

**Composition of capital as of March 31, 2016**

&lt;Sumitomo Mitsui Trust Holdings, Inc. &gt;

[Consolidated, International standard]

(Millions of yen, except percentages)

Basel III template No.	Items	March 31, 2016	Amounts excluded under transitional arrangements	March 31, 2015	Amounts excluded under transitional arrangements
<b>Common Equity Tier 1 capital: instruments and reserves</b>					
1a+2-1c-26	Directly issued qualifying common share capital plus related capital surplus and retained earnings	1,941,817		1,835,076	
1a	of which: capital stock and capital surplus	906,715		906,869	
2	of which: retained earnings	1,087,195		970,373	
1c	of which: treasury stock (deduction)	27,097		17,057	
26	of which: earnings to be distributed (deduction)	24,995		25,109	
	of which: others	-		-	
1b	Subscription rights to common shares	421		246	
3	Accumulated other comprehensive income	246,096	164,064	211,855	317,783
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group Common Equity Tier 1)	2,302		944	
	Amount allowed in group Common Equity Tier 1 subject to transitional arrangements	13,634		22,090	
	of which: common share capital issued by subsidiaries and held by third parties	13,634		22,090	
6	Common Equity Tier 1 capital: instruments and reserves (A)	2,204,273		2,070,212	
<b>Common Equity Tier 1 capital: regulatory adjustments</b>					
8+9	Intangible assets other than mortgage servicing rights *	103,342	68,894	55,074	82,612
8	of which: goodwill (including those equivalent)	60,483	40,322	34,613	51,920
9	of which: other intangible assets	42,858	28,572	20,460	30,691
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences *	-	-	237	356
11	Deferred gains or losses on derivatives under hedge accounting	(4,985)	(3,323)	(6,286)	(9,429)
12	Shortfall of eligible provisions to expected losses	11,647	7,765	22,095	33,142
13	Securitization gain on sale	2,383	1,589	2,534	3,801
14	Gains and losses due to changes in own credit risk on fair valued liabilities	-	-	-	-
15	Defined-benefit pension fund net assets (assets for retirement benefits) *	38,045	25,363	51,611	77,416
16	Investments in own shares (excluding those reported in the Net assets section)	22	14	3	4
17	Reciprocal cross-holdings in common equity	-	-	-	-
18	Investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)	-	-	5,091	7,637
19+20+21	Amount above the 10% threshold on the specified items	-	-	-	-
19	of which: significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions	-	-	-	-
20	of which: mortgage servicing rights	-	-	-	-
21	of which: deferred tax assets arising from temporary differences *	-	-	-	-
22	Amount exceeding the 15% threshold on the specified items	-	-	-	-
23	of which: significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions	-	-	-	-
24	of which: mortgage servicing rights	-	-	-	-
25	of which: deferred tax assets arising from temporary differences *	-	-	-	-
27	Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions	-		-	
28	Common Equity Tier 1 capital: regulatory adjustments (B)	150,455		130,361	
<b>Common Equity Tier 1 capital (CET1)</b>					
29	Common Equity Tier 1 capital (C) = (A)-(B)	2,053,817		1,939,850	

(Millions of yen, except percentages)

Basel III template No.	Items	March 31, 2016	Amounts excluded under transitional arrangements	March 31, 2015	Amounts excluded under transitional arrangements
<b>Additional Tier 1 capital: instruments</b>					
30	31a	Directly issued qualifying Additional Tier 1 instruments plus related capital surplus of which classified as equity under applicable accounting standards	-	-	-
	31b	Subscription rights to Additional Tier 1 instruments	-	-	-
	32	Directly issued qualifying Additional Tier 1 instruments plus related capital surplus of which classified as liabilities under applicable accounting standards	120,000	-	-
		Qualifying Additional Tier 1 instruments issued by special purpose vehicles	-	-	-
34-35	Additional Tier 1 instruments issued by subsidiaries and held by third parties (amount allowed in group Additional Tier 1)	10,774		9,781	
33+35	Eligible Tier 1 capital instruments subject to phase out from Additional Tier 1 capital	276,000		276,000	
33	of which: directly issued and issued by special purpose vehicles	116,000		116,000	
35	of which: issued by subsidiaries	160,000		160,000	
	Amount allowed in group Additional Tier 1 subject to transitional arrangements	1,120		8,972	
	of which: foreign currency translation adjustment	1,120		8,972	
36	Additional Tier 1 capital: instruments (D)	407,895		294,754	
<b>Additional Tier 1 capital: regulatory adjustments</b>					
37	Investments in own Additional Tier 1 instruments	-	-	-	-
38	Reciprocal cross-holdings in Additional Tier 1 instruments	-	-	-	-
39	Investments in the Additional Tier 1 instruments of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above 10% threshold)	-	-	1,293	1,939
40	Significant investments in the Additional Tier 1 instruments of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions	-	-	-	-
	Regulatory adjustments applied to Additional Tier 1 subject to transitional arrangements	46,337		72,634	
	of which: goodwill equivalents	40,007		50,810	
	of which: equivalent to intangible fixed assets recorded through business combination	857		1,451	
	of which: equivalent to capital increase due to securitization transactions	1,589		3,801	
	of which: equivalent to 50% of shortfall of eligible provisions to expected losses	3,882		16,571	
42	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	-		-	
43	Additional Tier 1 capital: regulatory adjustments (E)	46,337		73,928	
<b>Additional Tier 1 capital (AT1)</b>					
44	Additional Tier 1 capital (F) = (D)-(E)	361,557		220,826	
<b>Tier 1 capital (T1 = CET1 + AT1)</b>					
45	Tier 1 capital (G) = (C)+(F)	2,415,375		2,160,677	
<b>Tier 2 capital: instruments and provisions</b>					
46		Directly issued qualifying Tier 2 instruments plus related capital surplus of which classified as equity under applicable accounting standards	-	-	-
		Subscription rights to Tier 2 instruments	-	-	-
		Directly issued qualifying Tier 2 instruments plus related capital surplus of which classified as liabilities under applicable accounting standards	90,000	30,000	
		Qualifying Tier 2 instruments issued by special purpose vehicles	-	-	-
48-49	Tier 2 instruments issued by subsidiaries and held by third parties (amount allowed in group Tier 2)	3,007		2,437	
47+49	Eligible Tier 2 capital instruments subject to phase out from Tier 2	401,401		574,183	
47	of which: directly issued and issued by special purpose vehicles	-		-	
49	of which: issued by subsidiaries	401,401		574,183	
50	Provisions allowed in group Tier 2	3,276		399	
50a	of which: general allowance for credit losses	3,276		399	
50b	of which: excess amount of eligible provisions to expected losses	-		-	
	Amount allowed in group Tier 2 subject to transitional arrangements	117,875		194,619	
	of which: 45% of net unrealized gain on available-for-sale securities	118,360		195,329	
	of which: 45% of revaluation reserve for land	(484)		(709)	
51	Tier 2 capital: instruments and provisions (H)	615,560		801,639	

