

**Explanation on reconciliation between balance sheet items and regulatory capital elements
as of September 30, 2018**

<Sumitomo Mitsui Trust Holdings, Inc.>

[Consolidated]

(Millions of yen)

Items	Consolidated balance sheet (a)	Ref. No. of appendix	Basel III template No. under the Composition of capital disclosure
	Amount		
(Assets)			
Cash and due from banks	29,161,889		
Call loans and bills bought	153,103		
Receivables under resale agreements	32,319		
Receivables under securities borrowing transactions	726,971		
Monetary claims bought	784,620		
Trading assets	334,973		
Money held in trust	1,406		
Securities	6,183,052	2-b, 6-a	
Loans and bills discounted	28,866,578	6-b	
Foreign exchanges	29,651		
Lease receivables and investment assets	672,405		
Other assets	1,978,658	6-c	
Tangible fixed assets	209,577		
Intangible fixed assets	189,292	2-a	
Assets for retirement benefits	169,476	3	
Deferred tax assets	23,295	4-a	
Customers' liabilities for acceptances and guarantees	570,127		
Allowance for loan losses	(86,195)		
Total assets	70,001,204		

Items	Consolidated balance sheet (a)	Ref. No. of appendix	Basel III template No. under the Composition of capital disclosure
	Amount		
(Liabilities)			
Deposits	37,801,732		
Negotiable certificates of deposit	6,947,240		
Call money and bills sold	316,022		
Payables under repurchase agreements	1,789,950		
Payables under securities lending transactions	115,094		
Trading liabilities	224,905		
Borrowed money	4,255,261	8-a	
Foreign exchanges	309		
Short-term bonds payable	1,320,540		
Bonds payable	1,581,479	8-b	
Borrowed money from trust account	11,102,964		
Other liabilities	989,418	6-d	
Provision for bonuses	14,636		
Provision for director's bonuses	60		
Liabilities for retirement benefits	14,278		
Provision for reward points program	17,904		
Provision for reimbursement of deposits	3,858		
Provision for contingent losses	1,549		
Deferred tax liabilities	178,566	4-b	
Deferred tax liabilities for land revaluation	2,864	4-c	
Acceptances and guarantees	570,127		
Total liabilities	67,248,764		
(Net assets)			
Capital stock	261,608	1-a	
Capital surplus	645,003	1-b	
Retained earnings	1,329,783	1-c	
Treasury stock	(51,212)	1-d	
Total shareholders' equity	2,185,183		
Valuation difference on available-for-sale securities	476,542		
Deferred gains or losses on hedges	(12,028)	5	
Revaluation reserve for land	(5,659)		
Foreign currency translation adjustment	6,115		
Remeasurements of retirement benefits	5,635		
Total accumulated other comprehensive income	470,604		3
Subscription rights to shares	1,067		1b
Non-controlling interests	95,584	7	
Total net assets	2,752,440		
Total liabilities and net assets	70,001,204		

Note

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

Appendix

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

1.Shareholders' equity

(1) Consolidated balance sheet

(Millions of yen)

Consolidated balance sheet items	Amount	Remarks	Ref. No.
Capital stock	261,608		1-a
Capital surplus	645,003		1-b
Retained earnings	1,329,783		1-c
Treasury stock	(51,212)		1-d
Total shareholders' equity	2,185,183		

(2) Composition of capital

Items in the composition of capital	Amount	Remarks	Basel III template No.
Directly issued qualifying common share capital plus related capital surplus and retained earnings	2,185,183	Shareholders' equity attributable to common shares (before adjusting national specific regulatory adjustments (earnings to be distributed))	
of which: capital stock and capital surplus	906,611		1a
of which: retained earnings	1,329,783		2
of which: treasury stock (deduction)	51,212		1c
of which: others	-		
Directly issued qualifying Additional Tier 1 instruments plus related capital surplus of which classified as equity under applicable accounting standards	-	Shareholders' equity attributable to preferred shares with a loss absorbency at the point of non-viability	31a

2.Intangible assets

(1) Consolidated balance sheet

Consolidated balance sheet items	Amount	Remarks	Ref. No.
Intangible fixed assets	189,292		2-a
Securities	6,183,052		2-b
of which: goodwill arising on the application of the equity method	7,828		

Associated deferred tax liabilities	33,959	
-------------------------------------	--------	--

(2) Composition of capital

Items in the composition of capital	Amount	Remarks	Basel III template No.
Goodwill (net of related deferred tax liabilities, including those equivalent)	84,165		8
Other intangible assets (net of related deferred tax liabilities)	78,996	Excluding goodwill, mortgage servicing rights (software, etc.)	9
Mortgage servicing rights (net of related deferred tax liabilities)	-		
Amount above the 10% threshold on the specified items	-		20
Amount exceeding the 15% threshold on the specified items	-		24
Amount below the thresholds for deduction (before risk weighting)	-		74

