

May 13, 2021

To whom it may concern

Sumitomo Mitsui Trust Holdings, Inc.

**Notice regarding the Sumitomo Mitsui Trust Group's Vision under the New
Management and Important Business Initiatives for FY2021**

Sumitomo Mitsui Trust Holdings, Inc. (President Executive Officer: Toru Takakura, hereinafter "SuMi TRUST Holdings") hereby announces SuMi TRUST Group's (hereinafter "SuMi TRUST Group") new vision and important business initiatives for FY2021 management plan under the stewardship of the Group's new management.

1. SuMi TRUST Group's vision under the new management

SuMi TRUST Group has been implementing our current 3-year Medium-Term Management Plan (hereinafter "the Medium-Term Plan") covering FY2020 to FY 2022. In the current Medium-Term Plan, we have placed "the balanced creation of both social value and economic value," as our core management principle, and defined our mission ("our purpose") in the following message; "Creating new value with the power of trust and let prosperous future for clients and society bloom." This message intends to convey the Group's commitment to become our clients' "best partner," taking on the responsibility towards the next generation, to build a society that is more resilient to change, and contribute to pass the torch to the future generations.

Japan is facing numerous social challenges such as low birthrate, rapid ageing and increased severity of natural disasters, and adapting to ESG and SDGs as well as digitalization have become important themes for both society as well as individual corporations. In the near term, the world-wide COVID-19 pandemic is requiring immediate action, and there are new formidable trends that could fundamentally alter social infrastructure and industrial base such as initiatives on combatting global-warming to achieve carbon-neutral that has been announced by numerous world governments including the U.S. and Japan.

During times when social structures are going through fundamental changes, SuMi TRUST Group recognizes that our historic and social mission as a trust bank group has been to contribute to devising social infrastructure suited to overcome the oncoming challenges.

SuMi TRUST Group, through the ages, has utilized the power of trust to create novel value by solving social issues that has social and economic value. Going forward, we shall endeavor to utilize the Group's highly specialized proficiencies in areas including asset management, asset administration and real estate to contribute to "creating a virtuous circle from increased enterprise value leading to increase in household savings, assets and capital." As a trust bank Group, we shall strive to assist the sustainable and stable growth of the Japanese economy and corporations, fostering a healthy capital market and realizing the well-being of our clients and society as a whole.

2. Important business initiatives for FY2021

With our new vision in mind, we shall define the following three issues as our “Important Business and Financial Strategic Initiatives for FY2021.”

1) Enhancement and sophistication of business operational quality

Last year, the inappropriate handling of SuMi TRUST Group’s tallying of voting rights exercise forms in our stock transfer agency business over the years came to light.

Also, embezzlement of client funds by a former employee of SuMi TRUST Bank was discovered. As these incidents defies expectations expected of the Group and damages our credibility, we have taken the issues very seriously.

Our business operational quality is the source of SuMi TRUST Group’s strengths, and recognizing that this is the key element that earns the trust of our clients and society, we shall strive to enhance and sophisticate our operational quality as expected by our stakeholders.

2) Accelerate businesses unique to the trust bank Group

As mentioned in our new vision, the pace of transformation of social structure and manifestation of new social issues is accelerating. For individual clients, for their own future, old age and the next generation, safe and secure products and services that allow life-stage and inter-generational recirculation of funds are in demand. For corporate clients and capital markets, the need to recirculate funds, assets and capital to areas that require solving social issues such as decarbonization and innovation is increasing.

SuMi TRUST Group shall strive to offer diverse range of services, with “recirculation” as a keyword, and utilizing “trust” function as its core, that realizes high added-value and positive impact for our clients and society, aiming for both social and the Group’s sustainable and stable growth.

3) Reduction of strategic shareholdings

As one of the initiatives to enhance capital efficiency, SuMi TRUST Group has worked to reduce our strategic shareholdings over time, but our current exposure is still excessive in comparison to our shareholders’ equity, which we recognize as a material management issue.

Under our new management, we intend to accelerate the pace of strategic shareholding reduction. We believe that the planned reduction not only improves our capital efficiency from a financial perspective, but also contribute to the virtuous recirculation of Japanese capital markets.

We intend to enhance the value-added from our services to our corporate clients, and hold extensive dialogue with our clients to obtain their understanding of this reduction policy while taking their capital and shareholder strategy into consideration.

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Our initiatives to reduce strategic shareholdings

<Revised Policy>

In principle, we shall not hold any “Strategic shareholdings as a conventional stable shareholder.”

SuMi TRUST Group has recognized strategic shareholdings as a material management issue and we have hedged the price volatility risk that exceeded our financial risk absorption buffer while constantly working to reduce the overall exposure obtaining the consent of our corporate clients.

This time round, the new management has defined “creating a virtuous circle from increased enterprise value leading to increase in household savings, assets and capital,” as one of our goals. SuMi TRUST Group shall endeavor to foster a virtuous circle framework that facilitates circulation of funds, assets and capital through our asset management and asset administration services, and enhancement of our corporate clients’ enterprise value by offering solution services, with the aim to develop Japanese capital markets.

To realize this objective, we intend to improve our bi-functional expertise as a trust bank Group that assumes the position of an investor as well as an advisor offering solutions to enhance enterprise value, and re-align our policy so that, in principle, we shall not hold any “strategic shareholdings as a conventional stable shareholder.” During the interim policy transition period, we shall strive to fulfill our role as an advisor that “offers solutions to issues to enable sustainable increase in enterprise value through extensive dialogue with our clients.”

1) Dialogue policy with our corporate clients whom SuMi TRUST Group is a strategic shareholder

We shall take each clients’ business environment and stakeholders actions into account, to offer solutions suited to each client, deepening the understanding of each other to accelerate the reduction of strategic shareholdings. We acknowledge that circumstances surrounding each client is different and the pace of stakeholder change varies between each client. During the transition period, we shall continue to offer active dialogue and solutions to create positive impact and sustainable increase in enterprise value.

2) Policy regarding the exercise of voting rights regarding our strategic shareholdings

We intend to define our policy regarding client dialogue to enhance enterprise value, and we are evaluating our options to enhance SuMi TRUST Group’s exercise of voting rights for annual shareholder meetings to be held beyond June 2022. We are considering of publishing our thoughts on this issue in our interim disclosure in November this year.

3) Pace of our strategic shareholding reduction guidelines

Our consolidated holdings of strategic shareholdings as of the end of March 2021 was ¥605.1bn (at cost, or ¥1,421.3bn at market value). In the previous 5-year until the end of this March, we reduced our holdings by cumulative ¥142.6bn (at cost). In light of this policy shift, during the remaining 2-year period of our current Medium-Term Plan (FY2020 to FY2022), we intend to significantly accelerate the pace of reduction and aim to reduce our holdings by ¥100bn (at cost, or roughly ¥ 250bn at market value).

To ensure the implementation of this initiative, executives including top management is committed to lead the dialogue with our clients, and oversight from our board shall be strengthened to monitor its progress.

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