

**Explanation on reconciliation between balance sheet items and regulatory capital elements  
as of March 31, 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	28,841,328		
Call loans and bills bought	152,951		
Receivables under resale agreements	63,531		
Receivables under securities borrowing transactions	675,295		
Monetary claims bought	955,938		
Trading assets	363,294		
Money held in trust	1,357		
Securities	5,537,643	2-b, 6-a	
Loans and bills discounted	28,190,553	6-b	
Foreign exchanges	25,554		
Lease receivables and investment assets	677,238		
Other assets	1,868,132	6-c	
Tangible fixed assets	214,386		
Buildings	73,711		
Land	116,650		
Lease assets	4,719		
Construction in progress	88		
Other	19,216		
Intangible fixed assets	197,235	2-a	
Software	107,563		
Goodwill	81,038		
Lease assets	2		
Other	8,630		
Assets for retirement benefits	163,219	3	
Deferred tax assets	23,127	4-a	
Customers' liabilities for acceptances and guarantees	508,930		
Allowance for loan losses	(102,920)		
Total assets	68,356,798		

Items	Consolidated balance sheet (a)	Ref. No. of appendix	Basel III template No. under the Composition of capital disclosure
	Amount		
(Liabilities)			
Deposits	37,351,839		
Negotiable certificates of deposit	6,563,336		
Call money and bills sold	146,931		
Payables under repurchase agreements	1,454,855		
Payables under securities lending transactions	41,299		
Trading liabilities	266,148		
Borrowed money	4,370,083	8-a	
Foreign exchanges	1,984		
Short-term bonds payable	1,062,869		
Bonds payable	1,470,715	8-b	
Borrowed money from trust account	11,070,725		
Other liabilities	932,825	6-d	
Provision for bonuses	16,740		
Provision for director's bonuses	325		
Liabilities for retirement benefits	14,159		
Provision for points	18,457		
Provision for reimbursement of deposits	3,548		
Provision for contingent losses	4,628		
Deferred tax liabilities	181,050	4-b	
Deferred tax liabilities for land revaluation	3,016	4-c	
Acceptances and guarantees	508,930		
<b>Total liabilities</b>	<b>65,484,472</b>		
(Net assets)			
Capital stock	261,608	1-a	
Capital surplus	645,016	1-b	
Retained earnings	1,263,415	1-c	
Treasury stock	(42,224)	1-d	
<b>Total shareholders' equity</b>	<b>2,127,816</b>		
Valuation difference on available-for-sale securities	516,663		
Deferred gains or losses on hedges	(22,746)	5	
Revaluation reserve for land	(6,067)		
Foreign currency translation adjustment	4,281		
Adjustments for retirement benefits	4,720		
<b>Total accumulated other comprehensive income</b>	<b>496,851</b>		3
Subscription rights to shares	799		1b
Non-controlling interests	246,858	7	
<b>Total net assets</b>	<b>2,872,325</b>		
<b>Total liabilities and net assets</b>	<b>68,356,798</b>		

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.Shareholder's equity

#### (1) Consolidated balance sheet

(Millions of yen)

Consolidated balance sheet items	Amount	Remarks	Ref. No.
Capital stock	261,608		1-a
Capital surplus	645,016		1-b
Retained earnings	1,263,415		1-c
Treasury stock	(42,224)		1-d
Total shareholder's equity	2,127,816		

#### (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	2,127,816	Shareholders' equity attributable to common shares (before adjusting national specific regulatory adjustments (earnings to be distributed))	
of which: capital stock and capital surplus	906,625		1a
of which: retained earnings	1,263,415		2
of which: treasury stock (deduction)	42,224		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	197,235		2-a
Securities	5,537,643		2-b
of which: goodwill arising on the application of the equity method	8,661		

Associated deferred tax liabilities	34,961	
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#### (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)	89,699		8
Other intangible assets (net of related deferred tax liabilities)	81,235		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 (prepaid pension cost)

#### (1) Consolidated balance sheet

Consolidated balance sheet items	Amount	Remarks	Ref. No.
Assets for retirement benefits	163,219		3

Associated deferred tax liabilities	49,987	
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#### (2) Composition of capital

Items in the composition of capital	Amount	Remarks	Basel III template No.
Defined-benefit pension fund net assets (net of related deferred tax liabilities)	113,232		15

### 4. Deferred tax assets

#### (1) Consolidated balance sheet

Consolidated balance sheet items	Amount	Remarks	Ref. No.
Deferred tax assets	23,127		4-a
Deferred tax liabilities	181,050		4-b
Deferred tax liabilities for land revaluation	3,016		4-c

Associated intangible fixed assets	34,961	
Associated assets for retirement benefits	49,987	

#### (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)	287	This item does not agree with the amount reported on the 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 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	(22,746)		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	(20,866)	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	5,537,643		6-a
Loans and bills discounted	28,190,553	Including subordinated loans	6-b
Other assets	1,868,132	Including derivatives	6-c
Other liabilities	932,825	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	46		
Common Equity Tier 1 capital	46		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	189,382		
Common Equity Tier 1 capital	-		18
Additional Tier 1 capital	-		39
Tier 2 capital	-		54
Amount below the thresholds for deduction (before risk weighting)	189,382		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	87,561		
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	-		55
Amount below the thresholds for deduction (before risk weighting)	87,561		73

7. Non-controlling interests

(1) Consolidated balance sheet

Consolidated balance sheet items	Amount	Remarks	Ref. No.
Non-controlling interests	246,858		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)	2,031	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)	12,563	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)	3,207	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	4,370,083		8-a
Bonds payable	1,470,715		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	290,000		32
Directly issued qualifying Tier 2 instruments plus related capital surplus of which classified as liabilities under applicable accounting standards	220,000		46