

July 27, 2017

To whom it may concern

Sumitomo Mitsui Trust Holdings, Inc.
(Securities Code: 8309 TSE, NSE)
Sumitomo Mitsui Trust Bank, Limited
Sumitomo Mitsui Trust Asset Management Co., Ltd.

**Notice regarding Basic Policy for the Split and Integration of Asset
Management Functions**

Sumitomo Mitsui Trust Holdings, Inc. (President: Tetsuo Ohkubo) hereby announces that it has decided on the basic policy for the split of asset management functions from Sumitomo Mitsui Trust Bank, Limited (President: Masaru Hashimoto, hereinafter “SuMi TRUST”), and the integration of aforementioned functions with the related Group company, Sumitomo Mitsui Trust Asset Management Co., Ltd. (President: Hideki Hiraki, hereinafter “SuMi TRUST AM”) (the “Business Split and Integration”), with the purpose of strengthening the asset management business, which is positioned as a growth business for the Sumitomo Mitsui Trust Group.

Further, as a preparatory step for the Business Split and Integration, we will segregate as a business within the company, the asset management business of SuMi TRUST, which is to be the subject of the split and integration, and we will commence concrete initiatives, beginning with formulation of growth strategies.

1. Background to the Business Split and Integration

With the continued harsh asset management environment of low interest rates worldwide, and increasing price volatility in a wide-range of assets, etc., for clients of all sizes, from individuals and corporations to institutional investors, there are increasing expectations on asset management companies to provide stable and high-quality investment returns, and the provision of products that contribute to future asset-formation primarily through medium- to long-term investment has become an important social mission for asset management companies.

In addition, as a further social mission, asset management companies are urged to contribute to Japan’s economic growth through sophistication of the investment chain, by providing growth capital through asset management products and making sustainable improvements to corporate value through constructive dialogue.

In order to meet these expectations, SuMi TRUST, which has been providing services for corporate and institutional investors for many years, will split its asset management functions, which

feature high-level know-how and quality, and strategically integrate aforementioned functions with SuMi TRUST AM, which has been aiming to expand its business from individual investors, focusing on defined contribution pensions, fund wraps, and index trusts, etc. We aim to concentrate and proactively allocate our management resources to growth areas.

2. Vision for the New Company

As a new asset management company that boasts of being among the largest in scale in Japan, the new company will focus on development of asset management products that will allow clients to entrust, with peace of mind, their medium- to long-term asset formation, and will aim to be an asset management company that has nationally well-known brand power, with recognition from many clients that “SuMi TRUST AM is the most reliable partner in medium- to long-term investment”.

The new company will aim to thoroughly strengthen its asset management capabilities, and it will be equipped with an extensive line-up that is responsive to the broad-range of investor needs, and will pursue the maximization of client profits by responding swiftly to the various client needs.

Sumitomo Mitsui Trust Group, as a financial group specialized in trust banking, has as its management philosophy, the fulfillment of “trustee’s responsibilities” – which are the origin of fiduciary duties. In this specific matter of the split and integration of the asset management business, in order to contribute to business conduct that is still more thoroughly client-oriented, and the improvement of management independence and transparency, the new company intends to continue to enhance its corporate governance framework through measures such as, for example, actively inviting external experts with high-level knowledge to serve as independent external directors.

3. Schedule for the Business Split and Integration

For the Business Split and Integration, we will, effective on August 1, 2017, implement business segregation within the company regarding the asset management operations relating to the fiduciary services business of SuMi TRUST, which is to be the subject of the integration, and we will commence concrete preparations.

Based on detailed review and discussions, and subject to matters such as necessary resolutions of the board of directors and the shareholder of each company, and filings with the relevant Japanese and overseas authorities, and approvals, we will aim for integration during Fiscal Year 2018.

[Reference] Overview of the Relevant Parties (as at June 30, 2017)

	Sumitomo Mitsui Trust Bank Limited	Sumitomo Mitsui Trust Asset Management Co., Ltd.
Location of Head Office	1-4-1 Marunouchi, Chiyoda-ku, Tokyo	3-33-1 Shiba, Minato-ku, Tokyo
Title and Name of Representative	President: Masaru Hashimoto	President: Hideki Hiraki
Business	Trust Business, Banking Business, Investment Management Business, Investment Advisory and Agency Business, etc.	Investment Management Business, Investment Advisory and Agency Business, Type II Financial Instruments Business
Capital	342.0 billion yen	0.3 billion yen
Date of Establishment	July 28, 1925 (Change of trade name: April 1, 2012)	November 1, 1986 (Change of trade name: April 1, 2012)
Number of Employees	13,647 (including 400 responsible for asset management functions) (as at March 31, 2017)	274 (as at March 31, 2017)
Shareholder (Shareholding Ratio)	Sumitomo Mitsui Trust Holdings, Inc. (100%)	Sumitomo Mitsui Trust Holdings, Inc. (100%)
Total Assets	51,100 billion yen (as at March 31, 2017)	9,500 billion yen (as at March 31, 2017)
Most Recent Operating Results (FY 2016)	Ordinary Income: 809.5 billion yen Ordinary Profit: 117.3 billion yen Net Income: 77.6 billion yen	Operating Revenue: 30.2 billion yen Ordinary Profit: 6.2 billion yen Net Income: 4.3 billion yen

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