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Business Report for the 13th Fiscal Year

(April 1, 2023 – March 31, 2024)

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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 “SuMi TRUST”), 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 encompasses 60 consolidated subsidiary companies and corporations and 30 affiliates accounted for by the equity method.

[Economic and Financial Environment]

In looking back on the financial and economic environment during the fiscal year under review, continued monetary tightening primarily in the West was reflected in lackluster business conditions in Europe, but the US economy demonstrated resilience on the back of a buoyant job market. The Chinese economy was weighed down by mainly a sluggish real estate market. In the Japanese economy, domestic demand centered on personal consumption weakened in an inflationary environment.

In the financial markets, the Nikkei Stock Average continued to meet upside resistance through December 2023 before turning upwards in response to higher share prices in the US and weakness in the yen. In February 2024, it rallied to an all-time high. With the Bank of Japan expanding its permissible trading range, the yield on 10-year JGBs rose to above 0.9% at the end of October 2023, before falling back to around 0.6% in December in sympathy with lower UST yields. In January 2024, growing expectations of a normalization in monetary policy pushed the 10-year JGB yield above 0.7%, but even after the BoJ dismantled its negative interest rate policy in March, yield movements remained calm due to the market’s acceptance of the BoJ’s ongoing commitment to monetary easing. Despite some phases of temporary yen appreciation, the Japanese currency remained weak overall, reflecting the different monetary policy stances between Japan and the US, with the USD/JPY currency pair breaking above 150 yen at the end of March 2024.

[Results of Business Activities]

(Consolidated Financial Results for the Fiscal Year 2023)

In this financial and economic environment, in the fiscal year under review, net business profit before credit costs increased 14.0 billion yen from the previous fiscal year to 338.6 billion yen. This was primarily attributable to higher fee income from mainly corporate loans, as well as tailwinds from market factors, including high stock prices and weakness in the yen.

Ordinary profit was down 184.5 billion yen from the previous fiscal year to 101.3 billion yen, owing

mainly to a deterioration in earnings from shares associated with the winding down and rebuilding of Japanese stock bear fund* positions for the purpose of sharply reducing the risk of share price volatility on periodic performance, even though we continued to step up efforts aimed at reducing our strategic shareholdings.

As a result of the above, net income attributable to owners of the parent decreased 111.8 billion yen from the previous fiscal year to 79.1 billion yen.

*Held to hedge against the risk of share price fluctuations in strategic shareholdings

(Segment Information)

Net business profit before credit costs for the fiscal year under review, broken down by reportable segment, was: 40.1 billion yen (down 1.3 billion yen YoY) for the Retail Business; 162.9 billion yen (up 22.1 billion yen) for the Corporate Business; 62.7 billion yen (up 5.0 billion yen) for the Investor Services Business; 35.6 billion yen (down 6.4 billion yen) for the Real Estate Business; 46.3 billion yen (down 7.8 billion yen) for the Global Markets Business; and 17.9 billion yen (down 4.2 billion yen) for the Asset Management Business.

[Developments of Business Activities]

The “Purpose” (reason for existence) of SuMi TRUST is “Trust for a flourishing future.” Based on this purpose, we continue to advance our business operations.

With the Nikkei Stock Average hitting an all-time high and the Japanese economy at a major turning point in finally overcoming deflation, as highlighted by the BoJ’s decision to abandon its negative interest rate policy, in fiscal 2023, we pressed ahead with the initiatives based on the three topics in the Medium-Term Management Plan.

Three topics in the Medium-Term Management Plan

1. Driving growth and capital efficiency in businesses unique to a trust group: Realizing the virtuous circulation of funds, assets, and capital and enhancing corporate value
2. Strengthening of human capital for future adaptability: Building an organization in which job satisfaction leads to well-being
3. Enhancement of our management foundation: The capacity to support the transformation of businesses and organizations

1. Driving growth and capital efficiency in businesses unique to a trust group

Leveraging the strength of having a longstanding record of transactions based on relationships of trust with clients, SuMi TRUST aims to achieve the balanced creation of both social and economic value with a business model that is distinctive of a trust group with a core focus on asset management and administration. Through to fiscal 2030, we intend to expand our assets under fiduciary (hereinafter

“AUF”) to 800 trillion yen—an indicator we defined of the scale of our initiatives geared towards solving social issues and contributing to market creation and growth. We will also press ahead with efforts aimed at early achievement of an ROE of at least 10%.

For individual clients, SuMi TRUST Bank leveraged the asset management know-how it has accumulated in the pension business to expand its comprehensive consulting services in view of the age of 100-year life. These services are focused not only on pensions and retirement allowances, but also on the flow and stock aspects of assets and liabilities, including real estate and loans.

SuMi TRUST Bank is also strengthening its approach to people in the asset formation stage of life by enhancing its contact channels, including the expansion of its online consulting plaza. In September 2023, we started providing the service, “the Sumitomo Mitsui Trust NEOBANK” so that clients using Smart Life Designer—an app that supports the asset formation efforts of clients—can access SuMi TRUST Bank’s services for various life stages, from asset formation, administration, and management to succession planning, as well as the functions powered by SBI Sumishin Net Bank’s leading-edge digital platform.

Also, in July 2023, SuMi TRUST Bank formed a capital and business alliance with PrivateBANK Co., Ltd., a provider of asset management services for mainly the financial assets, real estate, and private equity of ultra-high-net-worth families, as well as a wide range of concierge services. The collaboration between the two companies will not only deliver more multi-faceted services to high-net-worth clients, but will mean our capability of product development and solution providing can be strengthened, which in turn will enhance the foundation for asset management, asset administration, and social contributions.

For corporate clients, given the growing importance of initiatives in the ESG/sustainable management space, we expanded our engagement-driven solutions business to encourage improvements in corporate value through discussions from an investor’s point of view by utilizing various surveys on the topics of governance, human capital, ESG in real estate, and so on.

In February 2024, SuMi TRUST Bank established a joint venture to deliver climate change solution services together with the ERM Group, the world’s largest specialist sustainability consultancy that boasts a wealth of environmental and low-carbon transition expertise. The operations of the joint venture started in April 2024.

We will also provide pre-listing IR support to start-up firms that are contributing to the future of Japan with new technology and services and assist with the fundraising of investors both before and after listing. SuMi TRUST Bank not only supports start-ups with seed financing using bank functions, but it is committed to facilitating investments and loans up to a cumulative amount of 50 billion yen through to fiscal 2025 as a way of supporting start-ups that have started to consider going public.

