

**Explanation on reconciliation between balance sheet items and regulatory capital elements
as of December 31, 2023**

<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	22,384,848		
Call loans and bills bought	15,000		
Receivables under resale agreements	110,056		
Receivables under securities borrowing transactions	530,735		
Monetary claims bought	943,037		
Trading assets	1,889,771		
Money held in trust	19,365		7-a
Securities	8,745,398		3-b,7-b
Loans and bills discounted	32,779,712		7-c
Foreign exchanges	64,671		
Lease receivables and investment assets	685,567		
Other assets	3,974,670		7-d
Tangible fixed assets	223,732		
Intangible fixed assets	149,654		3-a
Assets for retirement benefits	243,401		4
Deferred tax assets	7,623		5-a
Customers' liabilities for acceptances and guarantees	689,532		
Allowance for loan losses	(108,608)		
Total assets	73,348,171		

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	37,977,200		
Negotiable certificates of deposit	8,375,817		
Call money and bills sold	72,163		
Payables under repurchase agreements	1,472,397		
Trading liabilities	1,583,496		
Borrowed money	6,816,039		9-a
Foreign exchanges	1,336		
Short-term bonds payable	3,102,809		
Bonds payable	2,564,240		9-b
Borrowed money from trust account	4,156,695		
Other liabilities	3,318,998		7-e
Provision for bonuses	9,161		
Provision for directors' bonuses	220		
Provision for stocks payment	1,434		
Liabilities for retirement benefits	13,909		
Provision for reward points program	22,274		
Provision for reimbursement of deposits	2,856		
Provision for contingent losses	1,566		
Deferred tax liabilities	153,344		5-b
Deferred tax liabilities for land revaluation	2,381		5-c
Acceptances and guarantees	689,532		
Total liabilities	70,337,880		
(Net assets)			
Capital stock	261,608		1-a
Capital surplus	526,328		1-b
Retained earnings	1,772,241		1-c
Treasury stock	(3,656)		1-d
Total shareholders' equity	2,556,522		
Valuation differences on available-for-sale securities	412,074		
Deferred gains (losses) on hedges	471		6
Revaluation reserve for land	(6,855)		
Foreign currency translation adjustments	37,918		
Remeasurements of defined benefit plans	(20,671)		
Total accumulated other comprehensive income	422,937	(a)	
Subscription rights to shares	876		2
Non-controlling interests	29,954		8
Total net assets	3,010,291		
Total liabilities and net assets	73,348,171		

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	526,328		1-b
Retained earnings	1,772,241		1-c
Treasury stock	(3,656)		1-d
Total shareholders' equity	2,556,522		

(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	2,556,522	Shareholders' equity attributable to common shares (before adjusting national specific regulatory adjustments (earnings to be distributed))	
of which: capital stock and capital surplus	787,937		1a
of which: retained earnings	1,772,241		2
of which: treasury stock (deduction)	3,656		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	876		2
of which: Subscription rights to shares issued by the bank holding company	876		

(2) Composition of capital

Items in the composition of capital	Amount	Remarks	Basel III template No.
Subscription rights to common shares	876		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	149,654		3-a
Securities	8,745,398		3-b
of which: goodwill arising on the application of the equity method	22,769		
Associated deferred tax liabilities	40,386		

(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)	39,227		8
Other intangible assets (net of related deferred tax liabilities)	92,809	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	243,401		4
Associated deferred tax liabilities	74,544		

(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)	168,856		15

5. Deferred tax assets

(1) Consolidated balance sheet

Consolidated balance sheet items	Amount	Remarks	Ref. No.
Deferred tax assets	7,623		5-a
Deferred tax liabilities	153,344		5-b
Deferred tax liabilities for land revaluation	2,381		5-c
Associated intangible fixed assets	40,386		
Associated assets for retirement benefits	74,544		

(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)	407	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)	492	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)	492		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	471		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	532	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.
Money held in trust	19,365		7-a
Securities	8,745,398		7-b
Loans and bills discounted	32,779,712	Including subordinated debts	7-c
Other assets	3,974,670	Including derivatives	7-d
Other liabilities	3,318,998	Including derivatives	7-e

(2) Composition of capital

Items in the composition of capital	Amount	Remarks	Basel III template No.
Investments in own capital	11		
Common Equity Tier 1 capital	11		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	194,926		
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)	194,926		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	189,546		
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	-		55
Amount below the thresholds for deduction (before risk weighting)	189,546		73

8.Non-controlling interests

(1) Consolidated balance sheet

Consolidated balance sheet items	Amount	Remarks	Ref. No.
Non-controlling interests	29,954		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)	14,307	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)	3,203	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	6,816,039		9-a
Bonds payable	2,564,240		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	261,853		46