

## CORPORATE GOVERNANCE

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**Sumitomo Mitsui Trust Holdings, Inc.**

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<https://www.smth.jp/english/>

The status of the corporate governance of Sumitomo Mitsui Trust Holdings, Inc. (“SuMi TRUST Holdings”) is described below.

### I. Fundamental Perspectives on Corporate Governance, Capital Structure, Corporate Profile, and Other Basic Information

#### 1. Fundamental Perspectives

##### (1) Fundamental Perspectives on Corporate Governance

SuMi TRUST Holdings has established and posted on its website a “Basic Policy on Corporate Governance,” a set of corporate governance guidelines aiming to contribute to sustainable growth and medium- to long-term enhancement of the corporate value of Sumitomo Mitsui Trust Group (the “SuMi TRUST Group”).

[https://www.smth.jp/en/about\\_us/management/governance/policy.pdf](https://www.smth.jp/en/about_us/management/governance/policy.pdf)

(i) In order to adhere to the principles of sound management based on a high degree of self-discipline with the background of fiduciary spirit and establish strong credibility from society, SuMi TRUST Holdings commits itself to enhancing its corporate governance system in line with the following fundamental perspectives:

- SuMi TRUST Holdings shall respect shareholder rights, and endeavor to develop an environment in which shareholders can exercise their rights appropriately and effectively, and to secure effective equal treatment of shareholders.
- By recognizing the importance of its social responsibilities and public mission, SuMi TRUST Holdings shall endeavor to appropriately cooperate with its stakeholders such as shareholders, customers, employees, business partners, and local communities, and to establish corporate culture and climate where it conducts sound business operations based on a high degree of self-discipline.
- In order to establish the basis for constructive dialogue with its stakeholders, SuMi TRUST Holdings shall separately set out its Disclosure Policy, and endeavor to appropriately disclose corporate information, including non-financial information, and ensure the transparency of its corporate management.
- As a financial holding company with the function of managing the business administration of the SuMi TRUST Group, SuMi TRUST Holdings shall adopt the institutional design of the Company with Three Committees and, by separating execution and supervision of business, shall endeavor to ensure the Board of Directors’ role of effective oversight.
- SuMi TRUST Holdings shall engage in constructive dialogue with its stakeholders in order to contribute to sustainable growth and medium- to long-term enhancement of the corporate value of SuMi TRUST Holdings.

(ii) SuMi TRUST Holdings places the “balanced creation of both social value and economic value” at the core of its management philosophy. By defining the Group’s reason for existence (“Purpose”) and identifying high-priority issues (materiality) such as low birthrate and aging population, climate change, and digitalization, SuMi TRUST Holdings dedicates itself to solving social issues and also considers it an opportunity for growth.

(iii) The Board of Directors sets out the Management Principles (“Mission”), Ideal Model (“Vision”), and Codes of Conduct (“Value”) as the anchor for all of its activities, which is shared by all of the officers and employees of the SuMi TRUST Group.

## (2) Role and Function of SuMi TRUST Holdings in the SuMi TRUST Group

In the SuMi TRUST Group, SuMi TRUST Holdings determines the management policies and business models of the entire Group and disseminates them to each Group company, while at the same time, takes responsibility for the following functions, in an effort to fulfill its role of group management that allows each company to realize the respective management plans that have been formulated in accordance with such policies.

### <<Formulating group management strategy>>

SuMi TRUST Holdings adjusts the business strategies of Sumitomo Mitsui Trust Bank, Limited (“SuMi TRUST Bank”) and other subsidiaries and affiliated companies, which it directly owns (collectively referred to in this report as the “Directly Owned Companies”), and creates management strategies to maximize the profits of the entire SuMi TRUST Group, as well as shareholder value.

### <<Monitoring administration of business activities>>

While the Directly Owned Companies take responsibility for the operation of their own business activities, SuMi TRUST Holdings engages in activities that include (i) monitoring the Directly Owned Companies’ operation of business activities in order to, among other things, ensure its consistency with the group strategies and (ii) understanding the performance of each business activity.

### <<Allocating management resources>>

SuMi TRUST Holdings allocates the SuMi TRUST Group’s management resources (personnel, expenses, investment in systems, capital, etc.), and monitors the usage of management resources at the Directly Owned Companies.

### <<Supervising risk management>>

SuMi TRUST Holdings creates the basic risk management policy for the entire SuMi TRUST Group and, among other things, monitors the risk management activities of the Directly Owned Companies.

### <<Supervising compliance management>>

SuMi TRUST Holdings creates the basic policy for SuMi TRUST Group’s corporate ethics and compliance standards as action guidelines for officers and employees and, among other things, monitors compliance of the Directly Owned Companies.

### <<Managing internal auditing>>

SuMi TRUST Holdings creates the basic policy on the internal auditing of the entire SuMi TRUST Group, and engages in activities such as understanding, among other things, the Directly Owned Companies’ preparedness for internal audits and giving instructions necessary for the Directly Owned Companies.

**【Reasons for not implementing each principle of the Corporate Governance Code】**  
(Updated)

SuMi TRUST Holdings implements every principle of the Corporate Governance Code revised in June 2021.

**【Disclosure based on each principle of the Corporate Governance Code】** (Updated)

[Principle 1-4]

<Policies Regarding Strategic Shareholdings>

- SuMi TRUST Group sets out “creating a virtuous circle from increased enterprise value leading to increase in household savings, assets and capital” as one of its Visions.
- In order to achieve this goal, the Group, recognizing its special role as a Trust Bank group that is both an investor and a provider of solutions to increase corporate value, has transitioned to a policy under which, in principle, we shall not hold any conventional “Strategic Shareholdings” (that is, shares of business partners held as a stable shareholder without the purpose of forming a capital or business alliance, etc.).
- In accordance with this policy, we will engage in dialogue with our business partners with the aim of increasing their corporate value and solving their issues based on the environment in which they operate and stakeholder trends, and through such dialogue, we will accelerate the reduction of our Strategic Shareholdings. As a target for immediate reduction, we aim to reduce our holdings by 100 billion yen (as measured by original acquisition cost, not current market value) over the two years from FY2021 to FY2022.
- Furthermore, during the interim period until the reduction of Strategic Shareholdings is agreed upon with our business partners, the Board of Directors shall examine and verify the correlation between the benefits/risks and capital cost of holding the Strategic Shareholdings.

<Results of Reduction of Strategic Shareholdings>

In fiscal year 2021, the SuMi TRUST Group reduced Strategic Shareholdings (at cost) by 53.8 billion yen. As a result, the balance amounts of Strategic Shareholdings in 139 companies were reduced to zero.

<Examination of Status of Strategic Shareholdings>

- In accordance with profitability standards, SuMi TRUST Holdings carefully observes and examines the relationship between the benefits/risks and the capital costs of Strategic Shareholdings based on the following indicators.
  - Profitability indicators  
(Profit after deduction for credit costs/expenses) ÷ (Equity risk-weighted assets + credit risk-weighted assets)
- Starting in fiscal year 2021, under the new policy, we continue to examine and verify the correlation between the benefits/risks and capital cost of holding the Strategic Shareholdings, both overall and on a per-company basis, based on profitability standards, while at the same time engaging in dialogue with our business partners with the aim of increasing their corporate value and solving their issues, regardless of profitability. In this way, we continue to discuss measures for reducing our holdings. Based on the status of these discussions, and after carefully examining the impact of reducing the Strategic Shareholdings on our financial targets, client base, etc., we are verifying the appropriateness of our targets and actions for reducing the Strategic Shareholdings, and the Board of Directors confirms these determinations on a regular basis.

<Standards for Voting on Strategic Shareholdings>

- SuMi TRUST Holdings and SuMi TRUST Bank, which is a core subsidiary of SuMi TRUST Holdings, shall exercise voting rights in respect of the shares they hold, after taking into consideration for the medium- to long-term enhancement of the value of the SuMi TRUST Group’s shareholders, depositors, and various other stakeholders, while also aiming to increase the corporate value of the issuing company of cross-shareholding shares (the “Issuing Company”) over the medium to long term.
- These voting rights shall be exercised through adequate dialogue with the Issuing

Company while respecting the unique nature and direction of the Issuing Company's management after consideration of the business environment, etc. in which the Issuing Company operates.

- When exercising voting rights, the decision to vote for or against each agenda item shall be made based on the guidelines for the exercise of voting rights prescribed separately, and also bearing in mind the following perspectives:
  - (i) The decision shall be based not only on external and formal criteria, but also on the unique characteristics of the Issuing Company and the industry and business environment in which the Issuing Company operates.
  - (ii) The decision shall be made not only for the fiscal year under review, but also on a longer time span and with a future orientation.
  - (iii) In addition to the financial figures, non-financial factors (such as corporate governance and the creation of social value) shall be taken into account in the decision.
- In the case that there is a risk of conflicts of interest upon the exercise of the voting rights, SuMi TRUST Holdings and SuMi TRUST Bank shall properly deal with the risk pursuant to the Management Policy Concerning Conflicts of Interest prescribed separately.
- The policy on exercising voting rights is published on SuMi TRUST Holding's website: (Standards for Voting on Cross-Shareholding Shares)  
<https://www.smth.jp/english/-/media/th/english/news/2021/E211111-1.pdf>

[Supplementary Principle 1-4-1]

<Policy When Strategic Shareholders Indicate Their Intention to Sell, Etc. Their Shares>

When strategic shareholders indicate their intention to sell, etc. their shares, SuMi TRUST Holdings shall not hinder their selling, etc. by, for instance, implying a possible reduction of business transactions.

[Principle 1-7]

<Management System of Related Party Transactions>

SuMi TRUST Holdings sets out in Article 13 (Management System of Related Party Transactions) of the "Basic Policy on Corporate Governance" that when the SuMi TRUST Group engages in transactions with its officers or major shareholders, etc., the transactions shall be referred to the Board of Directors for prior approval, in order to ensure that such transactions do not harm, among other interests, the interests of the SuMi TRUST Group or the common interests of its shareholders, except where the trading terms are obviously equivalent to those of general transactions. In addition, SuMi TRUST Holdings separately prescribes, and discloses an outline of, the Management Policy Concerning Conflicts of Interest pursuant to laws, etc. in order to ensure that the interests of its customers are not unfairly harmed, and appropriately manages transactions that may give rise to a conflict of interest pursuant to this policy.

[Supplementary Principle 2-2-1]

<Review of the Status of Implementation of Company Conduct Standards>

SuMi TRUST Holdings conducts an awareness survey and compliance survey on the SuMi TRUST Group's employees each year. The questions cover employees' satisfaction, sense of burden, corporate outlook, recognition of the current state of their jobs, superiors, workplaces and company and other matters. The results of the survey are compiled and reported to the Board of Directors, which shares information about the state of compliance with conduct standards, SuMi TRUST Holdings' corporate culture and others.

