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Business Report for the 9th Fiscal Year

(April 1, 2019 – March 31, 2020)

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Table of Contents

1. Overview of Business Activities of Sumitomo Mitsui Trust Holdings, Inc.

2. Matters regarding Directors and Executive Officers

3. Matters regarding External Directors and External Auditors

4. Matters regarding Shares of SuMi TRUST Holdings

5. Matters regarding Share Acquisition Rights, etc. of SuMi TRUST Holdings

6. Matters regarding Financial Auditor

7. Basic Policy on the Individuals Who Control Decision Making of Financial and Business Policies of SuMi TRUST Holdings

8. System to Ensure Appropriate Conduct of Operations

9. Matters regarding Specified Wholly Owned Subsidiary

10. Matters regarding Transactions with the Parent Company, etc.

11. Matters regarding Accounting Advisers

12. Others

1. Overview of Business Activities of Sumitomo Mitsui Trust Holdings, Inc.

(1) Developments and Results of Consolidated Business Activities

[Principal Businesses]

The Sumitomo Mitsui Trust Group (hereinafter the "SuMi TRUST Group"), under the control of bank holding company Sumitomo Mitsui Trust Holdings, Inc. (hereinafter "SuMi TRUST Holdings"), owns various Group companies involved in banking, asset management and administration, and real estate-related services, etc. that engage in a diverse range of businesses centered on Sumitomo Mitsui Trust Bank, Limited (hereinafter "SuMi TRUST Bank"), based on the Group's integrated management strategy.

The SuMi TRUST Group encompasses 62 consolidated subsidiary companies and corporations and 34 affiliates accounted for by the equity method.

The definitions of subsidiary companies and corporations and affiliates are based on Article 2, Paragraph 8 of the Banking Act, and Article 4-2 of the Order for Enforcement of the Banking Act.

[Economic and Financial Environment]

In looking back on the economic environment during the fiscal year under review, the economies of Europe and China slowed through the end of December primarily because of the ongoing US-China trade war, while weakness in Japan's domestic economy also materialized as October's consumption tax hike only made matters worse for sluggish production and exports in the manufacturing sector. From January onwards the world was gripped by the Coronavirus disease ('COVID-19') pandemic and the global economy took a sharp turn for the worse as governments took steps to contain the spread of infection by enforcing city-wide lockdowns, among other measures, which served to drastically curtail economic activity. In Japan, the number of international visitors plummeted, and increasingly more people refrained from going out shopping for non-essential reasons.

The financial markets continued to be roiled by developments in the US-China trade spat through to the end of December. From January onwards the markets began to digest the impact of the 'COVID-19' pandemic and a risk-off sentiment rapidly emerged, triggering a sharp decline in the Nikkei Stock Average to below 20,000 yen. Heightened demand for US dollars by Japanese companies saw the yen weaken against the greenback from mid-March, while yields on 10-year JGBs briefly rose above 0%.

[Results of Business Activities]

(Consolidated Financial Results for the Fiscal Year 2019)

In the fiscal year under review, net business profit before credit costs increased 6.7 billion yen from the previous fiscal year to 289.0 billion yen. This was mainly attributable to growth in non-interest income related to business for corporate clients, which outweighed lower net fees and commissions and related profit as a result of decreased income from investment management consulting.

Ordinary profit was up 1.2 billion yen from the previous fiscal year to 257.6 billion yen owing to higher net gains on stocks as a result of further reductions in strategic shareholdings, which was enough to offset an increase in total credit costs mainly due to the booking of special provisions in preparation for a deterioration in the economic environment caused by the 'COVID-19' pandemic.

Net income attributable to owners of the parent decreased 10.8 billion yen from the previous fiscal year to 163.0 billion yen owing to the dropout of last fiscal year's tax boost from the introduction of consolidated taxation, in addition to the booking of an extraordinary loss as an impairment loss on goodwill for a consolidated subsidiary.

(Segment Information)

Net business profit before credit costs for the fiscal year under review, broken down by reportable segment, was: 22.8 billion yen (down 8.0 billion yen YoY) for the Retail Total Solution Services Business; 132.5 billion yen (up 9.0 billion yen) for the Wholesale Financial Services Business; 18.4 billion yen (flat YoY) for the Stock Transfer Agency Services Business; 32.4 billion yen (up 2.2 billion) for the Real Estate Business; 65.8 billion yen (up 2.8 billion yen) for the Fiduciary Services Business (including asset management); and 57.5 billion yen (up 27.1 billion yen) for the Global Markets Business.

[Developments of Business Activities]

The SuMi TRUST Group continued to implement our three-year (FY2017–19) medium-term management plan (Evolution to The Trust Bank—The Second Foundation—). In fiscal 2019, the last year of the plan, the entire Group worked together to complete the finishing touches and also pushed forward with the following initiatives for the purpose of establishing new growth fields.

(Four key initiatives)
1. Strengthening earnings capabilities that underpin stable growth
2. Future growth investments
3. Practicing appropriate risk control
4. Sophistication of management infrastructure—the source of competitiveness

1. Strengthening earnings capabilities that underpin stable growth

With the aim of becoming a financial group chosen by our clients as their "best partner," we pushed ahead with efforts to integrate the Group's functions and know-how and enhance our abilities to meet the increasingly diverse and sophisticated needs of our clients.

Given that we will soon enter an age in which many people are likely to live to the age of 100,

through SuMi TRUST Bank we started offering to individual clients estate management, 100-Year Life Solution Trust (100-Year Passport) to support enrichment of daily life, and monitoring support services, as well as a Solitary Trust product (the winning entry in an in-house business contest) that incorporates digital estate liquidation services. We also focused on expanding home loan balances in major regions across Japan by offering consulting services that take into account the assets and liabilities of our clients to pinpoint the right time for purchasing real estate—one of life's biggest decisions—and endeavored to lock in contracts for coverage-type insurance and installment-type products.

Last September, through Sumitomo Mitsui Trust Life Partners, we opened the new 100-year Life Assurance Plaza, which stays open late on weekdays and is also open on weekends and public holidays. This subsequently expanded our capacity to provide insurance consulting services to clients that are part of the working generation who might find it hard to visit our branches during daytime hours. By working more closely with SuMi TRUST Bank, Sumitomo Mitsui Trust Realty strove to ascertain the real estate needs of clients at sales offices and steadily increased housing brokerage revenue.

Furthermore, in a joint venture with the UBS Group—one of the world's leading integrated financial services group—we established UBS SuMi TRUST Wealth Advisory, Ltd. last January. This alliance fundamentally reinforced our framework to meet the complex and broad-ranging needs of business owners and wealthy individual clients.

We combined the various functions of the Group to provide a wide range of solutions that meet the business challenges of our corporate clients; namely, consulting services regarding the enhancement of corporate governance and IR activities, and reviewing real estate holdings and pension systems. And as a way of supporting the enhancement of employee benefit programs, we offered our consulting services to company employees concerning long-term asset formation and management according to their respective stages in life. In addition, we leveraged our know-how to focus on concluding contracts for renewable energy projects that contribute to reducing environmental impacts, maintained our volume of loan assets, and worked on improving the profitability of our overall portfolio.

Sumitomo Mitsui Trust Panasonic Finance strove to expand its lease transaction volume by collaborating with SuMi TRUST Bank to focus on real estate leasing and provide a diverse array of financial functions, including the development of leasing products for mainly individual clients. Sumitomo Mitsui Trust Loan & Finance harnessed its proprietary specialist screening know-how and worked together with Group companies and business partners alike to manage loan operations with an emphasis on balancing quality with quantity.

In a difficult operating environment where negative interest rate policies are becoming the norm, SuMi TRUST Bank increased assets under management for mainly corporate pension, public pension,

and financial institution clients by strengthening its ability to provide alternative assets and securitized debt products for mostly private assets, and also offered administration services for asset management and foreign bond lending transactions. SuMi TRUST Bank maintained its leading market share in the administration of defined contribution pension plans by mainly securing large system migration instalments.

With an eye on global growth in ESG investments, Sumitomo Mitsui Trust Asset Management beefed up its engagement activity framework and focused on expanding sales channels through the likes of brokerages and regional financial institutions. Nikko Asset Management (Nikko AM) addressed the varied needs of clients in Japan and overseas by expanding its lineup of competitive investment management products.

In the asset administration business, we made steady progress on preparing for the coming July scheduled start of operations at Custody Bank of Japan, an entity formed through the merger of three companies: Japan Trustee Services Bank, Trust & Custody Services Bank, and intermediate holding company of the former two companies JTC Holdings.

2. Future growth investments

As the digitalization of society continues to accelerate, we drastically overhauled our system investment plans on a Group-wide basis and considerably expanded our system investments in strategic business domains and digital fields such as cloud computing. More specifically, we stepped up our efforts to enhance client convenience and improve the productivity of branch operations by relocating and opening the Shibuya and Shibuya Chuo branches as our first next-generation trust branches. This new type of branch realizes a paperless environment with the use of multi-functional tablet devices.

Moreover, in order to accommodate the growing number of inheritance cases owing to the graying of Japan’s population, we continued to carry out demonstration testing on the digitalization of information using blockchain technology so that we might establish an inheritance services platform capable of speeding up complex inheritance procedures and energize the market by guaranteeing transparency in real estate information. We also worked on making operations and marketing more efficient with the use of such digital technology as robotic process automation (RPA) and artificial intelligence (AI) in place of people to perform routine tasks.

3. Practicing appropriate risk control

Given the major ongoing changes in the economic and financial environment, we appropriately addressed credit risk, market risk, and various other aspects of risk management, accumulated enough capital required to satisfy regulatory requirements, and bolstered our initiatives and risk management framework for tackling financial crimes based on the fourth round of Mutual Evaluation Report of

Japan by the Financial Action Task Force (FATF).

The Group took steps to further strengthen its financial base and continued to conduct stringent management of credit control, while some consolidated subsidiary companies and corporations booked special provisions in light of the impacts the 'COVID-19' pandemic is having on borrowers. In addition, as a result of systematically reducing our balance of strategic shareholdings aimed at mitigating financial risks, the balance (acquisition price basis) of Japan-listed shares held by SuMi TRUST Holdings and consolidated subsidiaries decreased ¥32.1 billion year on year to ¥566.8 billion.