Sumitomo Mitsui Trust Asset Management Co., Ltd. (hereinafter called Sumitomo Mitsui Trust Asset Management) has tapped the knowledge of SuMi TRUST Bank to set up a crossover fund that invests in both listed and unlisted shares. We will contribute to the supply of capital to start-ups with both banking functions and investor functions.

For investor clients including individuals, we are expanding our management of private assets in order to enhance social and economic value and provide investment opportunities with stronger returns. In particular, even though we think the infrastructure that supports Japan's industries and people's livelihoods will require large sums of capital in order to solve such issues as decarbonization and digitalization, the opportunities to invest are limited because the investment market is still underdeveloped.

In this environment, in September 2023, Group company Japan Extensive Infrastructure, Limited, established a comprehensive domestic infrastructure fund (Japan Infrastructure I, Limited Partnership) for the purpose of providing advice on investment decisions. The fund will serve as a focal point for capital demand and investment needs in the domestic infrastructure domain and will help solve issues in society through the creation and provision of investment opportunities.

In December 2023, we publicly announced a policy on improving our asset management business with the aim of implementing industry-leading initiatives in response to the government's Policy Plan for Promoting Japan as a Leading Asset Management Center. We will seek to enhance the self-directed asset management capabilities of SuMi TRUST Bank, Sumitomo Mitsui Trust Asset Management, and Nikko Asset Management Co., Ltd. (hereinafter called Nikko Asset Management), and also build a multi-affiliate model by partnering with diverse and capable asset management firms and incorporating them into the Group. To achieve this goal, we will aggressively spend up to 500 billion yen in total through to fiscal 2030 to acquire global asset management capabilities and client bases and to invest in up-and-coming asset managers. In addition, we will step up efforts aimed at further enhancing corporate governance and boosting asset management know-how in the asset management business.

In building up to this, both Sumitomo Mitsui Trust Asset Management and Nikko Asset Management have entered into capital and business agreements with UK-based Osmosis (Holdings) Limited, an investment manager focused on delivering superior investment returns with better environmental outcomes.

In the asset administration business, we supported the improvements and enhancements of corporate governance at Custody Bank of Japan, Ltd., while SuMi TRUST Bank spearheaded efforts to strengthen functions and improve services to meet demand from investors and asset management companies seeking to improve and streamline their operations. We also worked on bolstering competitiveness by standardizing operational processes with the use of digital technology and

examining the adoption of a common backbone system for overseas asset administration.

2. Strengthening of human capital for future adaptability

The highly specialized work that is characteristic of SuMi TRUST is underpinned by each and every employee and we recognize that giving employees the opportunities to unleash their full potential generates the value that we deliver to clients and society.

To generate further momentum in diversity, equity, and inclusion, we worked on developing environments that will empower women in the workplace, help employees balance childcare and nursing care with their working life, and contribute to improvements in human rights and equal rights for LGBTQ people. We also continued to establish personnel systems that bring to bear the diversity and expertise of employees as collective strengths of the organization by facilitating self-determined career-building efforts. As a result of these initiatives, SuMi TRUST was awarded the highest rating of “Gold” in the Pride Index managed by wWP (work with Pride), an organization that supports the promotion and establishment of diversity management regarding LGBTQ issues. At the same time, SuMi TRUST Bank was awarded a “Rainbow” rating for its efforts to find solutions to specific issues in society by collaborating with major players from different sectors, including corporations, government agencies, and NPOs.

Also, with SuMi TRUST celebrating its 100th anniversary in fiscal 2024, we are undertaking numerous projects across the Group to express our gratitude to stakeholders and deepen their understanding of the Group’s operations.

The “Purpose” of SuMi TRUST reflects the origin of trusts in Japan—to solve various social issues with a client-oriented mindset and contribute to Japan’s development. As we celebrate 100 years of existence as an organization, we have formulated the brand slogan “trust for a flourishing future” to effectively convey and embody within and beyond SuMi TRUST the profound significance of “being entrusted” by our clients and our strong determination to fulfill their “wishes for the future”.

Our centennial project is, in itself, an organization-building exercise for SuMi TRUST. We see it as an opportunity for each and every employee to take center stage, to learn about the identity of the Group and its history of challenges and pioneering spirit, and to feel confident and motivated as a SuMi TRUST employee. It is also an opportunity to kickstart a movement of challenging ourselves as we look to the next 100 years.

3. Enhancement of our management foundation

We will further enhance our fiduciary duties, including risk management, compliance, and improvements in client satisfaction, because they form the basis of long-lasting relationship of trust with clients. We are updating our risk management framework and operational rules and taking measures to address increasingly complex and sophisticated financial crimes and cyber-attacks.

We are steadily advancing the provision of services and business process transformation with the use of generative AI and other digital technologies. In April 2023, we developed and started using a system utilizing digital technology to lighten the burden of inheritance procedures on both clients and financial institutions. This system scans family registers, checks for any missing information in the documents, and lets users create an heir relationship diagram. We will channel management resources into areas where we expect the effects on productivity improvement and business efficiency to be most significant, expand our lineup of products and services tailored to client needs, and further refine improvements in our ability to deliver high-quality consulting services.

[Issues to be Addressed]

On April 15, 2024, the SuMi TRUST celebrated its 100th anniversary. Guided by our fiduciary spirit, at any point in history since our founding we always used the power of trusts to meet the needs of clients and the demands of society in different time periods, to resolutely take up the challenge of creating new value, and to remain a pioneer in the industry so as to contribute to Japan's development.

Having adopted the phrase “trust for a flourishing future” as our purpose, in fiscal 2024, the second year of the Medium-Term Management Plan, we will address the following three key topics in order to execute, implement, and achieve a growth strategy underpinned by AUF.

Topic 1: Strengthening our advisory, asset management, and asset administration functions (to drive the acceleration of a virtuous circulation)

We believe the biggest problem with Japan's financial sector and society right now is that over 3,000 trillion yen—including 2,100 trillion yen in financial assets and 1,000 trillion yen in real estate—is tied up in personal assets and company funds and not being invested or spent. Instead, it remains stagnant. The growth from a virtuous circulation that we want to actualize will lead to the sustained growth of the economy as a whole due to a sequence of actions whereby investors invest in promising businesses. The fruits of those investments, mainly in the form of share price gains and dividends, lead to the formation of assets for people, whilst stronger earnings at companies enable them to invest more money and hire more people.

