

August 30, 2019

To whom it may concern

Sumitomo Mitsui Trust Holdings, Inc.
Director, President: Tetsuo Ohkubo
(Securities Code: 8309 TSE, NSE)

Notice regarding Disposition of Treasury Stock through Third-Party Allotment with the Introduction of a Performance-Based Stock Compensation System

Sumitomo Mitsui Trust Holdings, Inc. (Director, President: Tetsuo Ohkubo, hereinafter “SuMi TRUST Holdings”) hereby announces that, at the meeting of its Board of Directors held today, it resolved to dispose of its treasury stock as stock compensation (“the Disposition of Treasury Stock”), as described below.

1. Overview

(1) Disposition Date	September 17, 2019 (Tues.)
(2) Class and Number of Shares for Disposition	429,000 SuMi TRUST Holdings ordinary shares
(3) Disposition Price	3,426Yen per share
(4) Total Value of Disposition	1,469,754,000Yen
(5) Intended Recipient	Sumitomo Mitsui Trust Bank, Limited (trust account) (Re-entrustment trustee: Japan Trustee Services Bank, Ltd. (trust account)
(6) Other Matters	The Disposition of Treasury Stock is conditional on entry into force of notification under the Financial Instruments and Exchange Act.

2. Purpose of and Reasons for the Disposition

As set out in the “Notice regarding Introduction of Performance-Based Stock Compensation System for Directors, etc.” dated August 29, 2019, SuMi TRUST Holdings has resolved to newly introduce a Performance-Based Stock Compensation System (“the System”) that utilizes a trust, and which will apply to its directors (excluding (i) directors who are Audit Committee members and (ii) external directors) and executive officers (as defined in the Companies Act and as defined in our internal policies), and the directors (excluding (i) directors who are Audit and Supervisory Committee members and (ii) external directors) and executive officers (as defined in internal policies) of Sumitomo Mitsui Trust Bank, Limited (“SuMi TRUST Bank”) and Sumitomo Mitsui Trust Asset Management Co., Ltd. (“SuMi TRUST AM”), which are core companies of the Sumitomo Mitsui Trust Group (“the SuMi TRUST Group”) (the above individuals at SuMi TRUST Holdings, SuMi TRUST Bank and SuMi TRUST AM are collectively referred to as “the Directors, etc.”; SuMi TRUST Holdings, SuMi TRUST Bank and SuMi TRUST AM are referred to as “the Companies”).

The Disposition of Treasury Stock will be implemented by disposition of SuMi TRUST Holdings’ treasury stock through a third-party allotment to SuMi TRUST Bank (trust account) (re-entrustment trustee: Japan Trustee Services Bank, Ltd. (trust account)), which shall be the trustee of the trust established pursuant to the System (the “Trust”).

The number of shares for disposition corresponds to the number of shares expected to be distributed, taking into consideration matters relating to the Directors’ etc. during the trust period, such as job ranks and changes in compositions, etc. based on the Share Delivery Rules established by each of the Companies on introduction of the System. The scale of dilution is small, constituting 0.11% of the total number of shares issued as of the March 31, 2019, which is 390,348,640 shares (the ratio to the total number of voting rights as of the same date, which is 3,772,749, is 0.11%; both ratios were rounded to two decimal places). SuMi TRUST Holdings believes that the System will clarify the link between the compensation of Directors, etc. and the SuMi TRUST Group’s results and share-price, will contribute to improvement of the SuMi TRUST Group’s corporate value in the medium- and long-term, and it has determined that, in the Disposition of Treasury Stock, both the number of treasury stock for disposition and the scale of stock dilution are reasonable, and the impact on the secondary market is insignificant.

(Reference) Overview of the Trust Agreement	
Trustor	SuMi TRUST Holdings
Trustee	SuMi TRUST Bank (trust account) (Re-entrustment trustee: Japan Trustee Services Bank, Ltd. (trust account))
Beneficiaries	Directors, etc. who satisfy the beneficiary requirements.
Trust Administrator	Plan to select a third party who is independent of the Group.
Exercise of Voting Rights	Throughout the period of the trust, the voting rights of SuMi TRUST Holdings shares held in the trust will not be exercised.
Type of Trust	Trust of money other than “money trust” (<i>kinsen-shintaku</i>) (third-party-benefit trust)
Date of Trust Agreement	September 17, 2019 (scheduled)
Trust Period	September 17, 2019 to end of September 2023 (scheduled)
Purpose	To deliver SuMi TRUST Holdings shares to the beneficiaries based on the Share Delivery Rules

3. Disposition Price Calculation Basis and Details

The disposition price is 3,426Yen, which is the closing price of SuMi TRUST Holdings ordinary shares on the Tokyo Stock Exchange on August 29, 2019 (the business day immediately preceding the date of the resolution of the Board of Directors on the disposition of treasury shares), and was decided on order to take into consideration recent stock price movements and eliminate arbitrariness.

The disposition price represents a deviation of (2.37)% from 3,509Yen (rounded down to the nearest whole number), which is the average closing price for the one-month period immediately preceding the date of the resolution of the Board of Directors (July 30, 2019 to August 29, 2019), a deviation of (9.63)% from 3,791Yen (rounded down to the nearest whole number), which is the average closing price for the three-month period immediately preceding the date of the resolution of the Board of Directors (May 30, 2019 to August 29, 2019), and a deviation of (12.00)% from 3,893Yen (rounded down to the nearest whole number), which is the average closing price for the six-month period immediately preceding the date of the resolution of the Board of Directors (March 1, 2019 to August 29, 2019). As such, based on the percentage deviation from the recent share prices of SuMi TRUST Holdings ordinary shares, the disposition price is reasonable (the percentage deviation in each case, is rounded to two decimal places).

As a result of having considered the above, SuMi TRUST Holdings believes that the disposition price for the Disposition of Treasury Stock is reasonable and cannot be regarded as specially favorable to the intended recipients of the disposition.

Furthermore, the Audit Committee (consisting of five members; three of whom are external directors) has issued an opinion to the effect that the above-stated disposition price is not specially favorable to the intended recipients of the disposition.

4. Matters regarding Procedures pertaining to the Code of Corporate Conduct

The Disposition of Treasury Stock (1) will result in a dilution rate of less than 25% and (2) will not be accompanied by a change in the controlling shareholders and, as such, the procedures for obtaining an opinion from an independent third party and confirming shareholders' intent, provided for in Article 432 of the Securities Listing Regulations established by Tokyo Stock Exchange, Inc., are not required.

End.

For further information, please contact:

IR Department, Sumitomo Mitsui Trust Holdings, Inc.

Telephone : +81-3-3286-8354

Facsimile : +81-3-3286-4654