4. Sophistication of management infrastructure—the source of competitiveness

We also pushed ahead with the following initiatives in an effort to enhance the management infrastructure that supports the measures outlined above.

(1) Enhancing corporate governance

From the perspective of improving management maneuverability and Group-wide auditing and supervisory functions, as well as further enhancing governance in the asset management business, we reorganized both SuMi TRUST Bank and Nikko AM into companies with an Audit and Supervisory Committee and also made the latter a subsidiary whose shares are held directly by SuMi TRUST Holdings.

(2) Enhancing fiduciary duty

From the viewpoint of improving client-oriented business operations, we continued to draw on the opinions of our clients to improve the quality of our products and services, provided easy-to-understand information to clients at our branches, and took steps to raise awareness about improving client satisfaction and trust. Also, with the aim of expanding long-term, stable transactions with clients, we continued to switch our performance assessments to those that emphasize assets under management.

(3) Promoting sustainability activities

We consider sustainability activities to be a core part of the Group's management and we pay attention to the impacts our corporate activities have on the environment, society, and the economy. We therefore actively worked on delivering positive impact finance (PIF) solutions to support the business activities of our clients so they may contribute to the achievement of the SDGs. Moreover, we publicly announced our support of the eight key priorities set out in the G20 Fukuoka Policy Priorities on Aging and Financial Inclusion that were adopted at the Group of Twenty meeting of finance ministers and central bank governors (G20) last June. We also became a signatory to the Principles for Responsible Banking (PRB) advocated for by the United Nations Environment Programme Finance Initiative (UNEP FI) and officially launched last September. Moreover, in

recognition of our approach to delivering PIF solutions, we were awarded the first-place prize (Minister of the Environment Award) in the financing category of the Ministry of the Environment's inaugural ESG Finance Awards Japan and the excellence award in the 5th Sustainable Finance Awards of the Research Institute for Environmental Finance.

(4) Strengthening HR development and activities

Guided by our mission to have management harness the diversity and creativity of each and every individual—the very concept behind diversity and inclusion—the Group took active steps to realize a comfortable workplace environment and change mindsets mainly by supporting the career planning of female employees and nurturing and appointing women to management positions. As a result, we were selected as a "Nadeshiko Brand" by the Ministry of Economy, Trade and Industry (METI) and the Tokyo Stock Exchange for our outstanding efforts on empowering women in the workplace. We were also named in the 2020 Bloomberg Gender-Equality Index in recognition of our initiatives to further gender equality.

We recognize the importance of creating an environment that supports the diversity, health, and motivation of each and every employee to ensure the Group's sustained growth, which is why we have established a comfortable workplace environment in an era in which many people will likely live to 100 by, for example, considering the extension of the mandatory retirement age. And in order to promote the physical and mental wellbeing of employees, we have continued to support a work-life balance by offering leave to employees requiring cancer treatment and providing more options on working styles with staggered starting times or teleworking, for example. Accordingly, our initiatives were recognized for the third year running with our selection in METI's White 500 as an organization having outstanding health and productivity management.

[Issues to be Addressed]

With the goal of achieving sustained and stable growth, the SuMi TRUST Group has formulated a new three-year medium-term management plan to run from fiscal 2020 through fiscal 2022.

The impacts of the COVID-19 pandemic have spread to all corners of the world. In such a situation where the future outlook remains clouded, the lives of many people, as well as the entire economy, are being seriously affected. The whole country must come together and remain steadfast in its efforts to overcome these difficult times so that we can return to our peaceful lives.

As a financial group specialized in trust banking, we will provide support to our individual and corporate clients by appropriately responding to their financing needs by leveraging our banking functions and we also once again feel a strong desire to reliably contribute to stable and steady business continuity as a provider of such key social infrastructure as pensions, stock transfer agency services, real estate, and asset management & administration.

Ever since our establishment and over the course of our long history, the Group has continued to contribute to the development of Japan by solving various social issues demanded by the times based on strong relationships of trust with our clients. This role shall remain unchanged going forward.

In order to recover from the impacts of the COVID-19 pandemic, there are certain issues that will need to be addressed anew and earnestly. For our individual clients, that might mean considering how one can truly prepare for an era in which many people will likely live to 100, while for our corporate clients, companies must be prepared for various types of risk and think about how stable and sustained growth can be achieved.

“Creating new value with the power of trust and let prosperous future for clients and society bloom.” is what defines our purpose as a financial group, so in the midst of major changes to social structures, we aim to actively extend our support to clients so they may solve the issues they face. And we recognize this to be a growth opportunity, which is why we intend to place at the core of our management approach the notion that we must balance the generation of both social and economic value. This fits into our plan of contributing to the development of a sustainable society as a financial group specialized in trust banking, as well as sustaining our own internal growth.

More specifically, we have identified the following three basic policies under which we intend to execute key initiatives.

1. Strengthening our business portfolio (bolstering platforms to achieve sustained and stable growth)

(1) Reinforcing business platforms

We aim to create more opportunities to provide new products, services, and total solutions based

on long-term, inclusive relationships of trust with existing clients.

In addition, we will continue to gain new individual and corporate clients and build up AUM mainly in the Group's specialty fields such as asset management and asset administration.

(2) Establishing new growth fields

In light of the issues arising from future changes to social structures and the needs of clients that continue to emerge right now, we will pursue new growth by launching businesses that combine our functions and services with the goal of finding solutions to those issues and needs.

So that we can harness the creativity in developing products and services in line with the needs of our clients—one of our traditional strengths—we intend to reorganize SuMi TRUST Bank, the entity at the heart of the Group. More specifically, we plan to establish growth fields by heavily allocating employees and other managerial resources in order to provide even more services at a higher standard than before for the future of mainly clients in the asset formation stage of life and the innovation industry.

(3) Optimizing and enhancing the use of managerial resources

We will push ahead with the optimal allocation of managerial resources to certain areas in an effort to further strengthen and streamline the Group's management structure. In addition to appropriately incorporating advancements in digital technology, we will also aim to flexibly combine managerial resources within the Group to build a resilient management structure that balances both optimum allocation and maximized use of resources.

2. Capital strategies (efficient use of balance sheet and capital)

While maintaining sufficient capital as required by banking regulations, we aim to be more aggressive in our use of strategic capital investments, step up our use of active capital strategies, such as strategic shareholdings and risk asset controls, and push ahead with capital policies that strike the right balance between financial soundness and capital efficiency.

Particularly with regard to risk asset controls, in addition to supporting our individual and corporate clients with smooth cash supply given the impacts of the 'COVID-19' pandemic, we intend to liquidate loan assets, diversify our structure on foreign currency procurement, and continuously aim to improve profitability on loan assets overall.

3. Improving service quality (developing management infrastructure to support creation and strengthening of businesses)

As a financial group specialized in trust banking, we will strive to be thoroughgoing in upholding our fiduciary duties, aim to strengthen our client-oriented and client satisfaction initiatives as a

source of differentiation, integrate the multiple organizations that are currently separated by function, improve service quality, and endeavor to instill greater employee awareness at our branches.

Furthermore, we will seek to enhance Group-wide business management mainly in the areas of finance, HR, and risk management taking into account changes in the operating environment, new regulatory requirements, and the growing importance of Group strategies. More specifically, given the heightened economic and financial uncertainties pertaining mainly to the sudden changes affecting our operating environment at present, we will not only continue to appropriately manage risks in all their forms and establish compliance systems for dealing with financial crimes and other issues, we will also step up our efforts to improve our governance structure to facilitate business model reforms and further strengthen the development of human resources.

Considering the current mix of numerous risks and growth opportunities, we need to conduct our business operations while paying special attention to changes in the business environment, however we believe the approach we are taking in our medium-term management plan, i.e., balanced creation of both social and economic value, is a universal one.

We think the diversification of values and the growing number of uncertainties in society present us an opportunity to come into our own with trust schemes that can deliver a safe and secure society. We therefore aim to achieve sustained and stable growth as the “best partner” most trusted by our clients.

We would be grateful for your continued understanding and support.

Reference: Financial targets

Guided by the approach of balancing the creation of both social and economic value during the period of this medium-term management plan, the Group aims to shore up its business platform during 3 years by achieving the following medium-term financial targets so that it can realize the development of a sustainable society and achieve sustained and stable growth.

	FY2019 (Actual)	FY2020 (Forecast)	FY2022 (Target)	Medium- to long-term target
Net business profit before credit costs	289bn yen	250bn yen	290 bn yen	—
Net income attributable to owners of the parent	163 bn yen	140 bn yen	190 bn yen	—
OHR	61.1%	Mid-60% range	Lower 60% range	Upper 50% range

Common Equity Tier 1 capital ratio*	9.7%	Upper 9% range	Mid-10% range	Maintain stable 10% range
Return on shareholders' equity	6. 25%	Mid-5% range	Around 7%	Around 9%
Fee income ratio	54.6%	Mid-50% Range	Upper 50% range	Maintain above 60%

*Based on finalized Basel III standards (Pro-forma figure for FY2019)

(2) Changes in Financial Position and Results of Operations

a. Changes in Financial Position and Results of Operations (Consolidated Basis) (100 Millions of Yen)

	FY2016	FY2017	FY2018	FY2019
Ordinary income	12,612	13,509	14,679	15,354
Ordinary profit	1,963	2,326	2,564	2,576
Net income attributable to owners of the parent	1,214	1,539	1,738	1,630
Comprehensive income	1,553	2,316	939	(239)
Net assets	27,916	28,723	27,303	25,909
Total assets	654,537	683,567	570,291	565,005
Net income per share	Yen 317.24	Yen 403.91	Yen 458.91	Yen 434.31

（Note） Amounts less than 100 million yen are rounded down

b. Changes in Financial Position and Results of Operations (Non-consolidated Basis) (100 Millions of Yen)

	FY2016	FY2017	FY2018	FY2019
Operating income	582	573	1,231	975
Dividends received	547	555	1,218	958
Dividends received from banking subsidiaries	546	554	1,217	935
Dividends received from other subsidiaries	0	0	0	23
Net income	Million Yen 50,376	Million Yen 49,333	Million Yen 127,717	Million Yen 93,858
Net income per share	Yen 131.59	Yen 129.40	Yen 337.06	Yen 250.04
Total assets	19,681	20,765	22,034	22,247
Investments in banking subsidiaries	15,220	14,860	13,965	12,930
Investments in other subsidiaries	86	82	510	1,053

（Notes） Amounts less than 100 million yen are rounded down.

