

**Explanation on reconciliation between balance sheet items and regulatory capital elements
as of June 30, 2017**

<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	24,367,085		
Call loans and bills bought	162,189		
Receivables under resale agreements	83,746		
Receivables under securities borrowing transactions	617,629		
Monetary claims bought	750,739		
Trading assets	523,527		
Money held in trust	1,646		
Securities	5,082,979	2-b, 6-a	
Loans and bills discounted	28,393,641	6-b	
Foreign exchanges	31,730		
Lease receivables and investment assets	672,710		
Other assets	1,742,297	6-c	
Tangible fixed assets	224,990		
Intangible fixed assets	217,027	2-a	
Assets for retirement benefits	121,875	3	
Deferred tax assets	22,910	4-a	
Customers' liabilities for acceptances and guarantees	470,960		
Allowance for loan losses	(108,148)		
Total assets	63,379,539		

Items	Consolidated balance sheet (a)	Ref. No. of appendix	Basel III template No. under the Composition of capital disclosure
	Amount		
(Liabilities)			
Deposits	33,843,178		
Negotiable certificates of deposit	7,075,701		
Call money and bills sold	1,472,630		
Payables under repurchase agreements	1,070,346		
Payables under securities lending transactions	18,647		
Trading liabilities	378,098		
Borrowed money	4,285,499		
Foreign exchanges	1,227		
Short-term bonds payable	804,123		
Bonds payable	1,374,549	8	
Borrowed money from trust account	8,351,265		
Other liabilities	1,225,813	6-d	
Provision for bonuses	4,711		
Provision for director's bonuses	30		
Liabilities for retirement benefits	14,476		
Provision for points	17,407		
Provision for reimbursement of deposits	3,583		
Provision for contingent losses	8,466		
Deferred tax liabilities	142,348	4-b	
Deferred tax liabilities for land revaluation	3,016	4-c	
Acceptances and guarantees	470,960		
Total liabilities	60,566,083		
(Net assets)			
Capital stock	261,608	1-a	
Capital surplus	645,047	1-b	
Retained earnings	1,174,286	1-c	
Treasury stock	(34,056)	1-d	
Total shareholders' equity	2,046,886		
Valuation difference on available-for-sale securities	480,536		
Deferred gains or losses on hedges	(23,278)	5	
Revaluation reserve for land	(6,067)		
Foreign currency translation adjustment	2,534		
Adjustments for retirement benefits	(19,488)		
Total accumulated other comprehensive income	434,237		3
Subscription rights to shares	566		1b
Non-controlling interests	331,765	7	
Total net assets	2,813,456		
Total liabilities and net assets	63,379,539		

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	645,047		1-b
Retained earnings	1,174,286		1-c
Treasury stock	(34,056)		1-d
Total shareholder's equity	2,046,886		

(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	2,046,886	Shareholders' equity attributable to common shares (before adjusting national specific regulatory adjustments (earnings to be distributed))	
of which: capital stock and capital surplus	906,656		1a
of which: retained earnings	1,174,286		2
of which: treasury stock (deduction)	34,056		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	217,027		2-a
Securities	5,082,979		2-b
of which: goodwill arising on the application of the equity method	14,313		

Associated deferred tax liabilities	38,015	
-------------------------------------	--------	--

(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)	102,456		8
Other intangible assets (net of related deferred tax liabilities)	90,869		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	121,875		3

Associated deferred tax liabilities	37,327	
-------------------------------------	--------	--

(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)	84,547		15

4. Deferred tax assets

(1) Consolidated balance sheet

Consolidated balance sheet items	Amount	Remarks	Ref. No.
Deferred tax assets	22,910		4-a
Deferred tax liabilities	142,348		4-b
Deferred tax liabilities for land revaluation	3,016		4-c

Associated intangible fixed assets	38,015	
Associated assets for retirement benefits	37,327	

(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)	124	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)	-	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)	-		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	(23,278)		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	(21,095)	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.
Securities	5,082,979		6-a
Loans and bills discounted	28,393,641	Including subordinated loans	6-b
Other assets	1,742,297	Including derivatives	6-c
Other liabilities	1,225,813	Including derivatives	6-d

(2) Composition of capital

Items in the composition of capital	Amount	Remarks	Basel III template No.
Investments in own capital instruments	4		
Common Equity Tier 1 capital	4		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	224,876		
Common Equity Tier 1 capital	1,538		18
Additional Tier 1 capital	246		39
Tier 2 capital	1,576		54
Amount below the thresholds for deduction (before risk weighting)	221,515		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	73,653		
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	-		55
Amount below the thresholds for deduction (before risk weighting)	73,653		73

7. Non-controlling interests

(1) Consolidated balance sheet

Consolidated balance sheet items	Amount	Remarks	Ref. No.
Non-controlling interests	331,765		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)	1,938		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)	12,648		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)	3,228		48-49

8. Other capital instruments

(1) Consolidated balance sheet

Consolidated balance sheet items	Amount	Remarks	Ref. No.
Bonds payable	1,374,549		8

(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	220,000		32
Directly issued qualifying Tier 2 instruments plus related capital surplus of which classified as liabilities under applicable accounting standards	180,000		46