With our beginnings as a trust company, we have expanded our capabilities in real estate-related services and banking operations, and as part of that process, we have directly acted on the expectations of investors and businesses and bridged the gap between their respective needs. Going forward, we will further refine the strengths we have honed over this time, namely, the three-pronged business model of advisory, asset management, and asset administration, and accelerate the virtuous circulation of funds, assets, and capital while expanding AUF.

(1) Advisory

We aim to support our clients in making informed decisions that are in their best interests by understanding their life plans and overall structures of assets and debts, proposing appropriate asset allocations, and seamlessly providing products. We will generate new investment demand by proposing and providing optimal portfolios according to the risk tolerance levels of clients.

In fiscal 2024, we plan to introduce a new trust product with principal protection in which the funds can only be used to combat social issues, such as decarbonization. Starting with this new product, we will continue to contribute to the wealth creation efforts of clients by developing and offering investment products that can potentially generate returns based on our clients' risk tolerance levels.

(2) Asset management

Centering on SuMi TRUST Bank, Sumitomo Mitsui Trust Asset Management, and Nikko Asset Management, each company in the Group will aim to contribute to the shared goal of becoming the group of choice for clients worldwide by capitalizing on their individuality and achieving growth autonomously. In addition to focusing on private assets to meet the high-return investment needs of clients, we will seek to arm ourselves with globally competitive asset management capabilities by investing as much as 500 billion yen in total by fiscal 2030 for the purpose of taking equity stakes in, and forging alliances with, asset management firms and the like in mainly North America, as well as to uncover and nurture unique and attractive emerging fund managers. As for the talent on which the Group's asset management business is founded, we will roll out global-standard performance assessment and compensation systems tailored to asset management firms and continue to actively hire and appoint professionals from outside of the Group.

(3) Asset administration

We will make use of new technologies, such as AI, to streamline and standardize operations, and expand our initiatives by, for example, providing infrastructure to emerging fund managers, expanding the range of assets handled by administering private and digital assets, and utilizing transaction data to create reports.

Going forward, we will further refine the three-pronged business model of advisory, asset management, and asset administration, and accelerate a virtuous circulation of funds, assets, and capital with the aim of achieving an AUF of 800 trillion yen by fiscal 2030 and early achievement of an ROE of at least 10%. The "advisory" component of the model will contribute to client decision-making support and demand creation, the "asset management" element will deliver high-quality products, and the "asset administration" function will serve as a platform to support advisory and asset management operations.

Topic 2: Enhancing our fiduciary duties

As a fiduciary that upholds the intentions of our clients in response to the cordial trust placed in us, we will pursue the best interests of our clients and enhance the quality of services to a level that exceeds their expectations.

Independently assessing the expectations of clients and changes in the times and constantly guaranteeing adequate quality when providing any one of our numerous services is, in our view, the Group's added value and the source of revenue.

Moreover, in order to prevent the materialization of various risks, we will also work on advancing the management structure and developing an open organization and healthy corporate culture in which every Group employee can express their opinions to anyone, respect other employee's opinions, and work together to come up with appropriate countermeasures.

Topic 3: Improving productivity and profitability (promoting DX and fighting inflation)

With Japan's population continuing to shrink and inflation accelerating, we believe it is imperative that we focus on utilizing digital technology to improve productivity by drastically transforming our operational processes and boosting profitability by fairly raising prices for our products and services if we are to achieve sustained growth and contribute to the greater well-being of stakeholders.

The transition towards realizing a prosperous future through solving issues in society and continues to gain traction—an environment that aligns with the original aim of our establishment to create a healthy and prosperous future. We therefore recognize that now is the time for the power of trusts to come into its own.

For clients' best interests, we will constantly ensure that each and every director, officer, and employee thinks, makes decisions, and takes action by themselves. By evolving this way, we hope to become a "Sumitomo Mitsui Trust Group" that contributes to the creation of a future for the next 100 years and continues to be favored by clients and the wider community.

We would be grateful for your continued understanding and support.

Reference: Key Performance Indicators (KPIs)

SuMi TRUST has set the following KPIs for FY2024. By leveraging a business model that is distinctive of a trust group with a core focus on asset management and administration, we aim to achieve FY2025 targets of ROE, net income and AUF one year earlier. We will also press ahead with initiatives to achieve KPI targets that we set as our aspiration by FY2030 and P/B ratio of more than 1.0x (market cap of more than ¥3.0 trillion) at the earliest possible time.

	FY2023	FY2024 (Forecast)	By FY2030 (Aspiration)
ROE	2.7%	Approx. 8%	10% or above
Net business profit	¥338.6bn	¥340.0 bn	¥400.0 bn or above
Net income attributable to owners of the parent	¥79.1bn	¥240.0 bn	¥300.0bn or above
AUF (outstanding)	¥580trn	¥600trn	¥800trn
CET1 ratio (finalized Basel III, fully phased basis)	10.2%	Around 10.0%	Stably above 10%

Glossary of terms

ROE

Return on equity (ROE) is the measure of a company's net income divided by its shareholders' equity. It gauges how efficiently profit is generated. The higher the ROE, the better a company is at converting equity into net profit.

Net business profit

Net business profit represents actual income from the main business of the bank (or Group) after deducting total credit costs, net gains on stocks, and the impact of other extraordinary factors from ordinary profit.

AUF (assets under fiduciary)

The total balance of investments and loans, asset management, and asset administration that contribute to solving issues in society and creating and expanding markets.

CET1 ratio (finalized Basel III, fully phased basis)

The CET1 ratio is a measurement of regulatory capital adequacy and represents the risk of core equity capital against total risk-weighted assets, including capital stock, capital surplus, and retained earnings. The higher the ratio, the better the bank is prepared for risk.

(2) Changes in Financial Position and Results of Operations

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

	FY2020	FY2021	FY2022	FY2023
Ordinary income	1,380,434	1,401,091	1,819,060	2,475,303
Ordinary profit	183,155	229,704	285,840	101,327
Net income attributable to owners of the parent	142,196	169,078	191,000	79,199
Comprehensive income	201,137	90,859	198,519	416,207
Net assets	2,722,556	2,745,288	2,822,574	3,137,686
Total assets	63,368,573	64,633,220	69,022,746	75,876,905
Net income per share ³	yen 379.65	yen 451.40	yen 258.57	yen 109.16

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

2. In order to accurately state credit risks owing to the existence or non-existence of collateral related to derivative transactions, beginning in fiscal year 2021, the market value-based method of stating financial assets and liabilities for derivative transactions has been changed. To reflect this change, consolidated financial statements for FY2020 have been restated and as a result, total assets for fiscal year 2020 are now ¥63,368,573 million (previously ¥62,163,876 million).

