

[Translation]

To whom it may concern,

March 21, 2012

Sumitomo Mitsui Trust Holdings, Inc.

(Code: 8309 TSE, OSE and NSE)

Chuo Mitsui Asset Trust and Banking Company, Limited

Recommendation by the Securities and Exchange Surveillance Commission
for the Issuance of an Order to Pay Administrative Monetary Penalty

Today, the Securities and Exchange Surveillance Commission ("SESC") has made a recommendation for the Prime Minister and the Commissioner of the Financial Services Agency to issue an order for the payment of administrative monetary penalty against Chuo Mitsui Asset Trust and Banking Company, Limited ("CMAB").

The SESC announced that CMAB, acting as an investment manager of a fund, violated the Financial Instruments and Exchange Act (insider trading) with respect to the sale and purchase of shares in July 2010.

<Outline of Chuo Mitsui Asset Trust and Banking Company, Limited >

Name	Chuo Mitsui Asset Trust and Banking Company, Limited
Location	23-1, Shiba 3-chome, Minato-ku, Tokyo
Title and Name of Representative	President: Ken Sumida
Business Activities	Pension trust business and securities trust business etc.
Capital	JPY 11.0 billion

We would like to apologize with the deepest sincerity for the inconvenience and concern this has caused to all of our customers and stakeholders.

The following are the facts underlying the recommendation for an order for the payment of administrative monetary penalty, and the implementation of preventative measures by Sumitomo Mitsui Trust Bank, Limited ("New Trust Bank"), which is planned to be formed in April 2012 as a result of the merger among CMAB, The Chuo Mitsui Trust and Banking Company, Limited ("CMTB"), and The Sumitomo Trust and Banking Company, Limited ("STB").

We will make every possible effort to strengthen our management systems by strictly implementing the countermeasures noted below so that we will be able to recover your trust.

1. The Facts

(1) Transactions that gave rise to the recommendation

A fund manager (“Fund Manager”) who is an employee of CMAB sold 90 shares (JPY 43,630 thousand) of the INPEX CORPORATION (“INPEX”) and sold short 120 shares (JPY 57,610 thousand) of INPEX, on July 1 and 7, 2010, for the benefit of a fund for foreign investors (“Fund”) which CMAB managed in accordance with a discretionary investment contract. The SESC recognized these transactions as constituting insider trading.

(2) Amount of the penalty

The recommendation states that CMAB, an investment manager of the Fund, be required to pay JPY 50 thousand as penalty.

(3) Outline of the Fund

Name	Mitsui Trust Japan Long Short Fund (an offshore fund)
Establishment Date	February 2006
Investment type	Long and short of Japanese stocks based on the research ¹
Manager	CMAB (discretionary investment company)
Balance	JPY 2.7 billion (as of the end of February 2012)

(4) Background of the transactions

On June 30, 2010, the Fund Manager received information from a sales person of a securities company suggesting the possibility of a public offering by INPEX, however, the Fund Manager neglected to report this information to his supervisor. As a result, the information was not managed as insider information.

On July 1, 2010, the Fund Manager sold 90 shares (JPY 43,630 thousand) of INPEX and sold short 60 shares (JPY 29,082 thousand) of INPEX for the Fund.

On July 7, 2010, the Fund Manager sold short 60 shares (JPY 28,528 thousand) of INPEX for the Fund.

CMAB has a company regulation which prohibits fund managers with knowledge of insider information from entering into the sale and purchase of related securities until such information becomes public. The aforementioned inappropriate management of information and the consequent sales of INPEX shares violated this company regulation.

¹ The method by which CMAB aims to achieve a stable profit through a combination of sales and purchases based on the analysis of individual stocks.

2. Cause and Preventative Measures

When the aforementioned transactions occurred in 2010, CMAB already had the Compliance Department, which is responsible for compliance related matters acting in the lead role towards achieving total compliance by all directors and employees. Unfortunately, however, we regret to conclude that the implementation of such compliance measures was not perfect and resulted in this incident.