[Principle 2-3] [Supplementary Principle 2-3-1]

<Sustainability Issues, Including Social and Environmental Matters>

In order to appropriately address issues surrounding sustainability as management themes, the SuMi TRUST Group has identified priority issues (materiality) based on opinions of external directors and corporate auditors, as well as external experts. The SuMi TRUST Group will strengthen its countermeasures toward these issues at the practical level. In addition, the SuMi TRUST Group will position these issues as management issues to be addressed in creating values that are shared with society, and multilaterally discuss themes of high priority at the Board of Directors level with the aim of supporting long-term enhancement of corporate value.

In order to achieve the goal of “Balanced creation of both social value and economic value” at the very core of our management philosophy in our Medium-Term Management Plan starting in fiscal year 2020, the SuMi TRUST Group will continue to improve the sophistication of its management methods in the course of determining the formulation of the value creation process.

With regard to climate change in particular, we expanded the TCFD Project Team (established in October 2019) to the Climate Change Adaptation and Mitigation Project Team in October 2021, and also established the Carbon Neutrality Planning and Management Department in April 2022. SuMi TRUST Holdings is working to promote initiatives under the Carbon Neutrality Commitment and after the joining of NZBA, and to strengthen risk management and information disclosure related to climate change, and deliberations are regularly held by the Risk Committee, an advisory body, and the Board of Directors.

[Supplementary Principle 2-4-1]

<Ensuring Diversity in the Recruitment of Core Personnel>

1. Approach to Ensuring Diversity, Human Resources Development Policy, and Internal Environment Improvement Policy

The SuMi TRUST Group has formulated a Basic Policy for Personnel Affairs Management, the goal of which is to provide a workplace in which individuals’ diversity and creativity are fully utilized as value-added to the organization and they can have dreams and pride and feel motivation when working, to form a workforce capable of successfully providing comprehensive solutions by making full use of their advanced expertise and comprehensive capabilities and to promote their activities.

In addition, in April 2018, we established the SuMi Trust Group Human Resources Development Policy to improve the working environment and bolster human resources.

In order to promote diversity and inclusion, SuMi TRUST Bank established the Diversity & Inclusion Office (D&I Office) in October 2016, and SuMi TRUST Holdings also established the D&I Office in October 2017. Discussions, etc. among Group companies are held on an on-going basis to promote diversity and inclusion throughout the Group.

In addition, the D&I Committee, membered by the officers in charge of Human Resources and Corporate Management Departments and managers of business supervision departments, holds discussions on the promotion of D&I, and the Board of Directors and Executive Committee deliberate themes on D&I promotion on a regular basis. As such, the entire SuMi TRUST Group is committed to promote diversity and inclusion.

For specific details on the Policy and our efforts to implement it, please refer to SuMi TRUST Holdings’ website and Integrated Report and to “Others” in “3. Measures for Respecting the Position of Stakeholders” in Part III of this report.

Basic Policy for Personnel Affairs Management:

[https://www.smth.jp/english/about\\_us/management/human\\_resources](https://www.smth.jp/english/about_us/management/human_resources)

Human Resources Development Policy:

[https://www.smth.jp/english/about\\_us/management/human\\_resources#anc-02](https://www.smth.jp/english/about_us/management/human_resources#anc-02)

Integrated Report:

## 2. Status of Ensuring Diversity

- With respect to the appointment of female managers, the SuMi TRUST Group supported Keidanren's Here We Go 203030 policy to boost the percentage of female directors to at least 30% by 2030. In response, the Group set a KPI to have more than 20% women at the rank of section manager, team manager or higher by March 31, 2025 (currently 14.5% as of January 31, 2022).
- At our core subsidiary SuMi TRUST Bank, guided by its general business owner action plan based on Japan's Act of Promotion of Women's Participation and Advancement in the Workplace, and with the goal of increasing the number of women in decision-making positions, it set a KPI that calls for more than 20% women at the rank of section manager or higher and more than 30% in charge of management operations (currently 28.3% as of March 31, 2022) by October 2024.
- To promote women's participation and advancement in the workplace, we are promoting various measures with a view to the advancement of women to management positions, including the formulation of pipeline models to facilitate the planned nurturing of employees in each business and training to enable female employees to build their own career path. In addition, starting in fiscal 2021, we introduced an executive support system in which executive officers get actively involved in women's management and support the acquisition of a wide range of knowledge, perspectives, and personal connections over a period of approximately one year.
- In addition to hiring new graduates, we are also actively recruiting mid-career professionals to ensure diversity, which is one of our strengths as a trust bank group. In recent years, our core subsidiary SuMi TRUST Bank has been recruiting more than 100 mid-career people every year in Japan, regardless of nationality, including from different industries. As of March 31, 2022, 21% of annual recruits are mid-career professionals, with mid-career professionals also making up 21% positions at the rank of section manager or higher, and we will continue to work toward maintaining the current level.
- With respect to non-Japanese nationals, our core subsidiary SuMi TRUST Bank has a total of 77 local staff working in Japan and more than 700 local staff members working at its overseas offices. The percentage of local staff in management positions at each overseas office is about 70% (as of March 31, 2022), and we will continue to work toward maintaining the current level.

Going forward, we will continue to encourage diverse human resources to excel through work environment improvements, appointments, training, etc., in accordance with our Basic Policy for Personnel Affairs Management and our Human Resources Development Policy.

### [Principle 2-6]

#### <Demonstration of Functions as Asset Owners of Corporate Pension Funds>

In February 2016, the SuMi TRUST Bank Pension Fund announced its policy to accept Japan's Stewardship Code. Accordingly, the SuMi TRUST Bank Pension Fund dispatches experienced corporate pension managers from the Group as Pension Management Directors to fulfill its role as an asset owner of corporate pension funds to support stewardship activities. In October 2018, the SuMi TRUST Bank Pension Fund set up its website to provide information to beneficiaries (participants and qualified recipients). The

information includes reports on relevant activities such as monitoring investment performance at each management institution.

Regarding the management of conflicts of interest which have possibly occurred between beneficiaries of corporate pension and companies, the SuMi TRUST Bank Pension Fund works to ensure that the interests of the beneficiaries are maximized in accordance with the Basic Management Policy, which has been set forth based on the guidelines of the Ministry of Health, Labour and Welfare. In specific terms, the SuMi TRUST Bank Pension Fund enhances the value of pension assets through the selection and monitoring of management institutions (including stewardship activities such as the exercise of voting rights). Furthermore, a system is in place in which the Asset Management Committee, which comprises investment professionals, and the Board of Representatives, the majority of which comprises representatives of the beneficiaries, examine, as necessary, whether the management is being made in accordance with the Basic Management Policy and whether there are any conflicts of interest.

[Principle 3-1] [Supplementary Principle 3-1-3]

<Management Principles and Medium-Term Management Plan> <Sustainability Initiatives>

- The SuMi TRUST Group has established the SuMi TRUST Group's management principles and posted them on its website.

[https://www.smth.jp/en/about\\_us/philosophy/index.html](https://www.smth.jp/en/about_us/philosophy/index.html)

- To contribute to achieving carbon neutrality, we announced the SuMi TRUST Group Carbon Neutral Declaration.

<https://www.smth.jp/english/-/media/th/english/news/2021/E211020.pdf>

- Under the Medium-Term Management Plan, "balanced creation of both social value and economic value" rests at the core of the SuMi TRUST Group's management approach, and the Group formulated a strategy for this coming three years by reassessing the roles and functions expected of it as a Trust Bank group, as well as the Group's reason for existence ("Purpose") from a long-term perspective.

<https://www.smth.jp/en/news/2020/E200514-1.pdf>

- SuMi TRUST Holdings publishes and posts on its website the Integrated Report every year, which covers in detail initiatives towards reforms of corporate governance, initiatives towards the enhancement of fiduciary duties and sustainability initiatives, in addition to the medium- to long-term management strategies of SuMi TRUST Holdings.

<https://www.smth.jp/en/ir/annual/index.html>

- With regard to sustainability initiatives, we have issued Basic Policy on Social Responsibility (Sustainability Policy) as well as a detailed and comprehensive Sustainability Report, which are posted on our website.

From fiscal year 2020, we prepare information from four perspectives: "Governance," "Planet (Environment)," "People (Society)," and "Prosperity (Economy)," based on the measurement indicators of stakeholder capitalism compiled by the World Economic Forum's International Business Council.

Sustainability Policy:

[https://www.smth.jp/english/sustainability/management/philosophy/csr\\_policy](https://www.smth.jp/english/sustainability/management/philosophy/csr_policy)

Sustainability Report: <https://www.smth.jp/english/sustainability/report>

- Sustainability booklets with featured themes are also available on our website.

In particular, the TCFD (Climate Change) Report has been published in line with TCFD recommendations. The "Strategy" section presents initiatives for carbon neutrality, business opportunities arising from climate change, renewable energy finance, and various types of transition finance, as well as the results of scenario analyses of transition risk and physical risk. Meanwhile, the "Metrics and Goals" section presents SuMi TRUST Group's long-term sustainable finance targets and mid-term targets for CO2 reduction.

<https://www.smth.jp/english/sustainability/report>

Main booklets with featured themes

- TCFD (Climate Change) Report
- Natural Capital Report
- ESG Real Estate Report
- Digest Report for Seniors, etc.

• With respect to human and intellectual capital, which are among the six types of capital that form the financial and non-financial management foundation aimed at achieving the balanced creation of both social value and economic value, the status of our initiatives taken in relation to our high-priority issues (materiality) are disclosed in our Integrated Report and Sustainability Report.

<Fundamental Perspectives and Basic Policy on Corporate Governance>

- The fundamental perspectives and basic policy, etc. on corporate governance are given in 1. (1) Fundamental Perspectives on Corporate Governance of this report for your reference.

<Policy and Procedure for Deciding Compensation of Directors, and Other>

The compensation of officers shall be determined by the Compensation Committee upon examination of its appropriateness, etc. Details of the policies and procedures relating to the determination of the compensation of officers, including directors and executive officers (\*1), by the Compensation Committee are given in <Directors' and Executive Officers' (\*1) Compensation> (Appendix 2), and an outline of the Compensation Committee is given in <Items Related to Business Execution, Audit and Oversight, Nominations and Setting of Compensation, etc.> of this report, respectively, for your reference.

(\*1) Executive Officer as defined in the Companies Act (the same shall apply hereafter).

