

June 27, 2014

To whom it may concern

Sumitomo Mitsui Trust Holdings, Inc.
(Securities Code: 8309 TSE, NSE)

Issuance of Stock-compensation-type Stock Options (Share Acquisition Rights)

Sumitomo Mitsui Trust Holdings, Inc. (President: Kunitaro Kitamura; hereinafter "SMTH") hereby announces that it has resolved at the board of directors' meeting held today to issue stock-compensation-type stock options (share acquisition rights), subject to Article 238, Paragraph 2 and Article 240, Paragraph 1 of the Companies Act, to the directors (excluding external directors) and executive officers of SMTH and Sumitomo Mitsui Trust Bank, Limited, (hereinafter "SMTB") which is a subsidiary of SMTH, as follows.

1. Reason for issuing share acquisition rights as stock options

The purpose of the issuance is to further heighten the enthusiasm and morale of directors (excluding external directors) and executive officers of SMTH and SMTB to improve SMTH's consolidated performance and share price, and to increase return to shareholders, by sharing both the rewards and risks of share price movement.

2. Allottees of share acquisition rights, the number of allottees, and the number of share acquisition rights to be allotted

Allottees	Number of allottees	Number of share acquisition rights
Directors and executive officers of SMTH	23	183
Directors and executive officers of SMTB	40	221
Total	63	404

3. Terms and Conditions of share acquisition rights

The terms and conditions of the share acquisition rights as stock options to be issued will be described in the exhibit.

End.

For further information, please contact:
IR Department, Sumitomo Mitsui Trust Holdings, Inc.
Telephone: +81-3-3286-8354
Facsimile: +81-3-3286-4654

Terms and Conditions of Issuance of Share Acquisition Rights
(Sumitomo Mitsui Trust Holdings, Inc., Fourth series)

(1) Type and number of shares that are the subject of share acquisition rights

1,000 SMTH common shares per one share acquisition right.

Where SMTH conducts a share split or consolidation of shares, the number of shares that are the subject of share acquisition rights shall be adjusted using the following formula. However, the adjustment shall be made only for those shares that are the subject of share acquisition rights that are not exercised at the time of the share split or consolidation of shares. Fractions less than one share arising from the adjustment shall be rounded down.

$$\text{Number of shares after adjustment} = \frac{\text{Number of shares before adjustment}}{\text{adjustment}} \times \text{Split/ consolidation ratio}$$

Moreover, if SMTH conducts a merger, company split, share exchange, or share transfer (collectively, the “Mergers, etc.”), or an allotment of shares without contribution, or in any cases where adjustments of the number of shares are required, the number of shares may be adjusted within a reasonable scope by taking into consideration the conditions of the Mergers, etc. or those of the allotment of shares without contribution, or other factors.

(2) Total number of share acquisition rights

404 rights.

The above number of rights is the number of rights planned to be allotted. If the total number of share acquisition rights declines, such as where applications for subscription are not made, then the total number of share acquisition rights to be allotted shall be the total number of share acquisition rights to be issued.

(3) Amount to be paid in for share acquisition rights

The amount to be paid in upon allotment of each share acquisition right shall be the amount of (x) the option price per SMTH common share calculated by the Black-Scholes Model based on the basic numerical values set forth in 2) to 7) below multiplied by (y) the number of shares that are the subject of the share acquisition right (fractions less than one yen shall be rounded up).

$$C = Se^{-qT}N(d) - Xe^{-rT}N(d - \sigma\sqrt{T})$$

$$d = \frac{\ln\left(\frac{S}{X}\right) + \left(r - q + \frac{\sigma^2}{2}\right)T}{\sigma\sqrt{T}}$$

