

**Explanation on reconciliation between balance sheet items and regulatory capital elements
as of December 31, 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	8,984,081		
Call loans and bills bought	504,184		
Receivables under resale agreements	138,104		
Receivables under securities borrowing transactions	309,779		
Monetary claims bought	798,547		
Trading assets	1,122,803		
Money held in trust	1,605		
Securities	5,305,798	2-b, 6-a	
Loans and bills discounted	25,214,222	6-b	
Foreign exchanges	14,475		
Lease receivables and investment assets	522,642		
Other assets	1,772,004	6-c	
Tangible fixed assets	225,699		
Intangible fixed assets	160,102	2-a	
Assets for retirement benefits	117,712	3	
Deferred tax assets	14,463	4-a	
Customers' liabilities for acceptances and guarantees	571,360		
Allowance for loan losses	(89,233)		
Total assets	45,688,353		

Items	Consolidated balance sheet (a)	Ref. No. of appendix	Basel III template No. under the Composition of capital disclosure
	Amount		
(Liabilities)			
Deposits	24,298,060		
Negotiable certificates of deposit	7,252,706		
Call money and bills sold	278,688		
Payables under repurchase agreements	813,760		
Payables under securities lending transactions	2,042		
Trading liabilities	778,527		
Borrowed money	2,210,991		
Foreign exchanges	897		
Short-term bonds payable	1,168,657		
Bonds payable	1,104,019	8	
Borrowed money from trust account	3,042,113		
Other liabilities	1,463,306	6-d	
Provision for bonuses	6,218		
Provision for director's bonuses	180		
Liabilities for retirement benefits	11,448		
Provision for reimbursement of deposits	3,637		
Provision for contingent losses	8,739		
Deferred tax liabilities	121,766	4-b	
Deferred tax liabilities for land revaluation	3,712	4-c	
Acceptances and guarantees	571,360		
Total liabilities	43,140,832		
(Net assets)			
Capital stock	261,608	1-a	
Capital surplus	645,260	1-b	
Retained earnings	937,127	1-c	
Treasury stock	(618)	1-d	
Total shareholders' equity	1,843,378		
Valuation difference on available-for-sale securities	400,828		
Deferred gains or losses on hedges	(21,274)	5	
Revaluation reserve for land	(6,198)		
Foreign currency translation adjustment	13,223		
Adjustments for retirement benefits	(11,810)		
Total accumulated other comprehensive income	374,767		3
Subscription rights to shares	238		1b
Minority interests	329,136	7	
Total net assets	2,547,520		
Total liabilities and net assets	45,688,353		

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	645,260		1-b
Retained earnings	937,127		1-c
Treasury stock	(618)		1-d
Total shareholder's equity	1,843,378		

(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	1,843,378	Shareholders' equity attributable to common shares (before adjusting national specific regulatory adjustments (earnings to be distributed))	
of which: capital stock and capital surplus	906,869		1a
of which: retained earnings	937,127		2
of which: treasury stock (deduction)	618		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	160,102		2-a
Securities	5,305,798		2-b
of which: goodwill arising on the application of the equity method	3,926		

Associated deferred tax liabilities	25,202	
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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)	90,716		8
Other intangible assets (net of related deferred tax liabilities)	48,108		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	117,712		3

Associated deferred tax liabilities	41,954	
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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)	75,758		15

4. Deferred tax assets

(1) Consolidated balance sheet

Consolidated balance sheet items	Amount	Remarks	Ref. No.
Deferred tax assets	14,463		4-a
Deferred tax liabilities	121,766		4-b
Deferred tax liabilities for land revaluation	3,712		4-c

Associated intangible fixed assets	25,202	
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Associated assets for retirement benefits	41,954	
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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)	2,429	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	(21,274)		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	(15,943)	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	5,305,798		6-a
Loans and bills discounted	25,214,222	Including subordinated loans	6-b
Other assets	1,772,004	Including derivatives	6-c
Other liabilities	1,463,306	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	8		
Common Equity Tier 1 capital	8		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	256,653		
Common Equity Tier 1 capital	23,599		18
Additional Tier 1 capital	6,699		39
Tier 2 capital	35,086		54
Amount below the thresholds for deduction (before risk weighting)	191,268		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	48,554		
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)	48,554		73

7.Minority interests

(1) Consolidated balance sheet

Consolidated balance sheet items	Amount	Remarks	Ref. No.
Minority interests	329,136		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)	1,428		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)	9,114		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)	2,439		48-49

8.Other capital instruments

(1) Consolidated balance sheet

Consolidated balance sheet items	Amount	Remarks	Ref. No.
Bonds payable	1,104,019		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	-		32
Directly issued qualifying Tier 2 instruments plus related capital surplus of which classified as liabilities under applicable accounting standards	30,000		46