

February 14, 2017

To whom it may concern

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

**Notice regarding Initiatives for the Enhancement of Corporate Governance
of the Sumitomo Mitsui Trust Group**

Sumitomo Mitsui Trust Holdings, Inc. (President: Kunitaro Kitamura, hereinafter “SuMi TRUST Holdings”) established a “Basic Policy on Corporate Governance” of the Sumitomo Mitsui Trust Group (hereinafter the “SuMi TRUST Group”) in June 2015 aiming at sustainable growth and medium- to long-term enhancement of the corporate value of the SuMi TRUST Group. Further, it has committed itself to ensuring the transparency and appropriateness of management by increasing the number of external directors and external corporate auditors, and establishing a “Nominating and Compensation Committee” and an “Audit Committee” as advisory bodies to the Board of Directors. At this time, as part of these series of reforms conducted to strengthen its corporate governance system, SuMi TRUST Holdings hereby announces that it has decided on a policy to further enhance SuMi TRUST Holdings’ corporate governance by changing from being a company with a Board of Corporate Auditors to a company with Three Committees, subject to obtaining approval at its ordinary general meeting of shareholders for the sixth fiscal period, scheduled for June 2017.

1. Purpose of the change to become a company with Three Committees

The SuMi TRUST Group, as Japan’s only independent financial group specializing in trust business which is formed around the core entity, Sumitomo Mitsui Trust Bank, Limited (President: Hitoshi Tsunekage), has striven to refine its business model that provides distinctive value and to enhance its profit earning capability through collaboration among group companies, specifically through providing a total solution service for clients promptly and appropriately by combining its banking business, asset management business, and real-estate business.

At the same time, the SuMi TRUST Group has committed itself to strengthening its corporate governance system under the recognition that in order to establish strong credibility from society including its clients, it is essential to implement sound management based on a high degree of self-discipline with the background of fiduciary spirit.

Based on such background, the SuMi TRUST Group considers it important to satisfy both of the requirements for management capability leading to prompt business execution and supervisory and restraining capabilities that ensure sound management, in order to further strengthen its profit earning capability and enhance its corporate governance in the future, while appropriately responding to movements such as rapid changes in the environment surrounding the financial business and the tightening of financial regulations in and outside of Japan. And from the perspective of realizing these targets, the SuMi TRUST Group considers it desirable, as part of the measures to further strengthen its structure, to change to a “company with Three Committees.”

2. Corporate governance system after the change to a company with Three Committees

(1) Strengthening of management capability leading to prompt business execution

SuMi TRUST Holdings, which is a company with a Board of Corporate Auditors, currently makes decisions on business execution regarding a wide range of matters at its Board of Directors meetings. By changing to a company with Three Committees, SuMi TRUST Holdings will be able to delegate its decision-making regarding business execution to executive officers. As a result, SuMi TRUST Holdings considers that flexible and versatile business execution will be more likely due to quick management decisions.

(2) Strengthening of supervisory and restraining capabilities ensuring sound management

Targeting group management that aims to create medium- to long-term corporate value through sound, stable, and sustainable growth, while fulfilling the responsibility of Directors entrusted with the management of SuMi TRUST Holdings by its shareholders and pursuing client-oriented management, the Board of Directors of SuMi TRUST Holdings will delegate its decision-making regarding business execution to executive officers, while strengthening its supervisory and restraining capabilities by establishing the three statutory committees (Nominating Committee, Compensation Committee, and Audit Committee) where one of the external directors shall be the chairman of each committee and external directors shall be in the majority in each committee.