(3) Employees of the SuMi TRUST Group

	Retail TS Services Business	Wholesale Financial Services Business	Stock Transfer Agency Services Business	Real Estate Business	Fiduciary Services Business	Global Markets Business	Others
Number of employees in FY2019	5,766	3,562	590	1,515	2,665	293	3,295
Number of employees in FY2018	5,810	3,441	574	1,466	2,604	282	3,715

(Notes) 1. Number of Employees includes overseas hires and excludes contract and temporary staffs.
2. Number of Employees includes SuMi TRUST Holdings employees plus employees of consolidated subsidiary companies and corporations.
3. Retail TS Services Business refers to Retail Total Solution Services Business which provides services to individual clients.

(4) Principal Offices of the SuMi TRUST Group

a. SuMi TRUST Bank

・Principal Offices and the Number Thereof

Domestic: 150 offices including Tokyo Business Department, Osaka Business Department, Yokohamaeki-Nishiguchi Branch, Kobe Branch, Nagoya Business Department, Chiba Branch, Urawa Branch (148 offices at the end of the previous fiscal year)

Overseas: New York Branch, London Branch, Singapore Branch, Hong Kong Branch, Shanghai Branch (5 locations at the end of the previous fiscal year)

(Notes) 1. The number of offices includes sub-branches.
2. In addition to above, there were 5 overseas representative offices as of the end of the fiscal year under review (4 locations at the end of the previous fiscal year).

b. Principal subsidiary companies and corporations

Businesses	Name of principal companies	Principal offices
Retail Total Solution Services Business	Sumitomo Mitsui Trust Guarantee Co., Ltd.	Head Office (Tokyo) Osaka Branch
	Sumitomo Mitsui Trust Club Co., Ltd.	Head Office (Tokyo) Okinawa Office
Wholesale Financial Services Business	Sumitomo Mitsui Trust Panasonic Finance Co., Ltd.	Head Office (Tokyo) Osaka Branch

	Sumitomo Mitsui Trust Loan & Finance Co., Ltd.	Head Office (Tokyo) Osaka Branch
Real Estate Business	Sumitomo Mitsui Trust Realty Co., Ltd.	Head Office (Tokyo)
Fiduciary Services Business	Sumitomo Mitsui Trust Asset Management Co., Ltd.	Head Office (Tokyo)
	Nikko Asset Management Co., Ltd.	Head Office (Tokyo)

c. Bank Agencies of SuMi TRUST Bank

Businesses	Name	Place of the principal office	Principal businesses other than banking agency
Others	SBI Sumishin Net Bank, Ltd.	Minato-ku, Tokyo	Banking business

(5) Capital Investment of the SuMi TRUST Group

a. Total Amount of Capital Investment

(Millions of Yen)

Company name	Amount
SuMi TRUST Bank	32,706
Sumitomo Mitsui Trust General Service Co., Ltd.	6,914
Others	8,683
Total	48,304

(Notes) 1. Amounts less than 1 million yen are rounded down.
2. The above amounts include investments in intangible fixed assets.
3. The above figures are the total amount of capital investment of SuMi TRUST Holdings and consolidated subsidiary companies and corporations.
4. The above figures describe the total amount of capital investment for each company, for the reason that our assets are not categorized by business segment.

b. Establishment of Principal Facilities, etc.

（New additions and renovations）

(Millions of Yen)

Company name	Description	Amount
SuMi TRUST Bank	Investment in software	25,277
Sumitomo Mitsui Trust General Service Co., Ltd.	Acquisition of Shimbashi Sansen Building	6,571

(Notes) 1. Amounts less than 1 million yen are rounded down.

2. The above figures describe the amount of new addition or renovation of principal facilities for each company, for the reason that our assets are not categorized by business segment.

(Disposal and Sales)

Company name	Description
SuMi TRUST Bank	Sale of Fukazawa Residence (incl. Tamagawa Dormitory)
	Sale of Ogikubo Residence

*The above describes the disposal or sale of principal facilities for each company, for the reason that our assets are not categorized by business segment.

(6) Principal Parent Company and Subsidiaries, etc.

a. Parent Company

Not Applicable.

b. Subsidiaries

Company name	Location	Main business	Date of establishment	Capital (Millions of Yen)	% of SuMi TRUST Holdings voting rights (%)	Other
SuMi TRUST Bank	Chiyoda-ku, Tokyo	Trust business, Banking business	July 28, 1925	342,037	100.00	—
Sumitomo Mitsui Trust Asset Management Co., Ltd.	Minato-ku, Tokyo	Investment management business, Investment advisory and agency business	November 1, 1986	2,000	100.00	—

Company name	Location	Main business	Date of establishment	Capital (Millions of Yen)	% of SuMi TRUST Holdings voting rights (%)	Other
Nikko Asset Management Co., Ltd.	Minato-ku, Tokyo	Investment management business, Investment advisory and agency business	December 1, 1959	17,363	91.97	—
Sumitomo Mitsui Trust Loan & Finance Co., Ltd.	Minato-ku, Tokyo	Money lending business	January 22, 1992	6,000	100.00 (100.00)	—
Sumitomo Mitsui Trust Guarantee Co., Ltd.	Minato-ku, Tokyo	Credit guarantee business	July 10, 1978	301	100.00 (100.00)	—
Sumitomo Mitsui Trust Realty Co., Ltd.	Chiyoda-ku, Tokyo	Real estate brokerage business	January 24, 1986	300	100.00 (100.00)	—
Sumitomo Mitsui Trust Club Co., Ltd.	Chuo-ku, Tokyo	Credit card business	April 2, 1977	100	100.00 (100.00)	—
Sumitomo Mitsui Trust Card Co., Ltd.	Minato-ku, Tokyo	Credit card business	June 24, 1983	100	100.00 (100.00)	—
Sumitomo Mitsui Trust Panasonic Finance Co., Ltd.	Minato-ku, Tokyo	Leasing, Installment purchase services, Credit card business	February 27, 1967	25,584	84.89 (84.89)	
Sumitomo Mitsui Trust Bank (Thai) Public Company Limited	Bangkok, Thailand	Banking business	July 7, 2014	66,600 [THB 20,000m]	100.00 (100.00)	
Sumitomo Mitsui Trust Bank (U.S.A.) Limited	Hoboken, New Jersey, US	Banking, Trust business	May 20, 2002	6,086 [USD56m]	100.00 (100.00)	
JTC Holdings, Ltd.	Chuo-ku, Tokyo	Bank holding company	October 1, 2018	500	33.33	—
Japan Trustee Services Bank, Ltd.	Chuo-ku, Tokyo	Banking, Trust business	June 20, 2000	51,000	(—) [100.00]	—
Trust & Custody Services Bank, Ltd.	Chuo-ku, Tokyo	Banking, Trust business	January 22, 2001	50,000	(—) [100.00]	—

SBI Sumishin Net Bank, Ltd.	Minato-ku, Tokyo	Banking business	June 3, 1986	31,000	50.00 (50.00)	—
Cardif Assurance Vie Japan	Shibuya-ku, Tokyo	Life insurance business	July 3, 2017	20,600	20.00 (20.00)	—
Zijin Trust Co., Ltd.	Nanjing, Jiangsu Province, People's Republic of China	Trust business	September 25, 1992	37,481 [CNY2,453 m]	19.99 (19.99)	—
Midwest Railcar Corporation	Edwardsville, Illinois, US	Leasing business	December 31, 1998	51 [USD 470,000]	— (—) [100.00]	—

(Notes) 1. Figures above are rounded down basis.

2. Capital denominated in foreign currencies is translated into Japanese yen using the exchange rate prevailing at SuMi TRUST Holdings' balance sheet date.

3. Percentage of voting right of subsidiaries, etc. held by SuMi TRUST Holdings is rounded down to 2 decimal places.

4. The number in the round bracket ( ) for the voting right of subsidiaries, etc. held by SuMi TRUST Holdings represents the percentage of indirect ownership of subsidiary companies and corporations, and the number in the square bracket [ ] represents the percentage of ownership of those "who acknowledge exercising their voting rights in ways consistent with their self-intention due to the close relationship between their interests and the affiliates' equity investments, personnel, funding, technologies and transactions, etc." or those "who agree they exercised their voting rights in ways consistent with self-intention".

5. Outline of the significant business collaborations involving SuMi TRUST Holdings' subsidiaries are as follows.

[SuMi TRUST Bank]

(1) SuMi TRUST Bank has the business alliance with Japan Post Bank Co., Ltd. to provide automatic cash withdrawals and deposit services through mutual use of ATMs, and the Japan Post "YuYu Pack" fixed-time fixed-amount automated account transfer service.

(2) SuMi TRUST Bank has the business alliance with E-net Co., Ltd. to provide automatic cash withdrawals and deposits via ATMs in a tie-up with convenience stores, etc., by participating in a joint ATM operation business.

(3) SuMi TRUST Bank has the business alliance agreement with Seven Bank, Ltd. concerning joint ATMs, and is providing automatic cash withdrawals and deposit services via ATMs.

(4) SuMi TRUST Bank provides automatic cash withdrawal service based on the mutual use of ATMs between SuMi TRUST Bank and AEON BANK, LTD., under a collaboration agreement.

(5) SuMi TRUST Bank provides automatic cash withdrawal service based on the mutual use of ATMs between SuMi TRUST Bank and Kiraboshi Bank, Ltd., under a collaboration agreement.

(6) As of the end of March 2020, SuMi TRUST Bank has signed trust agency agreement (*) with 132 financial institutions, business corporations and foundations, for providing trust services to clients.

(*) Trust agency is a collective term for trust agreement agencies under Trust Business Law, and agencies concurrently engaged in trust business under Article 1 of the Law Concerning Financial Institutions' Concurrent Management of Trust Business.

(7) Major Creditors

Not Applicable.

(8) Transfer of Business

Not Applicable.

(9) Other Important Matters regarding the SuMi TRUST Group

In aiming to further develop the Group's asset management business and with the goal of improving governance within the Group by, achieving more efficient and appropriate conflict of interest management, Nikko Asset Management—a subsidiary of SuMi TRUST Bank—was made a direct subsidiary of SuMi TRUST Holdings.

