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Business Report for the 10th Fiscal Year

(April 1, 2020 – March 31, 2021)

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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 63 consolidated subsidiary companies and corporations and 33 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 financial and economic environment during the fiscal year under review, domestic and overseas economies bore the brunt of the negative impacts of the global spread of the COVID-19 pandemic. At the beginning of spring 2020, governments overseas took steps to contain the spread of infection by enforcing city-wide lockdowns, among other measures, whilst in Japan, people refrained from going out for non-essential reasons and some stores were requested to cease operations under a declared state of emergency. As a result, the level of economic activity in many countries declined sharply. Even though domestic and overseas economies headed towards a recovery thereafter as economic activity picked up again, economic activity is still being weighed down by the impact of repeated fresh waves of infections and restrictions imposed on people's movements.

In the financial markets, however, stock prices trended higher worldwide, buoyed mainly by expectations for a return to economic normalcy owing to the announcement of large-scale financial and economic stimulus packages and the rollout of vaccination programs in multiple countries. The Nikkei Stock Average climbed from below 18,000 yen at the start of April 2020 to hit the 30,000 yen level by February 2021. The Japanese yen gradually appreciated against the US dollar, but then weakened in response to a widening US-Japan interest rate differential. Yields on 10-year JGBs remained close to 0% on the whole but rose slightly from February 2021 onwards in sympathy with higher UST yields.

[Results of Business Activities]

(Consolidated Financial Results for the Fiscal Year 2020)

In this financial and economic environment, in the fiscal year under review, net business profit before credit costs increased 5.6 billion yen from the previous fiscal year to 294.7 billion yen. This was mainly attributable to an increase in effective interest related earnings from mainly an improvement in loan-deposit income in domestic departments, which outweighed a decrease in net fees and commissions and related profit from investment management consulting and real estate brokerage owing to reduced operating activities in response to COVID-19.

Ordinary profit was down 74.5 billion yen from the previous fiscal year to 183.1 billion yen owing mainly to a deterioration in net gains on stocks as the result of the partial realization of both unrealized

gains on strategic shareholdings and unrealized losses on hedging transactions.

Net income attributable to owners of the parent decreased 20.8 billion yen from the previous fiscal year to 142.1 billion yen, which was largely the result of the booking of extraordinary losses on the write-down of mainly software assets in anticipation of the so-called “new normal,” which outweighed the booking of extraordinary gains from the one-off appropriation of past service costs for retirement benefits.

*Sum of "net interest income and related profit" and "profit attributable to deployment of surplus foreign currency funds," included in "net gains on foreign exchange transaction"

(Segment Information)

Net business profit before credit costs for the fiscal year under review, broken down by reportable segment, was: 15.5 billion yen (down 7.3 billion yen YoY) for the Retail Total Solution Services Business; 132.1 billion yen (down 0.3 billion yen) for the Wholesale Financial Services Business; 20.8 billion yen (up 2.3 billion yen) for the Stock Transfer Agency Services Business; 25.5 billion yen (down 6.8 billion) for the Real Estate Business; 64.5 billion yen (down 1.3 billion yen) for the Fiduciary Services Business; and 54.4 billion yen (down 3.1 billion yen) for the Global Markets Business.

[Developments of Business Activities]

The SuMi TRUST Group kicked off a new three-year Medium-Term Management Plan running from fiscal 2020 through fiscal 2022. Guided by the core management philosophy of balancing the creation of both social value and economic value, the concept of creating new value with the power of trust and let prosperous future for our clients and society bloom was defined in the new plan as the Group’s reason for existence (purpose). This purpose represents the Group’s determination as the “best partner” most trusted by our clients to take responsibility for the next generation and contribute to the building and passing of a society that is even more capable of coping with change.

Despite the considerable impacts of COVID-19 in fiscal 2020—the first year of the new Medium-Term Management Plan—we still pushed ahead with the following initiatives whilst prioritizing the safety and health of clients and Group employees alike and the stable functioning of all Group operations.

1. Strengthening our business portfolio

We pushed forward with efforts to enhance our abilities to meet the increasingly diverse and sophisticated needs of our clients by building more robust business platforms and establishing new growth fields.

For the purpose of tackling social issues in an era during which many people will likely live to the age of 100, we started offering to individual clients the Anshin Support Trust (fund wrap-type), an asset administration product suitable for clients preparing for dementia. We also endeavored to enhance client convenience, chiefly with the use of quasi-face-to-face online sales in branches and the digitalization of mortgage loan applications. Also, as one of our many social contribution activities, we extended our support to medical research by setting up an account to accept donations to fund the development of a COVID-19 vaccine and related therapeutic drugs.

Sumitomo Mitsui Trust Club took steps to improve services across the entire Group, including the provision of special benefits to clients in collaboration with SuMi TRUST Bank. By working more closely with SuMi TRUST Bank, Sumitomo Mitsui Trust Realty endeavored to maintain housing brokerage revenue predominately with a strategy of opening branch offices in core focus areas. As face-to-face sales activities continued to face constraints due to the pandemic, UBS SuMi TRUST Wealth Advisory started offering real estate solutions and investment products in earnest and strove to establish a consulting process for business owners and wealthy individual clients.

For our corporate clients, all Group companies worked hand in hand to provide a broad range of solutions mainly in the area of corporate governance consulting to address the issues that significantly impact corporate management from the perspectives of the SDGs and ESG. And in catering to the particular characteristics of our clients' employee benefit schemes and pension payment systems, we focused on delivering comprehensive consulting services that contribute to optimal asset formation and asset management for employees of client firms. Moreover, we stepped up our initiatives for positive impact finance, which targets activities that have positive impacts on the environment, society, and the economy, as well as initiatives aimed at extending Japan's first-ever "transition loans" to facilitate the shift towards a low-carbon society and to support CO_2 emission reduction efforts. We also beefed up our support of innovative companies capable of generating new industries and value.