3. A 2-for-1 split of common stock was carried out effective on January 1, 2024. Net income per share of common stock is calculated as if the split had occurred at the beginning of fiscal 2022.

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

	FY2020	FY2021	FY2022	FY2023
Operating income	60,855	63,319	78,111	86,512
Dividends received	56,256	58,154	71,279	78,396
Dividends received from banking subsidiaries	49,867	49,895	60,421	69,555
Dividends received from other subsidiaries	6,388	8,258	10,857	8,841
Net income	56,637	57,620	71,257	78,290
Net income per share ²	yen 151.21	yen 153.83	yen 96.46	yen 107.90

Total assets	2,203,450	2,223,512	2,128,640	2,123,441
Investments in banking subsidiaries	1,327,099	1,327,099	1,327,099	1,327,099
Investments in other subsidiaries	82,132	112,957	113,789	113,784

- (Notes)
1. Amounts less than one million yen are rounded down.
 2. A 2-for-1 split of common stock was carried out effective on January 1, 2024. Net income per share of common stock is calculated as if the split had occurred at the beginning of fiscal 2022.

(3) Employees of SuMi TRUST

	Retail Business	Corporate Business	Investor Services Business	Real Estate Business	Global Markets Business	Asset Management Business	Others
Number of employees as of the end of FY2023	5,734	4,193	1,995	1,678	338	1,325	3,681

- (Notes)
1. Number of employees includes overseas hires and excludes contract and temporary staff.
 2. Number of employees include executive officers*2 not concurrently serving as a director.
 3. Number of employees includes SuMi TRUST Holdings employees plus employees of consolidated subsidiary companies and corporations.
 4. The Retail Business includes Private Banking and Asset Formation Advisory.

(4) Principal Offices of SuMi TRUST

a. SuMi TRUST Bank

Domestic: 147 offices including Tokyo Business Department, Yokohamaeki-Nishiguchi Branch, Osaka Business Department, Kobe Branch, Chiba Branch, Nagoya Business Department, 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
Retail Business	Sumitomo Mitsui Trust Guarantee Co., Ltd.	Head Office (Tokyo) Osaka Branch
	Sumitomo Mitsui Trust Club Co., Ltd.	Head Office (Tokyo) Okinawa Office
Corporate Business	Sumitomo Mitsui Trust Panasonic Finance Co., Ltd.	Head Office (Tokyo) Osaka Branch
	Sumitomo Mitsui Trust Loan & Finance Co., Ltd.	Head Office (Tokyo) Osaka Branch
Real Estate Business	Sumitomo Mitsui Trust Realty Co., Ltd.	Head Office (Tokyo) Osaka Umeda Center
Asset Management Business	Nikko Asset Management Co., Ltd.	Head Office (Tokyo)
	Sumitomo Mitsui Trust 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
SBI Sumishin Net Bank, Ltd.	Minato-ku, Tokyo	Banking business
UBS AG (Bank) Tokyo Branch	Chiyoda-ku, Tokyo	Banking business
Sumitomo Mitsui Trust Life Partners Co., Ltd.	Chiyoda-ku, Tokyo	Non-life insurance agency business, life insurance solicitation business, financial instruments intermediary services

d. Bank agencies operated by SuMi TRUST Bank

Trade name of affiliated financial institution
SBI Sumishin Net Bank, Ltd.
UBS AG (Bank) Tokyo Branch

(5) Capital Investment of SuMi TRUST

a. Total Amount of Capital Investment

(million yen)

Company name	Amount
SuMi TRUST Bank ⁴	63,162
Others ⁵	13,788
Total	76,951

- (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 other subsidiary companies and corporations, 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	Upgrades to UPS equipment for the Fuchu Building	1,188
	Investment in software	48,450

- (Notes)
1. Amounts less than one million yen are rounded down.
 2. 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.

(Disposal and Sales)

Not applicable.

(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	83,200 [THB 20,000m]	100.00 (100.00)	—
Sumitomo Mitsui Trust Bank (U.S.A.) Limited	Hoboken, New Jersey, US	Banking, Trust business	8,479 [USD56m]	100.00 (100.00)	—
UBS SuMi TRUST Wealth Management Co., Ltd.	Chiyoda-ku, Tokyo	Securities business, Trust agreement agency business	5,165	49.00	—
Custody Bank of Japan, Ltd.	Chuo-ku, Tokyo	Banking, Trust business	51,000	33.33	—
SBI Sumishin Net Bank, Ltd.	Minato-ku, Tokyo	Banking business	31,000	34.18 (34.18)	—

Company name	Location	Main business	Capital (millions of yen)	% of SuMi TRUST Holdings voting rights (%)	Other
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	68,201 [CNY3,271 m]	20.00 (20.00)	—
Nanjing Zijin Financial Leasing Co., Ltd.	Nanjing, Jiangsu Province, People's Republic of China	Leasing business	12,510 [CNY600m]	20.00 (20.00)	—
Midwest Railcar Corporation	Edwardsville, Illinois, US	Leasing business	71 [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. Outline of the significant business collaborations involving SuMi TRUST Holdings' subsidiaries are as follows.

[SuMi TRUST Bank]

- (1) SuMi TRUST Bank has a 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 a 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 a 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 concluding contracts for accepting bank deposits, lending funds, and forex transactions at Sumishin Net Bank.
- (7) As of the end of March 2024, SuMi TRUST Bank has signed trust agency* agreements with 126 financial institutions, business corporations, and foundations, for the purpose of providing trust services to clients.

*Trust agency is a collective term for trust agreement agencies under the Trust Business Act, and

agencies concurrently engaged in the trust business under Article 1 of the Act on Engagement in Trust Business by a Financial Institution (Concurrent Business Act).

- (8) SuMi TRUST Bank aims to accumulate more in-depth knowledge and strengthen its ability to provide financial solutions through business alliances with Apollo Global Management, Inc., an asset manager with a world-class track record in managing mainly alternative assets, and with GreensLedge Capital Markets LLC, an independent US investment bank.
- (9) Through a business alliance with Energy Capital Partners, a US-based private equity manager that specializes in the electric power and environmental infrastructure fields, SuMi TRUST aims to unearth investment opportunities in the decarbonization field in Japan and provide them to mainly institutional investors in Japan and overseas.