<Policies and Procedures Regarding Nomination and Dismissal of Candidates for Directors and Executive Officers (\*1), and Reasons for Appointment of Each Senior Management>

- SuMi TRUST Holdings shall decide candidates for directors and executive officers (\*1) from among a wide range of diversified individuals at the Nominating Committee pursuant to the nomination policies and procedures set forth in Article 5 (Policies Regarding Nomination and Dismissal of Directors and Executive Officers (\*1)) of the “Basic Policy on Corporate Governance.”

Also, SuMi TRUST Holdings shall deliberate dismissal of directors and executive officers (\*1) pursuant to the dismissal policies set forth in Article 5.

For the reasons for appointment of directors and executive officers (\*1), please refer to Appendix 1 attached to this report.

(The details concerning external directors are given in < Matters relating to external directors > of this report for your reference.)

[Supplementary Principle 4-1-1]

<Outline of Scope of Delegation to Management Team>

SuMi TRUST Holdings establishes Article 3 (Roles of the Board of Directors) of the “Basic Policy on Corporate Governance” as follows, and delegates business execution and decision-making thereon to the executive officers (\*1), by resolution of the Board of Directors.

- The Board of Directors shall ensure fairness and transparency of SuMi TRUST Group's corporate management by setting out the basic policy of managing SuMi TRUST Group and overseeing overall management of it.
- Except for matters which are required by law to be decided by the Board of Directors, the Board of Directors, in principle, delegates decisions on the execution of business to executive officers (\*1), and supervises the execution of business by executive officers (\*1), etc. as its central role.



[Supplementary Principle 4-1-3]

<Succession Planning for the CEO and Other Top Executives>

SuMi TRUST Holdings has clarified the quality and capabilities as well as personalities required as executive of SuMi TRUST Holdings, SuMi TRUST Bank and Sumitomo Mitsui Trust Asset Management Co., Ltd. (“SuMi TRUST AM”) as part of its succession planning. After deliberation at the Nominating Committee, SuMi TRUST Holdings has also formulated and is operating a “Plan to Foster Human Resource as Potential Executives,” which prescribes various training programs and forums for fostering human resources as potential executives and processes for managerial promotion.

[Supplementary Principle 4-2-2]

<Formulation of Sustainability Policy, etc.>

Given that sustainability initiatives are one of its key management issues, the Board of Directors of SuMi TRUST Holdings has established a Basic Policy on Social Responsibility (Sustainability Policy), and will continue to deepen discussions on priority issues (materiality) that have an important impact on balancing social value creation and economic value creation, as well as the framework of management.

<Effective Supervision by the Board of Directors over the Allocation of Management Resources and the Business Portfolio>

One of the basic policies of our Medium-Term Management Plan is to strengthen our business portfolio (strengthen the foundation for sustainable and stable growth), and we are continuing to pursue this policy.

Going forward, the Board of Directors is committed to continuing its focus on deepening discussions and supervising the Company in order to contribute to sustainable growth and increase medium- to long-term corporate value.

[Principle 4-6]

<Execution and Supervision of Business>

To ensure the effectiveness of independent and objective supervision of management by the Board of Directors, non-executive directors with no involvement in the execution of business make up 73% of the Board of Directors. Moreover, SuMi TRUST Holdings has appointed an external director as chairman of the Board. For details about the chairman of the Board, please refer to <Support System for External Directors> of this report.

[Principle 4-8]

<Policy on Efforts to Appoint at Least One-Third Independent External Directors>

SuMi TRUST Holdings sets out in Article 4 (Composition of the Board of Directors) of the “Basic Policy on Corporate Governance” that in light of the importance of external directors’ functions in the corporate governance, SuMi TRUST Holdings shall operate the Board of Directors with at least one-third of directors being independent external directors, in principle.

As of the date of submission, seven out of the 15 directors are external directors, and the percentage of external directors is 47%.

<Effective Use of Independent External Directors>

In order to ensure the effectiveness of its corporate governance system and further enhance the soundness and reliability of the business model and the transparency of management of the SuMi TRUST Group, SuMi TRUST Holdings, pursuant to Article 7 (Establishment of Committees) of the “Basic Policy on Corporate Governance,” shall establish a Risk Committee and a Conflicts of Interest Committee, in which independent external directors shall participate, as advisory bodies to the Board of Directors, in addition to the Nominating Committee, the Compensation Committee and the Audit Committee, which are required to be established under the Companies Act. All of these

committees shall be chaired by external directors or external specialists and the majority of the members of these committees shall be external members. For details, please refer to “2. Items Related to Business Execution, Audit and Oversight, Nominations and Setting of Compensation, etc. (Overview of Corporate Governance Framework)” of this report.

[Supplementary Principle 4-8-1]

<Exchange of Information and Shared Awareness Among Independent External Directors from an Independent and Objective Standpoint>

SuMi TRUST Holdings holds regular External Directors’ Meetings consisting solely of external directors, in an effort to further enhance the effectiveness of corporate governance. At the meetings, external directors engage in discussions that are active and unrestrained, sharing information and awareness from independent and objective positions. These meetings contribute to the greater objectivity and independence of the Board of Directors.

[Principle 4-9]

<Independence Standards of Independent External Directors>

SuMi TRUST Holdings has established the Independence Standards of Independent External Officers, and the details of these Standards are given in <Independent officers> of this report and posted on SuMi TRUST Holdings’ website.

[https://www.smth.jp/en/about\\_us/management/governance/independence.pdf](https://www.smth.jp/en/about_us/management/governance/independence.pdf)

[Supplementary Principle 4-11-1]

<Perspectives on the Balance of Knowledge, Experience, and Capability, Diversity and Scale of the Board of Directors as a Whole>

In its Medium-Term Management Plan starting in fiscal year 2020, the Group defined a new “Purpose” (reason for existence) and set “balanced creation of both social value and economic value” at the very core of its management philosophy. In addition to identifying priority issues (materiality) such as declining birthrates, aging society, climate change, and digital transformation to take on the mission of solving social issues, the Group also recognizes them as growth opportunities and appropriately incorporates them into its management strategy.

Because the Group is a financial group specialized in trust banking, its Board of Directors is composed of individuals with knowledge and experience in the four areas of (1) corporate management; (2) financial accounting; (3) legal affairs, risk management, and compliance; and (4) creativity. Board members also possess the skills required to address priority issues (materiality), which are skills specific to the trust business as well as skills in the areas of sustainability, digital/IT, etc. that lead to new value creation and fall under category (4) (“creativity”).

Furthermore, it is the policy of SuMi TRUST Group to build a broadly diverse and well-balanced formation and work toward the sustainable improvement of the corporate value of the Group while strengthening the supervisory function by assigning highly specialized experts to the statutory and voluntary committees established by supervisory bodies.

The skills matrix which maps the knowledge, experience, etc. of each internal and external director is shown in the Reference Documents Concerning the Ordinary General Meeting of Shareholders of the Convocation Notice of Ordinary General Meeting of Shareholders for the Eleventh Fiscal Period. We have already appointed multiple external directors who have management experience at other companies.

<https://www.smth.jp/english/-/media/th/english/stock/meeting/E220525-1.pdf>

Details on the ideas expressed above are provided in Article 4 (Composition of the Board of Directors) and Article 5 (Policies Regarding Nomination and Dismissal of Directors and Executive Officers (\*1)) of the “Basic Policy on Corporate Governance.” Accordingly, the SuMi TRUST Group as a whole makes a steady progress in achieving diversity, including

the appointment of a female external director in SuMi TRUST Holdings in June 2017, as well as the appointment of an external director who is a legal professional in SuMi TRUST Holdings and two female external directors in SuMi TRUST Bank, the core subsidiary of the Company, in June 2019, followed by another two in June 2021, and so forth.

[Supplementary Principle 4-11-2]

<Situation Concerning Officer Posts that Directors Hold at Other Listed Companies>

The situation concerning officer posts that external directors hold at other listed companies is indicated in < Matters relating to external directors > of this report. Other than external directors, no directors currently hold officer posts at other listed companies.

[Supplementary Principle 4-11-3]

<Outline of Results of Analysis and Evaluation Concerning the Effectiveness of the Board of Directors as a Whole>

SuMi TRUST Holdings conducts annual evaluation of the effectiveness of the Board of Directors as a whole (hereinafter, the “Evaluation of the Board of Directors”), and reviews and implements remedial measures for the challenges derived therefrom, whereby a PDCA cycle is activated for improving the effectiveness of the Board of Directors.

In the Evaluation of the Board of Directors for fiscal year 2021, SuMi TRUST Holdings confirmed that a certain level of effectiveness of the Board of Directors had been ensured, while it acknowledges the issues of the Board of Directors and each committee which require improvements and enhancements.

The results of the Evaluation of the Board of Directors are posted on SuMi TRUST Holdings’ website.

[https://www.smth.jp/english/about\\_us/management/governance#anc-04](https://www.smth.jp/english/about_us/management/governance#anc-04)

[Supplementary Principle 4-12]

<Invigorate Deliberations at the Board of Directors>

The Board of Directors supervises the status of execution of duties by the executive officers (\*1), etc., as well as determines the basic management policy, selects business models through the formulation of a management plan and makes decisions on risk-taking, etc. To fulfill such a role, the Board of Directors selects management priority issues and themes from a medium- to long-term perspective, in addition to matters required by laws and regulations, as the “management theme,” and discusses them freely without the express purpose of reaching conclusions.

Through these initiatives, the Board of Directors utilizes the insights and perspectives of the external directors on important themes at the heart of management.

[Supplementary Principle 4-14-2]

<Policies on Training of Directors>

SuMi TRUST Holdings sets out its policies regarding the training of directors as follows in Article 6 (Policies Regarding Training of Directors) of the “Basic Policy on Corporate Governance”:

- SuMi TRUST Holdings shall collect and provide information regarding economic conditions, industry movement, compliance with laws, corporate governance, finance & accounting, and any other matters, which is required by directors in order to perform their roles and functions, and it shall thereby support directors’ execution of duties.
- In a timely manner after assuming office, external directors of SuMi TRUST Holdings shall receive explanations from governing sections or responsible officers, etc., and acquire a sufficient understanding regarding such matters as SuMi TRUST Group’s management strategy, management plan, status of various business, management

environment, and management issues, in order to perform their roles and functions. In addition, the “Policy on Training of Directors and Other Officers” was established in February 2016. SuMi TRUST Holdings will clarify systematically the training and orientation sessions as well as other training programs SuMi TRUST Holdings had hitherto offered, and report to the Board of Directors on the status of implementation for training programs. Implementation status for the fiscal year 2021 is as follows.

