

**Explanation on reconciliation between balance sheet items and regulatory capital elements
as of December 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 | 16,946,010 | | |
| Call loans and bills bought | 1,299,099 | | |
| Receivables under resale agreements | 160,032 | | |
| Receivables under securities borrowing transactions | 760,823 | | |
| Monetary claims bought | 783,840 | | |
| Trading assets | 498,361 | | |
| Money held in trust | 9,973 | | |
| Securities | 6,806,714 | | 3-b,7-a |
| Loans and bills discounted | 30,092,589 | | 7-b |
| Foreign exchanges | 27,860 | | |
| Lease receivables and investment assets | 684,872 | | |
| Other assets | 1,763,657 | | 7-c |
| Tangible fixed assets | 214,217 | | |
| Intangible fixed assets | 129,935 | | 3-a |
| Assets for retirement benefits | 105,807 | | 4 |
| Deferred tax assets | 13,126 | | 5-a |
| Customers' liabilities for acceptances and guarantees | 525,124 | | |
| Allowance for loan losses | (123,966) | | |
| Total assets | 60,698,082 | | |

| 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 | 34,146,184 | | |
| Negotiable certificates of deposit | 6,946,530 | | |
| Call money and bills sold | 116,140 | | |
| Payables under repurchase agreements | 1,566,787 | | |
| Trading liabilities | 332,376 | | |
| Borrowed money | 5,638,332 | | 9-a |
| Foreign exchanges | 382 | | |
| Short-term bonds payable | 2,565,002 | | |
| Bonds payable | 1,292,474 | | 9-b |
| Borrowed money from trust account | 3,849,221 | | |
| Other liabilities | 1,020,402 | | 7-d |
| Provision for bonuses | 8,420 | | |
| Provision for directors' bonuses | 41 | | |
| Provision for stocks payment | 459 | | |
| Liabilities for retirement benefits | 14,132 | | |
| Provision for reward points program | 16,691 | | |
| Provision for reimbursement of deposits | 4,415 | | |
| Provision for contingent losses | 1,504 | | |
| Deferred tax liabilities | 35,989 | | 5-b |
| Deferred tax liabilities for land revaluation | 2,388 | | 5-c |
| Acceptances and guarantees | 525,124 | | |
| Total liabilities | 58,083,002 | | |
| (Net assets) | | | |
| Capital stock | 261,608 | | 1-a |
| Capital surplus | 580,161 | | 1-b |
| Retained earnings | 1,565,513 | | 1-c |
| Treasury stock | (2,823) | | 1-d |
| Total shareholders' equity | 2,404,460 | | |
| Valuation differences on available-for-sale securities | 297,844 | | |
| Deferred gains (losses) on hedges | (54,949) | | 6 |
| Revaluation reserve for land | (6,739) | | |
| Foreign currency translation adjustments | 1,053 | | |
| Adjustments for retirement benefits | (62,454) | | |
| Total accumulated other comprehensive income | 174,754 | (a) | |
| Subscription rights to shares | 1,037 | | 2 |
| Non-controlling interests | 34,827 | | 8 |
| Total net assets | 2,615,079 | | |
| Total liabilities and net assets | 60,698,082 | | |

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 | 580,161 | | 1-b |
| Retained earnings | 1,565,513 | | 1-c |
| Treasury stock | (2,823) | | 1-d |
| Total shareholders' equity | 2,404,460 | | |

(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 | 2,404,460 | Shareholders' equity attributable to common shares (before adjusting national specific regulatory adjustments (earnings to be distributed)) | |
| of which: capital stock and capital surplus | 841,770 | | 1a |
| of which: retained earnings | 1,565,513 | | 2 |
| of which: treasury stock (deduction) | 2,823 | | 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 | 1,037 | | 2 |
| of which: Subscription rights to shares issued by the bank holding company | 1,037 | | |

(2) Composition of capital

| Items in the composition of capital | Amount | Remarks | Basel III template No. |
|--|--------|---------|------------------------|
| Subscription rights to common shares | 1,037 | | 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 | 129,935 | | 3-a |
| Securities | 6,806,714 | | 3-b |
| of which: goodwill arising on the application of the equity method | 1,369 | | |
| Associated deferred tax liabilities | 27,486 | | |

(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) | 40,575 | | 8 |
| Other intangible assets (net of related deferred tax liabilities) | 63,242 | 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 | 105,807 | | 4 |
| Associated deferred tax liabilities | 32,411 | | |

(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) | 73,396 | | 15 |

5. Deferred tax assets

(1) Consolidated balance sheet

| Consolidated balance sheet items | Amount | Remarks | Ref. No. |
|---|--------|---------|----------|
| Deferred tax assets | 13,126 | | 5-a |
| Deferred tax liabilities | 35,989 | | 5-b |
| Deferred tax liabilities for land revaluation | 2,388 | | 5-c |

| | | |
|---|--------|--|
| Associated intangible fixed assets | 27,486 | |
| Associated assets for retirement benefits | 32,411 | |

(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) | 339 | 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) | 34,310 | 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) | 34,310 | | 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 | (54,949) | | 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 | (47,386) | 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 | 6,806,714 | | 7-a |
| Loans and bills discounted | 30,092,589 | Including subordinated debts | 7-b |
| Other assets | 1,763,657 | Including derivatives | 7-c |
| Other liabilities | 1,020,402 | 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 | 122,086 | | |
| 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) | 122,086 | | 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 | 162,107 | | |
| 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) | 160,567 | | 73 |

8.Non-controlling interests

(1) Consolidated balance sheet

| Consolidated balance sheet items | Amount | Remarks | Ref. No. |
|----------------------------------|--------|---------|----------|
| Non-controlling interests | 34,827 | | 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) | 12,919 | 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) | 2,410 | 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 | 5,638,332 | | 9-a |
| Bonds payable | 1,292,474 | | 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 | 270,000 | | 32 |
| Directly issued qualifying Tier 2 instruments plus related capital surplus of which classified as liabilities under applicable accounting standards | 338,635 | | 46 |