

**Explanation on reconciliation between balance sheet items and regulatory capital elements
as of March 31, 2020**

<Sumitomo Mitsui Trust Holdings, Inc.>

[Consolidated]

(Millions of yen)

CC2:Reconciliation of regulatory capital to balance sheet			
Items	a	c	d
	Consolidated balance sheet	Ref. No.of Composition of capital	Ref. No. of appendix
(Assets)			
Cash and due from banks	13,141,192		
Call loans and bills bought	71,236		
Receivables under resale agreements	1,220,761		
Receivables under securities borrowing transactions	740,658		
Monetary claims bought	999,705		
Trading assets	507,646		
Money held in trust	7,230		
Securities	6,437,599		3-b,7-a
Loans and bills discounted	29,703,375		7-b
Foreign exchanges	36,952		
Lease receivables and investment assets	673,880		
Other assets	2,124,043		7-c
Tangible fixed assets	213,547		
Intangible fixed assets	129,455		3-a
Assets for retirement benefits	87,096		4
Deferred tax assets	14,564		5-a
Customers' liabilities for acceptances and guarantees	518,811		
Allowance for loan losses	(127,205)		
Total assets	56,500,552		

CC2:Reconciliation of regulatory capital to balance sheet			
Items	a	c	d
	Consolidated balance sheet	Ref. No.of Composition of capital	Ref. No. of appendix
(Liabilities)			
Deposits	30,688,920		
Negotiable certificates of deposit	5,860,292		
Call money and bills sold	142,974		
Payables under repurchase agreements	1,558,919		
Payables under securities lending transactions	-		
Trading liabilities	371,950		
Borrowed money	5,856,384		9-a
Foreign exchanges	3,213		
Short-term bonds payable	1,707,097		
Bonds payable	1,125,731		9-b
Borrowed money from trust account	4,750,289		
Other liabilities	1,215,433		7-d
Provision for bonuses	18,619		
Provision for directors' bonuses	172		
Provision for stocks payment	279		
Liabilities for retirement benefits	14,044		
Provision for reward points program	16,889		
Provision for reimbursement of deposits	4,867		
Provision for contingent losses	1,440		
Deferred tax liabilities	50,875		5-b
Deferred tax liabilities for land revaluation	2,439		5-c
Acceptances and guarantees	518,811		
Total liabilities	53,909,645		
(Net assets)			
Capital stock	261,608		1-a
Capital surplus	580,595		1-b
Retained earnings	1,495,029		1-c
Treasury stock	(2,855)		1-d
Total shareholders' equity	2,334,377		
Valuation differences on available-for-sale securities	351,459		
Deferred gains (losses) on hedges	(56,765)		6
Revaluation reserve for land	(6,623)		
Foreign currency translation adjustments	1,332		
Adjustments for retirement benefits	(68,513)		
Total accumulated other comprehensive income	220,889	(a)	
Subscription rights to shares	1,057		2
Non-controlling interests	34,583		8
Total net assets	2,590,907		
Total liabilities and net assets	56,500,552		

Note: 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	580,595		1-b
Retained earnings	1,495,029		1-c
Treasury stock	(2,855)		1-d
Total shareholders' equity	2,334,377		

(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	2,334,377	Shareholders' equity attributable to common shares (before adjusting national specific regulatory adjustments (earnings to be distributed))	
of which: capital stock and capital surplus	842,204		1a
of which: retained earnings	1,495,029		2
of which: treasury stock (deduction)	2,855		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.Subscription rights to shares

(1) Consolidated balance sheet

Consolidated balance sheet items	Amount	Remarks	Ref. No.
Subscription rights to shares	1,057		2
of which: Subscription rights to shares issued by the bank holding company	1,057		

(2) Composition of capital

Items in the composition of capital	Amount	Remarks	Basel III template No.
Subscription rights to common shares	1,057		1b
Subscription rights to Additional Tier 1 instruments	-		31b
Subscription rights to Tier 2 instruments	-		46

3. Intangible assets

(1) Consolidated balance sheet

Consolidated balance sheet items	Amount	Remarks	Ref. No.
Intangible fixed assets	129,455		3-a
Securities	6,437,599		3-b
of which: goodwill arising on the application of the equity method	3,445		
Associated deferred tax liabilities	25,547		

(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)	48,532		8
Other intangible assets (net of related deferred tax liabilities)	58,820	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

4. 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	87,096		4
Associated deferred tax liabilities	26,681		

(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)	60,414		15

5. Deferred tax assets

(1) Consolidated balance sheet

Consolidated balance sheet items	Amount	Remarks	Ref. No.
Deferred tax assets	14,564		5-a
Deferred tax liabilities	50,875		5-b
Deferred tax liabilities for land revaluation	2,439		5-c
Associated intangible fixed assets	25,547		
Associated assets for retirement benefits	26,681		

(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)	435	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)	13,478	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)	13,478		75

6. Deferred gains or losses on hedges

(1) Consolidated balance sheet

Consolidated balance sheet items	Amount	Remarks	Ref. No.
Deferred gains (losses) on hedges	(56,765)		6

(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	(45,964)	Excluding those items whose valuation differences arising from hedged items are recognized as "Accumulated other comprehensive income"	11

7. Investments in the capital and other TLAC liabilities of financial entities

(1) Consolidated balance sheet

Consolidated balance sheet items	Amount	Remarks	Ref. No.
Securities	6,437,599		7-a
Loans and bills discounted	29,703,375	Including subordinated debts	7-b
Other assets	2,124,043	Including derivatives	7-c
Other liabilities	1,215,433	Including derivatives	7-d

(2) Composition of capital

Items in the composition of capital	Amount	Remarks	Basel III template No.
Investments in own capital	8		
Common Equity Tier 1 capital	8		16
Additional Tier 1 capital	-		37
Tier 2 capital	-		52
Reciprocal cross-holdings in the capital and other TLAC liabilities	-		
Common Equity Tier 1 capital	-		17
Additional Tier 1 capital	-		38
Tier 2 capital and other TLAC liabilities	-		53
Investments in the capital and other TLAC liabilities 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	114,974		
Common Equity Tier 1 capital	-		18
Additional Tier 1 capital	-		39
Tier 2 capital and other TLAC liabilities	-		54
Amount below the thresholds for deduction (before risk weighting)	114,974		72
Significant investments in the capital and other TLAC liabilities of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions	154,457		
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 and other TLAC liabilities	1,540		55
Amount below the thresholds for deduction (before risk weighting)	152,917		73

8.Non-controlling interests

(1) Consolidated balance sheet

Consolidated balance sheet items	Amount	Remarks	Ref. No.
Non-controlling interests	34,583		8

(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)	-	After reflecting amounts eligible for inclusion (after non-controlling interest adjustments)	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)	13,336	After reflecting amounts eligible for inclusion (after non-controlling interest adjustments)	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)	2,432	After reflecting amounts eligible for inclusion (after non-controlling interest adjustments)	48-49

9.Other capital instruments

(1) Consolidated balance sheet

Consolidated balance sheet items	Amount	Remarks	Ref. No.
Borrowed money	5,856,384		9-a
Bonds payable	1,125,731		9-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	306,584		46