1. Providing opportunities to external directors to acquire knowledge on business, etc.
  - Conducting business briefings mainly for newly-appointed external directors: Each of the managerial departments and the planning departments of main businesses conduct briefings each year for newly-appointed external directors on the details of business and issues, among other matters.
  - In addition, for the currently serving external directors, external lecturers, etc. were invited to provide business briefings on highly specialized topics and themes that are of interest to external directors. Specific topics covered are as follows.

Major topics: \_

- Financial and economic trends in Japan and abroad
  - Obligations to provide information and to protect secrets
  - Global trends in climate change
  - Digital technologies and fiduciary
  - Frontline of cyber risks and risk management... etc.
  - Advance briefing on matters to be deliberated by the Board of Directors
  - Attendance at the Group Management Strategy Meeting held at the beginning of the fiscal year
  - Compliance training (jointly held with internal officers): Participation in US compliance and high level training, as well as officer compliance training
  - Joining in at the “Officers Hearings,” “Executive Officers Hearings,” “General Managers of Overseas Offices Hearings,” and “Group Affiliated Company President Hearings,” which are held as interviews with the Audit Committee members and Audit and Supervisory Committee members
2. Various training and seminars mainly for internal officers
    - Workshops on highly specialized topics held jointly with external directors (See 1. Above for major topics, etc.)
    - Regular workshops: Held workshops on “Fiscal year 2021 plan for the enhancement of mindsets to integration and impacts.”
    - Compliance training programs: Conducting High-level US Compliance training programs and compliance training programs for officers
    - Workshops for newly appointed managing executive officers: Provided necessary knowledge and skills for newly appointed managing executive officers based on lectures by leading lecturers in the fields of governance and corporate management. In the last session, each participant gave a PR (public relations) presentation assuming he/she took chair of the president.
    - Training for newly appointed executive officers: Implemented for the purpose of having officers fully understand what is expected of them so they can change their way of thinking and transform from branch/ general managers into a management team (executive officers) capable of achieving overall optimization, future creation, and innovation
    - Human rights training programs: Trainings based on the introduction of case examples

[Principle 5-1]

<Policy Regarding Structural Development and Efforts to Promote Constructive Dialogue with Shareholders>

SuMi TRUST Holdings has established the Policy for Constructive Dialogue with Shareholders, etc. as provided in Article 17 (Policy for Constructive Dialogue with Shareholders, etc.) of the “Basic Policy on Corporate Governance” and the “Annual Report-Financial Data Section” which is a supplementary volume of the Integrated Report:

- SuMi TRUST Holdings shall emphasize constructive dialogue with its shareholders, etc., and shall endeavor to engage in dialogue with its shareholders, etc. through various opportunities under the initiative of its senior management.
- Through constructive dialogue, SuMi TRUST Holdings shall endeavor to obtain the understanding of its shareholders, etc. regarding SuMi TRUST Holdings’ management policies, and it shall endeavor to support sustainable growth and medium- to long-term enhancement of the corporate value of the SuMi TRUST Group, by absorbing and reflecting analyses of management administration and views from the perspective of capital providers, etc. through listening to the voice of the shareholders, etc.

To promote constructive dialogue with shareholders, SuMi TRUST Holdings actively conducts IR activities. For details, including the structural development for the promotion of dialogue as well as other efforts and measures, please refer to <Activities Regarding IR> of this report.

## 2. Capital Structure

Percentage of shares held by overseas investors	30% or more
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### <Principal shareholders> (Updated)

Name	Number of Shares Held	Percentage (%)
The Master Trust Bank of Japan, Ltd. (trust account)	67,368,800	17.96
Custody Bank of Japan, Ltd. (trust account)	22,901,800	6.10
JPMorgan Securities Japan Co., Ltd.	6,639,205	1.77
THE BANK OF NEW YORK MELLON 140051	6,361,700	1.69
NORTHERN TRUST CO. (AVFC) RE SILCHESTER INTERNATIONAL INVESTORS INTERNATIONAL VALUE EQUITY TRUST	5,995,200	1.59
STATE STREET BANK WEST CLIENT – TREATY 505234	5,805,935	1.54
SSBTC CLIENT OMNIBUS ACCOUNT	5,466,786	1.45
STATE STREET BANK AND TRUST COMPANY 505001	5,347,409	1.42
NORTHERN TRUST CO. (AVFC) RE U.S. TAX EXEMPTED PENSION FUNDS	5,103,951	1.36
JP MORGAN CHASE BANK 385781	4,755,301	1.26

Controlling shareholders (except parent company)	None
Parent company	None
Supplementary Remarks (Updated)	

- Principal shareholders indicated are as of the end of March, 2022.
- Percentages (%) are calculated by deducting own shares, rounded down to two decimal places.
- BlackRock Japan Co., Ltd. (BlackRock Japan) filed a change report of the Report of Large Volume Holding that was made available for public inspection as of December 21, 2021 and reported that BlackRock Japan and seven others held common shares of SuMi TRUST

Holdings as of December 15, 2021 as provided below. SuMi TRUST Holdings, however, has not been able to confirm the actual holding of shares as of the end of March, 2022, and they are not included in the status of principal shareholders above.

Name of holder of large-volume shares: BlackRock Japan, Co., Ltd. and seven joint holders

Number of shares held: 22,878,830 (including the number of shares held by joint holders)

Percentage of shares held to total shares issued (%) 6.10%

- A Change Report of Large Volume Holding filed by Nomura Securities Co., Ltd. (Nomura Securities) available for public inspection as of July 21, 2020, reported that Nomura Securities and two other shareholders held common shares of SuMi TRUST Holdings as of July 15, 2020, as provided below. SuMi TRUST Holdings, however, has not been able to confirm the actual holding of shares as of the end of March, 2022 and they are not included in the status of principal shareholders above.

Name of holder of large-volume shares: Nomura Securities and two joint holders

Number of shares held: 23,078,902 (including the number of shares held by joint holders)

Percentage of shares held to total shares issued (%): 6.15%

- Sumitomo Mitsui Trust Asset Management Co., Ltd. submitted a Report on Large Volume Holdings on the status of large-volume holdings of its stock certificates, etc. on December 7, 2020 declaring that Sumitomo Mitsui Trust Asset Management Co., Ltd. and one other joint holder held our common stock as of November 30, 2020 as follows. However, as it is not possible for us to confirm the status of real holdings as of the end of March, 2022, it is not included in the above-mentioned status of principal shareholders.

Name of holder of large-volume shares: Sumitomo Mitsui Trust Asset Management Co., Ltd. and a joint holder

Number of shares held: 19,195,626 (including shares held by joint holder)

Percentage of shares held to total shares issued (%): 5.11%

- 392,300 shares of common stock owned by Custody Bank of Japan, Ltd. (trust account) are included in the trust assets of SuMi TRUST Holdings' Share delivery trust for Directors, etc. and are accounted for as treasury stocks in the consolidated financial statements and the financial statements of SuMi TRUST Holdings, but these figures have not been deducted from the total issued shares.

### 3. Corporate Profile

Stock exchange listings	Tokyo Stock Exchange (Prime Market), Nagoya Stock Exchange (Premier Market)
Fiscal year end	March 31
Industry	Banking
(Consolidated) number of employees at last fiscal year end	1,000 or more
(Consolidated) net sales in the last fiscal year	1 trillion yen or more
Number of consolidated subsidiaries at last fiscal year end	More than or equal to 50 and fewer than 100

### 4. Policies relating to measures for protecting minority shareholders when conducting transactions, etc. with controlling shareholders

None.

5. Other Special Items that could have a Significant Impact on Corporate Governance

None.

## II. Organizational Structure for Managerial Decision-Making, Execution, Supervision and other Corporate Governance System

### 1. Organizational Structure and Operational Management

Type of Organization	Company with Three Committees
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#### 【Directors】

Number of directors stipulated in Articles of Incorporation:	20
Directors' term of office stipulated in Articles of Incorporation:	1 year
Chairperson of the Board of Directors: (Updated)	External Director
Number of directors:	15

#### 【Matters relating to external directors】

Number of external directors:	7
Number of external directors designated as independent officer:	7

#### Relationship with SuMi TRUST Holdings (1)

Name	Attribute	Relationship with SuMi TRUST Holdings*												
		a	b	c	d	e	f	g	h	i	j	k		
Isao Matsushita	From another company													
Shinichi Saito	From another company													
Hiroko Kawamoto	From another company													
Mitsuhiro Aso	Lawyer													
Nobuaki Kato	From another company													
Masanori Yanagi	From another company													
Kaoru Kashima	Certified public accountant													

\* Categories for relationship with SuMi TRUST Holdings

\* “○” when the said individual presently falls or has recently fallen under each of the following categories; “△” when the said individual fell under each of the following categories in the past.

\* “●” when a close relative of the said individual presently falls or has recently fallen under each of the following categories; “▲” when a close relative of the said individual fell under each of the following categories in the past.

- Person performing an executive role of a listed company or its subsidiary
- Person performing an executive role or acting as a non-executive director of the parent company of a listed company
- Person performing an executive role of a fellow subsidiary company of a listed company
- Person whose principal client or supplier is a listed company or person performing an executive role thereof



- e. Principal client or supplier of a listed company or person performing an executive role thereof
- f. Consultant, accountant or legal professional who receives a large amount of monetary consideration or other property from a listed company besides compensation as an officer
- g. Major shareholder of a listed company (person performing an executive role of the said corporate shareholder if the major shareholder is a legal entity)
- h. Person performing an executive role of a client or supplier company of a listed company (which does not correspond to any of d, e, or f above) (the said individual only)
- i. Person performing an executive role of a company, between which and SuMi TRUST Holdings external officers are mutually appointed (the said individual only)
- j. Person performing an executive role of a company or organization that receives a donation from a listed company (the said individual only)
- k. Other

Relationship with SuMi TRUST Holdings (2) (Updated)