Sumitomo Mitsui Trust Panasonic Finance focused on the medium- to long-term strengthening of its finance business for ship-related assets as a potential new growth domain. Sumitomo Mitsui Trust Loan & Finance continued to manage loan operations with an emphasis on balancing quality with quantity and successfully maintained its loan balance by controlling credit costs in a tough business environment for such a finely-tuned consulting-based sales model.

SuMi TRUST Bank steadily increased assets under management for mainly corporate pension, public pension, and financial institution clients by continuing to provide high value-added information that caters to the needs of clients and by developing products incorporating non-traditional assets. SuMi TRUST Bank maintained its leading market share in the administration of defined contribution pension plans by focusing its resources on improving the quality of administration services for operational management institutions even as the industry continues to mature.

Under a Group-wide investment strategy, Sumitomo Mitsui Trust Asset Management brushed up its human capital resources, products, and solutions offerings, and bolstered its engagement activity in light of expanding ESG investment. Nikko Asset Management leveraged its global network to develop innovative new products and garnered strong support from a broad-ranging client base, highlighted by its selection for a Japan equity investment management mandate by one of the world's largest institutional investors.

In the asset administration business, operations came online in July 2020 at Custody Bank of Japan, an entity in which shares are held directly by SuMi TRUST Holdings. Boasting the most assets under custody in Japan, this bank has also taken steps to enhance its framework for supporting domestic securities settlement infrastructure and broadly meeting the needs of clients.

2. Capital strategy and risk control practices

The outlook for the future has grown increasingly uncertain in recent times due to various megatrends like changes in the competitive environment owing to the increased pace of digitalization and changes in social structures stemming from an aging population. And the impact of the COVID-19 pandemic has clouded this outlook even more.

In this environment, we heavily allocated human resources to, and invested in systems for, new growth fields and domains that contribute to the strengthening of our risk management and compliance frameworks so that the Group may realize sustained and stable growth. Furthermore, we appropriately responded to demand for capital from both individual and corporate clients in light of the impact of COVID-19 whilst also making sure we held enough capital to satisfy regulatory requirements. And following on from last fiscal year, we booked special provisions in preparation for a deterioration in the economic environment caused by the pandemic. Moreover, as a result of systematically reducing our balance of strategic shareholdings for the purpose of minimizing financial risks, the balance (on an acquisition cost basis) of Japan-listed shares held by SuMi TRUST Holdings and consolidated subsidiaries in fiscal 2020 decreased 24.9 billion yen.

3. Improving service quality

In addition to the above, the Group also pushed ahead with the following initiatives in order to meet the expectations of society and clients alike.

(1) Fiduciary duties and client-oriented initiatives

With the finance sector growing increasingly homogenized, we continued to periodically keep an eye on our initiatives geared towards providing products and services that deliver profits to clients and undertook activities aimed at improving those initiatives so that we might reinforce our client-oriented and client satisfaction-focused business operations as the source of competitiveness. In addition, SuMi TRUST Bank clarified its processes for evaluating initiatives that help improve fiduciary duty practices and client satisfaction and put in place a performance evaluation mechanism that emphasizes not just sales results, but the processes that yield them.

(2) Promoting HR development and active participation

To further accelerate the Group's diversity and inclusion initiatives, we strived to develop suitable working environments and cultivate human resources with various personnel systems and infrastructure that helps empower women in the workplace. We also stepped up initiatives concerning the mental and physical well-being of employees. As a result, for the second year running we were listed by Bloomberg in the 2021 Bloomberg Gender-Equality Index in recognition of our initiatives to further gender equality, and for the fourth year in a row we were selected in METI's White 500 as an organization having outstanding health and productivity management.

Also, given the ongoing diversification of working styles and values among our employees, SuMi TRUST Bank extended the retirement age so that motivated senior personnel can smoothly pass on their specialist knowledge and experience to others and demonstrate their capabilities for as long as possible. The Bank also took action to develop infrastructure supportive of flexible working styles centering mainly on satellite office-based work and telecommuting.

(3) Promoting sustainability management

Based on the thinking that sustained and stable growth hinges on the existence of a sustainable environment and society, we employed a value creation approach that blends solutions for social issues with the Group's management strategy.

More specifically, we set a new long-term target for sustainable finance: 5.0 trillion yen in cumulative loans for the period 2021 through 2030. And as a result of endeavoring to improve upon the information we disclose to all stakeholders in an effort to better their understanding of the Group's activities, we won an excellence award in the 2020 Nikkei Annual Report Awards in recognition of our social impact and value creation process. Furthermore, in December 2020 we published the Group's first TCFD Report in light of the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and in January 2021 we issued a Sustainability Report incorporating the common metrics for measuring stakeholder capitalism compiled by the big four global accounting firms.

Also, as one initiative for supporting the community, SuMi TRUST Bank launched Japan's first commercial forestry trust to support stable forest management and revitalize the forestry industry.

Whilst we have continued to improve the quality of our services, in fiscal 2020 it was revealed that we had long engaged in inappropriate handling when aggregating general shareholder meeting voting forms on behalf of client companies.

We have taken steps to rectify this inappropriate handling mainly by reviewing how we collect voting forms, but to give this issue more context, the use of online platforms for the exercise of voting rights in Japan has yet to gain traction, which is why we also strengthened our efforts to encourage our client firms to utilize online voting.

