

**Explanation on reconciliation between balance sheet items and regulatory capital elements
as of March 31, 2016**

<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	19,924,523		
Call loans and bills bought	705,252		
Receivables under resale agreements	110,377		
Receivables under securities borrowing transactions	326,457		
Monetary claims bought	889,445		
Trading assets	614,290		
Money held in trust	1,749	6-a	
Securities	4,926,236	2-b, 6-b	
Loans and bills discounted	27,525,862	6-c	
Foreign exchanges	17,223		
Lease receivables and investment assets	608,433		
Other assets	1,622,859	6-d	
Tangible fixed assets	226,824		
Buildings	74,417		
Land	127,424		
Lease assets	3,437		
Construction in progress	1,877		
Other	19,667		
Intangible fixed assets	202,163	2-a	
Software	91,241		
Goodwill	100,019		
Lease assets	212		
Other	10,689		
Assets for retirement benefits	91,404	3	
Deferred tax assets	23,952	4-a	
Customers' liabilities for acceptances and guarantees	503,742		
Allowance for loan losses	(90,851)		
Total assets	58,229,948		

Items	Consolidated balance sheet (a)	Ref. No. of appendix	Basel III template No. under the Composition of capital disclosure
	Amount		
(Liabilities)			
Deposits	26,701,948		
Negotiable certificates of deposit	7,130,632		
Call money and bills sold	38,968		
Payables under repurchase agreements	653,456		
Trading liabilities	451,751		
Borrowed money	2,580,524		
Foreign exchanges	259		
Short-term bonds payable	1,253,207		
Bonds payable	1,076,118	8	
Borrowed money from trust account	13,694,600		
Other liabilities	1,253,630	6-e	
Provision for bonuses	16,321		
Provision for director's bonuses	255		
Liabilities for retirement benefits	13,937		
Provision for points	17,711		
Provision for reimbursement of deposits	3,676		
Provision for contingent losses	7,642		
Deferred tax liabilities	123,927	4-b	
Deferred tax liabilities for land revaluation	3,126	4-c	
Acceptances and guarantees	503,742		
Total liabilities	55,525,436		
(Net assets)			
Capital stock	261,608	1-a	
Capital surplus	645,106	1-b	
Retained earnings	1,087,195	1-c	
Treasury stock	(27,097)	1-d	
Total shareholders' equity	1,966,813		
Valuation difference on available-for-sale securities	467,517		
Deferred gains or losses on hedges	(13,169)	5	
Revaluation reserve for land	(5,819)		
Foreign currency translation adjustment	2,800		
Adjustments for retirement benefits	(41,168)		
Total accumulated other comprehensive income	410,160		3
Subscription rights to shares	421		1b
Non-controlling interests	327,116	7	
Total net assets	2,704,511		
Total liabilities and net assets	58,229,948		

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	645,106		1-b
Retained earnings	1,087,195		1-c
Treasury stock	(27,097)		1-d
Total shareholder's equity	1,966,813		

(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	1,966,813	Shareholders' equity attributable to common shares (before adjusting national specific regulatory adjustments (earnings to be distributed))	
of which: capital stock and capital surplus	906,715		1a
of which: retained earnings	1,087,195		2
of which: treasury stock (deduction)	27,097		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	202,163		2-a
Securities	4,926,236		2-b
of which: goodwill arising on the application of the equity method	786		

Associated deferred tax liabilities	30,713	
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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)	100,806		8
Other intangible assets (net of related deferred tax liabilities)	71,430		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	91,404		3

Associated deferred tax liabilities	27,995		
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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)	63,409		15

4. Deferred tax assets

(1) Consolidated balance sheet

Consolidated balance sheet items	Amount	Remarks	Ref. No.
Deferred tax assets	23,952		4-a
Deferred tax liabilities	123,927		4-b
Deferred tax liabilities for land revaluation	3,126		4-c

Associated intangible fixed assets	30,713		
Associated assets for retirement benefits	27,995		

(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)	-	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	(13,169)		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	(8,309)	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	1,749		6-a
Securities	4,926,236		6-b
Loans and bills discounted	27,525,862	Including subordinated loans	6-c
Other assets	1,622,859	Including derivatives	6-d
Other liabilities	1,253,630	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	36		
Common Equity Tier 1 capital	36		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	190,719		
Common Equity Tier 1 capital	-		18
Additional Tier 1 capital	-		39
Tier 2 capital	-		54
Amount below the thresholds for deduction (before risk weighting)	190,719		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	54,976		
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)	54,976		73

7.Non-controlling interests

(1) Consolidated balance sheet

Consolidated balance sheet items	Amount	Remarks	Ref. No.
Non-controlling interests	327,116		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)	2,302		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)	10,774		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)	3,007		48-49

8.Other capital instruments

(1) Consolidated balance sheet

Consolidated balance sheet items	Amount	Remarks	Ref. No.
Bonds payable	1,076,118		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	120,000		32
Directly issued qualifying Tier 2 instruments plus related capital surplus of which classified as liabilities under applicable accounting standards	90,000		46