

**Explanation on reconciliation between balance sheet items and regulatory capital elements
as of June 30, 2021**

<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	18,075,361		
Call loans and bills bought	6,000		
Receivables under resale agreements	160,143		
Receivables under securities borrowing transactions	726,982		
Monetary claims bought	791,750		
Trading assets	916,745		
Money held in trust	16,030		
Securities	6,991,101		3-b,7-a
Loans and bills discounted	30,361,361		7-b
Foreign exchanges	25,691		
Lease receivables and investment assets	696,876		
Other assets	2,742,976		7-c
Tangible fixed assets	226,527		
Intangible fixed assets	116,111		3-a
Assets for retirement benefits	237,070		4
Deferred tax assets	14,031		5-a
Customers' liabilities for acceptances and guarantees	593,436		
Allowance for loan losses	(124,845)		
Total assets	62,573,352		

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	33,198,496		
Negotiable certificates of deposit	7,736,032		
Call money and bills sold	56,438		
Payables under repurchase agreements	1,629,273		
Trading liabilities	835,508		
Borrowed money	5,955,324		9-a
Foreign exchanges	1,069		
Short-term bonds payable	2,444,646		
Bonds payable	1,575,456		9-b
Borrowed money from trust account	3,940,594		
Other liabilities	1,758,228		7-d
Provision for bonuses	5,535		
Provision for directors' bonuses	1		
Provision for stocks payment	604		
Liabilities for retirement benefits	13,949		
Provision for reward points program	19,314		
Provision for reimbursement of deposits	4,138		
Provision for contingent losses	1,574		
Deferred tax liabilities	80,304		5-b
Deferred tax liabilities for land revaluation	2,388		5-c
Acceptances and guarantees	593,436		
Total liabilities	59,852,317		
(Net assets)			
Capital stock	261,608		1-a
Capital surplus	576,114		1-b
Retained earnings	1,594,089		1-c
Treasury stock	(2,813)		1-d
Total shareholders' equity	2,428,999		
Valuation differences on available-for-sale securities	314,117		
Deferred gains (losses) on hedges	(46,486)		6
Revaluation reserve for land	(6,739)		
Foreign currency translation adjustments	6,562		
Adjustments for retirement benefits	(3,937)		
Total accumulated other comprehensive income	263,516	(a)	
Subscription rights to shares	1,021		2
Non-controlling interests	27,498		8
Total net assets	2,721,035		
Total liabilities and net assets	62,573,352		

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	576,114		1-b
Retained earnings	1,594,089		1-c
Treasury stock	(2,813)		1-d
Total shareholders' equity	2,428,999		

(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	2,428,999	Shareholders' equity attributable to common shares (before adjusting national specific regulatory adjustments (earnings to be distributed))	
of which: capital stock and capital surplus	837,723		1a
of which: retained earnings	1,594,089		2
of which: treasury stock (deduction)	2,813		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	1,021		2
of which: Subscription rights to shares issued by the bank holding company	1,021		

(2) Composition of capital

Items in the composition of capital	Amount	Remarks	Basel III template No.
Subscription rights to common shares	1,021		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	116,111		3-a
Securities	6,991,101		3-b
of which: goodwill arising on the application of the equity method	94		
Associated deferred tax liabilities	24,418		

(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)	35,416		8
Other intangible assets (net of related deferred tax liabilities)	56,370	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	237,070		4
Associated deferred tax liabilities	72,604		

(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)	164,466		15

5. Deferred tax assets

(1) Consolidated balance sheet

Consolidated balance sheet items	Amount	Remarks	Ref. No.
Deferred tax assets	14,031		5-a
Deferred tax liabilities	80,304		5-b
Deferred tax liabilities for land revaluation	2,388		5-c
Associated intangible fixed assets	24,418		
Associated assets for retirement benefits	72,604		

(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)	172	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)	28,189	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)	28,189		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	(46,486)		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	(41,902)	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	6,991,101		7-a
Loans and bills discounted	30,361,361	Including subordinated debts	7-b
Other assets	2,742,976	Including derivatives	7-c
Other liabilities	1,758,228	Including derivatives	7-d

(2) Composition of capital

Items in the composition of capital	Amount	Remarks	Basel III template No.
Investments in own capital	34		
Common Equity Tier 1 capital	34		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	141,112		
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)	141,112		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	171,792		
Amount above the 10% threshold on the specified items	-		19
Amount exceeding the 15% threshold on the specified items	-		23
Additional Tier 1 capital	10		40
Tier 2 capital and other TLAC liabilities	1,540		55
Amount below the thresholds for deduction (before risk weighting)	170,242		73

8.Non-controlling interests

(1) Consolidated balance sheet

Consolidated balance sheet items	Amount	Remarks	Ref. No.
Non-controlling interests	27,498		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)	11,246	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)	2,167	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	5,955,324		9-a
Bonds payable	1,575,456		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	330,668		46