Along with the above-mentioned incident, a scandal came to light in which a former employee of SuMi TRUST Bank had been embezzling money from clients. The Group took these two incidents very seriously and not only did we implement a coordinated response to strengthen operational risk management, but we also utilized various opportunities to raise awareness about compliance among all employees.

We will make every effort to prevent such incidents from happening again and in order to regain the lost trust and confidence of our clients as their "best partner," all directors, executive officers, and employees will steadily knuckle down to deliver honest and high-quality services worthy of our clients' support.

[Issues to be Addressed]

There is still no end in sight to the COVID-19 pandemic and there is a whole host of uncertainties in the financial and economic environment at present, but the SuMi TRUST Group will stick to its management policy and aim to achieve sustained and stable growth by balancing the creation of both social value and economic value.

In fiscal 2021, the second year of our new Medium-Term Management Plan, we will push ahead with initiatives around the following three key topics.

1. Improve operational quality beyond client expectations

Owing to the aging of Japanese society and its rapid digitalization, the issues faced by our clients concerning assets and finances are now more complex than ever before. In this climate, we recognize that the expectations placed on a trust bank group capable of merging together highly specialized functions to deliver solutions leveraging flexibility and diversity have grown even stronger.

So that we can continue to meet the expectations of, and trust placed in, the SuMi TRUST Group, we will reorganize our operational quality and operational risk management frameworks, heavily invest the managerial resources required, and steadily lay the groundwork for new growth.

2. Shore up the Group's sustainability

So that we can contribute to solving the medium- to long-term issues currently faced by society and our clients, we are cognizant of the fact that the Group itself must lead a sustainable existence. To that end, we will further bolster the management structure we have developed thus far.

Specifically, we will look to make optimum use of capital, expenses, personnel, and other managerial resources and transition to a highly capital-efficient earnings structure.

We believe a reduction in strategic shareholdings will not only improve the Group's capital efficiency, but also contribute to the development of Japan's capital markets. The Group's revised policy, in principle, we shall not hold any "strategic shareholdings as a conventional stable shareholder". With the understanding of our corporate clients, we will continue to reduce our strategic shareholdings at a much faster pace than before. And even during the time we continue to hold strategic shares, we will engage in dialogue with our corporate clients and aim to provide solutions geared towards enhancing sustained corporate value and overcoming challenges. Moreover, we will reduce legacy costs at SuMi TRUST Bank mainly by consolidating and merging branches and focus our efforts on raising the financial resources needed for growth investments and the improvement of internal control systems.

3. Enhance management infrastructure to boost probability of achieving growth

In addition to the above, we will work towards enhancing management infrastructure for the purpose of supporting these initiatives and boosting the probability of achieving growth.

To be more precise, having fiduciary duties in mind, we intend to improve quality across the entirety of the Group's service value chain, examine on a Group-wide basis our initiatives on risk management and compliance issues, and strengthen underlying systems.

As well as accelerating personnel placements and exchanges throughout the Group to support business strategies, we will also address health and productivity management and focus on enhancing the well-being of Group employees so that every person can fully demonstrate their potential capabilities and buckle down to work with a healthy mind and body.

Also, we have established a new subsidiary as part of our digital strategy to hasten the adoption of digital tools for the Group's offense and defense in a highly flexible development environment.

Meanwhile, we will continue to hire specialists and experts holding doctoral degrees in fields such as IT and ESG in an effort to further bolster the nucleus of various professionals that constitute the Group's biggest asset.

Currently, heightened uncertainties stemming from the COVID-19 pandemic has made it difficult

to anticipate what lies in store up ahead, but seizing the initiative with an eye to the future is still key. To that end, we recognize the pressing need to put in place systems capable of flexibly responding to change and envisage for ourselves what the future might bring.

And for the very reason that society is experiencing such tumultuous times, it is even more important that we make sure we are chosen as a more unfailing and trustworthy "best partner" by our clients.

Whilst earnestly fulfilling the role required of us as a trust banking group, we will ensure that each and every director, executive officer, and employee is conscious of, and takes responsibility for, their own thoughts, decisions, and actions. In doing so, we will forge ahead with the building of a "Sumitomo Mitsui Trust Group" that continues to be favored by society and our clients.

We would be grateful for your continued understanding and support.

Reference: Financial targets

Guided by the approach of balanced creation of both social value and economic value during the period of the new Medium-Term Management Plan, the Group aims to shore up its business platform over a period of three 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.

	FY2020 (Actual)	FY2021 (Forecast)	FY2022 (Target)	Medium- to long-term target
Net business profit before credit costs	294.7 bn yen	280.0 bn yen	290.0 bn yen	―
Net income attributable to owners of the parent	142.1 bn yen	155.0 bn yen	190.0 bn yen	―
OHR	60.1%	62.2%	Lower 60% range	Upper 50% range
Common Equity Tier 1 capital ratio*	9.4%	Mid-9% range	Mid-range b/w 10-11%	Maintain stable 10% range
Return on shareholders' equity	5.41%	Upper 5% range	Around 7%	Around 9%
Fee income ratio	52.9%	Mid-50% Range	Upper 50% range	Maintain above 60%

*Based on finalized Basel III standards (Pro-forma figure for FY2020)

(2) Changes in Financial Position and Results of Operations

a. Changes in Financial Position and Results of Operations (Consolidated Basis) (million yen)

