

**Explanation on reconciliation between balance sheet items and regulatory capital elements
as of September 30, 2022**

<Sumitomo Mitsui Trust Holdings, Inc.>

[Consolidated]

(Millions of yen)

CC2:Reconciliation of regulatory capital to balance sheet			
Items	a	b	c
	Consolidated balance sheet	Ref. No.of Composition of capital	Ref. No. of appendix
(Assets)			
Cash and due from banks	19,677,853		
Call loans and bills bought	-		
Receivables under resale agreements	-		
Receivables under securities borrowing transactions	509,341		
Monetary claims bought	743,313		
Trading assets	1,792,292		
Money held in trust	15,563		
Securities	7,226,946		3-b,7-a
Loans and bills discounted	32,281,534		7-b
Foreign exchanges	36,294		
Lease receivables and investment assets	678,617		
Other assets	4,850,838		7-c
Tangible fixed assets	222,270		
Intangible fixed assets	135,724		3-a
Assets for retirement benefits	197,917		4
Deferred tax assets	15,093		5-a
Customers' liabilities for acceptances and guarantees	591,211		
Allowance for loan losses	(136,793)		
Total assets	68,838,019		

CC2:Reconciliation of regulatory capital to balance sheet			
Items	a	b	c
	Consolidated balance sheet	Ref. No.of Composition of capital	Ref. No. of appendix
(Liabilities)			
Deposits	34,509,006		
Negotiable certificates of deposit	7,764,336		
Call money and bills sold	970,997		
Payables under repurchase agreements	1,254,473		
Trading liabilities	1,740,213		
Borrowed money	5,927,905		9-a
Foreign exchanges	748		
Short-term bonds payable	2,746,875		
Bonds payable	2,323,386		9-b
Borrowed money from trust account	4,357,661		
Other liabilities	3,800,540		7-d
Provision for bonuses	14,953		
Provision for directors' bonuses	110		
Provision for stocks payment	896		
Liabilities for retirement benefits	13,731		
Provision for reward points program	20,558		
Provision for reimbursement of deposits	3,253		
Provision for contingent losses	1,297		
Deferred tax liabilities	41,514		5-b
Deferred tax liabilities for land revaluation	2,388		5-c
Acceptances and guarantees	591,211		
Total liabilities	66,086,063		
(Net assets)			
Capital stock	261,608		1-a
Capital surplus	576,151		1-b
Retained earnings	1,752,804		1-c
Treasury stock	(32,593)		1-d
Total shareholders' equity	2,557,970		
Valuation differences on available-for-sale securities	215,153		
Deferred gains (losses) on hedges	(33,244)		6
Revaluation reserve for land	(6,839)		
Foreign currency translation adjustments	30,281		
Adjustments for retirement benefits	(41,375)		
Total accumulated other comprehensive income	163,973	(a)	
Subscription rights to shares	952		2
Non-controlling interests	29,059		8
Total net assets	2,751,956		
Total liabilities and net assets	68,838,019		

Note: The regulatory scope of consolidation is the same as the accounting scope of consolidation.

Appendix

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	576,151		1-b
Retained earnings	1,752,804		1-c
Treasury stock	(32,593)		1-d
Total shareholders' equity	2,557,970		

(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	2,557,970	Shareholders' equity attributable to common shares (before adjusting national specific regulatory adjustments (earnings to be distributed))	
of which: capital stock and capital surplus	837,760		1a
of which: retained earnings	1,752,804		2
of which: treasury stock (deduction)	32,593		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	952		2
of which: Subscription rights to shares issued by the bank holding company	952		

(2) Composition of capital

Items in the composition of capital	Amount	Remarks	Basel III template No.
Subscription rights to common shares	952		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	135,724		3-a
Securities	7,226,946		3-b
of which: goodwill arising on the application of the equity method	25,367		
Associated deferred tax liabilities	33,304		

(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)	51,051		8
Other intangible assets (net of related deferred tax liabilities)	76,735	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	197,917		4
Associated deferred tax liabilities	60,616		

(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)	137,300		15

5. Deferred tax assets

(1) Consolidated balance sheet

Consolidated balance sheet items	Amount	Remarks	Ref. No.
Deferred tax assets	15,093		5-a
Deferred tax liabilities	41,514		5-b
Deferred tax liabilities for land revaluation	2,388		5-c
Associated intangible fixed assets	33,304		
Associated assets for retirement benefits	60,616		

(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)	631	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)	64,006	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)	64,006		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	(33,244)		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	(70,737)	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	7,226,946		7-a
Loans and bills discounted	32,281,534	Including subordinated debts	7-b
Other assets	4,850,838	Including derivatives	7-c
Other liabilities	3,800,540	Including derivatives	7-d

(2) Composition of capital

Items in the composition of capital	Amount	Remarks	Basel III template No.
Investments in own capital	35		
Common Equity Tier 1 capital	35		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	138,623		
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)	138,623		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	208,326		
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)	206,776		73

8.Non-controlling interests

(1) Consolidated balance sheet

Consolidated balance sheet items	Amount	Remarks	Ref. No.
Non-controlling interests	29,059		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)	11,537	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)	2,297	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	5,927,905		9-a
Bonds payable	2,323,386		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	305,579		46