Name	Committees -based			Independ- ent officer	Supplemental information on corresponding items	Reason for selecting as external director (and reason for appointing as independent officer)
	Nominating Committee	Compensation Committee	Audit Committee			
Isao Matsus hita	○	○		○	<Major concurrent posts> Outside Director of MatsukiyoCocoka ra & Co.	<p>Mr. Isao Matsushita has extensive experience in the general management of companies, as the former Representative Director and President of JX Holdings, Inc. (currently ENEOS Holdings, Inc.), which is a representative integrated energy, resources and material enterprise group in Japan. During his term of office as external director of our Company, he has contributed to further enhancing the effectiveness and supervisory capabilities of the Board of Directors as the Chairman of the Board and Chairperson of the Nominating Committee as well as provided comments and advice based on such years of experience.</p> <p>In order to make full use of his knowledge and insight regarding business management and company management through supervision of the execution of the business, advice on the overall management of the business, and similar contributions, SuMi TRUST Holdings has selected him as an external director.</p> <p>Further, although until June 2019 he served as a Senior Advisor of JXTG Holdings, Inc. (ENEOS Holdings, Inc.), with which SuMi TRUST Holdings and the SuMi TRUST Group company have conducted transactions, the average annual amount of such transactions in the immediately preceding three fiscal years has been less than one percent of each of the consolidated sales of JXTG Holdings, Inc. and the consolidated gross profits of SuMi TRUST Holdings. Thus, these facts should not affect his independence.</p>

Name	Committees -based			Independent officer	Supplemental information on corresponding items	Reason for selecting as external director (and reason for appointing as independent officer)
	Nominating Committee	Compensation Committee	Audit Committee			
Shinichi Saito	<input type="radio"/>		<input type="radio"/>	<input type="radio"/>	<p>&lt;Major concurrent posts&gt; Outside Director of The Prudential Gibraltar Financial Life Insurance Co., Ltd.</p>	<p>Mr. Shinichi Saito has extensive knowledge and experience in financial accounting as the former Finance Director of Marubeni Corporation. In addition to engaging in management at an investment company, he also has deep insight as a company executive in the financial sector. During his term of office as an external auditor of SuMi TRUST Holdings for four years from June 2013, and thereafter as an external director of SuMi TRUST Holdings since June 2017, he has provided comments and advice based on such years of experience. At the same time, as the chairperson of the Audit Committee, he has been making efforts to further improve the effectiveness of the overall audit of business execution and the soundness and transparency of management. In order to make full use of his knowledge and insight regarding business management and company management through supervision of the execution of the business, advice on the overall management of the business, and similar contributions, SuMi TRUST Holdings has selected him as an external director.</p> <p>Further, up until November 2019 he served as Chairman &amp; Representative Director of Japan Industrial Solutions, Ltd., with which SuMi Trust Holdings and the SuMi TRUST Group company have not entered into any transactions. Also, SuMi TRUST Bank, a subsidiary of SuMi TRUST Holdings, holds common shares of Marubeni Corporation, a company at which Mr. Saito worked until September 2002, but the amount of holdings is less than 1% of shares outstanding. Thus, these facts should not affect his independence.</p>

Name	Committees-based			Independent officer	Supplemental information on corresponding items	Reason for selecting as external director (and reason for appointing as independent officer)
	Nominating Committee	Compensation Committee	Audit Committee			
Hiroko Kawamoto	<input type="radio"/>	<input type="radio"/>		<input type="radio"/>	<Major concurrent posts> Advisor of the Board of ANA Strategic Research Institute Co., Ltd., Outside Director of Renaissance Inc., Outside Director of East Japan Railway Company	Ms. Hiroko Kawamoto had served as a Director and Executive Officer of All Nippon Airways Co., Ltd. from April 2013 and, thereafter has served as a Director and Senior Executive Officer of All Nippon Airways Co., Ltd. since April 2016, and she has been responsible for the overall management of the company and promotion of women's activities, giving her extensive knowledge and experience in corporate management and diversity. In addition, for one year from June 2016, she has served as an external director of SuMi TRUST Bank, and as an external director of SuMi TRUST Holdings since June 2017, and she has provided comments and advice based on such years of experience during her term of office. At the same time, as the chairperson of the Compensation Committee, she has been making efforts to further improve the supervisory functions of the Board of Directors. In order to make full use of her knowledge and insight regarding business management and company management through supervision of the execution of the business, advice on the overall management of the business, and similar contributions, SuMi TRUST Holdings has selected her as an external director. Further, although she currently serves as Director and Advisor of the Board of All Nippon Airways Strategic Research Institute Co., Ltd., which belongs to the corporate group under ANA Holdings Co., Ltd., with which SuMi TRUST Holdings and the SuMi TRUST Group company have conducted transactions, the average annual amount of such transactions in the immediately three preceding fiscal years has been less than one percent of each of the respective consolidated sales of ANA Holdings Co., Ltd. and the consolidated gross profits of SuMi TRUST Holdings. Also, SuMi TRUST Bank, a subsidiary of SuMi TRUST Holdings, holds common shares of ANA Holdings, Inc., at which Ms. Kawamoto served as an officer, but the amount of holdings is less than 1% of shares outstanding. Thus, these facts should not affect her independence.

Name	Committees-based			Independent officer	Supplemental information on corresponding items	Reason for selecting as external director (and reason for appointing as independent officer)
	Nominating Committee	Compensation Committee	Audit Committee			
Mitsuhiro Aso	<input type="radio"/>		<input type="radio"/>	<input type="radio"/>	<Major concurrent posts> Attorney-at-law, External Auditor of Sumitomo Chemical Company, Limited	As Mr. Mitsuhiro Aso served as the Superintending Prosecutor of the Fukuoka High Public Prosecutors Office and Interlocking Professor at Hosei University Law School, etc., he is a law specialist and has experience of organizational management. In addition, he has served as an external auditor of SuMi TRUST Bank for three years since June 2016 and as an external director of SuMi TRUST Holdings since June 2019, and during this time he provided statements and advice based on such experience; therefore, SuMi TRUST Holdings has selected him as an external director, in order to make effective use of such experience and knowledge in its management. Although he has never been directly involved in the management of a company in the past, for the reasons stated above, SuMi TRUST Holdings is convinced that he is capable of properly performing his duties as an external director. In order to make full use of his knowledge and insight through supervision of the execution of the business, advice on the overall management of the business, and similar contributions, SuMi TRUST Holdings has selected him as an external director.
Nobuaki Kato	<input type="radio"/>	<input type="radio"/>		<input type="radio"/>	<Major concurrent posts>	As a former President & CEO of Denso Corporation, a global automotive parts manufacturer, Mr. Nobuaki Kato has extensive experience in overall corporate management. In addition, as a former President & CEO of Denso International Europe, he has overall experience in corporate management overseas. He has served as an external director of SuMi TRUST Holdings since June 2021, and has provided comments and advice based on such years of experience during his term of office. In order to make full use of his knowledge and insight regarding business management and company management through supervision of the execution of the business, advice on the overall management of the business, and similar contributions, SuMi TRUST Holdings has selected him as an external director. Further, although he served until June 2019 as a consultant for Denso Corporation, with which SuMi TRUST Holdings and the SuMi TRUST Group company have conducted transactions, the average annual amount of such transactions in the immediately preceding three fiscal years has been less than one percent of each of the sales of Denso Corporation and the consolidated gross profits of SuMi TRUST Holdings. Thus, these facts should not affect his independence.

Name	Committees-based			Independent officer	Supplemental information on corresponding items	Reason for selecting as external director (and reason for appointing as independent officer)
	Nominating Committee	Compensation Committee	Audit Committee			
Masanori Yanagi	<input type="radio"/>	<input type="radio"/>		<input type="radio"/>	<p>&lt;Major concurrent posts&gt;  President of The Japan Economic Research Institute Inc.  External Director of Kintetsu Group Holdings, Co., Ltd.  External Director of Fukoku Mutual Life Insurance Company  External Director of Tobu Railway Co., Ltd.</p>	<p>Mr. Masanori Yanagi has extensive experience in bank management and policy-based finance, etc. as the former President and CEO of Development Bank of Japan Inc., and has extensive knowledge on domestic and foreign financial and economic circumstances as President of Japan Economic Research Institute Inc. He has served as an external director of SuMi TRUST Holdings since June 2021, and has provided comments and advice based on such years of experience during his term of office. In order to make full use of his knowledge and insight regarding business management, company management, finance, etc. through supervision of the execution of the business, advice on the overall management of the business, and similar contributions, SuMi TRUST Holdings has selected him as an external director. Further, although he served until June 2018 as President and CEO of Development Bank of Japan Inc., and is currently the Chairman of the Japan Economic Research Institute Inc., with which SuMi TRUST Holdings and the SuMi TRUST Group company have conducted transactions, the average annual amount of such transactions in the immediately preceding three fiscal years has been less than one percent of each of the sales of the Development Bank of Japan Inc. and the Japan Economic Research Institute Inc. and the consolidated gross profits of SuMi TRUST Holdings. Thus, these facts should not affect his independence.</p>

Name	Committees-based			Independent officer	Supplemental information on corresponding items	Reason for selecting as external director (and reason for appointing as independent officer)
	Nominating Committee	Compensation Committee	Audit Committee			
Kaoru Kashima			○	○	<Major concurrent posts> Certified public accountant External Auditor of Nippon Telegraph and Telephone Corporation External Auditor of Kirin Holdings Co., Ltd.	Ms. Kaoru Kashima had been a member of a major audit firm for many years, and has extensive knowledge and experience in financial accounting as a certified public accountant in charge of auditing operating companies. In addition to her experience as a certified public accountant, she has extensive knowledge and experience from having been responsible for management, human resources, corporate culture, public relations, and promotion of women's activities as a managing director and business manager of an audit firm. She served as an external director at SuMi TRUST Bank (Audit and Supervisory Committee member) for two years starting in June 2019 and as an external director of SuMi TRUST Holdings since June 2021, and during her tenure has provided comments and advice based on her experience, etc. In order to make full use of her knowledge and insight through supervision of the execution of the business, advice on the overall management of the business, and similar contributions, SuMi TRUST Holdings has selected her as an external director. Further, although she served until June 2019 as a senior partner at Ernst & Young ShinNihon LLC, with which SuMi TRUST Holdings and the SuMi TRUST Group company have conducted transactions, the average annual amount of such transactions in the immediately preceding three fiscal years has been less than one percent of each of the sales of Ernst & Young ShinNihon LLC and the consolidated gross profits of SuMi TRUST Holdings. Thus, these facts should not affect her independence.