	FY2017	FY2018	FY2019	FY2020
Ordinary income	1,350,946	1,467,916	1,535,401	1,380,434
Ordinary profit	232,661	256,411	257,658	183,155
Net income attributable to owners of the parent	153,986	173,889	163,028	142,196
Comprehensive income	231,696	93,925	-23,974	201,137
Net assets	2,872,325	2,730,356	2,590,907	2,722,556
Total assets	68,356,798	57,029,113	56,500,552	62,163,876
Net income per share	yen 403.91	yen 458.91	yen 434.31	yen 379.65

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

b. Changes in Financial Position and Results of Operations (Non-consolidated Basis) (million yen)

	FY2017	FY2018	FY2019	FY2020
Operating income	57,301	123,149	97,597	60,855
Dividends received	55,512	121,832	95,851	56,256
Dividends received from banking subsidiaries	55,465	121,788	93,539	49,867
Dividends received from other subsidiaries	47	43	2,311	6,388
Net income	49,333	127,717	93,858	56,637
Net income per share	yen 129.40	yen 337.06	yen 250.04	yen 151.21
Total assets	2,076,512	2,203,492	2,224,754	2,203,450
Investments in banking subsidiaries	1,486,007	1,396,515	1,293,014	1,327,099
Investments in other subsidiaries	8,215	51,023	105,383	82,132

(Note) 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 FY2020	5,903	3,676	611	1,565	2,733	295	3,194

(Notes) 1. Number of employees includes overseas hires and excludes contract and temporary staffs.
2. Number of employees include 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

Overseas: New York Branch, London Branch, Singapore Branch, Hong Kong Branch, Shanghai Branch

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

b. Principal subsidiary companies and corporations

Name of principal companies	Principal offices
Sumitomo Mitsui Trust Guarantee Co., Ltd.	Head Office (Tokyo) Osaka Branch
Sumitomo Mitsui Trust Club Co., Ltd.	Head Office (Tokyo) Okinawa Office
Sumitomo Mitsui Trust Panasonic Finance Co., Ltd.	Head Office (Tokyo) Osaka Branch
Sumitomo Mitsui Trust Loan & Finance Co., Ltd.	Head Office (Tokyo) Osaka Branch
Sumitomo Mitsui Trust Realty Co., Ltd.	Head Office (Tokyo)
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

Name	Place of the principal office	Principal businesses other than banking agency
Sumitomo Mitsui Trust Life Partners, Ltd.	Shinjuku-ku, Tokyo	Non-life insurance agency business Life insurance solicitation business
UBS SuMi TRUST Wealth Advisory Co., Ltd.	Chiyoda-ku, Tokyo	Concurrent sales agency services Financial instruments intermediary services
SBI Sumishin Net Bank, Ltd.	Minato-ku, Tokyo	Banking business

(5) Capital Investment of the SuMi TRUST Group

a. Total Amount of Capital Investment

(million yen)

Company name	Amount
SuMi TRUST Bank[4]	35,648
Sumitomo Mitsui Trust General Service Co., Ltd.[5]	18,648
Others[5]	8,545
Total	62,841

(Notes) 1. Amounts less than one 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. For SuMi TRUST Bank, the above figure is the total amount of capital investment because capital investments are not categorized by business segment during the investment stage.
5. For Sumitomo Mitsui Trust General Service and others, the above figures represent the total amount of capital investment for each company, for the reason that assets are not categorized by business segment.

b. Establishment of Principal Facilities, etc.

(New additions and renovations)

(million yen)

Company name	Description	Amount
SuMi TRUST Bank[2]	Investment in software	28,168
Sumitomo Mitsui Trust General Service Co., Ltd.[3]	Acquisition of office building for Ichikawa Branch of SuMi TRUST Bank	2,471
	Acquisition of Shinagawa Building	16,055

(Notes) 1. Amounts less than one million yen are rounded down.
2. For SuMi TRUST Bank, the above figure is the total amount of new addition or renovation of principal facilities because capital investments are not categorized by business segment during the investment stage.
3. For Sumitomo Mitsui Trust General Service, the above figure is the total amount of new addition or renovation of principal facilities because the assets are not categorized by business segment.

(Disposal and Sales)

Not applicable.

*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	Capital (millions of yen)	% of SuMi TRUST Holdings voting rights)%)	Other
SuMi TRUST Bank	Chiyoda-ku, Tokyo	Trust business, Banking business	342,037	100.00	—
Nikko Asset Management Co., Ltd.	Minato-ku, Tokyo	Investment management business, Investment advisory and agency business	17,363	100.00 (0.99)	—
Sumitomo Mitsui Trust Asset Management Co., Ltd.	Minato-ku, Tokyo	Investment management business, Investment advisory and agency business	2,000	100.00	—
Sumitomo Mitsui Trust Loan & Finance Co., Ltd.	Minato-ku, Tokyo	Money lending business	6,000	100.00 (100.00)	—
Sumitomo Mitsui Trust Guarantee Co., Ltd.	Minato-ku, Tokyo	Credit guarantee business	301	100.00 (100.00)	—
Sumitomo Mitsui Trust Realty Co., Ltd.	Chiyoda-ku, Tokyo	Real estate brokerage business	300	100.00 (100.00)	—
Sumitomo Mitsui Trust Club Co., Ltd.	Chuo-ku, Tokyo	Credit card business	100	100.00 (100.00)	—
Sumitomo Mitsui Trust Card Co., Ltd.	Minato-ku, Tokyo	Credit card business	100	100.00 (100.00)	—
Sumitomo Mitsui Trust Panasonic Finance Co., Ltd.	Minato-ku, Tokyo	Leasing, Installment purchase services, Credit card business	25,584	84.89 (84.89)	
Sumitomo Mitsui Trust Bank (Thai) Public Company Limited	Bangkok, Thailand	Banking business	70,800 [THB 20,000m]	100.00 (100.00)	
Sumitomo Mitsui Trust Bank (U.S.A.) Limited	Hoboken, New Jersey, US	Banking, Trust business	6,196 [USD56m]	100.00 (100.00)	
Custody Bank of Japan, Ltd.	Chuo-ku, Tokyo	Banking, Trust business	51,000	33.33	See note 5
SBI Sumishin Net Bank, Ltd.	Minato-ku, Tokyo	Banking business	31,000	50.00 (50.00)	—
Cardif Assurance Vie Japan	Shibuya-ku, Tokyo	Life insurance business	20,600	20.00 (20.00)	—