- 1) Option price per share (C)
- 2) Share price (S): closing price of August 1, 2014, for the regular exchange of SMTH common shares at the Tokyo Stock Exchange (closing price of the immediately preceding day if there is no closing price for the above date)
- 3) Exercise Price (X): the amount described at (4) below
- 4) Expected remaining period (T): 2.02 years
- 5) Share price volatility (σ): share price volatility rate calculated based on the closing price of every last trading day of a week during the past consecutive period

corresponding to the expected remaining period set forth in 4) above, for the regular exchange of SMTH common shares

- 6) Risk-free interest rate (r): interest rate on Japanese government bonds, of which the remaining years correspond to the expected remaining period set forth in 4) above
- 7) Dividend yield (q): dividend per share \div share price mentioned in 2) above
- 8) Cumulative distribution function of standard normal distribution ($N(\cdot)$)

The amount obtained above is the fair price of a share acquisition right; therefore, the issuance does not constitute a favorable issue. Any person who is allotted a share acquisition right shall, instead of paying the amount to be paid-in, offset the payment with his/ her remuneration claim that he/ she has against SMTH.

- (4) Amount of assets to be contributed upon the exercise of share acquisition rights

The amount of assets to be contributed upon the exercise of share acquisition rights shall be calculated by multiplying (x) the amount to be paid-in upon the exercise of share acquisition rights per share (the "Exercise Price"), which is (1) yen, and (y) the number of shares that are the subject of the share acquisition right.

- (5) Exercise period of share acquisition rights

The exercise period shall be from August 31, 2014, to July 31, 2044. If the last day of the exercise period falls on a SMTH holiday, the immediately preceding business day shall be the last day.

- (6) Conditions for exercising share acquisition rights

- 1) The holder of a share acquisition right may exercise share acquisition rights from the day immediately following the date when that holder of a share acquisition right ceases to hold any position as a director or an executive officer of SMTH or SMTB.

- 2) When a share acquisition right holder dies, provided that a single statutory heir (the "Transferee of Right") inherits all the share acquisition rights, the Transferee of Right may exercise the share acquisition rights. If the Transferee of Right dies, then the heirs of the Transferee of Right cannot inherit the share acquisition rights.

- (7) Matters regarding capital stock and capital surplus that are to increase when shares are issued upon the exercise of share acquisition rights

- 1) The amount of capital stock that is to increase when shares are issued upon the exercise of share acquisition rights shall be the amount equivalent to half of the maximum limit of capital increase that is calculated according to the Ordinance on Accounting of Companies, Article 17, Paragraph 1. If fractions less than one yen arise because of the calculation, then the fractions shall be rounded up.

- 2) The amount of capital surplus that is to increase when shares are issued upon the exercise of share acquisition rights shall be the amount obtained by deducting (x) the amount of the capital stock to be increased set forth in 1) above from (y) the maximum limit of capital increase mentioned in 1) above.

- (8) Restriction on transfer of share acquisition rights

The acquisition of share acquisition rights by transfer shall require approval of the board of directors.

(9) Conditions for acquisition of share acquisition rights

1) If a share acquisition right holder no longer satisfies the conditions for exercising share acquisition rights subject to (6) above, SMTH may acquire his/ her share acquisition rights without charge.

2) If any of the following occurs to a share acquisition right holder, SMTH may, subject to a resolution of its board of directors' meeting, acquire the share acquisition rights of the share acquisition right holder without charge.

- (A) If a share acquisition right holder materially breaches laws or SMTH's internal regulations.
- (B) If a share acquisition right holder is punished by imprisonment without work or by a punishment that is more severe.
- (C) If a share acquisition right holder assumes or agrees to assume the office of an officer of, or is employed or agrees to be employed by, any competitive companies without SMTH's prior approval.
- (D) If a share acquisition right holder offers to waive all of his/ her share acquisition rights.

3) If a proposal to approve a merger agreement under which SMTH will be an extinct company is approved at SMTH's shareholders' meeting, or if a proposal to approve a share exchange agreement or a share transfer plan under which SMTH will be a wholly-owned subsidiary company is approved at SMTH's shareholders' meeting, then SMTH may acquire share acquisition rights without charge.