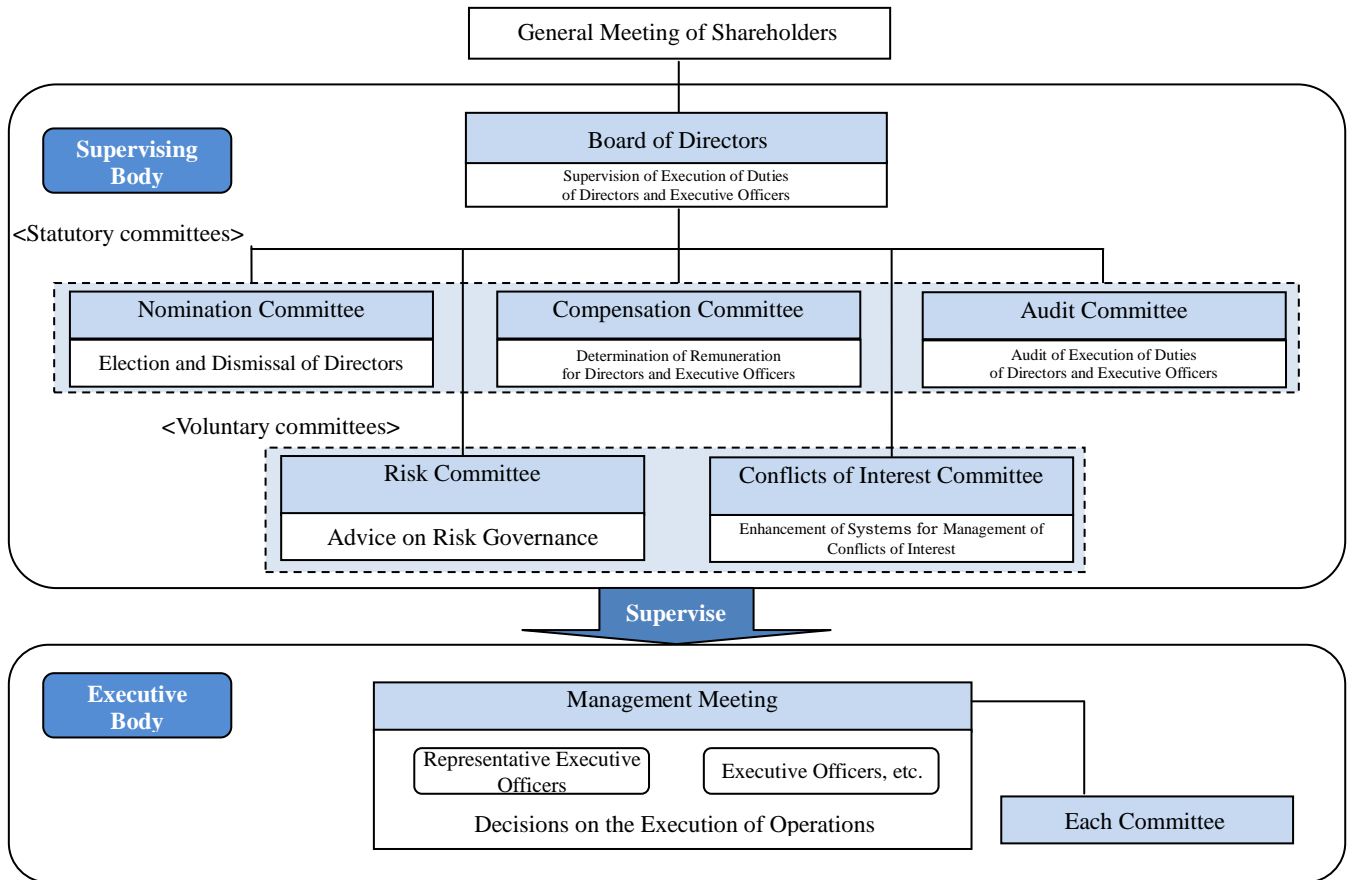
Further, since SuMi TRUST Holdings, as one of the Domestic Systemically Important Banks in Japan (D-SIBs), is responsible for constructing a highly-advanced corporate governance system, it will establish a “Risk Committee,” which shall coordinate the construction and enhancement of an effective risk governance system within the SuMi TRUST Group, in addition to enhancing the supervisory function of its Board of Directors by separating “execution” and “supervision.” SuMi TRUST Holdings considers that such enhancement of the corporate governance system is also meaningful for promoting its global business development in the future.

(3) Enhancement of system for client-oriented management

The SuMi TRUST Group has maintained its policy to thoroughly implement its client-orientation policy and has structured its whole organization to promote its fiduciary duty. In order to further enhance the system for promoting the fiduciary duty, SuMi TRUST Holdings will voluntarily establish a “Conflicts of Interest Committee,” which shall supervise each SuMi TRUST Group company’s commitment to its fiduciary duty, as an advisory body to the Board of Directors.

End.

<Corporate Governance System of SuMi TRUST Holdings
after becoming a company with Three Committees>



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