[Nikko Asset Management] and [Sumitomo Mitsui Trust Asset Management]

- (1) Both Nikko Asset Management and Sumitomo Mitsui Trust Asset Management aim to provide excellent investment opportunities to a wide range of investors in Japan and overseas through a capital and business alliance with Osmosis (Holdings) Limited, an asset management company boasting high-added-value investment products in the sustainable investment field.

(7) Major Creditors

Not applicable.

(8) Transfer of Business

Not applicable.

(9) Other Important Matters regarding SuMi TRUST

Not applicable.

2. Matters regarding Directors and Executive Officers*1

(1) Directors and Executive Officers*1

a. Directors

(As of March 31, 2024)

Name	Position	Responsibility	Significant concurrent positions	Other
Toru Takakura	Director		Director of SuMi TRUST Bank	
Atsushi Kaibara	Director			
Yasuyuki Suzuki	Director	Risk Committee Member, Conflicts of Interest Committee Member	Director, Senior Managing Executive Officer of SuMi TRUST Bank	
Kazuya Oyama	Director		President (Representative Director) of SuMi TRUST Bank	
Tetsuo Ohkubo	Director	Nominating Committee Member, Compensation Committee Member	Director of SuMi TRUST Bank	
Masaru Hashimoto	Director	Nominating Committee Member, Compensation Committee Member	Chairperson of SuMi TRUST Bank	
Kouji Tanaka	Director	Audit Committee Member		See note 3
Toshiaki Nakano	Director	Audit Committee Member		See note 3
Isao Matsushita	Director (External Director)	Chairperson of the Board of Directors, Nominating	External Director of MatsukiyoCocokara & Co.	See notes 1 and 2

Name	Position	Responsibility	Significant concurrent positions	Other
		Committee Member (Chairperson), Compensation Committee Member		
Hiroko Kawamoto	Director (External Director)	Nominating Committee Member, Compensation Committee Member (Chairperson)	External Director of East Japan Railway Company, External Director of Canon Marketing Japan Inc.	See notes 1 and 2
Mitsuhiro Aso	Director (External Director)	Nominating Committee Member, Compensation Committee Member, Audit Committee Member (Chairperson)	Attorney at Law, External Corporate Auditor of Sumitomo Chemical Co., Ltd.	See notes 1 and 2
Nobuaki Kato	Director (External Director)	Nominating Committee Member, Compensation Committee Member, Conflicts of Interest Committee Member		See notes 1 and 2
Kaoru Kashima	Director (External Director)	Audit Committee Member, Risk Committee Member	Certified public accountant, External Audit & Supervisory Board Member of Nippon Telegraph and Telephone Corporation, External Audit &	See notes 1, 2 and 5

Name	Position	Responsibility	Significant concurrent positions	Other
			Supervisory Board Member of Kirin Holdings Company, Limited	
Tomonori Ito	Director (External Director)	Audit Committee Member	External Director of Electric Power Development Co., Ltd., Professor at Institute for Business and Finance, Waseda University, Specially Appointed Professor of the Global and Transdisciplinary Studies of Kyoto University of Advanced Science, External Director of Mitsui Sumitomo Insurance Company, Limited	See notes 1, 2 and 6
Hajime Watanabe	Director (External Director)	Nominating Committee Member, Compensation Committee Member	Representative Director and Chairman of Japan Economic Research Institute Inc., External Corporate Auditor of Japan Freight Railway Company	See notes 1 and 2

(Notes) 1 Messrs. Isao Matsushita, Mitsuhiro Aso, Nobuaki Kato, Tomonori Ito, Hajime Watanabe, and Mses. Hiroko Kawamoto and Kaoru Kashima are External Directors defined in Article 2, Item 15 of the Companies Act.

2 Messrs. Isao Matsushita, Mitsuhiro Aso, Nobuaki Kato, Tomonori Ito, Hajime Watanabe, and Mses. Hiroko Kawamoto and Kaoru Kashima have been registered with the Tokyo Stock Exchange and the Nagoya Stock Exchange, as independent officers according to the provisions of rules at each stock exchange.

3 SuMi TRUST Holdings has selected Mr. Kouji Tanaka and Mr. Toshiaki Nakano, the non-executive directors, as full-time members of the Audit Committee to ensure the effectiveness of audits.

4 Mr. Mitsuhiro Aso, having served as superintendent of the high public prosecutors office and also as a law school professor, possesses considerable knowledge of law and organization management.

5 Ms. Kaoru Kashima is a certified public accountant (CPA), having served in a major auditing firm for a long time thus holding considerable knowledge and experience in finance and accounting.

6 Mr. Tomonori Ito, having worked at domestic and international financial institutions and serving as a university professor, has considerable knowledge and experience in corporate strategy and global finance.

b. Executive Officers*1

(As of March 31, 2024)

Name	Position	Responsibility	Significant concurrent positions, other	Other
Toru Takakura	President (Representative Executive Officer)		Director of SuMi TRUST Bank	
Atsushi Kaibara	Deputy President (Representative Executive Officer)			
Yasuyuki Suzuki	Senior Managing Executive Officer	Risk Management Dept., Compliance Dept., Legal Dept.	Director, Senior Managing Executive Officer of SuMi TRUST Bank	
Manatomo Yoneyama	Managing Executive Officer	Digital Transformation Dept., Business Process Management Dept., IT System Planning and Management Dept.	Director, Managing Executive Officer of SuMi TRUST Bank	
Atsushi Matsumoto	Managing Executive Officer	Corporate Administration Dept., Planning and Coordination Dept., Corporate Secretariat	Director, Managing Executive Officer of SuMi TRUST Bank	
Masakatsu Sato	Managing Executive Officer	Financial Planning Dept., Corporate Secretariat	Director, Managing Executive Officer of SuMi TRUST Bank	
Takumi Fujisawa	Managing Executive Officer	Human Resources Dept.	Managing Executive Officer of SuMi TRUST Bank	
Kazuteru Wakao	Managing Executive Officer	Sustainability Management Dept., Carbon Neutrality Planning and Management Dept.	Managing Executive Officer of SuMi TRUST Bank	See note 1
Yuki Takada	Managing Executive Officer	Research Dept., Fiduciary Duties &	Managing Executive Officer of SuMi	

	Officer	Customer Satisfaction Planning and Promotion Dept., Fiduciary Risk Management Dept.	TRUST Bank	
Riro Sato	Managing Executive Officer	Corporate Planning Dept., Group Affiliates Planning and Management Dept.	Director, Managing Executive Officer of SuMi TRUST Bank	
Masayuki Okamoto	Managing Executive Officer	Internal Audit Dept.		
Kazuya Oyama	Executive Officer		President (Representative Director) of SuMi TRUST Bank	
Miyo Yajima	Executive Officer	Promotion of well-being	Executive Officer of SuMi TRUST Bank	
Masaya Yamashiro	Executive Officer	IR Dept.	Executive Officer of SuMi TRUST Bank	

(Note) 1. On March 31, 2024, Mr. Kazuteru Wakao stepped down from his position as Managing Executive Officer. On April 1, 2024, Ms. Chikako Matsumoto assumed the position of Managing Executive Officer (in charge of the Sustainability Management Department) and Ms. Hisato Nakano assumed the position of Executive Officer (in charge of the Corporate Communication Department).