Zijin Trust Co., Ltd.	Nanjing, Jiangsu Province, People's Republic of China	Trust business	41,308 [CNY2,453 m]	19.99 (19.99)	—
Midwest Railcar Corporation	Edwardsville, Illinois, US	Leasing business	52 [USD 470,000]	— (—) [100.00]	—

(Notes) 1. Figures above have been rounded down.
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 two 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. JTC Holdings, Ltd., Japan Trustee Services Bank, Ltd., and Trust & Custody Services Bank, Ltd. merged on July 27, 2020 with Japan Trustee Services Bank becoming the surviving company. It was subsequently renamed Custody Bank of Japan, Ltd.
6. 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) SuMi TRUST Bank has concluded a banking agency agreement with SBI Sumishin Net Bank, Ltd. to operate as an agency for opening Japanese yen savings accounts at SBI Sumishin Net Bank.
(7) As of the end of March 2021, SuMi TRUST Bank has signed trust agency agreement (*) with 134 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

Not applicable.

2. Matters regarding Directors and Executive Officers*1

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

a. Directors

(As of March 31, 2021)

Name	Position	Responsibility	Significant concurrent positions	Other
Tetsuo Ohkubo	Director	Nominating Committee Member, Compensation Committee Member	Director of SuMi TRUST Bank	See note 1
Jiro Araumi	Director		Director, Senior Managing Executive Officer of SuMi TRUST Bank	
Yutaka Nishida	Director	Risk Committee Conflicts of Interest Committee	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. Outside Director of Rengo Co., Ltd.	
Kuniyuki Shudo	Director	Audit 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	Part-time Director of Tokai National Higher Education and Research System	
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 Committee Member	Outside Director of Matsumotokiyoshi Holdings Co., Ltd.	
Shinichi Saito	Director (External Director)	Nominating Committee Member, Audit Committee Member (Chairperson)	Outside Director of The Prudential Gibraltar Financial Life Insurance Co., Ltd.	See note 5
Takashi Yoshida	Director (External	Audit Committee Member	Certified Public Accountant, Corporate Auditor (External	See note 6

Name	Position	Responsibility	Significant concurrent positions	Other
	Director)		Auditor) of Nippon Seiro Co., Ltd., Director (External Director) of Cosmos Initia Co., Ltd.	
Hiroko Kawamoto	Director (External Director)	Nominating Committee Member, Compensation Committee Member (Chairperson)	Director & Chairperson of ANA Strategic Research Institute Co., Ltd., Outside Director of Renaissance Incorporated, Outside Director of East Japan Railway Company	See note 7
Mitsuhiro Aso	Director (External Director)	Audit Committee Member	Attorney at Law, Outside Corporate Auditor of Sumitomo Chemical Co., Ltd.	See note 8

(Notes) 1. Tetsuo Ohkubo assumed the position of Director & Chairman on April 1, 2021.
2. 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.
3. 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.
4. 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 ensure the effectiveness of audits.
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 assumed the position of advisor at ANA Strategic Research Institute Co., Ltd. on April 1, 2021.
8. Mr. Mitsuhiro Aso, having served as a superintendent public prosecutor and also as a law school professor, possesses considerable knowledge of law and organization management.

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

(As of March 31, 2021)

Name	Position	Responsibility	Significant concurrent positions, other	Other
Tetsuo Ohkubo	President (Representative Executive Officer*1)		Director of SuMi TRUST Bank	See note
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	See note
Yutaka Nishida	Senior Managing Executive Officer*1 (Representative Executive Officer*1)	Risk Management Dept., Compliance Dept., Legal Dept., FD & CS Planning and Promotion Dept., Fiduciary Risk Management Dept.	Director, Senior Managing Executive Officer of SuMi TRUST Bank	See note
Atsushi Kaibara	Senior Managing Executive Officer*1	Planning and Coordination Dept.	Director, Senior Managing Executive Officer of SuMi TRUST Bank	See note
Hitoshi Sato	Managing Executive Officer*1	Financial Planning Dept.,IR Dept.	Managing Executive Officer of SuMi TRUST Bank	See note
Futoshi Itani	Managing Executive Officer*1	Human Resources Dept.	Managing Executive Officer of SuMi TRUST Bank	See note
Kazuya Oyama	Managing Executive Officer*1	Corporate Planning Dept., Corporate Secretariat	Director, Managing Executive Officer of SuMi TRUST Bank	See note
Junya Ueda	Managing Executive Officer*1	IT & Business Process Planning Dept.	Managing Executive Officer of SuMi TRUST Bank	
Masaru Hashimoto	Executive Officer*1		Director & President of SuMi TRUST Bank	See note
Shigenori Ikemura	Executive Officer*1	Internal Audit Dept.		See note

