

March 28, 2018

To whom it may concern

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

Notice regarding Execution of Agreement concerning the Integration of Trust Banks
Specializing in Asset Administration Services (Joint Share Transfer) and regarding Change in
Status of Subsidiaries

Sumitomo Mitsui Trust Holdings, Inc. (Director, President: Tetsuo Ohkubo) (the “Company”) hereby announces that a consolidated subsidiary of the Company, Japan Trustee Services Bank, Ltd. (Representative Director and President: Yasuo Kuwana, “JTSB”) executed today, with Trust & Custody Services Bank, Ltd. (President & CEO: Akira Moriwaki, “TCSB”), a business integration agreement (the “Integration Agreement”) to carry out a business integration through incorporating a holding company named “JTC Holdings, Ltd.” (“JTC Holdings”) by way of a joint share transfer (the “Joint Share Transfer”) and conducting an absorption-type merger of JTC Holdings, JTSB, and TCSB (the “Integration”); further, the Company announces that it expects a change in status of subsidiaries as a result of the execution of the Integration Agreement.

The implementation of the Integration is conditional upon the applications to and approvals from the relevant regulatory authorities.

I. Overview of the Integration

1. Purpose of the Integration

Since its establishment in 2000, JTSB, operating primarily in trust services (acting as a trustee when tasked with re-entrustment from trust banks), has expanded its assets under custody and administration, and holds entrusted assets of JPY 276 trillion (as of December 31, 2017).

Since its establishment in 2001, TCSB is characterized by its wide range of businesses in addition to trust services, such as comprehensive securities management outsourcing services to life insurers, and holds its assets under custody and administration of JPY 384 trillion (as of December 31, 2017), comprising entrusted assets and assets managed under custody agreements, etc.

The purpose of the Integration is to contribute to further growth in the domestic securities settlement market, and the enhancement of the domestic investment chain, through realizing more stable and higher quality operations, and strengthening its system development capabilities by concentrating JTSB’s and TCSB’s managerial resources and know-how in relation to their asset administration services, and seeking the benefit of scale.

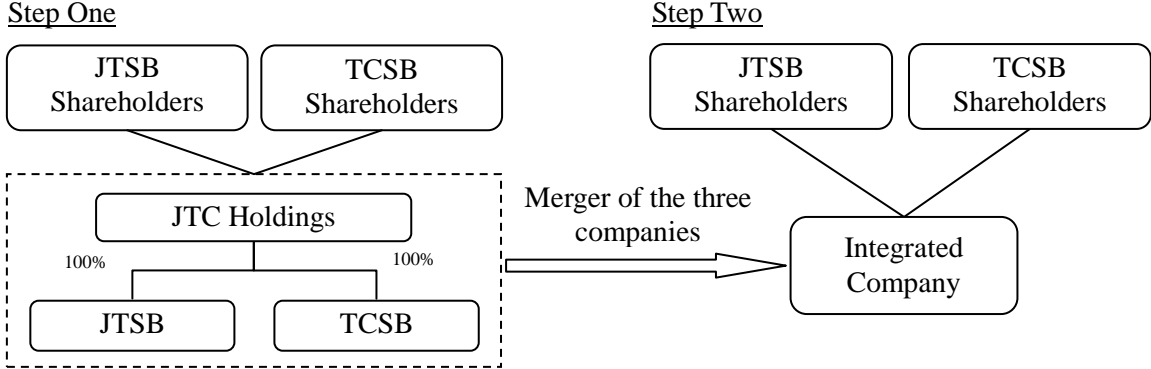
The integrated company will realize the enhancement of business operations by strengthening operational systems and developing human resources specializing in asset administration services, and fulfill its social mission to support securities settlement infrastructure in Japan, applying its advanced expertise to a wide range of businesses, including trust services, information integration services, security custody services, and comprehensive securities management outsourcing services to life insurers, and aims to be the top trust bank specializing in asset administration services in Japan, to meet a wide variety of customer needs in asset administration services.

2. Integration Structure

In the Integration, for the first step, JTSB and TCSB will incorporate JTC Holdings, a holding company whose shareholders are JTSB’s and TCSB’s existing shareholders, by implementing the Joint Share Transfer, and JTSB and TCSB will become wholly-owned subsidiaries of JTC Holdings. Then, for the second step, around 2021, the integrated company will be established by implementing an absorption-type merger of JTC Holdings, JTSB, and TCSB.

We will further discuss the integrated company’s corporate name, the surviving company, the detailed structures and other details regarding the absorption-type merger of JTC Holdings, JTSB, and

TCSB, and will make announcements once those details have been determined. In addition, each step for the Integration are conditional upon the applications to and approvals from the relevant regulatory authorities.