After the management integration with STB on April 1, 2011, we have been continuing to work on strengthening our compliance measures. The New Trust Bank, to be established on April 1, 2012, will further strengthen compliance related measures. Considering the facts that caused the recommendation, the New Trust Bank will implement additional measures to strengthen its compliance structure sufficient to prevent a similar recurrence, including an absolute prohibition against meetings between fund managers and other fund management related staff and securities company sales staff (please see attached).

Sumitomo Mitsui Trust Holdings, Inc. has already established a special investigation committee which includes members from not only within the company but also outside experts, and has arranged for an additional investigation to fully understand this matter and evaluate the measures that will be implemented by the New Trust Bank. The New Trust Bank will also clarify the responsibilities of management, take strict disciplinary action against those who were involved in this matter and continuously examine and enhance our compliance measures.

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Measures to prevent recurrence in the New Trust Bank

The New Trust Bank will implement the following additional measures, which are based on, and improvements of, the compliance measures of STB.

1. Enhancement and revision of organization

(1) Strengthen the check and balance function by the middle office in fund management operation

The New Trust Bank will establish the Fiduciary Risk Management Department as the department in charge of the middle office administration function for fund management operations, including transaction monitoring. This department will be independent from the fund management division and will be under the direct control of the director who is in charge of the Compliance Department and supervises the compliance matters within the whole group. In this way, both the Fiduciary Risk Management Department and the Compliance Department will have multilayered control over compliance matters related to the fund management division, which will greatly enhance the compliance measures within the New Trust Bank.

In addition, the New Trust Bank will post staff from the Compliance Department to each business division, including the fund management division, in order to strengthen the supervision by the Compliance Department.

(2) Conduct internal inspections specialized in insider trading

The Internal Audit Department, which is under the direct control of the President of the New Trust Bank, will conduct regular internal inspections of the fund management division specialized in preventing insider trading.

In addition to the above, the New Trust Bank will make necessary revisions to the announced officers of the New Trust Bank to be assigned as of April 1, 2012 in order to further strengthen the control over the fund management division.

2. Stricter business operation

(1) Prohibition against meeting between fund managers and sales persons of securities companies

The New Trust Bank will comprehensively prohibit fund managers from meeting sales persons of securities companies. The exception to this prohibition is only where the general manager of the department has determined that there are compelling reasons for such a meeting under the condition that the meeting should be held in our office accompanied by at least one other member of the New Trust Bank and that a record of such meeting shall be reported to, and stored with, the Fiduciary Risk Management Department.

- (2) Stricter rule with respect to the handling of information received from outside the company

In deciding whether certain information should be treated as insider information and whether the management of such information is necessary, the current STB rules will be applied to the New Trust Bank, which require mandatory consultation with a person in charge of compliance or the Compliance Department. In addition, we will clearly implement detailed information management rules depending on the content and the source of such information the fund managers may possibly receive in order to enhance information control system thoroughly.

- (3) Monitoring of all unusual transactions including sales and purchases conducted within a short period and high volume sale and purchase transactions of securities

The New Trust Bank will further enhance the current STB compliance measures to establish a new monitoring system for all transactions by the Fiduciary Risk Management Department, which is independent from the fund management division.

- (4) Recording of all phone calls of fund managers with outside third parties and enhancement of the inspection system

By following the current STB rules, The New Trust Bank will record all telephone calls of fund managers and establish an inspection system of such recordings by the Fiduciary Risk Management Department, which is independent from the fund management division.

- (5) Prohibition of personal sale and purchase of securities by fund managers

Although CMAB strictly restricts the personal sale and purchase of issued shares, the New Trust Bank will follow the current STB management system and prohibit fund managers from the personal sale and purchase of issued shares.

- (6) Enhancement of compliance training, etc.

The New Trust Bank will enhance the compliance training for the fund management division, both in quality and in quantity, including quarterly training for the purpose of preventing the insider trading. In addition, all members of the fund management division will be required to submit written oaths confirming that they understand the above rules and will comply with same.

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