3. Defined-benefit pension fund net assets (assets for retirement benefits)

(1) Consolidated balance sheet

Consolidated balance sheet items	Amount	Remarks	Ref. No.
Assets for retirement benefits	169,476		3

Associated deferred tax liabilities	51,904	
-------------------------------------	--------	--

(2) Composition of capital

Items in the composition of capital	Amount	Remarks	Basel III template No.
Defined-benefit pension fund net assets (assets for retirement benefits) (net of related deferred tax liabilities)	117,572		15

4. Deferred tax assets

(1) Consolidated balance sheet

Consolidated balance sheet items	Amount	Remarks	Ref. No.
Deferred tax assets	23,295		4-a
Deferred tax liabilities	178,566		4-b
Deferred tax liabilities for land revaluation	2,864		4-c

Associated intangible fixed assets	33,959	
Associated assets for retirement benefits	51,904	

(2) Composition of capital

Items in the composition of capital	Amount	Remarks	Basel III template No.
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related deferred tax liabilities)	341	This item does not agree with the amount reported on the consolidated balance sheet due to offsetting of assets and liabilities.	10
Deferred tax assets arising from temporary differences (net of related deferred tax liabilities)	-	This item does not agree with the amount reported on the consolidated balance sheet due to offsetting of assets and liabilities.	
Amount above the 10% threshold on the specified items	-		21
Amount exceeding the 15% threshold on the specified items	-		25
Amount below the thresholds for deduction (before risk weighting)	-		75

5. Deferred gains or losses on hedges

(1) Consolidated balance sheet

Consolidated balance sheet items	Amount	Remarks	Ref. No.
Deferred gains or losses on hedges	(12,028)		5

(2) Composition of capital

Items in the composition of capital	Amount	Remarks	Basel III template No.
Deferred gains or losses on derivatives under hedge accounting	(11,171)	Excluding those items whose valuation differences arising from hedged items are recognized as "Accumulated other comprehensive income"	11

6. Investments in the capital of financial entities

(1) Consolidated balance sheet

Consolidated balance sheet items	Amount	Remarks	Ref. No.
Securities	6,183,052		6-a
Loans and bills discounted	28,866,578	Including subordinated loans	6-b
Other assets	1,978,658	Including derivatives	6-c
Other liabilities	989,418	Including derivatives	6-d

(2) Composition of capital

Items in the composition of capital	Amount	Remarks	Basel III template No.
Investments in own capital instruments	16		
Common Equity Tier 1 capital	16		16
Additional Tier 1 capital	-		37
Tier 2 capital	-		52
Reciprocal cross-holdings in capital instruments	-		
Common Equity Tier 1 capital	-		17
Additional Tier 1 capital	-		38
Tier 2 capital	-		53
Investments in the instruments of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued share capital	174,806		
Common Equity Tier 1 capital	-		18
Additional Tier 1 capital	-		39
Tier 2 capital	-		54
Amount below the thresholds for deduction (before risk weighting)	174,806		72
Significant investments in the instruments of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions	99,856		
Amount above the 10% threshold on the specified items	-		19
Amount exceeding the 15% threshold on the specified items	-		23
Additional Tier 1 capital	-		40
Tier 2 capital	1,540		55
Amount below the thresholds for deduction (before risk weighting)	98,316		73

7. Non-controlling interests

(1) Consolidated balance sheet

Consolidated balance sheet items	Amount	Remarks	Ref. No.
Non-controlling interests	95,584		7

(2) Composition of capital

Items in the composition of capital	Amount	Remarks	Basel III template No.
Common share capital issued by subsidiaries and held by third parties (amount allowed in group Common Equity Tier 1)	1,936	Maximum amount (after accounting for adjustments for non-controlling interests)	5
Qualifying Additional Tier 1 instruments issued by special purpose vehicles	-		30-31ab-32
Additional Tier 1 instruments issued by subsidiaries and held by third parties (amount allowed in group Additional Tier 1)	13,326	Maximum amount (after accounting for adjustments for non-controlling interests)	34-35
Qualifying Tier 2 instruments issued by special purpose vehicles	-		46
Tier 2 instruments issued by subsidiaries and held by third parties (amount allowed in group Tier 2)	3,377	Maximum amount (after accounting for adjustments for non-controlling interests)	48-49

8. Other capital instruments

(1) Consolidated balance sheet

Consolidated balance sheet items	Amount	Remarks	Ref. No.
Borrowed money	4,255,261		8-a
Bonds payable	1,581,479		8-b

(2) Composition of capital

Items in the composition of capital	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	340,000		32
Directly issued qualifying Tier 2 instruments plus related capital surplus of which classified as liabilities under applicable accounting standards	270,000		46