

**Explanation on reconciliation between balance sheet items and regulatory capital elements
as of June 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	27,499,323		
Call loans and bills bought	154,408		
Receivables under resale agreements	79,481		
Receivables under securities borrowing transactions	707,500		
Monetary claims bought	766,343		
Trading assets	397,527		
Money held in trust	1,390		
Securities	6,125,583	2-b, 6-a	
Loans and bills discounted	28,101,323	6-b	
Foreign exchanges	33,061		
Lease receivables and investment assets	666,200		
Other assets	1,761,165	6-c	
Tangible fixed assets	212,795		
Intangible fixed assets	196,048	2-a	
Assets for retirement benefits	166,321	3	
Deferred tax assets	22,890	4-a	
Customers' liabilities for acceptances and guarantees	555,546		
Allowance for loan losses	(101,392)		
Total assets	67,345,518		

Items	Consolidated balance sheet (a)	Ref. No. of appendix	Basel III template No. under the Composition of capital disclosure
	Amount		
(Liabilities)			
Deposits	35,926,161		
Negotiable certificates of deposit	6,471,107		
Call money and bills sold	73,778		
Payables under repurchase agreements	1,593,045		
Payables under securities lending transactions	93,290		
Trading liabilities	247,888		
Borrowed money	4,274,296	8-a	
Foreign exchanges	2,699		
Short-term bonds payable	1,414,910		
Bonds payable	1,517,637	8-b	
Borrowed money from trust account	11,073,992		
Other liabilities	1,003,858	6-d	
Provision for bonuses	4,988		
Provision for director's bonuses	30		
Liabilities for retirement benefits	14,231		
Provision for points	18,845		
Provision for reimbursement of deposits	3,548		
Provision for contingent losses	1,718		
Deferred tax liabilities	180,008	4-b	
Deferred tax liabilities for land revaluation	3,016	4-c	
Acceptances and guarantees	555,546		
Total liabilities	64,474,600		
(Net assets)			
Capital stock	261,608	1-a	
Capital surplus	645,017	1-b	
Retained earnings	1,283,171	1-c	
Treasury stock	(51,229)	1-d	
Total shareholders' equity	2,138,567		
Valuation difference on available-for-sale securities	504,873		
Deferred gains or losses on hedges	(23,745)	5	
Revaluation reserve for land	(6,067)		
Foreign currency translation adjustment	2,172		
Adjustments for retirement benefits	5,176		
Total accumulated other comprehensive income	482,408		3
Subscription rights to shares	797		1b
Non-controlling interests	249,143	7	
Total net assets	2,870,917		
Total liabilities and net assets	67,345,518		

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	645,017		1-b
Retained earnings	1,283,171		1-c
Treasury stock	(51,229)		1-d
Total shareholder's equity	2,138,567		

(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	2,138,567	Shareholders' equity attributable to common shares (before adjusting national specific regulatory adjustments (earnings to be distributed))	
of which: capital stock and capital surplus	906,626		1a
of which: retained earnings	1,283,171		2
of which: treasury stock (deduction)	51,229		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	196,048		2-a
Securities	6,125,583		2-b
of which: goodwill arising on the application of the equity method	8,317		

Associated deferred tax liabilities	35,335	
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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)	86,985		8
Other intangible assets (net of related deferred tax liabilities)	82,045		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	166,321		3

Associated deferred tax liabilities	50,937	
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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)	115,383		15

4. Deferred tax assets

(1) Consolidated balance sheet

Consolidated balance sheet items	Amount	Remarks	Ref. No.
Deferred tax assets	22,890		4-a
Deferred tax liabilities	180,008		4-b
Deferred tax liabilities for land revaluation	3,016		4-c

Associated intangible fixed assets	35,335	
Associated assets for retirement benefits	50,937	

(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)	237	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	(23,745)		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	(21,611)	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	6,125,583		6-a
Loans and bills discounted	28,101,323	Including subordinated loans	6-b
Other assets	1,761,165	Including derivatives	6-c
Other liabilities	1,003,858	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	55		
Common Equity Tier 1 capital	55		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	183,323		
Common Equity Tier 1 capital	-		18
Additional Tier 1 capital	-		39
Tier 2 capital	-		54
Amount below the thresholds for deduction (before risk weighting)	183,323		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	98,868		
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)	97,328		73

7. Non-controlling interests

(1) Consolidated balance sheet

Consolidated balance sheet items	Amount	Remarks	Ref. No.
Non-controlling interests	249,143		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)	1,924	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)	13,283	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)	3,344	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	4,274,296		8-a
Bonds payable	1,517,637		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	270,000		46