2. Matters regarding Directors and Executive Officers*1

(1) Directors, Executive Officers*1, and Corporate Auditors

a. Directors

（As of March 31, 2020）

Name	Position	Responsibility	Significant concurrent positions	Other
Tetsuo Ohkubo	Director	Nominating Committee Member, Compensation Committee Member	Director of SuMi TRUST Bank	
Jiro Araumi	Director		Director, Senior Managing Executive Officer of SuMi TRUST Bank	
Yutaka Nishida	Director		Director, Senior Managing Executive Officer of SuMi TRUST Bank	
Masaru Hashimoto	Director	Nominating Committee Member, Compensation Committee Member	President (Representative Director) of SuMi TRUST Bank	
Kunitaro Kitamura	Director		Chairman of SuMi TRUST Bank, Director (Outside Director) of FUJIFILM Holdings Corporation, Outside Director of ASAGAMI CORPORATION	
Hitoshi Tsunekage	Director		Chairman of SuMi TRUST Bank, Outside Director of Nankai Electric Railway Co., Ltd.	
Kuniyuki Shudo	Director	Audit		

Name	Position	Responsibility	Significant concurrent positions	Other
		Committee Member		
Kouji Tanaka	Director	Audit Committee Member		
Takeshi Suzuki	Director (External Director)	Nominating Committee Member, Compensation Committee Member, Risk Committee Member, Conflicts of Interest Committee Member		(Note) Please refer to 4.
Mikio Araki	Director (External Director)	Nominating Committee Member, Compensation Committee Member, Risk Committee Member (Chairperson)	Director and Chairman of Japan Economic Research Institute Inc., Auditor (External Auditor) of Japan Freight Railway Company	
Isao Matsushita	Director (External Director)	Chairman of the Board of Directors Nominating Committee Member (Chairperson), Compensation	Outside Director of Matsumotokiyoshi Holdings Co., Ltd.	

Name	Position	Responsibility	Significant concurrent positions	Other
		Committee Member		
Shinichi Saito	Director (External Director)	Nominating Committee Member, Audit Committee Member (Chairperson)		(Note) Please refer to 5.
Takashi Yoshida	Director (External Director)	Audit Committee Member	Certified Public Accountant, Corporate Auditor (External Auditor) of Nippon Seiro Co., Ltd., Director (External Director) of Cosmos Initia Co., Ltd.	(Note) Please refer to 6.
Hiroko Kawamoto	Director (External Director)	Nominating Committee Member, Compensation Committee Member (Chairperson)	Executive Vice President and COO of ANA Strategic Research Institute Co., Ltd., Director (Outside Director) of RENAISSANCE INCORPORATED	(Note) Please refer to 7.
Mitsuhiro Aso	Director (External Director)	Audit Committee Member	Attorney at Law, Outside Corporate Auditor of Sumitomo Chemical Co., Ltd.	

(Notes) 1. Messrs. Takeshi Suzuki, Mikio Araki, Isao Matsushita, Shinichi Saito, Takashi Yoshida, Mitsuhiro Aso, and Ms. Hiroko Kawamoto are External Directors defined in Article 2, Item 15 of the Companies Act.

2. Messrs. Takeshi Suzuki, Mikio Araki, Isao Matsushita, Shinichi Saito, Takashi Yoshida, Ms. Hiroko Kawamoto, and Mr. Mitsuhiro Aso have been registered with the Tokyo Stock Exchange and the Nagoya Stock Exchange, as independent officers according to the provisions of rules at each stock exchange.

3. SuMi TRUST Holdings has selected Mr. Kuniyuki Shudo and Mr. Kouji Tanaka, the non-executive directors, as full-time members of the Audit Committee to secure the effectiveness of audit.

4. Mr. Takeshi Suzuki has assumed post as Part-time director of Tokai National Higher Education and Research System as of April 1, 2020.

5. Mr. Shinichi Saito, having served as an executive officer and finance department manager in a general trading company and a general manager in a major auditing firm, has considerable

knowledge and experience in finance and accounting.

6. Mr. Takashi Yoshida has served as a certified public accountant (CPA) in a major auditing firm for a long time thus holding considerable knowledge and experience in finance and accounting.
7. Ms. Hiroko Kawamoto has assumed post as Chairman of ANA Research Institute Co., Ltd. as of April 1, 2020.

b. Executive Officers as Prescribed by the Companies Act (Executive Officers *1)

(As of March 31, 2020)

Name	Position	Responsibility	Significant concurrent positions, other	Other
Tetsuo Ohkubo	President （Representative Executive Officer*1）		Director of SuMi TRUST Bank	
Jiro Araumi	Senior Managing Executive Officer*1 （Representative Executive Officer*1）	Asset Management Business Planning Dept. Corporate Administration Dept. Corporate Secretariat	Director, Senior Managing Executive Officer of SuMi TRUST Bank	
Yutaka Nishida	Senior Managing Executive Officer*1 （Representative Executive Officer*1)	Risk Management Dept., Compliance Dept., Legal Dept., Fiduciary Duties Planning and Promotion Dept., Fiduciary Risk Management Dept.	Director, Senior Managing Executive Officer of SuMi TRUST Bank	(Note) Please refer.
Atsushi Kaibara	Senior Managing Executive Officer*1	Planning and Coordination Dept.	Director, Senior Managing Executive Officer of SuMi TRUST Bank	

Hitoshi Sato	Managing Executive Officer*1	Financial Planning Dept., IR Dept.	Managing Executive Officer of SuMi TRUST Bank	
Futoshi Itani	Managing Executive Officer*1	Human Resources Dept.	Managing Executive Officer of SuMi TRUST Bank	
Kazuya Oyama	Managing Executive Officer*1	Corporate Planning Dept., Corporate Secretariat	Director, Managing Executive Officer of SuMi TRUST Bank	
Masaru Hashimoto	Executive Officer*1		President (Representative Director) of SuMi TRUST Bank	
Kiyomitsu Asahi	Executive Officer*1, Executive Officer*2	Internal Audit Dept.		(Note) Please refer.
Junya Ueda	Executive Officer*1	IT & Business Process Dept.	Executive Officer of SuMi TRUST Bank	(Note) Please refer.

(Note) 1. Mr. Kiyomitsu Asahi has resigned post as Executive officer*1, as of March 31, 2020. In addition, Mr. Junya Ueda has assumed the position of Managing Executive Officer*1, and Mr. Shigenori Ikemura has assumed the position of Executive officer*1 as of April 1, 2020. The Fiduciary Duty Promotion Department has been integrated with the CS Planning Promotion Department and reorganized into the FD / CS Planning Promotion Department, as of April 1, 2020.

2. Executive Officer*1 is an executive officer prescribed by the Companies Act.;Executive Officer*2 is an executive officer prescribed in internal policy.

(2) Compensation, etc. for Directors, Executive Officers*1, and Corporate Auditors

a. Persons Paid, Compensation, etc.

(Millions of Yen)

Classification	Persons paid	Compensation, etc.			
			Monthly compensation	Officer bonus	Stock compensation
Directors	14	254	239	6	8
Executive Officers*1	10	269	203	35	30
Total	24	523	443	42	38

(Notes) 1. The compensation data is on an annual basis with amounts less than 1 million yen are rounded down.
2. Compensation, etc. paid to executive officers*1 concurrently serving as directors is included in the amount for executive officers*1.
3. The persons paid of directors and executive officers*1 include 3 persons and 1 respectively, who retired during the fiscal year.
4. The amounts of officer bonus and stock compensation have not been determined at this time, so the amounts of allowance are shown.

b. Policy on Decisions on Compensation, etc. for Directors and Executive Officers*1*2

—Policy Overview—

The Compensation Committee shall prescribe the policy on decisions on the details of compensation, etc. for individual directors and executive officers*1*2 of SuMi TRUST Holdings. The details are as described below.

- Compensation, etc. for directors (excluding external directors and internal directors serving as Audit Committee members) and executive officers*1*2 (hereinafter "directors and executive officers*1*2") shall effectively function as an incentive for enhancing company performance and increasing corporate value, in order to realize steady and sustainable growth of the SuMi TRUST Group.
- A compensation system shall be established which takes into consideration the balance between short-term incentives and medium- to long-term incentives and puts a priority on attributes and capabilities of directors and executive officers*1*2 as senior management, without placing exclusive emphasis on performance evaluation for a single fiscal year focusing on contribution to short-term revenue but based on comprehensive evaluation reflecting the medium- to long-term performance.
- In order to fully demonstrate the function of supervising each of the SuMi TRUST Group companies as a holding company, SuMi TRUST Holdings shall accurately grasp the roles that directors and executive officers*1*2 should fulfill in terms of business management and their achievements, and determine individual compensation based on a highly transparent, fair and objective evaluation.
- The Compensation Committee shall conduct deliberations to establish a compensation system/structure with high accountability and determine the fair and efficient amounts of compensation by deepening collaboration of information with the Nominating Committee, Audit Committee, and voluntary committees such as Risk Committee and Conflicts of Interest Committee.

—Compensation System—

In principle, compensation is paid with a combination of monthly compensation, director and executive officer*1*2 bonuses, and stock compensation. Previously, bonuses for directors and executive officers*1*2 consisted of a bonus linked to company performance and a bonus linked to individual performance, but now only one performance-linked bonus is awarded. Moreover, the stock compensation-type stock options paid in the past have been replaced this fiscal year with a share delivery trust system.

Types of Compensation			Variable / Fixed
■Monthly compensation			
	Fixed compensation	Fixed amount based on rank	Fixed
	Individual performance compensation	Compensation that reflects a qualitative evaluation of mainly medium- to long-term earnings contributions, business activities, and capabilities based on the previous year's evaluations for each individual director and executive officer*1*2.	Variable
■Bonus for directors and executive officers			
	Performance-linked bonus	Allocated according to the performance evaluation of each individual from the total amount determined with reference to the following indicators of near-term earnings: consolidated net business profit and consolidated net profit attributable to owners of the parent.	Variable
■Stock compensation			
	Share delivery trust	Compensation with the use of a trust scheme. Points are awarded every fiscal year and delivered in the form of shares upon resignation/retirement with reference to mainly the following indicators of medium-term earnings*: consolidated net business profit, consolidated shareholders' equity and ROE, and consolidated CET1 ratio. Malus provisions (reductions/forfeiture prior to share delivery) are also applied.	Variable
*Refer to Indicators (KPIs) Relating to Performance-linked Compensation below for details on earnings indicators.			

