

**Explanation on reconciliation between balance sheet items and regulatory capital elements
as of March 31, 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	26,944,478		
Call loans and bills bought	124,706		
Receivables under resale agreements	83,888		
Receivables under securities borrowing transactions	480,453		
Monetary claims bought	906,572		
Trading assets	496,563		
Money held in trust	1,650		
Securities	5,127,717	2-b, 6-a	
Loans and bills discounted	28,040,446	6-b	
Foreign exchanges	16,189		
Lease receivables and investment assets	667,808		
Other assets	1,638,186	6-c	
Tangible fixed assets	225,814		
Buildings	74,330		
Land	125,959		
Lease assets	5,901		
Construction in progress	811		
Other	18,812		
Intangible fixed assets	214,790	2-a	
Software	114,447		
Goodwill	90,492		
Lease assets	188		
Other	9,661		
Assets for retirement benefits	119,018	3	
Deferred tax assets	23,243	4-a	
Customers' liabilities for acceptances and guarantees	458,010		
Allowance for loan losses	(115,814)		
Total assets	65,453,725		

Items	Consolidated balance sheet (a)	Ref. No. of appendix	Basel III template No. under the Composition of capital disclosure
	Amount		
(Liabilities)			
Deposits	36,000,814		
Negotiable certificates of deposit	7,326,617		
Call money and bills sold	54,089		
Payables under repurchase agreements	1,063,737		
Payables under securities lending transactions	13,699		
Trading liabilities	366,879		
Borrowed money	3,463,105		
Foreign exchanges	236		
Short-term bonds payable	904,248		
Bonds payable	1,385,098	8	
Borrowed money from trust account	10,274,143		
Other liabilities	1,151,325	6-d	
Provision for bonuses	16,331		
Provision for director's bonuses	259		
Liabilities for retirement benefits	14,048		
Provision for points	17,519		
Provision for reimbursement of deposits	3,583		
Provision for contingent losses	7,774		
Deferred tax liabilities	137,501	4-b	
Deferred tax liabilities for land revaluation	3,016	4-c	
Acceptances and guarantees	458,010		
Total liabilities	62,662,042		
(Net assets)			
Capital stock	261,608	1-a	
Capital surplus	645,048	1-b	
Retained earnings	1,159,028	1-c	
Treasury stock	(34,061)	1-d	
Total shareholders' equity	2,031,623		
Valuation difference on available-for-sale securities	476,848		
Deferred gains or losses on hedges	(21,018)	5	
Revaluation reserve for land	(6,067)		
Foreign currency translation adjustment	2,135		
Adjustments for retirement benefits	(20,905)		
Total accumulated other comprehensive income	430,992		3
Subscription rights to shares	577		1b
Non-controlling interests	328,488	7	
Total net assets	2,791,682		
Total liabilities and net assets	65,453,725		

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	645,048		1-b
Retained earnings	1,159,028		1-c
Treasury stock	(34,061)		1-d
Total shareholder's equity	2,031,623		

(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	2,031,623	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	1,159,028		2
of which: treasury stock (deduction)	34,061		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	214,790		2-a
Securities	5,127,717		2-b
of which: goodwill arising on the application of the equity method	11,885		

Associated deferred tax liabilities	36,600	
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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)	102,377		8
Other intangible assets (net of related deferred tax liabilities)	87,697		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	119,018		3

Associated deferred tax liabilities	36,452	
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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)	82,566		15

4. Deferred tax assets

(1) Consolidated balance sheet

Consolidated balance sheet items	Amount	Remarks	Ref. No.
Deferred tax assets	23,243		4-a
Deferred tax liabilities	137,501		4-b
Deferred tax liabilities for land revaluation	3,016		4-c

Associated intangible fixed assets	36,600	
Associated assets for retirement benefits	36,452	

(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)	152	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	(21,018)		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	(18,579)	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	5,127,717		6-a
Loans and bills discounted	28,040,446	Including subordinated loans	6-b
Other assets	1,638,186	Including derivatives	6-c
Other liabilities	1,151,325	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	2		
Common Equity Tier 1 capital	2		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	231,675		
Common Equity Tier 1 capital	6,203		18
Additional Tier 1 capital	1,027		39
Tier 2 capital	7,166		54
Amount below the thresholds for deduction (before risk weighting)	217,279		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	71,955		
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)	71,955		73

7. Non-controlling interests

(1) Consolidated balance sheet

Consolidated balance sheet items	Amount	Remarks	Ref. No.
Non-controlling interests	328,488		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)	1,949		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)	12,454		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)	3,292		48-49

8. Other capital instruments

(1) Consolidated balance sheet

Consolidated balance sheet items	Amount	Remarks	Ref. No.
Bonds payable	1,385,098		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	140,000		46