2. Effective April 1, 2024, the Carbon Neutrality Planning and Management Department has been abolished and amalgamated with the Sustainability Management Department. The Fiduciary Risk Management Department has also been abolished with its functions to be upgraded in other relevant departments.

(2) Compensation, etc. for Directors and Executive Officers*1
a. Persons Paid, Compensation, etc.

(million yen)

Classification	Persons paid	Compensation, etc.					
		Total compensation	Monthly compensation		Performance-linked compensation		Other
			Fixed compensation	Individual role-linked performance compensation	Bonus	Stock compensation (non-monetary compensation)	
Directors (excl. external directors)	5	170	121	23	15	9	—
Executive officers*1	13	427	191	102	76	52	3
External directors	9	128	128	—	—	—	—
Total	27	726	441	126	91	62	3

- (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 below in [b. (iv) Details of Earnings Indicators Concerning Performance-linked Compensation].
5. For stock compensation, SuMi TRUST Holdings awards shares in the Company (RS Trust*) to directors (excluding external directors and Audit Committee members) 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].
*RS Trust: A system for awarding restricted stock (RS) with the use of a share delivery trust mechanism.

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

“Trust for a flourishing future” is what defines the reason for existence (“Purpose”) of SuMi TRUST and contributing to the sustainable development of society and achieving sustainable and stable growth for the Group through balanced creation of both social value and economic value is at the very core of our management approach. As every director and executive officer strives to realize this “Purpose” and embody it through their actions, the SuMi TRUST Group’s compensation for executives acknowledges the roles they are expected to fulfil, which is why it is constantly being updated so that we can work towards establishing policies and systems in line with the aforementioned philosophy.

(i) 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.

- A. Compensation, etc. for directors (excluding Audit Committee members and external directors) 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.
- B. 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.
- C. 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.
- D. 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.

(ii) Compensation System Overview

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

- A. In principle, compensation is paid with a combination of monthly compensation, director and executive officer bonuses, and stock compensation (RS Trust).
- B. 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.
- C. 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.
- D. Stock compensation (RS Trust) is paid in the form of restricted stock, the transfer restrictions on which are removed 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; and comprehensive assessment scores of ESG.
- E. The proportion of the bonuses and stock compensation (RS Trust) for directors and executive officers as a percentage of total compensation shall be designed so that they function sufficiently as an incentive.

(iii) 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.	Variable	Around 20%	Around 25%
Bonus for directors and executive officers				
Performance-linked bonus (short-term incentive)	Allocated according to the performance evaluation of each individual from the total amount determined with reference to the following indicators of near-term earnings: consolidated net business profit and consolidated net profit attributable to owners of the parent.	Variable	Around 20%	Around 20%
Stock compensation				
RS Trust (medium-	Stock-based compensation	Variable	Around	Around

term incentive)	aimed at clarifying the link between executive compensation and company earnings/stock value, and enhancing awareness of contributing to medium- to long-term performance improvement and increase of corporate value. Annual restricted stock grants with transfer restrictions based on short-term performance metrics (consolidated net business profit before credit costs and net income attributable to owners of the parent), medium-term financial indicators (consolidated ROE, consolidated CET1 ratio, consolidated OHR), and comprehensive evaluation of ESG activities. Transfer restrictions are lifted upon retirement, with provisions for clawback (recovery after transfer restrictions are lifted) and malus (reduction or forfeiture before transfer restrictions are lifted).		20%	10%
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*Refer to (iv) Details of Earnings Indicators Concerning Performance-linked Compensation for details on earnings indicators.

(iv) Details of Earnings Indicators Concerning Performance-linked Compensation

Types of performance-linked compensation	Indicators (KPIs) concerning performance-linked compensation	Type	Target	Actual	KPI selection reason	Evaluation Weight	Calculation method	Final determination method	Payment method
■ Bonus for directors and executive officers*1*2									
Performance-linked bonus (short-term incentive)	(1) Consolidated net business profit	Linked to near-term earnings	320 bn yen	338.6 bn yen	Considered appropriate indicators of the company's business results and capabilities in the fiscal year under review	66.7%	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		200 bn yen	79.1 bn yen		33.3%			
■ Stock compensation									
RS Trust (medium-term incentive)	(1) Consolidated net business profit	Linked to near-term earnings	320 bn yen	338.6 bn yen	Considered appropriate indicators of the company's business results and capabilities in the fiscal year under review	22.2%	Achievement rates versus target	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
	(2) Consolidated net profit attributable to owners of the parent		200 bn yen	79.1 bn yen		11.1%			
	(3) Consolidated	Linked to medium-term	Lower range	7%	2.7%	Considered appropriate KPIs, being	11.1%	Evaluation score calculated	

	shareholders' equity and ROE	earnings			key financial indicators in the company's		by qualitatively assessing	(lower limit of 0%) so as to provide an appropriate incentive scheme	shares is placed in trust
	(4) Consolidated CET1 Capital ratio		Mid-9% range	10.2%	Medium-Term Management Plan	11.1%	the achievement and progress of each indicator in the		↓ • The trustee makes block purchases from the market for the number of shares expected to be delivered to
	(5) Consolidated OHR		Lower 60% range	61.3%		11.1%	Medium-Term Management Plan		beneficiaries in the future
	(6) Comprehensive ESG assessment	ESG-related	-	-	Based on items of materiality, the following five categories are considered important: climate change, fiduciary duties & customer satisfaction, employee engagement, DE&I (empowerment of women, etc.), and scores of ESG rating agencies. Undertaking a comprehensive assessment of these categories from qualitative	33.3%	Evaluation score calculated based on qualitative and quantitative assessments of activities in each assessment categories		↓ • The company grants restricted stock to eligible officers based on the grant rate and position determined by the Compensation Committee, with transfer restrictions. These transfer restrictions

					and quantitative viewpoints is considered appropriate for an overall ESG evaluation				are lifted upon retirement.
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- (Notes)
1. (1) and (2) are fiscal 2023 actual results versus fiscal 2023 forecasts announced in May 2023
 2. (3) through (5) are fiscal 2023 results versus fiscal 2023 targets established under the Medium-Term Management Plan (FY2023–2025) announced in May 2023
 3. For (6), each assessment category and final ESG overall score is determined by the Compensation Committee in light of yearly ESG activity reports presented at the meetings of the Sustainability Committee
 4. Scores from MSCI, FTSE, and Sustainalytics are used for the ESG rating agency scores in (6)

(v) 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.