3. Allotment of Shares in Relation to the Joint Share Transfer (Share Transfer Ratio)

	JTSB	TCSB
Share transfer ratio	1	1.02

As a result of the Joint Share Transfer, for 1 share of JTSB’s common stock, 1 shares of JTC Holdings’ common stock; and for 1 share of TCSB’s common stock, 1.02 share of JTC Holdings’ common stock will be allotted and issued to the shareholders, respectively. The number of new shares issued by JTC Holdings as a result of the Joint Share Transfer will be 2,040,000 shares.

4. Treatment of Share Options and Bonds with Share Option

This item is not applicable as JTSB and TCSB has not issued any share options or bonds with share option.

5. Valuation Basis of the Allotment of Shares in relation to the Joint Share Transfer

When considering the number of allotted shares of JTC Holdings as the consideration for the Joint Share Transfer, JTSB evaluated the share transfer ratio of JTSB’s and TCSB’s shares based on the financial statements and future business plans of JTSB and TCSB. As a result of the repeated serious discussions with TCSB, JTSB has reached a conclusion that the share transfer ratio stated in 3. above is reasonable and not detrimental to its shareholders’ interests; and has subsequently agreed with TCSB as described above.

6. Integration Timetable (scheduled)

March 28, 2018	Execution of the Integration Agreement
by May 31, 2018	Resolution of the share transfer plan at the respective board of directors meetings of JTSB and TCSB (scheduled)
by June 30, 2018	Resolution of the share transfer plan at the respective shareholders meetings of JTSB and TCSB (scheduled)
October 1, 2018	Incorporation date of JTC Holdings (effective date) (scheduled)
around 2021	Establishment of the integrated company through the merger of JTC Holdings, JTSB, and TCSB(scheduled)

*This timetable may be changed as a result of the discussion and agreement between related parties, in case such change is necessary due to the procedural necessity regarding the Joint Share Transfer or other reasons.

7. Overview of the Companies Involved in the Joint Share Transfer (as of December 31, 2017)

(1) Name	Nihon Trustee Service Shintaku Ginko Kabushiki Kaisha (English) Japan Trustee Services Bank, Ltd.			
(2) Address	8-11, Harumi 1-chome, Chuo-ku, Tokyo			
(3) Representative	Representative Director and President Yasuo Kuwana			
(4) Scope of Operations	Securities processing services, trust services and bank businesses related to asset administration services, and businesses related to Japanese master trusts			
(5) Capital Stock	JPY 51 billion			
(6) Incorporation Date	June 20, 2000			
(7) Number of Issued Shares	1,020,000 shares			
(8) Fiscal Year-End	March 31			
(9) Number of Employees	1,072			
(10) Shareholders and Shareholding Ratio	Sumitomo Mitsui Trust Holdings, Inc.		66.6%	
	Resona Bank, Limited		33.3%	
(11) Relationship with the Company	Capital Relationship	The Company holds 680,000 shares in JTSB. JTSB does not hold the Company's shares.		
	Human Resources Relationship	A director of the Company serves as a part-time statutory auditor of JTSB.		
	Business Relationship	Sumitomo Mitsui Trust Bank, Limited, a consolidated subsidiary of the Company, outsources work to JTSB including the re-entrustment of the customers' assets.		
	Related Party Status	JTSB is a consolidated subsidiary, and therefore a related party, of the Company.		
(12) Assets under Custody and Administration	JPY 309 trillion, consisting of: JPY 276 trillion of entrusted assets; and JPY 33 trillion of assets managed under custody agreements, etc.			
(13) Financial Status, and Business Performance for the Past Three Years		FY Ended March 2015	FY Ended March 2016	FY Ended March 2017
	Net Assets	JPY 58,700 million	JPY 58,981 million	JPY 59,156 million
	Total Assets	JPY 2,468,835 million	JPY 6,901,302 million	JPY 13,201,888 million
	Net Assets per Share	JPY 57,549.99	JPY 57,825.09	JPY 57,996.58
	Ordinary Revenue	JPY 27,602 million	JPY 27,891 million	JPY 26,559 million
	Ordinary Profit	JPY 788 million	JPY 570 million	JPY 576 million
	Net Profit	JPY 460 million	JPY 348 million	JPY 390 million
	Net Profit per Share	JPY 451.25	JPY 341.87	JPY 383.24
	Dividend per Share	JPY 180	JPY 140	JPY 155