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Basel III template No.	Items	March 31, 2016	Amounts excluded under transitional arrangements	March 31, 2015	Amounts excluded under transitional arrangements
<b>Tier 2 capital: regulatory adjustments</b>					
52	Investments in own Tier 2 instruments	-	-	-	-
53	Reciprocal cross-holdings in Tier 2 instruments	-	-	-	-
54	Investments in the Tier 2 instruments of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above 10% threshold)	-	-	5,126	7,689
55	Significant investments in the Tier 2 instruments of banking, financial and insurance entities that are outside of the scope of regulatory consolidation, net of eligible short positions	-	-	-	-
	Regulatory adjustments applied to Tier 2 subject to transitional arrangements	4,197		18,917	
	of which: investments in the instruments of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions	314		2,346	
	of which: equivalent to 50% of shortfall of eligible provisions to expected losses	3,882		16,571	
57	Tier 2 capital: regulatory adjustments (I)	4,197		24,043	
<b>Tier 2 capital (T2)</b>					
58	Tier 2 capital (J) = (H)-(I)	611,363		777,595	
<b>Total capital (TC = T1 + T2)</b>					
59	Total capital (K) = (G)+(J)	3,026,739		2,938,272	
<b>Total risk weighted assets</b>					
	Risk weighed assets subject to transitional arrangements	53,124		141,362	
	of which: intangible assets other than mortgage servicing rights *	27,714		29,239	
	of which: deferred tax assets that rely on future profitability excluding those arising from temporary differences *	-		356	
	of which: defined-benefit pension fund net assets *	25,363		77,416	
	of which: investments in own instruments	46		10	
	of which: investments in the instruments of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions	-		34,338	
60	Total risk weighted assets (L)	18,065,889		18,868,499	
<b>Capital ratios (consolidated)</b>					
61	Common Equity Tier 1 capital ratio (C)/(L)	11.36%		10.28%	
62	Tier 1 capital ratio (G)/(L)	13.36%		11.45%	
63	Total capital ratio (K)/(L)	16.75%		15.57%	
<b>Regulatory adjustments (before risk weighting)</b>					
72	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 (amount below the threshold for deduction)	190,719		205,271	
73	Significant investments in the common stock of banking, financial and insurance entities (amount below the thresholds for deduction)	54,976		49,781	
74	Mortgage servicing rights (amount below the thresholds for deduction)	-		-	
75	Deferred tax assets arising from temporary differences (amount below the thresholds for deduction)	-		-	
<b>Provisions included in Tier 2 capital: instruments and provisions</b>					
76	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardized approach (prior to applicable of cap)	3,276		399	
77	Cap on inclusion of provisions in Tier 2 under standardized approach	7,042		4,653	
78	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal rating-based approach (prior to applicable of cap)	-		-	
79	Cap on inclusion of provisions in Tier 2 under internal ratings-based approach	92,252		99,928	
<b>Capital instruments subject to phase out arrangements</b>					
82	Current cap on Additional Tier 1 instruments subject to phase out arrangements	327,000		381,500	
83	Amount excluded from Additional Tier 1 due to cap (excess over cap after redemptions and maturities)	-		-	
84	Current cap on Tier 2 instruments subject to phase out arrangements	514,745		600,536	
85	Amount excluded from Tier 2 due to cap (excess over cap after redemptions and maturities)	-		-	

\* net of related deferred tax liabilities