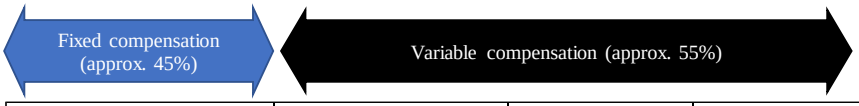
- For the President, the composition ratios and range of fluctuations in the standard compensation table are set as follows. Such table shall be used as a reference to resolve individual compensation amounts at the Compensation Committee.
  - The composition ratios of fixed compensation and individual performance compensation, among monthly compensation, the bonuses of directors and executive officers*1*2, and stock-compensation (share delivery trust) are generally as shown in the table below.
  - Individual performance compensation, among monthly compensation, shall have a range of fluctuation from 70% to 160% against the standard amount.
  - Corporate performance linked bonus shall be determined on each occasion, and shall reflect corporate performance through the use of consolidated net business profit before credit costs and consolidated net income as indicators.



	Fixed compensation, among monthly compensation	Individual performance compensation, among monthly compensation	Corporate performance linked bonus	Stock-compensation-type stock options	Total
President	40%	30%	15%	15%	100%

- For directors and executive officers*1*2 in charge of business execution (excluding the President) of SuMi TRUST Holdings, the composition ratios and range of fluctuations in the standard compensation table are set as follows. Such table shall be used as a reference to resolve individual compensation amounts for directors and executive officers*1, and to report individual compensation amounts for executive officers*2 at the Compensation Committee.
  - The composition ratios of fixed compensation, individual performance compensation , the bonuses of directors and executive officers*1*2, and stock compensation (share delivery trust) among monthly compensation are generally as shown in the table below.
  - Individual performance compensation, among monthly compensation, shall have a range of fluctuation from 70% to 160% against the standard amount.
  - The total amount for performance-linked bonuses shall be determined and allocated according to individual performances with the use of consolidated net business profit before credit costs and consolidated net income as indicators.

- Directors and executive officers*1*2 concurrently serving at SuMi TRUST Bank or SuMi TRUST AM shall be paid an amount of compensation divided according to a predetermined concurrence ratio.



Excluding President	Fixed compensation, among monthly compensation	Individual performance compensation, among monthly compensation	Corporate performance linked bonus	Stock-compensation-type stock options	Total
	45%	30%	15%	10%	100%

—Performance Evaluation Mechanism for Individual Directors and Executive Officers—
Details of the performance evaluation mechanism for individual directors and executive officers*1*2 are as follows.

- Regarding individual performance evaluations, the draft amounts of compensation for individual directors and executive officers*1*2 to be presented to the Compensation Committee shall be deliberated and determined by the Performance Evaluation Committee, which is comprised of the President and related directors and executive officers*1*2.
- The persons that are subject to performance evaluations shall be directors and executive officers*1 of SuMi TRUST Holdings that are subject to the resolutions of the Compensation Committee, as well as executive officers*2 of SuMi TRUST Holdings and directors and executive officers*1*2 of major subsidiaries that are subject to reporting. The compensation items falling under the scope of the evaluations shall be individual performance compensation related to monthly compensation and individual performances of directors and executive officers*1*2.
- Draft individual performance compensation shall be determined, by first considering the performance level of the Group, and then considering the medium- to long-term contributions of individual directors and executive officers*1*2 to that performance, as well as their ability levels, in addition to their achievements such as the sizes of role burdens and contributions to the development of human resources.
- The assessment of performance for director and executive offer bonuses shall take into consideration the levels of achievement for each individual, sizes of role burdens, and status of activities of individual directors and executive officers*1*2.

—Indicators (KPIs) Relating to Performance-linked Compensation—

- For corporate performance-linked bonuses and stock compensation, a mechanism has been introduced to determine the total amount by multiplying the base rate by the achievement rate calculated with the following indicators (KPIs).

Types of performance-linked compensation	Indicators (KPIs) concerning performance-linked compensation	Near-term / medium-term	KPI selection reason	Calculation method	Final determination method	Payment method
■Bonus for directors and executive officers*1*2						
Bonus linked to company earnings	(1) Consolidated net business profit (2) Consolidated net profit attributable to owners of the parent	Linked to near-term earnings	Considered them as appropriate indicators of the company's business results and capabilities in the fiscal year under review	Calculated based on a weighted average with a 2:1 weighting on the achievement rates for (1) and (2), respectively	Determined by the Compensation Committee with special factors and the business environment taken into full account	Paid in cash after the General Meeting of Shareholders the following fiscal year
■Stock compensation						
Share delivery trust	(1) Consolidated net business profit (2) Consolidated net profit attributable to owners of the parent	Linked to near-term earnings	Considered them as appropriate indicators of the company's business results and capabilities in the fiscal year under review	Calculated based on a weighted average with a 2:1 weighting on the achievement rates for (1) and (2), respectively	Determined by the Compensation Committee with special factors and the business environment taken into full account	●The company sets up a share delivery trust with the directors and officers as the beneficiary and enough capital required to purchase shares is placed in trust ↓ ●The trustee makes block purchases from the market for the number of shares expected to be delivered to beneficiaries in the future ↓ ●After retirement or resignation, the company makes payment in the form of stock compensation according to the number of points awarded and accumulated as determined by the Compensation
	(3) Consolidated shareholders' equity and ROE (4) Consolidated CET1 Capital ratio (5) Consolidated OHR (6) ESG-related activities and rating agency score, etc. (7) Fiduciary duty and client satisfaction activities	Linked to medium-term earnings	(1) Considered them as appropriate KPIs for they are key financial indicators and non-financial items in the company's medium-term management plan and key topics in management strategy (2) To clarify commitment to management of directors, officers, and executive officers*1*2	Final achievement rate calculated by qualitatively assessing the achievement and progress of (3), (4), and (5), as well as the activities for (6) and (7) and adding the scores to the achievements rates calculated with (1) and (2) above Achievement rate is capped at 130% (lower limit of 0%) so as to provide an appropriate incentive scheme		

Compensation Structure for Non-executive Officers—

- Compensation for internal directors serving as Audit Committee members
  Fixed monthly compensation only, which shall be determined by the Compensation Committee, taking into consideration the business conditions of SuMi TRUST Holdings, the compensation level of its directors, compensation levels at industry peers, and other factors, as well as a level appropriate for internal directors serving as Audit Committee members.
- Compensation for external directors
  Fixed monthly compensation only, with the addition of a predetermined amount when an external director serves as a Statutory committee chairman or member. For an external director serving as chairman of the Board of Directors, a fixed compensation table has been established, taking into consideration the compensation levels of internal directors and external directors. The compensation level shall be determined by the Compensation Committee, taking into consideration the business conditions of SuMi TRUST Holdings, the compensation level of its internal directors, compensation levels at industry peers, and other factors.

Executive officer*1 is an executive officer prescribed by the Companies Act; executive officer*2 is an executive officer prescribed in internal policy.

(3) Liability Limitation Agreement

Name	Summary of Liability Limitation Agreement
(External Directors) Takeshi Suzuki Mikio Araki Isao Matsushita Shinichi Saito Takashi Yoshida Hiroko Kawamoto Mitsuhiro Aso	Pursuant to Article 427, Paragraph 1 of the Companies Act, SuMi TRUST Holdings has entered into an agreement with each of External Directors listed on the left to limit their liability for damages as provided for in Article 423, Paragraph 1 of the Companies Act. The limitation of liability under such agreement shall be the Minimum Liability Amount provided for by laws or regulations.

3. Matters regarding External Directors and External Auditors

(1) Concurrent Positions and Other Details on External Directors and External Auditors

（As of March 31, 2020）

Name	Concurrent positions and other details
Takeshi Suzuki	
Mikio Araki	Director and Chairman of Japan Economic Research Institute Inc., Auditor (External Auditor) of Japan Freight Railway Company
Isao Matsushita	Outside Director of Matsumotokiyoshi Holdings Co., Ltd.
Shinichi Saito	

Name	Concurrent positions and other details
Takashi Yoshida	Certified Public Accountant, Corporate Auditor (External Auditor) of Nippon Seiro Co., Ltd., Director (External Director) of Cosmos Initia Co., Ltd.
Hiroko Kawamoto	Executive Vice President and COO of ANA Strategic Research Institute Co., Ltd., Director (Outside Director) of RENAISSANCE INCORPORATED
Mitsuhiro Aso	Attorney at Law, Outside Corporate Auditor, Sumitomo Chemical Co., Ltd.

(Note) 1. SuMi TRUST Holdings has no special interest with other corporations in which external directors have concurrent positions.
2. As of April 1, 2020, Mr. Takeshi Suzuki serves as part-time director at Tokai National Higher Education and Research System, and Ms. Hiroko Kawamoto has assumed post as Chairman of ANA Research Institute Co., Ltd.

(2) Major Activities of External Directors and External Auditors

Name	Term of office	Attendance at Board of Directors meetings and Audit Committee meetings	Statements and other activities at Board of Directors meetings and Audit Committee meetings
Takeshi Suzuki	4 years, 9 months	He attended all 16 Board of Directors meetings held during the fiscal year under review.	He presented his insights from the viewpoint of an experienced corporate executive.
Mikio Araki	4 years, 9 months	He attended all 16 Board of Directors meetings held during the fiscal year under review.	He presented his insights from the viewpoint of an experienced economics and financial professional.
Isao Matsushita	2 years, 9 months	He attended all 16 Board of Directors meetings held during the fiscal year under review.	He presented his insights from the viewpoint of an experienced corporate executive.
Shinichi Saito	6 years, 9 months	He attended all 16 Board of Directors meetings, and all 17 Audit Committee meetings held during the fiscal year under review.	He presented his insights from the viewpoint of an experienced corporate executive and of a financial and accounting expert.
Takashi Yoshida	3 years, 9 months	He attended all 16 Board of Directors meetings, and all 17 Audit Committee meetings held during the fiscal year under review.	He presented his insights from the viewpoint of an experienced financial and accounting expert.
Hiroko Kawamoto	2 years, 9 months	She attended 15 of the 16 Board of Directors meetings held during the fiscal year under review.	She presented her insights from the viewpoint of an experienced corporate executive.

