



NEWS RELEASE

Nov 16, 2021

R&I Affirms Ratings, Changes Outlook to Positive: Sumitomo Mitsui Trust Group

Rating and Investment Information, Inc. (R&I) has announced the following:

SEC. COMPANY NAME

CODE

8309 Sumitomo Mitsui Trust Holdings, Inc.

---- Sumitomo Mitsui Trust Bank, Ltd.

---- Sumitomo Mitsui Trust Panasonic Finance Co., Ltd.

* Please refer below for rated bonds, etc.

RATIONALE:

The Sumitomo Mitsui Trust Group is a financial group with Sumitomo Mitsui Trust Bank, Ltd. (SMTB) at the core thereof. It boasts the largest trust assets among Japanese banking groups and has a robust franchise. The group has a strong market position in many fields such as asset management and administration, real estate brokerage and stock transfer agency services. Recently, its risk profile has been improving through, for instance, efforts to rein in foreign currency interest rate risk and hedge price fluctuation risk of strategically held shares on a large scale. In addition, the group announced its new policy stating that it shall not hold any "strategic shareholdings as a conventional stable shareholder" in principle. Therefore, reduction of strategically held shares that are large relative to capital will be accelerated, in R&I's view.

Risk resilience is basically at a level sufficient for the AA rating category. Asset quality is very sound and credit cost remains in a limited range even amid the COVID-19 pandemic. The group's earning capacity has room for improvement with respect to the rating but will likely stay solid, since the ratio of fee income linked with asset balances is high. Though the group has structural uncertainty in purchasing foreign currencies as other major banks do, its stance on managing foreign currency liquidity is strict and causes no particular concern.

It has become increasingly likely that the reduction of strategically held shares, which is an issue to be addressed, will be accelerated. Since it is highly probable that risk resilience being considered good for the rating will be more stable along with improvement in the risk profile, R&I has changed the Rating Outlook to Positive while affirming the rating. Given a time lag between changes in the bank's balance sheet and macro-economy, attention needs to be paid to the impact of the COVID-19 pandemic. R&I will keep an eye on whether the risk profile will be improved and risk resilience will be enhanced even in such circumstances.

Sumitomo Mitsui Trust Holdings, Inc.

Sumitomo Mitsui Trust Holdings, Inc. is the holding company of the Sumitomo Mitsui Trust Group. The rating reflects the entire group creditworthiness. However, it is one notch lower than that of the group's core company because of the structural subordination inherent in a holding company, among other reasons.

Sumitomo Mitsui Trust Bank, Ltd.

Sumitomo Mitsui Trust Bank, Ltd. (SMTB) is the core company of the Sumitomo Mitsui Trust Group. SMTB accounts for the majority of the group's assets, risks and earnings. The rating directly reflects the entire group creditworthiness.

Sumitomo Mitsui Trust Panasonic Finance Co., Ltd.

Sumitomo Mitsui Trust Panasonic Finance Co., Ltd. (SMTPFC) is a comprehensive leasing

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company owned 84.9% by SMTB and 15.1% by Panasonic Corp. Based on the strong cohesiveness with the Sumitomo Mitsui Trust Group on both the business and financial fronts, the rating is one notch lower than that of SMTB, the group's core company. In line with the change of the Rating Outlook for SMTB, R&I has affirmed the rating and changed the Rating Outlook for SMTB to Positive.

SMTB offers various financial services to an array of clients ranging from corporations to individuals, and mainly through collaboration with its shareholders, its customer base is stable. Its risk profile consists principally of credit risk, and it extends credit primarily to large companies with high creditworthiness. Credit concentration risk is somewhat high, but risk resilience is fully commensurate with the rating. Asset quality is sound.

The competitive environment is severe. Nevertheless, its ability to absorb costs with basic profits satisfies the requirement for the A rating category, thanks to low and stable credit costs. SMTB intends to increase long-term assets strategically, while addressing short-term assets from factoring, etc. based on close examination of their profitability. R&I will keep an eye on whether the company can increase the stability of profits by expanding its earnings base.

The primary rating methodologies applied to this rating are provided at "R&I's Basic Methodology for Corporate Credit Ratings", "Shared Rating Approach for Financial Institutions, etc.", "Depository Financial Institutions", "Leasing", "R&I's Analytical Approach to Financial Groups" and "R&I's Analytical Approach to Regulatory Capital Instruments and Financial Institutions". The methodologies are available at the web site listed below, together with other rating methodologies that are taken into consideration when assigning the rating.

https://www.r-i.co.jp/en/rating/about/rating_method.html

R&I RATINGS:

ISSUER: Sumitomo Mitsui Trust Holdings, Inc. (Sec. Code: 8309)
Issuer Rating
RATING: A, Affirmed
RATING OUTLOOK: Positive, Changed from Stable

Shelf Registration (Sub. Bonds with a Non-viability Write-off Clause)

ISSUE AMOUNT (mn): JPY 700,000
ISSUE PERIOD: From Aug 03, 2020 to Aug 02, 2022
RATING: A, Affirmed (Preliminary)

Unsec. Sub. Bonds with a Non-viability Write-off Clause No.1	Issue Date	Maturity Date	Issue Amount (mn)
	Sep 05, 2014	Sep 05, 2024	JPY 30,000
RATING:	A, Affirmed		

Unsec. Sub. Bonds with a Non-viability Write-off Clause No.2	Issue Date	Maturity Date	Issue Amount (mn)
	Jun 05, 2015	Jun 05, 2025	JPY 30,000
RATING:	A, Affirmed		

Unsec. Sub. Bonds with a Non-viability Write-off Clause No.3	Issue Date	Maturity Date	Issue Amount (mn)
	Feb 29, 2016	Feb 27, 2026	JPY 30,000