(Note) On March 31, 2021, Messrs. Tetsuo Ohkubo, Yutaka Nishida, Atsushi Kaibara, and Masaru Hashimoto stepped down from their roles as President (Representative Executive Officer), Representative Executive Officer, Senior Managing Executive Officer, and Executive Officer, respectively. On April 1, 2021, Mr. Toru Takakura assumed the position of President (Representative Executive Officer), Mr. Jiro Araumi assumed the position of Vice President (Representative Executive Officer), Messrs. Hitoshi Sato, Futoshi Itani, and Nobuaki Yamaguchi assumed their positions as Senior Managing Executive Officer, Messrs. Yasuyuki Suzuki, Toshiaki Nakano, and Manatomo Yoneyama assumed their positions as Managing Executive Officers, and Mr. Kazuya Oyama as Executive Officer. Note that the Asset Management Business Planning Department was reorganized and renamed the Affiliates Management Department and the IT&Business Process Planning Department was reoganized and separated it's IT supervision function to establish IT Management Department as of April 1, 2021.

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

a. Persons Paid, Compensation, etc.

(million yen)

Classification	Persons paid	Compensation, etc.				
		Total compensation	Monthly compensation		Performance-linked compensation	
			Fixed compensation	Individual role-linked performance compensation	Bonus	Stock compensation (non-monetary compensation)
Directors (excl. external directors)	4	145	107	18	11	7
Executive officers	9	271	120	69	50	31
External directors	7	114	114	—	—	—
Total	20	531	342	87	61	39

(Notes) 1. The compensation data is on an annual basis with amounts less than one 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 amounts of officer bonus and stock compensation have not been determined at this time, so the amounts of allowance are shown.
4. Details of performance indicators selected as the basis for calculating the amount or value of performance-linked compensation, the reasons for their selection, and calculation methodologies are described below in [b. Summary of Policy on Decisions on Compensation, etc. for Directors and Executive Officers and Determination Methods]. Results related to these performance indicators are shown above in [1. (1) Reference: Financial targets].
5. For stock compensation, SuMi TRUST Holdings awards shares in the Company to directors (excluding Audit Committee members and external directors) and executive officers as non-monetary compensation. Details of stock compensation are described below in [b. Summary of Policy on Decisions on Compensation, etc. for Directors and Executive Officers and Determination Methods] and the number of shares awarded are shown below in [4. (4) Shareholdings of Directors and Executive Officers].

b. Summary of Policy on Decisions on Compensation, etc. for Directors and Executive Officers and Determination Methods

—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.

(i) 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.

(ii) 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.

(iii) 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.

(iv) 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 Overview—

The specific compensation system of SuMi TRUST Holdings is as follows.

(i) In principle, compensation is paid with a combination of monthly compensation, director and executive officer bonuses, and stock compensation (share delivery trust).

(ii) The monthly compensation is separated into two types: "fixed compensation" that is a fixed amount per position, and "individual role-linked performance compensation" that is based on each individual officer's role expectations reflecting their medium- to long-term performance contribution, as well as qualitative evaluation on his/her business activities and abilities.

(iii) For bonuses for directors and executive officers, the total amount is determined based on indicators linked to near-term earnings such as consolidated net business profit before credit costs and net income attributable to owners of the parent, while the amount for each individual director and executive officer reflects their previous fiscal year's achievements and is paid at the conclusion of the General Meeting of Shareholders for that fiscal year.

(iv) Stock compensation (share delivery trust) is paid in the form of shares and cash according to the number of accumulated points at the time a director or executive officer retires from office. Points are determined in accordance with the following markers of Company performance and based on the number of points decided for each position: the achievement rate of consolidated net business profit before credit costs and net income attributable to owners of the parent; items of qualitative assessment , such as consolidated shareholder ROE, consolidated CET1 ratio, and consolidated OHR; ESG-related activities and rating agency scores; and activities aimed at improving fiduciary duties and customer satisfaction.

(v) The proportion of the bonuses and stock compensation (share delivery trust) for directors and executive officers as a percentage of total compensation shall be designed so that they function sufficiently as an incentive.

(vi)

—Composition Weightings of Compensation—Types of Compensation			Variable	Compensation weighting (standard)	
				President	Other than president
Monthly compensation					
	Fixed compensation	Fixed amount based on position held	Fixed	Around 40%	Around 45%
	Individual role- linked performance compensation	Compensation that reflects a qualitative evaluation of mainly medium- to long-term earnings contributions and capabilities based on the expectations of the individual's role during the fiscal year (evaluated across five stages). Evaluated on five stages, set in a range of 85 to 130% of the standard amount.	Variable	Around 25%	Around 25%
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. Compared to 2019, the ratio to compensation has increased by about 5%.	Variable	Around 20%	Around 20%
Stock compensation					
	Share delivery trust	Stock compensation utilizing 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/Clawback provisions (reduction/forfeiture prior to share delivery/return after clawback share issuance) are also applied.	Variable	Around 15%	Around 10%

*Refer to Details of Earnings Indicators Concerning Performance-linked Compensation for details on earnings indicators.