Mitsuhiro Aso	9 months	He attended all 12 Board of Directors meetings and all 13 Audit Committee meetings held after taking officer.	He presented his insights from the viewpoint of an experienced legal expert.

(Notes) 1. Terms of office of less than one month are rounded down.
2. External Directors and External Auditors periodically attend meetings for the exchange of opinions with Representative Executive Officers*1 and express their views.

(3) Compensation, etc. for the External Directors and External Auditors

（Millions of Yen）

	Persons paid	Compensation etc. paid by SuMi TRUST Holdings	Compensation, etc. paid by parent company, etc. of SuMi TRUST Holdings
Total amount of compensation	8	114	—

（Note） 1. Amounts less than 1 million yen are rounded down.
2. The number of persons paid and the amount of compensation include those who retired on June 27, 2019.

(4) Opinions from External Directors and External Auditors

Not Applicable.

4. Matters regarding Shares of SuMi TRUST Holdings (as of March 31, 2020)

(1) Number of Shares

Total number of shares authorized to be issued

890,000,000 shares

(Details)

Common stock	850,000,000 shares
First Series Class VIII Preferred Stock	10,000,000 shares (note 1)
Second Series Class VIII Preferred Stock	10,000,000 shares (note 1)
Third Series Class VIII Preferred Stock	10,000,000 shares (note 1)
Fourth Series Class VIII Preferred Stock	10,000,000 shares (note 1)
First Series Class IX Preferred Stock	10,000,000 shares (note 2)
Second Series Class IX Preferred Stock	10,000,000 shares (note 2)
Third Series Class IX Preferred Stock	10,000,000 shares (note 2)
Fourth Series Class IX Preferred Stock	10,000,000 shares (note 2)
First Series Class X Preferred Stock	20,000,000 shares (note 3)
Second Series Class X Preferred Stock	20,000,000 shares (note 3)
Third Series Class X Preferred Stock	20,000,000 shares (note 3)
Fourth Series Class X Preferred Stock	20,000,000 shares (note 3)
First Series Class XI Preferred Stock	10,000,000 shares (note 1)
Second Series Class XI Preferred Stock	10,000,000 shares (note 1)
Third Series Class XI Preferred Stock	10,000,000 shares (note 1)
Fourth Series Class XI Preferred Stock	10,000,000 shares (note 1)
First Series Class XII Preferred Stock	10,000,000 shares (note 1)
Second Series Class XII Preferred Stock	10,000,000 shares (note 1)
Third Series Class XII Preferred Stock	10,000,000 shares (note 1)
Fourth Series Class XII Preferred Stock	10,000,000 shares (note 1)
First Series Class XIII Preferred Stock	10,000,000 shares (note 2)
Second Series Class XIII Preferred Stock	10,000,000 shares (note 2)
Third Series Class XIII Preferred Stock	10,000,000 shares (note 2)
Fourth Series Class XIII Preferred Stock	10,000,000 shares (note 2)
First Series Class XIV Preferred Stock	10,000,000 shares (note 2)
Second Series Class XIV Preferred Stock	10,000,000 shares (note 2)
Third Series Class XIV Preferred Stock	10,000,000 shares (note 2)
Fourth Series Class XIV Preferred Stock	10,000,000 shares (note 2)

First Series Class XV Preferred Stock	20,000,000 shares (note 3)
Second Series Class XV Preferred Stock	20,000,000 shares (note 3)
Third Series Class XV Preferred Stock	20,000,000 shares (note 3)
Fourth Series Class XV Preferred Stock	20,000,000 shares (note 3)
First Series Class XVI Preferred Stock	20,000,000 shares (note 3)
Second Series Class XVI Preferred Stock	20,000,000 shares (note 3)
Third Series Class XVI Preferred Stock	20,000,000 shares (note 3)
Fourth Series Class XVI Preferred Stock	20,000,000 shares (note 3)

(Notes) 1. Aggregated total number of authorized shares of the First through Fourth Series Class VIII Preferred stock, that of the First through Fourth Series Class XI Preferred stock, and that of the First through Fourth Series Class XII Preferred stock shall not exceed 10,000,000 shares.

2. Aggregated total number of authorized shares of the First through Fourth Series Class IX Preferred stock, that of the First through Fourth Series Class XIII Preferred stock, and that of the First through Fourth Series Class XIV Preferred stock shall not exceed 10,000,000 shares.

3. Aggregated total number of authorized shares of the First through Fourth Series Class X Preferred stock, that of the First through Fourth Series Class XV Preferred stock, and that of the First through Fourth Series Class XVI Preferred stock shall not exceed 20,000,000 shares.

Total number of shares issued		375,291,440 shares
(Details)	Common stock	375,291,440 shares

(2) Number of Shareholders as of March 31, 2019

	57,414 persons
Common Stock	57,414 persons

(3) Major Shareholders

Common Stock

Name of shareholder	Investment in SuMi TRUST Holdings by the shareholder	
	Number of shares held	Percentage of total shares (%)
Japan Master Trust Bank of Japan, Ltd. (Trust Account)	(Shares) 27,367,500	(%) 7.29
Japan Trustee Services Bank, Ltd. (Trust Account)	20,896,800	5.57

Japan Trustee Services Bank, Ltd. (Trust Account 9)	13,205,500	3.52
JP MORGAN CHASE BANK 385151	8,560,603	2.28
Japan Trustee Services Bank, Ltd. (Trust Account 5)	7,595,000	2.02
THE BANK OF NEW YORK MELLON 140051	7,229,700	1.92
Japan Trustee Services Bank, Ltd. (Trust Account 7)	7,019,800	1.87
SSBTC CLIENT OMNIBUS ACCOUNT	6,174,177	1.64
STATE STREET BANK WEST CLIENT-TREATY 505234	4,933,635	1.31
Barclays Securities Japan Limited	4,029,174	1.07

（Note） Percentage of shares held is calculated by deducting own shares (326,159 shares), rounded down to 2 decimal places.

5. Matters regarding Share Acquisition Rights, etc. of SuMi TRUST Holdings

The outline of the share acquisition rights issued to directors (excluding directors and external directors who are the members of Audit Committee) and executive officers*1*2 of SuMi TRUST Holdings and to directors (excluding external directors) and executive officers of its subsidiary SuMi TRUST Bank in compensation for the execution of their duties according to the provisions of Article 238 and Article 240 of the Companies Act is described as below.

	Date of allotment of share acquisition rights	Number of share acquisition rights	Number and type of shares to be issued for share acquisition rights	Issue price (per share acquisition right)	Exercise price (per share)	Exercise period
First Series Share Acquisition Rights	July 26, 2011	286	Common stock: 28,600 shares	62,000 yen	4,000 yen	From July 26, 2013 to July 25, 2021
Second Series Share Acquisition Rights	July 18, 2012	260	Common stock: 26,000 shares	34,000 yen	4,000 yen	From July 18, 2014 to July 17, 2022
Third Series Share Acquisition Rights	July 19, 2013	398	Common stock: 39,800 shares	146,000 yen	5,190 yen	From July 19, 2015 to July 18, 2023
Fourth Series Share Acquisition Rights	August 1, 2014	404	Common stock: 40,400 shares	424,000 yen	1 yen	From August 31, 2014 to July 31, 2044

Fifth Series Share Acquisition Rights	July 31, 2015	327	Common stock: 32,700 shares	544,700 yen	1 yen	From August 31, 2015 to July 30, 2045
Sixth Series Share Acquisition Rights	July 29, 2016	510	Common stock: 51,000 shares	324,600 yen	1 yen	From August 31, 2016 to July 28, 2046
Seventh Series Share Acquisition Rights	July 28, 2017	613	Common Stock: 61,300 shares	387,000 yen	1 yen	From August 31, 2017 to July 27, 2047
Eighth Series Share Acquisition Rights	September 3, 2018	690	Common Stock: 69,000 shares	418,300 yen	1 yen	From September 30, 2018 to September 2, 2048

(Note) Executive officer*1 is an executive officer prescribed by the Companies Act; executive officer*2 is an executive officer prescribed in internal policy.

(1) SuMi TRUST Holdings' Share Acquisition Rights held by SuMi TRUST Holdings' Directors and Executive Officers*1, as of March 31, 2020

	Number of share acquisition rights	Number and type of shares to be issued for share acquisition rights	Directors and Executive Officers*1	
			Number of holders	Number of share acquisition rights
First Series Share Acquisition Rights	26	Common stock: 2,600 shares	5	26
Second Series Share Acquisition Rights	34	Common stock: 3,400 shares	6	34
Third Series Share Acquisition Rights	67	Common stock: 6,700 shares	8	67
Fourth Series Share Acquisition Rights	71	Common stock: 7,100 shares	10	71

Fifth Series Share Acquisition Rights	76	Common stock: 7,600 shares	13	76
Sixth Series Share Acquisition Rights	125	Common stock: 12,500 shares	13	125
Seventh Series Share Acquisition Rights	159	Common stock: 15,900 shares	14	159
Eighth Series Share Acquisition Rights	213	Common stock: 21,300 shares	14	213

(Note) Executive officer*1 is an executive officer prescribed by the Companies Act.

(2) Share Acquisitions Rights Granted to Employees (Executive Officers) in Fiscal Year Under Review

Not Applicable.

6. Matters regarding Financial Auditor

(1) Financial Auditor (Millions of Yen)

Name	Compensation, etc. for the fiscal year under review	Other
KPMG AZSA LLC Designated Limited Liability Partner CPA Toshiya Mori Designated Limited Liability Partner CPA Tomomi Mase Designated Limited Liability Partner CPA Takashi Fujisawa	62	1. The Audit Committee verified the contents of audit plan, the status of execution of duties, and the basis of determining of estimate of compensation for the financial auditor through obtaining necessary materials and conducting hearing from the financial auditor and financial department of SuMi TRUST Holdings. As a result, the Audit Committee determined that the compensation, etc. of the financial auditor was appropriate and gave consent to it as stipulated in Article 399, Paragraph 1 of the Companies Act. 2. SuMi TRUST Holdings commissions and pays financial auditor for non-audit services, other than those defined in Article 2, Paragraph 1 of the Certified Public Accountants Act. These services include issuing of a comfort letter (a letter from certified public accounts to underwriters) and others.