(vi) 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 the lifting of transfer restrictions) and clawback (recovery after the lifting of transfer restrictions) provisions to stock compensation (RS Trust).

(vii) 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.

(viii) 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 chairperson or member. For an external director serving as chairperson 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 (v) 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: Isao Matsushita Hiroko Kawamoto Mitsuhiro Aso Nobuaki Kato Kaoru Kashima Tomonori Ito Hajime Watanabe	Pursuant to Article 427, Paragraph 1 of the Companies Act and Article 41 of Incorporation, 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 stipulated in Paragraph 1 of Article 425 of the Companies Act.

(4) Indemnity Agreement
Not applicable.

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

Scope of Insured Persons	Summary of Liability Insurance Agreement for Directors and Executive Officers
Directors and executive officers*1*2 of SuMi TRUST Holdings	SuMi TRUST Holdings has entered into a liability insurance agreement for directors and executive officers as stipulated in Paragraph 1 of Article 430-3 of the Companies Act with the persons listed on the left as the insured persons. The premiums for this insurance shall be borne in full by SuMi TRUST Holdings and its subsidiaries listed on the left. The said insurance agreement shall cover compensation for damages and legal costs in the event that a claim for damages is filed against an insured person by a third party or shareholder. However, as a measure to prevent the inappropriate execution of duties by insured persons, insurance money will not be paid on claims for damages stemming from criminal activity by an insured person, actions recognized by an insured person to be in violation of the law, or personal gains or favors obtained illegally by an insured person. Also, provisions on the amount of indemnity have been established, therefore the insured persons will be liable for some of the costs associated with compensation for damages and legal expenses.
Directors and executive officers*2 of the following subsidiaries of SuMi TRUST Holdings <ul style="list-style-type: none">• SuMi TRUST Bank• Sumitomo Mitsui Trust Asset Management	

3. Matters regarding External Directors

(1) Concurrent Positions and Other Details on External Directors

(As of March 31, 2024)

Name	Concurrent positions and other details
Isao Matsushita	External Director of MatsukiyoCocokara & Co.
Hiroko Kawamoto	External Director of East Japan Railway Company External Director of Canon Marketing Japan Inc.
Mitsuhiro Aso	Attorney at Law External Corporate Auditor, Sumitomo Chemical Co., Ltd.
Nobuaki Kato	—
Kaoru Kashima	Certified Public Accountant External Audit & Supervisory Member of Nippon Telegraph and Telephone Corporation Audit & Supervisory Board Member of Kirin Holdings Company, Limited
Tomonori Ito	External Director of Electric Power Development Co., Ltd. Professor at Institute for Business and Finance, Waseda University Specially Appointed Professor of the Global and Transdisciplinary Studies of Kyoto University of Advanced Science External Director of Mitsui Sumitomo Insurance Company, Limited
Hajime Watanabe	Chairman of Japan Economic Research Institute Inc. External Corporate Auditor of Japan Freight Railway Company

(Note) 1. SuMi TRUST Holdings has no special interest with other corporations in which external directors have concurrent positions.

(2) Major Activities of External Directors

(as of FY-end)

Name	Term of office	Attendance at Board of Directors meetings, etc.	Statements and other activities at Board of Directors meetings, etc.
Isao Matsushita	6 years, 9 months	Attended all 16 Board of Directors meetings Attended all 14 Nominating Committee meetings Attended all 13 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.
Hiroko Kawamoto	6 years, 9 months	Attended all 16 Board of Directors meetings Attended all 14 Nominating Committee meetings Attended all 13 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	4 years, 9 months	Attended all 16 Board of Directors meetings Attended all 14 Nominating Committee meetings Attended all 10 Compensation Committee meetings Attended all 17 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.
Nobuaki Kato	2 year, 9 months	Attended all 16 Board of Directors meetings Attended all 14 Nominating Committee meetings Attended all 13 Compensation Committee meetings Attended all 6 Conflicts of Interest Committee meetings	Made statements mainly from corporate management and global viewpoints, leveraging his wealth of experience as a director and president of a major automotive parts manufacturer and its overseas operations.
Kaoru Kashima	2 year, 9 months	Attended all 16 Board of Directors meetings Attended all 17 Audit Committee meetings Attended all 7 Risk Committee meetings	Made statements mainly from the perspectives of a financial accounting professional, leveraging her wealth of business experience as a certified public accountant at a

			leading accounting firm.
Tomonori Ito	9 months	Attended all 12 Board of Directors meetings Attended all 13 Audit Committee meetings	Made statements mainly from the perspectives of corporate strategy and global finance, leveraging his wealth of experience working at major domestic and international financial institutions and as a graduate school professor of business economics.
Hajime Watanabe	9 months	Attended all 12 Board of Directors meetings Attended all 11 Nominating Committee meetings Attended 10 Compensation Committee meetings	Made statements mainly from the perspectives of corporate management and finance, leveraging his wealth of experience as a representative director and president of a government financial agency.

(Notes) 1. Terms of office of less than one month are rounded down.

2. External directors periodically attend meetings to exchange opinions with representative executive officers and to express their views.

(3) Compensation, etc. for External Directors

(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	9	128	—

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

(4) Opinions from External Directors

Not applicable.

4. Matters regarding Shares of SuMi TRUST Holdings (as of March 31, 2024)

(1) Number of Shares

Total number of shares authorized to be issued: 890,000,000 shares

Breakdown	
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: 728,051,680 shares

Breakdown

Common stock: 728,051,680 shares

(Note) Pursuant to a resolution of the meeting of the Board of Directors held on November 28, 2023, a 2-for-1 split of common stock was carried out effective on April 1, 2024. As a result, the total number of shares issued has increased by 364,025,840.