### 【Committees】

#### Composition and attributes of the chairperson of committees

	Nominating Committee	Compensation Committee	Audit Committee
Committee members	7	6	5
Full-time members	2	2	2
Internal directors	2	2	2
External directors	5	4	3
Chairperson	External director	External director	External director

### 【Executive officers (\*1)】

Number of executive officers (*1)(Updated)	15
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Status of concurrent post (Updated)
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Name	Representati on Right	Double as director			Double as employee
			Nominating Committee	Compensation Committee	
Toru Takakura	○	○	×	×	×
Jiro Araumi	○	○	×	×	×
Nobuaki Yamaguchi	×	○	×	×	×
Futoshi Itani	×	×	×	×	×
Junya Ueda	×	×	×	×	×
Yasuyuki Suzuki	×	×	×	×	×
Toshiaki Nakano	×	×	×	×	×
Manatomo Yoneyama	×	×	×	×	×
Atsushi Matsumoto	×	×	×	×	×
Masakatsu Sato	×	×	×	×	×
Kazuya Oyama	×	○	×	×	×
Shigenori Ikemura	×	×	×	×	×
Yuki Takada	×	×	×	×	×
Miyo Yajima	×	×	×	×	×
Masaya Yamashiro	×	×	×	×	×

**【Audit】**

Directors and employees to assist duties of Audit Committee	Yes
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**Matters relating to the independence of directors and employees from executive officers (\*1)**

The Audit Committee Office has been established to assist the Audit Committee's duties, and staff of the Audit Committee Office work to assist Audit Committee members with their duties under the directions and orders of Audit Committee members.

The executive officers (\*1) give consideration so that staff of the Audit Committee Office are not subject to unjust restrictions in conducting work to assist the Audit Committee's duties, as well as discussing in advance the personnel affairs and employment terms of staff of the Audit Committee Office with the Audit Committee.

**Status of relationship between the Audit Committee, accounting auditors and the Internal Audit Department**

The basic policy on internal auditing and internal audit plans is determined by the Board of Directors after the Internal Audit Department conducts prior consultation with and obtains approval of the Audit Committee. Results, etc. of the internal audits are reported to the Audit Committee and the President without delay, as well as to the Board of Directors in a timely and appropriate manner.

The Audit Committee and the Internal Audit Department exchange opinions and share information periodically. The Audit Committee also periodically receives reporting from and exchanges opinions and information with the accounting auditors on auditing information, auditing plans, the status of accounting auditing performed and auditing results, among others, and also exchange opinions and share information from time to time as needed. In this way, they monitor and verify whether the accounting auditors have maintained an independent standpoint and performed audits appropriately. Further, the Internal Audit Department exchanges opinions and shares information with the accounting auditors periodically as part of accounting audits and the audits on internal control over financial reporting. In addition to the above efforts, the Audit Committee, the Internal Audit Department and the accounting auditors aim to reinforce cooperation between the three parties such as by holding periodic meetings to ensure effective auditing.

【Independent officers】

Number of independent officers	7
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Matters relating to independent officers

Having established the Independence Standards of Independent Officers, SuMi TRUST Holdings has designated all the external directors who satisfy these standards and with whom no conflict of interest is likely to arise with general shareholders.

The specific contents of the Independence Standards of Independent Officers of SuMi TRUST Holdings are as follows:

“Independence Standards of Independent Officers”

1. If none of the following items applies to a candidate, the candidate shall be determined to have sufficient independence against SuMi TRUST Holdings.
  - (1) A person who is or was a person performing an executive role (an executive director, an executive officer (\*1) (\*2) or an employee including a manager) in SuMi TRUST Holdings or its affiliated companies.  
(\*2) Executive Officer as defined in our internal policy (the same shall apply hereafter).
  - (2) A person to whom SuMi TRUST Holdings or SuMi TRUST Bank, which is a core subsidiary of SuMi TRUST Holdings, is a principal business counterparty. If such person is a corporation such as a company, a person who is or, within the past three years, has been performing an executive role (an executive director, an executive officer (\*1) (\*2), a managing director, or an employee including a manager) in such corporation, its parent company or its material subsidiaries.
  - (3) A person who is a principal business counterparty of SuMi TRUST Holdings or SuMi TRUST Bank. If such person is a corporation such as a company, a person who is or, within the past three years, has been performing an executive role (an executive director, an executive officer (\*1) (\*2), a managing director, or an employee including a manager) in such corporation, its parent company or its material subsidiaries.
  - (4) A person who presently is a major shareholder of SuMi TRUST Holdings (holding 10% or more of the voting rights). If such person is a corporation such as a company, a person who is or, within the past three years, has been performing an executive role (an executive director, an executive officer (\*1) (\*2), a managing director, or an employee including a manager) in such corporation, its parent company or its material subsidiaries.
  - (5) A major creditor, etc. who, in fund-raising, is indispensable to SuMi TRUST Holdings or SuMi TRUST Bank and is depended on by SuMi TRUST Holdings or SuMi TRUST Bank to such an extent that the creditor cannot be substituted. If such person is a corporation such as a company, a person who is or, within the past three years, has been performing an executive role (an executive director, an executive officer (\*1) (\*2), a managing director, or an employee including a manager) in such corporation, its parent company or its material subsidiaries.
  - (6) A debtor, etc. who, in fund-raising, depends on SuMi TRUST Bank to such an extent that SuMi TRUST Bank cannot be substituted. If such person is a corporation such as a company, a person who is or, within the past three years, has been performing an executive role (an executive director, an executive officer (\*1) (\*2), a managing director, or an employee including a manager) in such corporation, its parent company or its material subsidiaries.
  - (7) A person who presently is an accounting auditor of SuMi TRUST Holdings or SuMi TRUST Bank, or a partner, etc., of such accounting auditor, or a person who has been in charge of the accounting audit of SuMi TRUST Holdings or SuMi TRUST Bank as such partner, etc., within the past three fiscal years.
  - (8) A person who is or, within the past three years, has been performing an executive role (an executive director, an executive officer (\*1) (\*2), a managing director, or an employee including a manager) in the lead managing underwriter of SuMi TRUST



#### Holdings.

- (9) An individual such as a lawyer, certified public accountant, tax accountant, or other consultant who has received a large amount of money from SuMi TRUST Holdings or SuMi TRUST Bank within the past three years.
- (10) A person who is or who has been, within the past three years, performing an executive role (an executive director, an executive officer (\*1) (\*2), a managing director, or an employee such as a manager) in a law firm, audit corporation, tax accountancy corporation, consulting firm, or other corporation to whom SuMi TRUST Holdings or SuMi TRUST Bank is a principal business counterparty.
- (11) A person who receives a large amount of donation money from SuMi TRUST Holdings or SuMi TRUST Bank. If such person is a corporation such as a company, a person who is or, within the past three years, has been performing an executive role (an executive director, an executive officer (\*1) (\*2), a managing director, or an employee including a manager) in such corporation, its parent company or its material subsidiaries.
- (12) A person who is a director, corporate auditor or executive officer (\*1) (\*2), a managing director, of a company to which directors are transferred from SuMi TRUST Holdings or its affiliated companies, or a person who is a director, corporate auditor or executive officer (\*1) (\*2) of such company's parent company or material subsidiaries.
- (13) A person who is a close relative (a spouse, a relative within the third degree of kinship, or a cohabiting relative) of any of the persons listed in items (1), (2), (3), (9), and (10) above.

2. Even if any of the above items applies to such person, SuMi TRUST Holdings may appoint as a candidate for its independent officer a person who it believes to be suitable for the position of SuMi TRUST Holdings' independent officer considering such person's character and insight, etc., provided that, it publically provides an explanation as to why it believes such person satisfies the requirements for, and qualifies as, its independent officer.

3. If SuMi TRUST Holdings' business counterparty (including a law firm, audit corporation, tax accountancy corporation, consulting firm, etc.) or the donation money, etc. (including payment to individuals such as a lawyer, certified public accountant, tax accountant, or other consultant) satisfies the following criteria for the relevant facts to be regarded as minor, SuMi TRUST Holdings shall deem that it does not fall under a "principal business counterparty" or "large amount of donation money" and omit information concerning attributes, etc., by determining that the relevant independent officer can be recognized to be sufficiently independent (including a candidate thereof).

#### <Business counterparty>

- The amount of payment to the relevant business counterparty (the business counterparty, and its parent company and material subsidiaries) by SuMi TRUST Holdings and SuMi TRUST Bank is less than 2% of the consolidated average annual total sales of the business counterparty for the past three fiscal years.
- The gross profits of SuMi TRUST Holdings and its subsidiaries earned with respect to the counterparty (the business counterparty, and its parent company and material subsidiaries) is less than 2% of the consolidated gross profits of SuMi TRUST Holdings.

#### <Donation money, etc.>

- If the recipient is an individual: the money received from SuMi TRUST Holdings and its subsidiaries is less than ¥10 million per year on average over the past three years.
- If the recipient is a corporation: the money received from SuMi TRUST Holdings and its

subsidiaries is less than the greater amount of either ¥10 million per year, or 30% of the annual total expenses of the relevant corporation on average over the past three years.

**【Incentives】**

Incentives Policies for Directors and Executive Officers (*1)	Introduce Performance-Based Stock Compensation System and other systems
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**Supplementary Remarks on This Item**

Starting from fiscal year 2019, SuMi TRUST Holdings has introduced a share delivery trust system, as a new Performance-Based Stock Compensation System that utilizes a trust, in lieu of the previous stock compensation-type stock option plan. The details are stated in “Disclosure of Decision-Making Policies Relating to Compensation Amounts and Calculation Methods” under **【Compensation System of Directors and Executive Officers (\*1)】**.

Further, SuMi TRUST Holdings encourages them to contribute part of their compensation to the share ownership plan of officers in order to, among other things, further increase their enthusiasm to improve SuMi TRUST Holdings’ share price and business performance.

Person Eligible to Receive Stock Options	None
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**Supplementary Remarks on This Item**

None

**【Compensation of Directors and Executive Officers (\*1)】**

Disclosure of Compensation of Individual Directors	Partially disclosed.
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Disclosure of Compensation of Individual Executive Officers (*1)	Partially disclosed.
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The following items for fiscal year 2021 (from April 1, 2021 to March 31, 2022) are detailed in Appendix 2 (<1> Disclosure of Compensation of Individual Directors) attached to this report.

1. Total amounts of compensation, etc. by executive category and by type of compensation, etc., and the number of recipients
2. Consolidated compensation, etc. for individual directors and executive officers
3. Targets and results for indicators (KPIs) concerning performance-linked compensation and the actual payment rate of the compensation of the submitting company

Decision-Making Policies Relating to Compensation Amounts and Calculation Methods	Yes
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**Disclosure of Decision-Making Policies Relating to Compensation Amounts and Calculation Methods(Updated)**

The following items are detailed in Appendix 2 (<2> Disclosure of Decision-Making Policies Relating to Compensation Amounts and Calculation Methods) attached to this report.