(Notes) 1. Amounts less than 1 million yen are rounded down.
2. The audit agreement between SuMi TRUST Holdings and financial auditor does not distinguish between compensation for audits performed under the Companies Act and compensation for audits performed under the Financial Instruments and Exchange Act and such amounts cannot be separated practically. Accordingly, SuMi TRUST Holdings states the total amount of compensation. Also, the above amount includes compensation for non-audit services of 15 million yen.
3. Total sum of the monetary and other economic benefits (including the above) payable to KPMG AZSA LLC by SuMi TRUST Holdings and its subsidiary companies and corporations is 746 million yen.

(2) Liability Limitation Agreement

Not Applicable.

(3) Other Matters regarding Financial Auditor

a. Policy for Decisions on Dismissal or Non-Reappointment of Financial Auditor
If financial auditor meets the items applicable to the provisions of items of Article 340, Paragraph 1 of the Companies Act, the Audit Committee may dismiss the financial auditor at its own discretion, and report such dismissal with the reasons thereof to the general meeting of shareholders, according to relevant laws and regulations. In addition, SuMi TRUST Holdings may submit a proposal for dismissal or non-reappointment of financial auditor to the general meeting of shareholders, according to the procedure stipulated by the Companies Act and other laws and regulation, if SuMi TRUST Holdings determines it is necessary to do so.

b. Financial Auditor of SuMi TRUST Holdings' Significant Subsidiary Companies and Corporations

Among SuMi TRUST Holdings' significant subsidiary companies and corporations, Sumitomo Mitsui Trust Bank (Thai) Public Company Limited, Sumitomo Mitsui Trust Bank (U.S.A.) Limited are audited by audit corporations (including ones in foreign countries holding a qualification equivalent to the Japanese qualification) other than the financial auditor of SuMi TRUST Holdings.

7. Basic Policy on the Individuals Who Control Decision Making of Financial and Business Policy of SuMi TRUST Holdings

Not Applicable.

8. System to Ensure Appropriate Conduct of Operations

As for the system to ensure appropriate conduct of operations of SuMi TRUST Holdings, the followings are the content of the basic policies on internal control resolved by the Board of Directors and the operational status of system based on the basic policies.

(1) Compliance Structure

[Content of the basic policies on internal control]

・To establish the system (including the system for conflict of interest management) to ensure that directors, executive officers*1*2 and employees execute their business in compliance with laws and regulations as well as the Articles of Incorporation, the following measures are taken.

1) Basic compliance policies for the SuMi TRUST Group will be established.

2) With respect to important issues pertaining to compliance, resolutions and reports will be undertaken by the Board of Directors based on the reports from the Risk Committee, an advisory body to the Board of Directors.

3) Basic management policy concerning conflicts of interest for the SuMi TRUST Group will be established and a management framework will be developed so that the interests of clients will not be unduly impaired in the SuMi TRUST Group.

4) With respect to important issues pertaining to conflict of interest management, resolutions and reports will be undertaken by the Board of Directors based on the opinions of the Conflicts of Interest Committee, an advisory body to the Board of Directors.

5) Compliance Department, a supervisory unit for compliance, will be set up at the head office. In addition, each department will assign a person of action and a person of authority.

6) A compliance program – a concrete action plan to ensure compliance – will be formulated each fiscal year, and instructions will be passed on to the subsidiaries whose shares are directly held by SuMi TRUST Holdings, etc. for preparing their own plans. The status of these plans – in terms of improvements made and goals achieved – will be monitored and evaluated.

7) A handbook (compliance manual) for directors, executive officers*1*2 and employees will be formulated. Opportunities for compliance-oriented education and training will be offered to them on an ongoing basis.

8) Directors, executive officers*1*2 and employees must report violations of laws pertaining to SuMi TRUST Holdings' business operation, and a compliance hotline system will be established to enable directors, executive officers*1*2 and employees, etc. to report directly to special contact points both in-house and outside SuMi TRUST Holdings.

9) SuMi TRUST Holdings and its subsidiaries will take a firm stand to prevent dealings with antisocial forces and will maintain no association whatsoever with such elements. A structure, underpinned by close ties with external professionals, particularly the police, will be put in place to promote communication and cooperation among relevant divisions and departments and thereby facilitate an organized response in the event an executive or an employee is approached with an inappropriate request. Under no circumstances will we engage in transactions to benefit persons or organizations that threaten the order and safety of civil society.

10) SuMi TRUST Holdings and its subsidiaries will take a firm stand against money

laundering and the funding of terrorism, which are serious threats to sound financial systems, and will comply with relevant laws and regulations.

[Operational status]
SuMi TRUST Holdings has established Risk Committee and Conflicts of Interest Committee as advisory bodies to the Board of Directors, formulated a compliance program to serve as a concrete action plan and realize the Group's compliance and the management system for the client protection. The program is resolved at the Board of Directors through the Risk Committee semiannually. SuMi TRUST Holdings monitors and evaluates the progress and achievement of the program and reports the results thereof to the Board of Directors in every quarter. In addition, the important issues pertaining to conflict of interest management are reported to the Board of Directors through Conflicts of Interest Committee. Furthermore, SuMi TRUST Holdings has provided instructions to its subsidiaries for formulating their compliance programs, monitors and evaluates their progress and achievements in every quarter and reports to the Board of Directors. SuMi TRUST Holdings is also working on the measures such as the enhancement of the Group's global compliance based on the global regulations and global strategies and the implementation of compliance trainings. Moreover, SuMi TRUST Holdings is working to enhance the Company-wide response framework for money laundering prevention.

(2) Risk Management Structure
[Content of the basic policies on internal control]
・The following measures are taken to develop a system including rules on the risk management of potential losses.

1) Basic risk management policies for the SuMi TRUST Group will be established.
2) With respect to important issues pertaining to risk management, resolution and reports will be undertaken by the Board of Directors based on the reports from the Risk Committee, an advisory body to the Board of Directors.
3) Risk Management Department, a supervisory unit for risk management, will be set up at the head office, and a risk management unit will be established for each risk category.
4) Plans pertaining to risk management for the SuMi TRUST Group will be formulated and instructions will be passed on to the subsidiaries whose shares are directly held by SuMi TRUST Holdings, etc. for preparing their own plans. The status of these plans – in terms of improvements made and goals achieved – will be monitored and evaluated.
5) Opportunities for risk management-oriented education and training will be offered to directors, executive officers and employees on an ongoing basis.
6) Management activities shall be established in an effort to maintain and carry on normal operating activities of the Group in emergency situation.

[Operational status]
SuMi TRUST Holdings has formulated risk management plans based on the SuMi TRUST Group's basic risk management policies. The plans are resolved at the Board of Directors semiannually through Risk Committee. SuMi TRUST Holdings monitors and evaluates the progress and achievements of the plan and reports the results thereof to the Board of Directors on a quarterly basis. At the same time, SuMi TRUST Holdings has provided instructions to the subsidiaries for formulating their own risk management plans, monitors and evaluates their progress and achievements and reports to the Board of Directors in every quarter. In addition, SuMi TRUST Holdings has established Risk Appetite Framework (RAF) in order to exercise an appropriate risk management for the achievement of management targets, and its operational status has been monitored by the Board. Moreover, for the purpose of improving the Group's management of key risks and responding to the ongoing spread of the COVID-19 pandemic, an Emergency Response Unit has been established within SuMi TRUST Holdings with the President acting as head of unit. This unit conducts business operations in line with a business continuity plan (BCP) formulated in preparation for the spread of new infectious diseases and implements various measures aimed at

preventing the spread of infections.

(3) Structure for Execution of Duties

[Content of the basic policies on internal control]

・The following measures are taken to develop a system to ensure that executive officers*1 (for subsidiaries, the officers in charge of business execution) execute their business efficiently.

1) SuMi TRUST Holdings' Board of Directors will, in principle, delegate decisions on the execution of business to executive officers*1, except for those matters which are required by law to be decided by the Board of Directors. SuMi TRUST Holdings will establish an Executive Committee consisting of members such as executive officers*1, and various committees as advisory bodies to the Executive Committee.

2) The Board of Directors will set out the basic items pertaining to SuMi TRUST Holdings' organizational structure and the division of duties, as well as the staff organization and authority granted to directors, executive officers*1*2 and employees, to ensure the smooth execution of duties and appropriate conduct of executive officers*1 (for subsidiaries, the officers in charge of business execution).

3) In-house regulations will be prepared in accordance with relevant legislation, and in the event said legislation is revised or abrogated, required amendments to in-house regulations will be implemented forthwith.

[Operational status]

SuMi TRUST Holdings has delegated the Board of Directors' decision-making regarding business execution to executive officers*1. Each executive officer*1 reports the status of execution of duties to the Board of Directors. The Compliance Department provides information on legal amendments to each business department on a regular basis, and establishes, revises or abolishes the in-house regulations according to such amendments timely and appropriately. It also makes changes to the institutional design of bank subsidiaries, turns operating subsidiaries into subsidiaries whose shares are held directly by SuMi TRUST Holdings, and establishes a framework required to execute these procedures.

(4) Ensuring Management Transparency

[Content of the basic policies on internal control]

・The following measures are taken to develop a system to ensure management transparency.

1) Internal control systems pertaining to financial reporting will be developed to ensure the appropriateness of accounting treatment and reliability of financial reporting, and the effectiveness of the systems will be evaluated.

2) An accounting hotline system will be established as a system for receiving internal and external reports regarding fraud or inappropriate treatment in accounting, internal control pertaining to accounting, and audit matters of the SuMi TRUST Group. Reports will be received by an external law firm, and the office of investigation will be the Audit Committee Office.

3) Management-related information will be managed appropriately and disclosed in a timely, accurate and fair manner.

[Operational Status]

SuMi TRUST Holdings has established an accounting hotline as a point of contact to receive internal and external reporting concerning domestic and overseas frauds or inappropriateness in internal control, etc. pertaining to accounting of the SuMi TRUST Group.

Evaluation results for the effectiveness of internal control systems pertaining to financial reporting are reported to the Board of Directors on a regular basis. In respect of management-related information of the SuMi TRUST Group, appropriate information disclosure is implemented in accordance with provisions of the Financial Instruments and Exchange Act, the securities listing rules and regulations established by stock exchanges, and in-house regulations.