(1) Name	Shisan Kanri Service Shintaku Ginko Kabushiki Kaisha (English) Trust & Custody Services Bank, Ltd.			
(2) Address	8-12, Harumi 1-chome, Chuo-ku, Tokyo			
(3) Representative	President & CEO Akira Moriwaki			
(4) Scope of Operations	Securities processing services, trust services and bank businesses related to asset administration services, and businesses related to Japanese master trusts			
(5) Capital Stock	JPY 50 billion			
(6) Incorporation Date	January 22, 2001			
(7) Number of Issued Shares	1,000,000 shares			
(8) Fiscal Year-End	March 31			
(9) Number of Employees	675			
(10) Shareholders and Shareholding Ratio	Mizuho Financial Group, Inc.			54.0%
	The Dai-ichi Life Insurance Company, Limited			16.0%
	Asahi Mutual Life Insurance Company			10.0%
	Meiji Yasuda Life Insurance Company			9.0%
	Japan Post Insurance Co., Ltd.			7.0%
	Fukoku Mutual Life Insurance Company			4.0%
(11) Relationship with the Company	Capital Relationship	Not applicable.		
	Human Resources Relationship	Not applicable.		
	Business Relationship	Not applicable.		
	Related Party Status	Not applicable.		
(12) Assets under Custody and Administration	JPY 384 trillion, consisting of: JPY 141 trillion of entrusted assets; and JPY 243 trillion of assets managed under custody agreements, etc.			
(13) Financial Status, and Business Performance for the Past Three Years		FY Ended March 2015	FY Ended March 2016	FY Ended March 2017
	Net Assets	JPY 59,419 million	JPY 60,385 million	JPY 60,771 million
	Total Assets	JPY 1,993,528 million	JPY 5,473,232 million	JPY 11,424,703 million
	Net Assets per Share	JPY 59,419.42	JPY 60,385.55	JPY 60,771.91
	Ordinary Revenue	JPY 23,785 million	JPY 24,500 million	JPY 23,462 million
	Ordinary Profit	JPY 1,792 million	JPY 1,721 million	JPY 990 million
	Net Profit	JPY 1,129 million	JPY 1,129 million	JPY 674 million
	Net Profit per Share	JPY 1,129.20	JPY 1,129.27	JPY 674.44
	Dividend per Share	JPY 230	JPY 230	JPY 135

8. Overview of the Holding Company to be Newly Established through the Joint Share Transfer

(1) Name	JTC Holdings Kabushiki Kaisha (English) JTC Holdings, Ltd.	
(2) Address	8-11, Harumi 1-chome, Chuo-ku, Tokyo	
(3) Representative	To be determined	
(4) Scope of Operations	The purpose of the company is to engage in the following businesses as a bank holding company: (i) Business management of the bank holding company group to which the company belongs, and businesses incidental to the business management; and (ii) Other businesses in which a bank holding company may engage under the Banking Act.	
(5) Capital Stock	JPY 500 million	
(6) Fiscal Year-End	March 31	
(7) Number of Issued Shares	2,040,000 shares	
(8) Incorporation Date	October 1, 2018 (scheduled)	
(9) Shareholders (Shareholding Ratio)	Sumitomo Mitsui Trust Holdings, Inc.	33.3%
	Mizuho Financial Group, Inc.	27.0%
	Resona Bank, Limited	16.7%
	The Dai-ichi Life Insurance Company, Limited	8.0%
	Asahi Mutual Life Insurance Company	5.0%
	Meiji Yasuda Life Insurance Company	4.5%
	Japan Post Insurance Co., Ltd.	3.5%
	Fukoku Mutual Life Insurance Company	2.0%

II. Change in Status of Subsidiaries

1. Reason for the Change

JTSB and TCSB have entered into the Integration Agreement to implement the Joint Share Transfer as set forth in “I. Overview of the Integration, 2. Integration Structure” above, and to incorporate JTC Holdings, whose shareholders are existing shareholders of JTSB and TCSB, which companies will each become a wholly-owned subsidiary of JTC Holdings. As a result, JTC Holdings will be the Company’s equity-method affiliate, and JTSB will no longer be the Company’s subsidiary.

2. Method of Change

A holding company will be incorporated through a joint share transfer.

3. Overview of the Subsidiary Subject to Change, and the Counterparty to the Joint Share Transfer

An overview of JTSB, the subsidiary subject to the change, and TCSB, the counterparty to the Joint Share Transfer, are as set forth in “I. Overview of the Integration, 7. Overview of the Companies Involved in the Share Transfer (as of December 31, 2017)” above.

4. Timetable of the Change

March 28, 2018	Execution of the Integration Agreement
by May 31, 2018	Resolution of the share transfer plan at the respective board of directors meetings of JTSTB and TCSB (scheduled)
by June 30, 2018	Resolution of the share transfer plan at the respective shareholders meetings of JTSTB and TCSB (scheduled)
October 1, 2018	Incorporation date of JTC Holdings (date of change) (scheduled)

*This timetable may be changed as a result of the discussion and agreement between related parties, in case such change is necessary due to the procedural necessity regarding the Share Transfer or other reasons.

III. Future Outlook

As a result of the Integration, JTSTB will no longer be the Company's consolidated subsidiary, and JTC Holdings, the holding company, will be the Company's equity-method affiliate. The impact of the Integration on the Company's performance is currently being examined carefully, and will be disclosed as necessary once the examination is completed.

End

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