—Details of Earnings Indicators Concerning Performance-linked Compensation—

Types of performance-linked compensation	Indicators (KPIs) concerning performance-linked compensation	Near-term/ medium-term	Target	Actual	KPI selection reason	Calculation method	Final determination method	Payment method
■Bonus for directors and executive officers*1*2								
Bonus linked to earnings	(1) Consolidated net business profit	Linked to near-term earnings	260 bn yen	294.7 bn yen	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
	(2) Consolidated net profit attributable to owners of the parent		140 bn yen	142.1 bn yen				
■Stock compensation								
Share delivery trust	(1) Consolidated net business profit	Linked to near-term earnings	260 bn yen	294.7 bn yen	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
	(2) Consolidated net profit attributable to owners of the parent		140 bn yen	142.1 bn yen				
	(3) Consolidated shareholders' equity and ROE	Linked to medium-term earnings	Around 7%	5.41%	(1) Considered them as appropriate KPIs for they are key financial indicators and non-financial items in the company's medium-term manageme	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		
	(4) Consolidated CET1 Capital ratio		Mid-10% range	9.4%				
	(5) Consolidated OHR		Lower 60% range	60.1%				
	(6) ESG-related activities and rating agency		-	-				

	score, etc. (7) Fiduciary duty and client satisfaction activities		 -	 -	nt plan and key topics in management strategy (2) To clarify commitment to management of directors, officers, and executive officers*1*2	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		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 Committee every fiscal year based on achievement rates and rank

(Note) (1) and (2) are the results for 2020 against the forecast announced in 2020 (reviewed in November).
(3) or (5) is the actual result for 2020 against the target for 2020 set in the Medium-Term Management Plan.

—Determination of Individual Compensation—
Individual compensation for directors and executive officers is determined by the Compensation Committee. Executive compensation feedback material from external specialist agencies is used as reference data to verify the objectivity and validity of the level of compensation by position. In particular, the Compensation Committee determines a base payment amount based on consolidated net business profit before credit costs, comprehensively taking into account special factors and the operating environment.

—Other Items of Importance—
For instances of significant revisions to financial information from prior years owing to inflated figures or malpractice, the booking of large losses stemming from excessive risk taking, serious violations of laws, regulations, or internal rules, or actions that significantly harms the Company's reputation of corporate value, we have introduced a system for applying malus (reduction or cancellation before delivery of shares) and clawback (recovery after share delivery) provisions to stock compensation (share delivery trust).

—Compensation for Internal Directors Serving as Audit Committee Members—
Compensation for internal directors serving as Audit Committee members shall be composed of fixed monthly compensation alone, and shall be determined at the Compensation Committee, taking into consideration the business conditions of SuMi TRUST Holdings, the compensation level of its directors, and compensation levels at industry peers and the like, taking into consideration a level appropriate for internal directors serving as Audit Committee members.

—Compensation for External Directors—
Compensation for external directors shall be composed of fixed monthly compensation alone, 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, and compensation levels at industry peers and the like.

Directors and executive officers concurrently serving at SuMi TRUST Bank or Sumitomo Mitsui Trust Asset Management shall be paid an amount of compensation divided according to a predetermined concurrence ratio.

c. Compensation Committee Reasoning
As the details of individual compensation for directors and executive officers for this fiscal year have been determined based on the method of determination described above in [b. Summary of Policy on Decisions on Compensation, etc. for Directors and Executive Officers and Determination Methods—Determination of Individual Compensation—], the Compensation Committee has judged that those details are in line with the determination policy of SuMi TRUST Holdings.

(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 the 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.

(4) Indemnity Agreement
Not applicable.

(5) Matters regarding Liability Insurance Agreement for Directors and Executive Officers
Not applicable.

3. Matters regarding External Directors and External Auditors

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

(As of March 31, 2021)

Name	Concurrent positions and other details
Takeshi Suzuki	Part-time Director of Tokai National Higher Education and Research System
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	Outside Director of The Prudential Gibraltar Financial Life Insurance Co., Ltd.
Takashi Yoshida	Certified Public Accountant Corporate Auditor (External Auditor) of Nippon Seiro Co., Ltd. Director (External Director) of Cosmos Initia Co., Ltd.
Hiroko Kawamoto	Director & Chairperson of ANA Strategic Research Institute Co., Ltd. Director (Outside Director) of RENAISSANCE INCORPORATED Outside Director of East Japan Railway Company
Mitsuhiro Aso	Attorney at Law, Outside Corporate Auditor, Sumitomo Chemical Co., Ltd.

(Notes) 1. SuMi TRUST Holdings has no special interest with other corporations in which external directors have concurrent positions.
2. Ms. Hiroko Kawamoto assumed the position of advisor at ANA Strategic Research Institute Co., Ltd.on April 1, 2021.

(2) Major Activities of External Directors and External Auditors

Name	Term of office	Attendance at Board of Directors meetings, etc.	Statements and other activities at Board of Directors meetings, etc.
Takeshi Suzuki	5 years, 9 months	Attended all 18 Board of Directors meetings Attended all 21 Nominating Committee meetings Attended all 10 Compensation Committee meetings Attended all 6 Risk Committee meetings Attended all 6 Conflicts of Interest Committee meetings	Made statements mainly from the perspectives of financial accounting and corporate management, leveraging his wealth of experience as a senior managing director of a major automotive company and as a manager of a financial institution.