(5) The SuMi TRUST Group Management Structure

[Content of the basic policies on internal control]

・The following measures are taken to develop a system to ensure appropriate conduct of operations within the SuMi TRUST Group.

1) SuMi TRUST Holdings will develop compliance and risk management structures applicable to the entire Group.

2) SuMi TRUST Holdings will verify intra-Group transactions of particular significance to the SuMi TRUST Group from the perspectives of risk management, compliance, and consistency with the SuMi TRUST Group's strategic objectives.

3) Subsidiaries, etc. will report on the business execution status, the financial status, etc. to SuMi TRUST Holdings on a regular basis.

4) SuMi TRUST Holdings will manage appropriateness and efficiency of business operation of subsidiaries, etc. according to their size and characteristics.

[Operational status]

For compliance and risk management applicable to the entire SuMi TRUST Group, the Compliance Department and the Risk Management Department provides instructions for developing plans of each Group company in order for them to be in line with policies of the entire Group. It also monitors the status of management and operation of the entire Group and provides appropriate supervision and instructions, as necessary. In addition, the Corporate Planning Department and the Financial Planning Department receive minutes of the Board of Directors meetings, reports on the status of business execution, and enumeration data needed for consolidated statement, etc. on a regular basis from each Group company, and provide instructions, management and supervision appropriately.

(6) Information Storage and Management Structure

[Content of the basic policies on internal control]

・The following measures are taken to develop an effective system for the storage and management of information associated with the execution of business by directors, executive officers*1*2 and employees.

1) Minutes, which record progress on agendas and specific points of discussion, will be prepared for the General Meeting of Shareholders, the Board of Directors and Executive Committee meetings and kept with related materials.

2) The Board of Directors will set out the basic items pertaining to information storage and management, such as the organizational structure for information management and the classification of management categories, according to importance.

[Operational status]

SuMi TRUST Holdings prepares minutes that record progress on agendas and specific points of discussion at the General Meetings of Shareholders, the Board of Directors and Executive Committee meetings and keeps them with related materials. In addition, a specific implementation plan regarding information security risk management has been resolved at the Board of Directors semiannually, and the status of occurrences of information-related incidents as well as issues, countermeasures, etc. of information security risk management are reported to the Board of Directors on a quarterly basis.

(7) Internal Audit Structure

[Content of the basic policies on internal control]

・The following measures are taken to develop a system to verify and evaluate the appropriateness and effectiveness of internal management system of the SuMi TRUST Group in terms of compliance, risk management and other aspects.

1) Internal auditing units, that are independent from business execution departments and

sufficiently capable of fulfilling a restraining function, will be established.
2) Internal audit plans and the basic policy on internal audits for the SuMi TRUST Group will be established, and the internal auditing units will conduct audits of each business execution department and, if necessary, of subsidiaries, etc. and point out matters to be improved and make recommendations thereof.
3) Results of internal audits and the status of internal audit plans–in terms of progress and goals achieved–will be reported to the Board of Directors and the Audit Committee in a timely and appropriate manner.

[Operational status]
SuMi TRUST Holdings develops internal audit plans based on the basic policy on internal audits of the SuMi TRUST Group. The plans are resolved by the Board of Directors annually after obtaining a pre-approval of the Audit Committee. Results of internal audits, etc. are reported to the Board of Directors and the Audit Committee on a quarterly basis. In addition, internal audit plans of subsidiaries are approved by the Board of Directors on a semiannual basis. Furthermore, corporate auditors are concurrently serving as part-time statutory auditors at major subsidiaries to strengthen the Group's internal auditing framework, and changing auditing operations by shifting to "theme audits."

(8) Structure for Audit Committee's Audits
[Content of the basic policies on internal control]
・The following measures are taken to develop a system to ensure effective execution of audits by the Audit Committee.
1) Employees, etc. assisting the Audit Committee in its duties
(i) The Audit Committee Office will be established to assist the Audit Committee in its execution of duties and an appropriate number of directors, executive officers*2 or employees, including one office manager, will be assigned therein.
(ii) Members of the Audit Committee Office will assist in the duties of the Audit Committee under its orders and instructions.
(iii) Personnel matters and handling of the members of the Audit Committee Office will be subject to prior consultations with the Audit Committee.
(iv) Executive officers*1 will make sure members of the Audit Committee Office will not be subject to any unreasonable constraints upon assisting in the duties of the Audit Committee.
2) Reporting system to the Audit Committee
(i) Directors (excluding directors who are the members of the Audit Committee), executive officers*1*2, and employees must report immediately to the Audit Committee if they learn of any facts about possible significant damage to SuMi TRUST Holdings or its subsidiaries, affairs which significantly undermine credibility, material issues or defects in regard to the system or procedures, etc. of internal control, or material facts about violations of laws, regulations, or the Articles of Incorporation.
(ii) The Compliance Department must report to the Audit Committee every time it receives reports via the compliance hotline system.
(iii) The Internal Audit Department must report to the Audit Committee on a regular basis or when requested with respect to the status of internal audit processes and the results thereof conducted on SuMi TRUST Holdings or its subsidiaries.
(iv) Directors (excluding directors who are members of the Audit Committee), executive officers*1*2, and employees must report the status of business execution and any other matters immediately to the Audit Committee if they are requested to do so.
(v) Directors, auditors, executive officers*2, and employees of subsidiaries, etc. or those who have received a report from any of the aforementioned persons will report to the Audit Committee of SuMi TRUST Holdings immediately upon learning of any of the matters listed in (i) above, on a case-by-case basis for matters listed in (ii) received via a subsidiary's internal reporting system, and immediately when requested to do so by the Audit Committee regarding subsidiary matters listed in (iv).

(vi) The Audit Committee, as necessary, will be able to ask for a report to those persons in 1) through (v) above on the matters described in (i) through (iv) above.
(vii) Unfairly treating a person who reports matters in accordance with (i) through (vi) above on the grounds of making such a report is prohibited, and SuMi TRUST Holdings shall endeavor to make employees aware of this.
3) Other systems to ensure the effectiveness of Audit Committee's audits
(i) Directors, executive officers*1*2 and employees will cooperate with the Audit Committee in good faith in the audit activities.
(ii) Audit Committee members who serve on a full-time basis will be selected.
(iii) The Audit Committee members may attend the Board of Directors meetings as well as any other meetings (including the meetings at subsidiaries, etc.) the Audit Committee deems necessary.
(iv) Representative Executive Officers*1 will exchange views with the Audit Committee on a periodical basis or at the request of the Audit Committee.
(v) The internal auditing units will make a prior consultation with the Audit Committee to obtain an agreement on internal audit plans, and carry out an investigation when instructed by the Audit Committee. Instructions from the Audit Committee to carry out an investigation shall take precedence over instructions from an executive officer*1 or any other person.
(vi) Representative Executive Officers or the executive officers*1 in charge of human resources shall consult in advance with the Audit Committee to obtain approval on the appointment and dismissal of executive officers*1 in charge of internal auditing units, as well as positions of a certain level within internal auditing units.
(vii) Not only the internal auditing units but also other departments involved in internal control such as Financial Planning Department, Risk Management Department, and Compliance Department will promote smooth cooperation with the Audit Committee.
(viii) In order to ensure the effectiveness of audits performed by the Audit Committee across the entire SuMi TRUST Group, when selecting part-time corporate auditors of subsidiaries (including Audit Committee members in a company with Three Committees, and Audit and Supervisory Committee members in a company with an Audit and Supervisory Committee; the same applies below), a proposal of candidates for corporate auditors will be presented to the Audit Committee or each Audit Committee member (excluding candidates from other corporate groups in the case of joint ventures, etc.). The Audit Committee and individual Audit Committee members may express opinions regarding the proposal, as necessary.
(ix) In the event the Audit Committee deems it necessary to establish an external reporting system, the directors, executive officers, and employees shall cooperate on operating such a system.
(x) SuMi TRUST Holdings will disburse expenses necessary for execution of duties of the Audit Committee and its members in order to ensure the effectiveness of audits.

[Operational status]
SuMi TRUST Holdings has established an Audit Committee Office and has developed a system for reporting to the Audit Committee. The Audit Committee conducts interviews and exchanges opinions with the President, executive officers*1, directors/executive officers*1*2 in charge of corporate management departments, and corporate auditors or members of audit committees at Group companies. Audit Committee members attend the meetings of the Board of Directors and the Executive Committee as well as any other meetings they deem necessary. In addition, the Audit Committee appropriately obtains information require to execute their activities effectively, by exchanging information and opinions with the Internal Audit Department via a director/executive officer*1*2 in charge of the Internal Audit Department who, in principle, attends the meetings of the Audit Committee as an observer, or by exchanging information and opinions via a report from a financial auditor. When necessary, instructions are issued to the Internal Audit Department.
(Note) Executive officer*1 is an executive officer prescribed by the Companies Act; executive officer*2 is an executive officer prescribed in internal policy.

9. Matters regarding Specified Wholly Owned Subsidiary

(1) Name and address of specified wholly owned subsidiary

SuMi TRUST Bank 4-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo

(2) Total book value of shares of the specified wholly owned subsidiary at the end of the fiscal year under review at SuMi TRUST Holdings, its wholly owned subsidiaries, etc.

1,293,014 million yen

(3) Total amount recorded under assets on the non-consolidated balance sheet of SuMi TRUST Holdings for the fiscal year under review

2,224,754 million yen

10. Matters regarding Transactions with the Parent Company, etc.

Not Applicable.

11. Matters regarding Accounting Advisers

Not Applicable.

12. Others

Policy in the exercise of the authority delegated to the Board of Directors under the provision of the Articles of Incorporation, according to the provisions of Article 459, Paragraph 1 of the Companies Act.

With the purpose to ensure flexible capital policy, SuMi TRUST Holdings is allowed under its Articles of Incorporation to carry out treasury stock acquisition prescribed by Article 459, Paragraph 1, Item 1, of the Companies Act, based on a resolution of the Board of Directors.

Such treasury stock acquisition, however, shall be appropriately decided based on the overall judgment in consideration of the factors including SuMi TRUST Holdings' policy on shareholder return and capital adequacy.