

**Explanation on reconciliation between balance sheet items and regulatory capital elements
as of September 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	26,142,143		
Call loans and bills bought	159,904		
Receivables under resale agreements	75,310		
Receivables under securities borrowing transactions	631,532		
Monetary claims bought	747,500		
Trading assets	534,510		
Money held in trust	1,490		
Securities	5,234,392	2-b, 6-a	
Loans and bills discounted	28,342,609	6-b	
Foreign exchanges	32,772		
Lease receivables and investment assets	686,741		
Other assets	2,049,302	6-c	
Tangible fixed assets	217,944		
Intangible fixed assets	206,893	2-a	
Assets for retirement benefits	124,637	3	
Deferred tax assets	22,632	4-a	
Customers' liabilities for acceptances and guarantees	423,483		
Allowance for loan losses	(104,181)		
Total assets	65,529,618		

Items	Consolidated balance sheet (a)	Ref. No. of appendix	Basel III template No. under the Composition of capital disclosure
	Amount		
(Liabilities)			
Deposits	35,044,955		
Negotiable certificates of deposit	6,966,238		
Call money and bills sold	1,363,588		
Payables under repurchase agreements	1,624,326		
Payables under securities lending transactions	11,881		
Trading liabilities	345,958		
Borrowed money	4,591,776	8-a	
Foreign exchanges	358		
Short-term bonds payable	695,138		
Bonds payable	1,560,962	8-b	
Borrowed money from trust account	8,750,039		
Other liabilities	1,160,072	6-d	
Provision for bonuses	13,828		
Provision for director's bonuses	60		
Liabilities for retirement benefits	14,530		
Provision for points	17,488		
Provision for reimbursement of deposits	3,593		
Provision for contingent losses	8,545		
Deferred tax liabilities	153,969	4-b	
Deferred tax liabilities for land revaluation	3,016	4-c	
Acceptances and guarantees	423,483		
Total liabilities	62,753,814		
(Net assets)			
Capital stock	261,608	1-a	
Capital surplus	645,015	1-b	
Retained earnings	1,209,904	1-c	
Treasury stock	(42,203)	1-d	
Total shareholders' equity	2,074,326		
Valuation difference on available-for-sale securities	495,663		
Deferred gains or losses on hedges	(22,244)	5	
Revaluation reserve for land	(6,381)		
Foreign currency translation adjustment	5,089		
Adjustments for retirement benefits	(17,728)		
Total accumulated other comprehensive income	454,398		3
Subscription rights to shares	803		1b
Non-controlling interests	246,276	7	
Total net assets	2,775,804		
Total liabilities and net assets	65,529,618		

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	645,015		1-b
Retained earnings	1,209,904		1-c
Treasury stock	(42,203)		1-d
Total shareholder's equity	2,074,326		

(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	2,074,326	Shareholders' equity attributable to common shares (before adjusting national specific regulatory adjustments (earnings to be distributed))	
of which: capital stock and capital surplus	906,624		1a
of which: retained earnings	1,209,904		2
of which: treasury stock (deduction)	42,203		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	206,893		2-a
Securities	5,234,392		2-b
of which: goodwill arising on the application of the equity method	10,563		

Associated deferred tax liabilities	36,418	
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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)	96,372		8
Other intangible assets (net of related deferred tax liabilities)	84,666		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	124,637		3

Associated deferred tax liabilities	38,173	
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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)	86,464		15

4. Deferred tax assets

(1) Consolidated balance sheet

Consolidated balance sheet items	Amount	Remarks	Ref. No.
Deferred tax assets	22,632		4-a
Deferred tax liabilities	153,969		4-b
Deferred tax liabilities for land revaluation	3,016		4-c

Associated intangible fixed assets	36,418	
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Associated assets for retirement benefits	38,173	
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(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)	98	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	(22,244)		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	(20,203)	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	5,234,392		6-a
Loans and bills discounted	28,342,609	Including subordinated loans	6-b
Other assets	2,049,302	Including derivatives	6-c
Other liabilities	1,160,072	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	16		
Common Equity Tier 1 capital	16		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	199,341		
Common Equity Tier 1 capital	-		18
Additional Tier 1 capital	-		39
Tier 2 capital	-		54
Amount below the thresholds for deduction (before risk weighting)	199,341		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	80,926		
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)	80,926		73

7. Non-controlling interests

(1) Consolidated balance sheet

Consolidated balance sheet items	Amount	Remarks	Ref. No.
Non-controlling interests	246,276		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)	2,025	Maximum amount (after accounting for adjustments for non-controlling interests)	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)	13,965	Maximum amount (after accounting for adjustments for non-controlling interests)	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)	3,524	Maximum amount (after accounting for adjustments for non-controlling interests)	48-49

8. Other capital instruments

(1) Consolidated balance sheet

Consolidated balance sheet items	Amount	Remarks	Ref. No.
Borrowed money	4,591,776		8-a
Bonds payable	1,560,962		8-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	290,000		32
Directly issued qualifying Tier 2 instruments plus related capital surplus of which classified as liabilities under applicable accounting standards	180,000		46