1. Decision-making policies, etc. relating to the compensation amounts for Directors and Executive Officers (\*1) (\*2), and its calculation methods
  - (1) Policy on decisions on the amounts of compensation for individual directors and executive officers (\*1) (\*2), and its calculation method
  - (2) Overview of the compensation system
  - (3) Compensation Weighting by Types
  - (4) Indicators (KPIs) relating to performance-linked compensation, reasons for selection of the indicators, and method for determining amounts to be paid
  - (5) Method for determining the content of individual compensation
  - (6) Other important items
  - (7) Compensation, etc. for internal directors serving as Audit Committee members
  - (8) Compensation, etc. for external directors
  - (9) Reasons for the Compensation Committee's determination that the details of the individual compensation, etc. of Directors and Executive Officers for the fiscal year under review are in line with their policies on compensation decisions
2. Process for the determination of the amounts of compensation, etc. for officers
  - (1) Authority of the Compensation Committee
  - (2) Outline of the procedure, etc. at the Compensation Committee
  - (3) Activities of the Compensation Committee

<Support System for External Directors>

In order to ensure the effective and smooth operation of the Board of Directors and the Nomination, Compensation and Audit Committees, SuMi TRUST Holdings has established the Corporate Secretariat and the Audit Committee Office as dedicated organizations and strengthened the supporting systems to fulfill the functions of the external directors. In order to support the external director in fulfilling his duties as chairman of the Board of Directors, SuMi TRUST Holdings provides various information mainly on matters scheduled to be deliberated by the Board of Directors, and gives support such as in summarizing issues from management and supervisory perspectives.

<Status of persons retired from Representative Director and President, etc. (Updated)>  
Names, etc. of advisors, etc. who have formerly served as Representative Director and President, etc.

Name	Title/Position	Activity Description	Working Arrangement/Conditions (Full-time/Part-time, With/Without Compensation, etc.)	Date of Retirement as President, etc.	Term
Hiroshi Hayasaki	Senior Corporate Advisor, SuMi TRUST Bank	Interactions with various external organizations, etc.	Part-time, without compensation	March 1, 1998	1 year
Keiu Nishida	Senior Corporate Advisor, SuMi TRUST Bank	Interactions with various external organizations, etc.	Part-time, without compensation	March 31, 2000	1 year

Name	Title/Position	Activity Description	Working Arrangement/Conditions (Full-time/Part-time, With/Without Compensation, etc.)	Date of Retirement as President, etc.	Term
Hisao Muramoto	Senior Corporate Advisor, SuMi TRUST Bank	Interactions with various external organizations, etc.	Part-time, without compensation	June 27, 2003	1 year
Kiichiro Furusawa	Senior Corporate Advisor, SuMi TRUST Bank	Interactions with various external organizations, etc.	Part-time, without compensation	June 27, 2010	1 year
Hitoshi Murakami	Senior Corporate Advisor, SuMi TRUST Bank	Interactions with various external organizations, etc.	Part-time, without compensation	June 29, 2005	1 year
Atsushi Takahashi	Senior Corporate Advisor, SuMi TRUST Bank	Interactions with various external organizations, etc.	Part-time, without compensation	March 31, 2011	1 year
Kazuo Tanabe	Senior Corporate Advisor, SuMi TRUST Bank	Interactions with various external organizations, etc.	Part-time, without compensation	March 31, 2012	1 year
Jun Okuno	Senior Corporate Advisor, SuMi TRUST Bank	Interactions with various external organizations, etc.	Part-time, without compensation	March 31, 2012	1 year
Kunitaro Kitamura	Senior Corporate Advisor, SuMi TRUST Bank	Interactions with various external organizations, etc.	Part-time, with compensation	March 31, 2021	1 year
Hitoshi Tsunekage	Senior Corporate Advisor, SuMi TRUST Bank	Interactions with various external organizations, etc.	Part-time, with compensation	March 31, 2021	1 year

Total number of advisors, etc. who have formerly served as Representative Director and President, etc. 10 persons

Other Matters

1. SuMi TRUST Holdings does not have an advisory/advisor system.

2. SuMi TRUST Bank, the core subsidiary of the SuMi TRUST Group, has an advisor system, and the names, etc. are as stated in the above table. SuMi TRUST Bank does not have an advisory system.

- Names of former Presidents and Chairpersons of SuMi TRUST Holdings and SuMi TRUST Bank, the core subsidiary of the SuMi TRUST Group, who have been appointed as advisors of SuMi TRUST Bank, etc. are stated and former Presidents and Chairpersons of The Sumitomo Trust and Banking Co., Ltd. and The Chuo Mitsui Trust and Banking Company, Limited prior to the merger are included.
- The date of resignation from the position of President, etc. indicates the latest date of resignation from the position of President or Chairperson of either of the companies.
- The final term of office is a maximum six years, as a general rule, provided, however, that the person has not reached the age of 72. Such persons are given the official title of senior corporate advisor and elected each year by resolution of the Board of Directors of SuMi TRUST Bank. After the end of the term of office as advisor, such persons may conclude a part-time engagement contract and be allowed to use the title of senior corporate advisor. In such cases, such persons are elected each year by approval of the President of SuMi TRUST Bank.
- Compensation is determined by taking into consideration work attitude and other factors. The total compensation of the above advisors is 60 million yen per year. Senior corporate advisors are not paid compensation, as a general rule.
- Offices are provided outside of the Head Office building of SuMi TRUST Bank, and company cars and shared secretaries are also provided, as necessary.
- Advisors are not involved, in any way, in management's decision-making and do not receive regular reports from management.
- The advisor system of SuMi TRUST Bank was deliberated and the details of the system underwent reviews by the Nomination Committee of SuMi TRUST Holdings. SuMi TRUST Holdings has continued to operate the advisor system with the involvement of the Nominating Committee. In addition to yearly report about operating situation, future changes in advisor system shall be deliberated at the Nominating Committee.

2. Items Related to Business Execution, Audit and Oversight, Nominations and Setting of Compensation, etc. (Overview of Corporate Governance Framework)

<Supervisory body>

(1) The Board of Directors

A. Chairman: Isao Matsushita (External Director)

B. Composition, Roles and Responsibility

- a) The Board of Directors shall ensure fairness and transparency of SuMi TRUST Group's corporate management by setting out the basic policy of managing SuMi TRUST Group and overseeing overall management of it.
- b) Except for matters which are required to be decided by the Board of Directors, the Board of Directors shall, in principle, delegate decisions on the execution of business to executive officers (\*1), and shall supervise the execution of business by executive officers (\*1), etc. as its central role.
- c) The Board of Directors of SuMi TRUST Holdings shall have no more than 20 directors, which is the number of directors prescribed in the Articles of Incorporation, and it shall comprise such number of directors as shall be necessary and appropriate to provide an effective supervising system, required of a financial holding company managing the business administration of SuMi TRUST Group. However, due consideration shall also be given to securing diversity and professionalism at the Board of Directors in deciding such number.
- d) In light of the importance of external directors' functions in the corporate governance,

SuMi TRUST Holdings shall operate the Board of Directors with at least one-third of directors being independent external directors, in principle.

### C. Status of Activities

In fiscal year 2021, 16 meetings of the Board of Directors were held. An agenda for further deliberation and the annual schedule were formulated based on discussions at the initial meeting, which were followed up in the course of the year. Specifically, the Board of Directors conducted both offensive and defensive deliberations towards the improvement of corporate value, including continued and in-depth deliberations on the management strategy and internal control, and enhancement of sustainability-related deliberations, bearing in mind the various stakeholders from the perspectives of creation of both social value and economic value.

The average attendance rate for directors was 99%.

The status of attendance of each director is as follows:

Tetsuo Ohkubo attended 16 times/16 times

Toru Takakura attended 12 times/12 times \*1

Jiro Araumi attended 16 times/16 times

Yutaka Nishida attended 4 times/4 times \*2

Nobuaki Yamaguchi attended 12 times/12 times \*1

Masaru Hashimoto attended 16 times/16 times

Kazuya Oyama attended 12 times/12 times \*1

Kunitaro Kitamura attended 4 times/4 times \*2

Hitoshi Tsunekage attended 4 times/4 times \*2

Kuniyuki Shudo attended 16 times/16 times

Kouji Tanaka attended 16 times/16 times

Isao Matsushita attended 16 times/16 times

Takeshi Suzuki attended 4 times/4 times \*2

Mikio Araki attended 4 times/4 times \*2

Shinichi Saito attended 16 times/16 times

Takashi Yoshida attended 4 times/4 times \*2

Hiroko Kawamoto attended 16 times/16 times

Mitsuhiro Aso attended 15 times/16 times

Nobuaki Katoh attended 12 times/12 times \*1

Masanori Yanagi attended 12 times/12 times \*1

Kaoru Kashima attended 12 times/12 times \*1

\*1 The total number of meetings was 12 times.

\*2 The total number of meetings was 4 times.

### (2) Outline of Committees

<Statutory committees>

#### A. Nominating Committee

a) Chairperson: Isao Matsushita (external director)

b) Composition: 5 external, 2 internal

c) Authority, Roles and Responsibility

- The Nominating Committee shall determine the content of proposals regarding the election and dismissal of directors to be submitted to a shareholders meeting.

- The Nominating Committee shall receive requests for consultation on the election and dismissal of executive officers (\*1) including President from the Board of Directors, and shall deliberate and make reports on these.

- The Nominating Committee shall receive requests for consultation on the election and dismissal of directors including the President (Representative Director) of SuMi TRUST Bank, and consultation on the election and dismissal of directors of SuMi TRUST AM, and shall deliberate and make reports on these.

- The Nominating Committee shall receive requests for consultation on revisions to the succession plan of management, and shall deliberate and make reports on these.

d) Status of Activities

In fiscal year 2021, the Nominating Committee held 16 meetings to engage in activities stated under “Authority, Roles and Responsibility” above, including discussions on the succession plan and enhancement of process. The average attendance rate for committee members was 100%.

B. Compensation Committee

a) Chairperson: Hiroko Kawamoto (external director)

b) Composition: 4 external, 2 internal

c) Authority, Roles and Responsibility

- The Compensation Committee shall prescribe policy on decisions on the content of remuneration for individual executive officers (\*1) and directors.

- The Compensation Committee shall decide the content of remuneration for individual executive officers (\*1) and directors in accordance with the policy stated in item above.

- The Compensation Committee shall receive requests for consultation on policy on decisions on the content of remuneration for directors, etc., from the Board of Directors of SuMi TRUST Bank and SuMi TRUST AM, and shall deliberate and make reports on these.

d) Status of Activities

In fiscal year 2021, the Compensation Committee held 10 meetings to engage in activities stated under “Authority, Roles and Responsibility” above, and in addition, conducted discussions, etc. on the compensation for directors and executive officers by verifying the compensation levels and system based on the comparison analysis of data from the compensation survey. The average attendance rate for committee members was 100%.