Mikio Araki	5 years, 9 months	Attended all 18 Board of Directors meetings Attended all 21 Nominating Committee meetings Attended all 10 Compensation Committee meetings Attended all 6 Risk Committee meetings	Made statements mainly from the perspectives of bank management and policy finance, leveraging his wealth of experience as a representative director and vice president of a policy finance institution.
Isao Matsushita	3 years, 9 months	Attended all 18 Board of Directors meetings Attended all 21 Nominating Committee meetings Attended all 10 Compensation Committee meetings	Made statements mainly from the perspectives of corporate management, leveraging his wealth of experience as a representative director and president of a major general energy company.
Shinichi Saito	7 years, 9 months	Attended all 18 Board of Directors meetings Attended all 21 Nominating Committee meetings Attended all 16 Audit Committee meetings	Made statements mainly from the perspectives of financial accounting and corporate management, leveraging his wealth of experience as a general manager of finance at a major general trading company and as a representative director and chairman of an investment firm.
Takashi Yoshida	4 years, 9 months	Attended all 18 Board of Directors meetings Attended all 16 Audit Committee meetings	Made statements mainly from the perspectives of corporate and financial accounting, leveraging his insight as a certified public accountant and his wealth of experience as a senior partner of an accounting firm.
Hiroko Kawamoto	3 years, 9 months	Attended all 18 Board of Directors meetings Attended all 21 Nominating Committee meetings Attended all 10 Compensation Committee meetings	Made statements mainly from the perspectives of corporate management and diversity, leveraging her wealth of experience in empowering women as a director and senior managing executive officer of a major airline.
Mitsuhiro Aso	1 year, 9 months	Attended all 18 Board of Directors meetings Attended all 16 Audit Committee meetings	Made statements mainly from the perspectives of law and organization management, leveraging his insight as a lawyer and his wealth of experience as a superintendent public prosecutor and law school professor.

(Notes) 1. Terms of office of less than one month are rounded down.
2. External directors and external auditors periodically attend meetings to exchange opinions with representative executive officers and to express their views.

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

(million 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	7	114	―

(Note) Amounts less than one million yen are rounded down.

(4) Opinions from External Directors and External Auditors

Not applicable.

4. Matters regarding Shares of SuMi TRUST Holdings (as of March 31, 2021)

(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, 2021

58,812 persons

Common Stock 58,812 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) 33,542,100	(%) 8.94
Custody Bank of Japan, Ltd. (Trust Account)	23,630,900	6.30
Custody Bank of Japan, Ltd. (Trust Account 9)	6,781,400	1.80
Custody Bank of Japan, Ltd. (Trust Account 7)	6,564,500	1.75
THE BANK OF NEW YORK MELLON 140051	6,183,100	1.64
Custody Bank of Japan, Ltd. (Trust Account 5)	5,718,300	1.52
STATE STREET BANK WEST CLIENT-TREATY 505234	5,183,135	1.38
Custody Bank of Japan, Ltd. (Trust Account 6)	5,066,400	1.35
JPMorgan Securities Japan Co., Ltd.	4,833,859	1.28
Barclays Securities Japan Limited	4,598,200	1.22

(Note) Percentage of shares held is calculated by deducting own shares (323,718shares), rounded down to two decimal places.

(4) Shareholdings of Directors and Executive Officers

The details of stock compensation awarded to the directors and executive officers of SuMi TRUST Holdings as compensation for the execution of their duties during the fiscal year under review are as follows.

	Number of people awarded shares	Number of shares
Directors (excl. external directors) and executive officers	11	10,541
External directors	—	—

(Note) SuMi TRUST Holdings introduced a share delivery trust for stock compensation. The number of shares represents the number of points (common stock) awarded in fiscal 2019 determined this fiscal year.

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.

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

	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 hares	62,000yen	4,000 yen	From July 26, 2013 to July 25, 2021
Second Series Share Acquisition Rights	July 18, 2012	260	Common stock: 26,000 hares	34,000yen	4,000 yen	From July 18, 2014 to July 17, 2022
Third Series Share Acquisition Rights	July 19, 2013	398	Common stock: 39,800 hares	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 hares	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 hares	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 hares	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 hares	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 hares	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, 2021

	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	73	Common stock: 7,300 shares	12	73
Sixth Series Share Acquisition Rights	119	Common stock: 11,900 shares	12	119
Seventh Series Share Acquisition Rights	158	Common stock: 15,800 shares	14	158
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 (million 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 Yoichi Tanaka	95	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 one 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) Indemnity Agreement

Not applicable.

(4) Matters regarding Liability Insurance Agreement for Directors and Executive Officers

Not applicable.

(5) 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 a Risk Committee and a Conflicts of Interest Committee as advisory bodies to the Board of Directors, formulated a compliance program to serve as a concrete action plan and to realize the Group's compliance and a management system for 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 every quarter. In addition, important issues pertaining to conflict of interest management are reported to the Board of Directors through the 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 every quarter and reports to the Board of Directors. SuMi TRUST Holdings is also working on measures such as the enhancement of the Group's global compliance based on global regulations and global strategies and the implementation of compliance trainings. Moreover, SuMi TRUST Holdings is working to develop a framework for the prevention of mainly money laundering. In addition, SuMi TRUST Holdings is registered as having a certified whistleblowing compliance management system.

(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) The Group builds a Group-wide risk management framework centering on three lines of defense.
4) The 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.
5) 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.
6) Opportunities for risk management-oriented education and training will be offered to directors, executive officers and employees on an ongoing basis.
7) 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 the 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 COVID-19 pandemic, an Emergency Response Unit headed by the President conducts business operations in line with a business continuity plan (BCP) 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. Also, 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.

(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 reports concerning information about 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.
Also, as already mentioned above in the section about developments in business activities, we are endeavoring to improve the effectiveness of our compliance and risk management systems, particularly with regard to our inappropriate handling of operations when aggregating general shareholder meeting voting forms. We are strengthening our monitoring of key operations outsourced to subcontractors and taking steps to reinforce the organizational framework for SuMi TRUST Bank's stock transfer agency services business.

(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, in order to strengthen the Group's internal auditing framework, corporate auditors are concurrently serving as part-time statutory auditors at major subsidiaries and undertaking audits and monitoring centering on key audit topics.

(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 (i) 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
2,203,450 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.