(10) Treatment of share acquisition rights if SMTH conducts organizational restructuring

If SMTH conducts a merger (limited to where SMTH is extinguished in a merger), absorption-type split or incorporation-type split (in each case, limited to where SMTH is a splitting company), or share exchange or share transfer (in each case, limited to where SMTH becomes a wholly-owned subsidiary company) (collectively, the "Organizational Restructuring"), SMTH shall provide share acquisition rights to the remaining share acquisition rights holders who held the remaining share acquisition rights (the "Remaining Share Acquisition Rights") at the time immediately preceding the effective date of the Organizational Restructuring (i.e., the date on which an absorption-type merger becomes effective, the date on which a stock company is incorporated through a consolidation-type merger, the date on which an absorption-type split becomes effective, the date on which a stock company is incorporated through an incorporation-type split, the date on which a share exchange becomes effective, or the date on which a wholly-owning parent company is incorporated through a share transfer; hereinafter the same) with share acquisition rights of any of the stock companies listed in the Companies Act, Article 236, Paragraph 1, Item (viii), (i) to (ho) (inclusive) (the "Organizational Restructuring Company") according to the respective Organizational Restructuring. In this case, the Remaining Share Acquisition Rights shall be extinguished, and the Organizational Restructuring Company shall newly issue share acquisition rights; provided that an absorption-type merger agreement, consolidation-type merger agreement, absorption-type split agreement, incorporation-type split plan, share exchange agreement, or share transfer plan states that share acquisition rights of the Organizational Restructuring Company shall be provided according to each of the following:

- 1) Number of share acquisition rights of the Organizational Restructuring Company to be provided

The number equivalent to the number of the Remaining Share Acquisition Rights held by the respective share acquisition holders.

2) Type of shares of the Organizational Restructuring Company that are the subject of share acquisition rights

Common shares of the Organizational Restructuring Company.

3) Number of shares of the Organizational Restructuring Company that are the subject of share acquisition rights

To be determined according to (1) above by taking into consideration the conditions and the like for the Organizational Restructuring.

4) Amount of assets to be contributed upon the exercise of share acquisition rights

The amount of assets to be contributed upon the exercise of each share acquisition right to be provided shall be the amount obtained by multiplying (x) the Exercise Price after the organizational restructuring determined according to (4) above by (y) the number of shares of the Organizational Restructuring Company that are the subject of the share acquisition right determined according to 3) above.

5) Exercise period of share acquisition rights

The exercise period shall be from the later date of either (i) the commencement date of the period in which share acquisition rights may be exercised as set forth in (5) above, or (ii) the effective date of the Organizational Restructuring, to the expiration date of the period in which share acquisition rights may be exercised as set forth in (5) above.

6) Matters regarding capital stock and capital surplus that are to increase when shares are issued upon the exercise of share acquisition rights

To be determined according to (7) above.

7) Restriction on transfer of share acquisition rights

The acquisition of share acquisition rights by transfer shall require the approval of the board of directors of the Organizational Restructuring Company.

8) Conditions for acquisition of share acquisition rights

To be determined according to (9) above.

(11) Rounding down of fractions arising from the exercise of share acquisition rights

If the number of shares to be provided to share acquisition right holders includes any fractions less than one share, the fractions shall be rounded down.

(12) Treatment of certificates of share acquisition rights if issued

Certificates of share acquisition rights shall not be issued.

(13) Allotment date of share acquisition rights

August 1, 2014.

(14) Date of payment of money to be made in exchange for share acquisition rights

August 1, 2014.

(15) Place to apply for the exercise of share acquisition rights

SMTH's Human Resources Department or any department that is in charge of the operation at the time of the exercise.

(16) Place to handle payment upon the exercise of share acquisition rights

SMTB, Head Office Business Department, or the successor bank of SMTB, or the successor branch of the Head Office Business Department.

End.