deferred Hedge Gains (Losses), net of Taxes	2,478	(2,424)	5	
Total Valuation and Translation Adjustments	86,710	102,256		
Total Net Assets	531,753	526,404		
Total Liabilities and Net Assets	6,820,830	6,941,994		

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(Appended template)

1. Shareholders' equity

(in million yen)

Ref. No.	Balance sheet items	As of September 30, 2016	As of September 30, 2015	Remarks
1-a	Common Stock and Preferred Stock	247,369	247,369	
1-b	Capital Surplus	15,505	15,505	
1-c	Retained Earnings	182,167	161,272	
	Total Shareholders' Equity	445,042	424,147	

(2) Composition of capital

Basel III Template No.	Composition of capital disclosure	As of September 30, 2016	As of September 30, 2015	Remarks
	Directly issued qualifying common share capital plus related stock surplus and retained earnings	445,042	424,147	Shareholders' equity attributable to common shares (before adjusting national specific regulatory adjustments (earnings to be distributed))
1a	of which: capital and stock surplus	262,874	262,874	
2	of which: retained earnings	182,167	161,272	
1c	of which: treasury stock (-)	-	-	
	of which: other than above	-	-	
31a	Directly issued qualifying Additional Tier 1 instruments plus related stock surplus of which: classified as equity under applicable accounting standards and the breakdown	-	-	Shareholders' equity attributable to preferred shares with a loss absorbency clause upon entering into effective bankruptcy

2. Intangible fixed assets

(1) Balance sheet

Ref. No.	Balance sheet items	As of September 30, 2016	As of September 30, 2015	Remarks
2	Intangible Fixed Assets	27,961	22,449	
	Income taxes related to above	(8,556)	(7,228)	

(2) Composition of capital

Basel III Template No.	Composition of capital disclosure	As of September 30, 2016	As of September 30, 2015	Remarks
8	Goodwill (net of related tax liability, including those equivalent)	-	-	
9	Other intangibles other than goodwill and mortgage servicing rights (net of related tax liability)	19,405	15,220	Software and other
	Mortgage servicing rights (net of related tax liability)	-	-	
20	Amount exceeding the 10% threshold on specified items	-	-	
24	Amount exceeding the 15% threshold on specified items	-	-	
74	Mortgage servicing rights that are below the thresholds for deduction (before risk weighting)	-	-	

3. Defined-benefit pension fund net assets (prepaid pension costs)

(1) Balance sheet

Ref. No.	Balance sheet items	As of September 30, 2016	As of September 30, 2015	Remarks
3	Prepaid Pension Costs	49,438	47,769	
	Income taxes related to above	(15,128)	(15,381)	

(2) Composition of capital

Basel III Template No.	Composition of capital disclosure	As of September 30, 2016	As of September 30, 2015	Remarks
15	Defined-benefit pension fund net assets (prepaid pension costs)	34,310	32,387	

4. Deferred tax assets

(1) Balance sheet

Ref. No.	Balance sheet items	As of September 30, 2016	As of September 30, 2015	Remarks
	Deferred Tax Assets	-	-	
4-b	Deferred Tax Liabilities	9,079	12,876	

	Tax effects on intangible fixed assets	8,556	7,228	
	Tax effects on defined-benefit pension fund net assets (prepaid pension costs)	15,128	15,381	

(2) Composition of capital

Basel III Template No.	Composition of capital disclosure	As of September 30, 2016	As of September 30, 2015	Remarks
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	-	-	
	Deferred tax assets that rely on future profitability arising from temporary differences (net of related tax liability)	14,604	9,734	
21	Amount exceeding the 10% threshold on specified items	-	-	
25	Amount exceeding the 15% threshold on specified items	-	-	
75	Deferred tax assets arising from temporary differences that are below the thresholds for deduction (before risk weighting)	14,604	9,734	

5. Deferred gains or losses on derivatives under hedge accounting

(1) Balance sheet

Ref. No.	Balance sheet items	As of September 30, 2016	As of September 30, 2015	Remarks
5	Net Deferred Hedge Gains (Losses), net of Taxes	2,478	(2,424)	

(2) Composition of capital

Basel III Template No.	Composition of capital disclosure	As of September 30, 2016	As of September 30, 2015	Remarks
11	Deferred gains or losses on derivatives under hedge accounting	2,478	(2,424)	

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

(1) Balance sheet

Ref. No.	Balance sheet items	As of September 30, 2016	As of September 30, 2015	Remarks
6-a	Trading Assets	132,466	74,011	Including trading account securities and derivatives for trading assets
6-b	Securities	1,262,886	1,419,344	
6-c	Loans and Bills Discounted	3,330,571	3,315,643	Including subordinated loans
6-d	Other Assets	78,257	118,008	Including Derivatives other than for Trading Assets and money invested
6-e	Trading Liabilities	124,363	71,694	Including trading account securities sold
6-f	Other Liabilities	58,240	23,190	Including Derivatives other than for Trading Liabilities

(2) Composition of capital

Basel III Template No.	Composition of capital disclosure	As of September 30, 2016	As of September 30, 2015	Remarks
	Investments in own capital instruments	-	-	
16	Common Equity Tier 1 capital	-	-	
37	Additional Tier 1 capital	-	-	
52	Tier 2 capital	-	-	
	Reciprocal cross-holdings in the capital of banking, financial and insurance entities	-	-	
17	Common Equity Tier 1 capital	-	-	
38	Additional Tier 1 capital	-	-	
53	Tier 2 capital	-	-	
	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)	19,742	43,423	
18	Common Equity Tier 1 capital	-	-	
39	Additional Tier 1 capital	-	-	
54	Tier 2 capital	-	-	
72	Non-significant investments in the capital of other financials that are below the thresholds for deduction (before risk weighting)	19,742	43,423	
	Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions	807	1,027	
19	Amount exceeding the 10% threshold on specified items	-	-	
23	Amount exceeding the 15% threshold on specified items	-	-	
40	Additional Tier 1 capital	-	-	
55	Tier 2 capital	-	-	
73	Significant investments in the common stock of financials that are below the thresholds for deduction (before risk weighting)	807	1,027	

7. Other capital instruments

(1) Balance sheet

Ref. No.	Balance sheet items	As of September 30, 2016	As of September 30, 2015	Remarks
7-a	Borrowed Money	298,083	277,368	
7-b	Bonds and Notes	10,000	40,000	
	Total	308,083	317,368	

(2) Composition of capital

Basel III Template No.	Composition of capital disclosure	As of September 30, 2016	As of September 30, 2015	Remarks
32	Directly issued qualifying Additional Tier 1 instruments plus related stock surplus of which: classified as liabilities under applicable accounting standards	-	-	
46	Directly issued qualifying Tier 2 instruments plus related stock surplus of which: classified as liabilities under applicable accounting standards	-	-	

Note:

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