(2) Number of Shareholders as of March 31, 2024

87,394 persons

Breakdown Common stock: 87,394 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 (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	115,638,100	16.04
Custody Bank of Japan, Ltd. (Trust Account)	42,987,785	5.96
NORTHERN TRUST CO. (AVFC) RE SILCHESTER INTERNATIONAL INVESTORS INTERNATIONAL VALUE EQUITY TRUST	13,884,600	1.92
STATE STREET BANK AND TRUST COMPANY 505001	13,713,554	1.90
STATE STREET BANK WEST CLIENT-TREATY 505234	13,187,670	1.82
SSBTC CLIENT OMNIBUS ACCOUNT	12,958,192	1.79
JP Morgan Securities Japan, Co., Ltd.	11,836,464	1.64
JP MORGAN CHASE BANK 385781	10,498,076	1.45
NORTHERN TRUST CO. (AVFC) RE U.S. TAX EXEMPTED PENSION FUNDS	10,129,024	1.40
Barclays Securities Japan Limited	9,100,000	1.26

(Note) Percentage of shares held is calculated by deducting own shares (7,309,636 shares), 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	15	35,632
External directors	—	—

(Note) Up until fiscal 2022, SuMi TRUST Holdings had employed a share delivery trust for stock compensation. The number of shares represents the number of common shares equivalent to the number of points awarded in fiscal 2022 determined this fiscal year, based on that share delivery trust for stock compensation. From fiscal 2023, however, that system has been changed to the RS Trust, a system for awarding restricted stock (RS) with the use of a share delivery trust mechanism. For an overview of the new system, please refer to [2. (2) b. Summary of Policy on Decisions on Compensation, etc. for Directors and Executive Officers and Determination Methods].

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

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

	Date of allotment of share acquisition rights	Number of share acquisition rights	Number and type of shares to be issued for share acquisition rights	Issue price (per share acquisition right)	Exercise price (per share)	Exercise period
Fourth Series Share Acquisition Rights	August 1, 2014	404	Common stock: 80,800 shares	424,000 yen	1 yen	From August 31, 2014 to July 31, 2044
Fifth Series Share Acquisition Rights	July 31, 2015	327	Common stock: 65,400 shares	544,700 yen	1 yen	From August 31, 2015 to July 30, 2045
Sixth Series Share Acquisition Rights	July 29, 2016	510	Common stock: 102,000 shares	324,600 yen	1 yen	From August 31, 2016 to July 28, 2046
Seventh Series Share Acquisition Rights	July 28, 2017	613	Common Stock: 122,600 shares	387,000 yen	1 yen	From August 31, 2017 to July 27, 2047
Eighth Series Share Acquisition Rights	September 3, 2018	690	Common Stock: 138,000 shares	418,300 yen	1 yen	From September 30, 2018 to September 2, 2048

(Note) Pursuant to a resolution of the meeting of the Board of Directors held on November 28, 2023, a 2-for-1 split of common stock was carried out effective on January 1, 2024. Accordingly, the number of shares to be issued for share acquisition rights have been adjusted.

(1) SuMi TRUST Holdings' Share Acquisition Rights held by SuMi TRUST Holdings' Directors and Executive Officers*1, as of March 31, 2024

	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
Fourth Series Share Acquisition Rights	31	Common stock: 6,200 shares	5	31
Fifth Series Share Acquisition Rights	32	Common stock: 6,400 shares	6	32
Sixth Series Share Acquisition Rights	53	Common stock: 10,600 shares	6	53
Seventh Series Share Acquisition Rights	95	Common stock: 19,000 shares	9	95
Eighth Series Share Acquisition Rights	144	Common stock: 28,800 shares	11	144

(Note) Pursuant to a resolution of the meeting of the Board of Directors held on November 28, 2023, a 2-for-1 split of common stock was carried out effective on January 1, 2024. Accordingly, the number of shares to be issued for share acquisition rights have been adjusted.

(2) Share Acquisitions Rights Granted to Employees 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 Yutaka Terasawa		
Designated Limited Liability Partner CPA Tomomi Mase		
Designated Limited Liability Partner CPA Yoichi Tanaka		
	106	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 9 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 795 million yen.

(2) Liability Limitation Agreement

Not applicable.

(3) Indemnity Agreement

Not applicable.

(4) 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 formulated a compliance program to serve as a concrete action plan for realizing the Group's compliance and ensuring a management system for client protection. The program is resolved semiannually at the Board of Directors through the Risk Management Committee, etc. 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. The program is discussed at the Risk Committee, an advisory body to the Board of Directors, and reported semiannually to the Board of Directors. In addition, important issues pertaining to conflict of interest management are reported every quarter to the Board of Directors through the Conflicts of Interest Committee, also an advisory body to the Board of Directors. 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 as necessary to the Board of Directors through the Risk Management Committee, etc. 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, a compliance hotline system has been established to enable directors, executive officers, and employees to report directly to certain contacts within and outside SuMi TRUST Holdings.

(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 will build 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 Management Committee, etc. 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 through the Risk Management Committee, etc. 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, considering our public nature as a financial group, we are developing a business continuity plan (BCP) in preparation for emergencies such as large-scale disasters.

(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, Group Affiliates Planning and Management Department and the Financial Planning Department receive minutes of the Board of Directors meetings, reports on the status of business execution, and enumeration data needed for consolidated statement, etc. on a regular basis from each Group company, and provide instructions, management and supervision appropriately.

(6) Information Storage and Management Structure

[Content of the basic policies on internal control]

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

- 1) Minutes, which record progress on agendas and specific points of discussion, will be prepared for the General Meeting of Shareholders, the Board of Directors and Executive Committee meetings and kept with related materials.
- 2) The Board of Directors will set out the basic items pertaining to information storage and management, such as the organizational structure for information management and the classification of management categories, according to importance.

[Operational status]

SuMi TRUST Holdings prepares minutes that record progress on agendas and specific points of discussion at the General Meetings of Shareholders, the Board of Directors and Executive Committee meetings and keeps them with related materials. In addition, a specific implementation plan regarding information security risk management has been resolved at the Board of Directors

semiannually, and the status of occurrences of information-related incidents as well as issues, countermeasures, etc. of information security risk management are reported to the Board of Directors on a quarterly basis.

(7) Internal Audit Structure

[Content of the basic policies on internal control]

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

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

[Operational status]

SuMi TRUST Holdings develops internal audit plans based on the basic policy on internal audits of the SuMi TRUST Group. The plans are resolved by the Board of Directors annually after obtaining a pre-approval of the Audit Committee. Results of internal audits, etc. are reported to the Board of Directors and the Audit Committee on a quarterly basis. In addition, internal audit plans of subsidiaries are approved by the Board of Directors. 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
2,123,441 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.

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