

**Explanation on reconciliation between balance sheet items and regulatory capital elements
as of June 30, 2014**

<Sumitomo Mitsui Trust Holdings, Inc.>

[Consolidated]

(Millions of yen)

Items	Consolidated balance sheet (a)	Ref. No. of appendix	Basel III template No. under the Composition of capital disclosure
	Amount		
(Assets)			
Cash and due from banks	8,034,128		
Call loans and bills bought	702,738		
Receivables under resale agreements	88,136		
Receivables under securities borrowing transactions	301,685		
Monetary claims bought	647,091		
Trading assets	598,022		
Money held in trust	13,336	6-a	
Securities	5,091,569	2-b, 6-b	
Loans and bills discounted	23,511,129	6-c	
Foreign exchanges	10,309		
Lease receivables and investment assets	532,387		
Other assets	1,120,687	6-d	
Tangible fixed assets	227,699		
Intangible fixed assets	186,419	2-a	
Assets for retirement benefits	108,569	3	
Deferred tax assets	16,404	4-a	
Customers' liabilities for acceptances and guarantees	564,251		
Allowance for loan losses	(95,992)		
Total assets	41,658,575		

Items	Consolidated balance sheet (a)	Ref. No. of appendix	Basel III template No. under the Composition of capital disclosure
	Amount		
(Liabilities)			
Deposits	24,255,287		
Negotiable certificates of deposit	5,660,725		
Call money and bills sold	163,617		
Payables under repurchase agreements	823,485		
Trading liabilities	215,801		
Borrowed money	1,905,971		
Foreign exchanges	126		
Short-term bonds payable	1,001,044		
Bonds payable	980,005		
Borrowed money from trust account	2,644,053		
Other liabilities	882,296	6-e	
Provision for bonuses	4,024		
Provision for director's bonuses	60		
Liabilities for retirement benefits	11,911		
Provision for reimbursement of deposits	3,917		
Provision for contingent losses	8,911		
Deferred tax liabilities	50,707	4-b	
Deferred tax liabilities for land revaluation	3,954	4-c	
Acceptances and guarantees	564,251		
Total liabilities	39,180,155		
(Net assets)			
Capital stock	261,608	1-a	
Capital surplus	754,267	1-b	
Retained earnings	873,270	1-c	
Treasury stock	(599)	1-d	
Total shareholders' equity	1,888,546		
Valuation difference on available-for-sale securities	281,620		
Deferred gains or losses on hedges	(16,310)	5	
Revaluation reserve for land	(5,761)		
Foreign currency translation adjustment	5,769		
Adjustments for retirement benefits	(13,757)		
Total accumulated other comprehensive income	251,559		3
Subscription rights to shares	55		1b
Minority interests	338,258	7	
Total net assets	2,478,419		
Total liabilities and net assets	41,658,575		

Note

(a) The regulatory scope of consolidation is the same as the accounting scope of consolidation.

Appendix

Note: Amounts in the "Composition of capital" are based on those before considering under transitional arrangements. They therefore include "Amounts excluded under transitional arrangements" disclosed in "Composition of capital" and exclude items for regulatory purpose under transitional arrangement from these tables.

1.Shareholder's equity

(1) Consolidated balance sheet

(Millions of yen)

Consolidated balance sheet items	Amount	Remarks	Ref. No.
Capital stock	261,608		1-a
Capital surplus	754,267		1-b
Retained earnings	873,270		1-c
Treasury stock	(599)		1-d
Total shareholder's equity	1,888,546		

(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	1,779,546	Shareholders' equity attributable to common shares (before adjusting national specific regulatory adjustments (earnings to be distributed))	
of which: capital stock and capital surplus	906,875		1a
of which: retained earnings	873,270		2
of which: treasury stock (deduction)	599		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.Intangible assets

(1) Consolidated balance sheet

Consolidated balance sheet items	Amount	Remarks	Ref. No.
Intangible fixed assets	186,419		2-a
Securities	5,091,569		2-b
of which: goodwill arising on the application of the equity method	3,938		

Associated deferred tax liabilities	33,355	
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(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)	94,568		8
Other intangible assets (net of related deferred tax liabilities)	62,433		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

3. Defined-benefit pension fund net assets (prepaid pension cost)

(1) Consolidated balance sheet

Consolidated balance sheet items	Amount	Remarks	Ref. No.
Assets for retirement benefits	108,569		3

Associated deferred tax liabilities	38,695	
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(2) Composition of capital

Items in the composition of capital	Amount	Remarks	Basel III template No.
Defined-benefit pension fund net assets (net of related deferred tax liabilities)	69,873		15

4. Deferred tax assets

(1) Consolidated balance sheet

Consolidated balance sheet items	Amount	Remarks	Ref. No.
Deferred tax assets	16,404		4-a
Deferred tax liabilities	50,707		4-b
Deferred tax liabilities for land revaluation	3,954		4-c

Associated intangible fixed assets	33,355	
Associated assets for retirement benefits	38,695	

(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)	3,020	This item does not agree with the amount reported on the balance sheet due to offsetting of assets and liabilities.	10
Deferred tax assets arising from temporary differences (net of related deferred tax liabilities)	30,796	This item does not agree with the amount reported on the 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)	30,796		75

5. Deferred gains or losses on hedges

(1) Consolidated balance sheet

Consolidated balance sheet items	Amount	Remarks	Ref. No.
Deferred gains or losses on hedges	(16,310)		5

(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	(11,346)	Excluding those items whose valuation differences arising from hedged items are recognized as "Accumulated other comprehensive income"	11

6. Investments in the capital of financial entities

(1) Consolidated balance sheet

Consolidated balance sheet items	Amount	Remarks	Ref. No.
Money held in trust	13,336		6-a
Securities	5,091,569		6-b
Loans and bills discounted	23,511,129	Including subordinated loans	6-c
Other assets	1,120,687	Including derivatives	6-d
Other liabilities	882,296	Including derivatives	6-e

(2) Composition of capital

Items in the composition of capital	Amount	Remarks	Basel III template No.
Investments in own capital instruments	15		
Common Equity Tier 1 capital	15		16
Additional Tier 1 capital	-		37
Tier 2 capital	-		52
Reciprocal cross-holdings in capital instruments	-		
Common Equity Tier 1 capital	-		17
Additional Tier 1 capital	-		38
Tier 2 capital	-		53
Investments in the instruments 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	266,633		
Common Equity Tier 1 capital	25,910		18
Additional Tier 1 capital	13,721		39
Tier 2 capital	55,910		54
Amount below the thresholds for deduction (before risk weighting)	171,090		72
Significant investments in the instruments of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions	49,694		
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	6,000		55
Amount below the thresholds for deduction (before risk weighting)	43,694		73

7.Minority interests

(1) Consolidated balance sheet

Consolidated balance sheet items	Amount	Remarks	Ref. No.
Minority interests	338,258		7

(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)	2,915		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)	9,601		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)	2,881		48-49