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RATING: A, Affirmed

Unsec. Sub. Bonds with a Non-viability Write-off Clause No.4	Issue Date Dec 19, 2016	Maturity Date Dec 18, 2026	Issue Amount (mn) JPY 30,000
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RATING: A, Affirmed

Unsec. Sub. Bonds with a Non-viability Write-off Clause No.5	Issue Date Dec 08, 2016	Maturity Date Dec 08, 2026	Issue Amount (mn) JPY 10,000
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RATING: A, Affirmed

Unsec. Sub. Bonds with a Non-viability Write-off Clause No.6	Issue Date Jun 08, 2017	Maturity Date Jun 08, 2027	Issue Amount (mn) JPY 20,000
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RATING: A, Affirmed

Unsec. Sub. Bonds with a Non-viability Write-off Clause No.7	Issue Date Jun 08, 2017	Maturity Date Jun 08, 2027	Issue Amount (mn) JPY 20,000
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RATING: A, Affirmed

Unsec. Sub. Bonds with a Non-viability Write-off Clause No.8	Issue Date Dec 25, 2017	Maturity Date Dec 27, 2027	Issue Amount (mn) JPY 30,000
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RATING: A, Affirmed

Unsec. Sub. Bonds with a Non-viability Write-off Clause No.9	Issue Date Dec 14, 2017	Maturity Date Dec 14, 2027	Issue Amount (mn) JPY 10,000
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RATING: A, Affirmed

Unsec. Sub. Bonds with a Non-viability Write-off Clause No.10	Issue Date Jun 14, 2018	Maturity Date Jun 14, 2028	Issue Amount (mn) JPY 20,000
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RATING: A, Affirmed

Unsec. Sub. Bonds with a Non-viability Write-off Clause No.11	Issue Date Jun 14, 2018	Maturity Date Jun 14, 2028	Issue Amount (mn) JPY 30,000
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RATING: A, Affirmed

Unsec. Sub. Bonds with a Non-viability Write-off Clause	Issue Date Jun 10, 2019	Maturity Date Jun 11, 2029	Issue Amount (mn) JPY 30,000
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No.12

RATING: A, Affirmed

Unsec. Sub. Bonds with a Non-viability Write-off Clause	Issue Date	Maturity Date	Issue Amount (mn)
	May 30, 2019	May 30, 2029	JPY 10,000

No.13

RATING: A, Affirmed

Unsec. Sub. Bonds with a Non-viability Write-off Clause	Issue Date	Maturity Date	Issue Amount (mn)
	Sep 11, 2020	Sep 11, 2030	JPY 30,000

No.14

RATING: A, Affirmed

Unsec. Sub. Bonds with a Non-viability Write-off Clause	Issue Date	Maturity Date	Issue Amount (mn)
	Sep 01, 2020	Sep 02, 2030	JPY 10,000

No.15

RATING: A, Affirmed

ISSUER: Sumitomo Mitsui Trust Bank, Ltd.

Issuer Rating

RATING: A+, Affirmed

RATING OUTLOOK: Positive, Changed from Stable

Short-term Debts

RATING: a-1, Affirmed

ISSUER: Sumitomo Mitsui Trust Panasonic Finance Co., Ltd.

Issuer Rating

RATING: A, Affirmed

RATING OUTLOOK: Positive, Changed from Stable

Shelf Registration (Bonds)

ISSUE AMOUNT (mn): JPY 80,000

ISSUE PERIOD: From Oct 02, 2020 to Oct 01, 2022

RATING: A, Affirmed (Preliminary)

Unsec. Str. Bonds No.2	Issue Date	Maturity Date	Issue Amount (mn)
	Oct 31, 2017	Oct 31, 2022	JPY 10,000

RATING: A, Affirmed

Unsec. Str. Bonds No.4	Issue Date	Maturity Date	Issue Amount (mn)
	Oct 25, 2018	Oct 25, 2023	JPY 10,000

RATING: A, Affirmed

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Unsec. Str. Bonds No.5	Issue Date Oct 25, 2018	Maturity Date Oct 25, 2028	Issue Amount (mn) JPY 5,000
RATING:	A, Affirmed		
Unsec. Str. Bonds No.6	Issue Date Oct 25, 2019	Maturity Date Oct 25, 2022	Issue Amount (mn) JPY 10,000
RATING:	A, Affirmed		
Unsec. Str. Bonds No.7	Issue Date Oct 25, 2019	Maturity Date Oct 25, 2024	Issue Amount (mn) JPY 10,000
RATING:	A, Affirmed		
Unsec. Str. Bonds No.8	Issue Date Oct 25, 2019	Maturity Date Oct 25, 2029	Issue Amount (mn) JPY 5,000
RATING:	A, Affirmed		
Unsec. Str. Bonds No.9	Issue Date Oct 13, 2020	Maturity Date Oct 10, 2025	Issue Amount (mn) JPY 10,000
RATING:	A, Affirmed		
Unsec. Str. Bonds No.10	Issue Date Oct 21, 2021	Maturity Date Oct 21, 2024	Issue Amount (mn) JPY 10,000
RATING:	A, Affirmed		
Unsec. Str. Bonds No.11 (Green Bonds)	Issue Date Oct 21, 2021	Maturity Date Oct 21, 2026	Issue Amount (mn) JPY 5,000
RATING:	A, Affirmed		
ISSUE LIMIT (mn):	Commercial Paper JPY 470,000		
SUPPORT:	Unsecured		
RATING:	a-1, Affirmed		

A preliminary rating is assigned when a provisional credit rating is needed for an individual obligation on which final terms have not been determined. A credit rating finally assigned may differ from the preliminary rating depending on, among others, the details of the actual contract of the individual obligation.

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