C. Audit Committee

a) Chairperson: Mitsuhiro Aso (external director)

b) Composition: 3 external, 2 internal

c) Authority, Roles and Responsibility

- The Audit Committee shall audit the execution of duties by executive officers (\*1) and directors and shall prepare audit reports.

- The Audit Committee shall determine the content of proposals regarding the election and dismissal of an accounting auditor, and the refusal to reelect an accounting auditor, to be submitted to a shareholders meeting.

d) Status of Activities

In fiscal year 2021, the Audit Committee held 17 meetings to engage in activities apart from those stated under “Authority, Roles and Responsibility” above, including discussions from various viewpoints such as whether executive officers (\*1) are making decisions on and executing business in a fair, adequate, and efficient manner, whether the Group’s internal control system is appropriately developed and efficiently operated, and whether the accounting auditor conducts an adequate audit as a professional through maintaining a fair and unbiased attitude and an independent standpoint. The average attendance rate for committee members was 98%.

<Voluntary committees, etc.>

D. Risk Committee

a) Chairperson: Kenji Fujii (external expert)

b) Composition: 3 external (1 external director, 2 external experts), 2 internal

c) Purpose, Roles and Responsibility

The Risk Committee shall receive requests for consultation on the following items from the Board of Directors, and shall review the appropriateness, etc. of them, and shall make reports.

- Matters concerning the business environment surrounding the SuMi TRUST

- Group, top risks, and materiality;
- Matters concerning the management of risk appetite framework, risk management, and monitoring the effectiveness of the internal control system related to compliance management of the SuMi TRUST Group; and
- Other matters to be deemed necessary by the Board of Directors.

d) Status of Activities

In fiscal year 2021, the Risk Committee held 6 meetings to engage in activities stated under “Purpose, Roles and Responsibility” above, and in addition, conducted discussions on the deliberations on the status of instillation and development of risk culture, and the deliberations, etc. on climate change initiatives across the Group. The Committee also held free discussions, etc. on issues such as risks arising from changes in the external environment and the formulation of management plans. The average attendance rate for committee members was 100%.

E. Conflicts of Interest Committee

a) Chairperson: Hideki Kanda\* (external expert) \*External director of SuMi TRUST Bank

b) Composition: 3 external (1 external director, 2 external experts), 2 internal

c) Purpose, Roles and Responsibility

The Conflicts of Interest Committee shall receive requests for consultation on the following items from the Board of Directors, and shall review the appropriateness, etc. of them, and shall make reports.

- Matters concerning the validity of systems for management of conflicts of interest of the SuMi TRUST Group;
- Matters concerning the effectiveness of management of conflicts of interest, management of customer explanation, and management of customer support of the SuMi TRUST Group and the enhancement of systems for management of these;
- Matters concerning the policy on fiduciary duty of the SuMi TRUST Group and the action plans, etc. of each SuMi TRUST Group company;
- Particularly important matters concerning dissemination of management of conflicts of interest and fiduciary duty in the SuMi TRUST Group; and
- Other matters to be deemed necessary by the Board of Directors.

d) Status of Activities

In fiscal year 2021, the Conflicts of Interest Committee held 7 meetings to engage in activities stated under “Purpose, Roles and Responsibility” above, and in addition, conducted discussions on topics such as the development of systems for management of conflicts of interest and management of customer support in line with the expansion of the Group and its operations. The attendance rate for committee members was 100%.

F. External Directors’ Meeting

SuMi TRUST Holdings holds regular External Directors’ Meetings consisting solely of external directors to further enhance the effectiveness of corporate governance. At the meetings, external directors engage in discussions that are active and unrestrained, sharing information and awareness from independent and objective positions. These meetings contribute to building relationships of trust and strengthening the supervisory functions of the Board of Directors.

<Executive body>

(3) Executive Committee

Under the Board of Directors, the Executive Committee has been established, which the President chairs and relevant officers attend. Based on basic policies determined at the Board of Directors meetings, significant matters relating to business execution are discussed and determined, and matters resolved at the Board of Directors meeting undergo preliminary discussion by the Executive Committee.



(4) Other Committees, etc.

SuMi TRUST Holdings has established various committees including the Sustainability Promotion Committee to deliberate policies and initiatives on material sustainability issues and the Business Risk Management Committee.

3. Reasons for Adopting the Current Corporate Governance System

The SuMi TRUST Group is a trust bank group embracing a broad range of business domains including primarily the banking business, asset management and asset administration business, and real estate business, with strengths in its integrated multi-disciplinary capabilities coupled with high-level specialist expertise that can promptly offer total solutions on a one-stop basis, as well as in its outstanding familiarity with business practice. SuMi TRUST Holdings has adopted a governance structure in the form of a company with Three Committees, with a view to promoting the sound Group management that can meet all stakeholders' expectations, and satisfying both of the requirements for management capability leading to prompt business execution and supervisory and restraining capabilities that ensure sound management, based on the aforementioned specialty and strengths.

### III. Status of Execution of Measures Concerning Shareholders and Other Interested Parties

#### 1. Measures to Vitalize the General Shareholders' Meeting and Facilitate the Exercise of Voting Rights

	Supplemental remarks
Prompt distribution of convocation notices for the general shareholders' meeting	The convocation notice for the annual general shareholders' meeting held on June 23, 2022, was dispatched on June 1, after being posted on SuMi TRUST Holdings' website on May 25, for the purpose of prompt notification.
Setting the date of the General Meeting of Shareholders to avoid overlap	In order to ensure shareholders are provided with sufficient information, the 2022 General Meeting of Shareholders was held earlier than usual on June 23rd to avoid overlap with other shareholder meetings held in the same busy period.
Electronic voting	SuMi TRUST Holdings has been enabling shareholder voting through the Internet (including PCs, smartphones, mobile phones, etc.).
Participation in the Electronic Voting Platform system and other efforts to create a better environment in which institutional investors can exercise their voting rights.	SuMi TRUST Holdings participates in the Electronic Voting Platform system operated by ICJ, Inc.
Provision of convocation notice summaries in English	An English version of the convocation notice summaries was prepared and posted on SuMi TRUST Holdings' website at the same time as the Japanese version, from one week before the convocation notice was dispatched, and it has also been provided through the Electronic Voting Platform, for greater convenience to overseas
Others	In addition to implementing a system that allows shareholders to ask questions about agenda items via the Internet in advance of the General Meeting of Shareholders, we are conducting a "Hybrid Participation Virtual Shareholders' Meeting" so that shareholders who are unable to attend the meeting can view the proceedings of the meeting via the Internet. In addition, after the meetings, SuMi TRUST Holdings posts notices of resolutions, and the results of voting on its website, as well as providing them through the Electronic Voting Platform system. Videos of matters reported on the day of the general meeting (including presentations) are also posted.

#### 2. Activities Regarding IR (Updated)

	Supplemental remarks	Personal explanation by representative
Preparation and publication	SuMi TRUST Holdings has established the Disclosure Policy and disseminates it externally, as well as to SuMi TRUST Group's officers and	

	Supplemental remarks	Personal explanation by representative
of disclosure policy	employees for the purpose of appropriately implementing it. The Disclosure Policy serves as SuMi TRUST Group's IR activity guidelines, setting forth that we should make efforts to proactively disclose corporate information which we deem useful for our shareholders, investors, etc. in understanding the SuMi TRUST Group, adopting timeliness, accuracy, and fairness as basic requirements thereof.	
Regular information meetings for individual investors	SuMi TRUST Holdings holds corporate briefings via securities companies and so on, where the President, and the officer and employee in charge of IR explain SuMi TRUST Group's characteristics, earnings results and financial condition, and management strategies, etc. (postponed the use of the venue due to the impact of COVID-19 and distributed the information online in FY2021.)	Yes
Regular information meetings for analysts and institutional investors	SuMi TRUST Holdings holds investor meetings semi-annually (around May and November), inviting securities company analysts and institutional investors, with the President explaining SuMi TRUST Group's earnings results and management strategies, etc. (video posting on the website and teleconferencing were combined and distributed, due to COVID-19 in FY2021.) Further, SuMi TRUST Holdings holds one-on-one and group meetings for analysts and institutional investors from time to time, with the President, and the officer and employee in charge of IR providing explanations. SuMi TRUST Holdings also holds the SuMi TRUST IR Day which provides opportunities for officers in charge of businesses to give explanation on business strategies as well as for external directors to explain on the corporate governance status, etc.	Yes
Regular information meetings for overseas investors	SuMi TRUST Holdings' President, or the officer in charge of IR, visits major institutional investors in the U.S., Europe, and Asia, etc. several times per year, explaining SuMi TRUST Group's earnings results and financial condition, and management strategies, etc. (Was held in video and teleconferences due to COVID-19 during FY2021.) Further, SuMi TRUST Holdings regularly participates in IR conferences organized in Japan by securities companies for overseas institutional investors, as well as participates in such conferences held overseas.	Yes
Posting of IR materials on website	Promptly after their announcement, SuMi TRUST Holdings discloses various types of IR information and information for shareholders, etc. on its website.	

	Supplemental remarks	Personal explanation by representative
	<p>The types of information disclosed are, among others, as follows: financial results and related explanatory materials; timely disclosure materials and press releases; annual securities reports and quarterly securities reports; summary of financial results; investor meetings' presentation materials; integrated reports (disclosure reports); annual reports; business reports; the Basic Policy on Corporate Governance; stock information; rating information; analyst coverage; convocation notices for general shareholders' meetings; results of voting, etc.</p> <p>Videos of investors meetings and corporate briefings for individual investors are also posted on the website.</p> <p>Further, on the page of its website entitled "For Individual Investors," explanation is provided for individual investors regarding SuMi TRUST Group's business and operational results in an easy-to-understand format.</p> <p>For overseas institutional investors, too, SuMi TRUST Holdings provides various types of IR information and so on in a timely manner via its English website.</p> <p>Japanese URL: <a href="https://www.smth.jp/ir/index.html">https://www.smth.jp/ir/index.html</a>  English URL: <a href="https://www.smth.jp/en/ir/index.html">https://www.smth.jp/en/ir/index.html</a></p>	
Establishment of department and/or manager in charge of IR	<p>SuMi TRUST Holdings has appointed an officer in charge of IR, as well as established the IR Department as the section in charge of daily IR activities. SuMi TRUST Holdings makes efforts to appropriately disclose corporate information, as well as aiming for highly transparent corporate management through proactive IR activities and constructive dialogues with both domestic and foreign shareholders and investors.</p> <p>Officer in charge of IR: Masaya Yamashiro, Executive Officer (*2)  Deputy Officer in charge of IR: Riro Sato, Executive Officer</p> <p>Section in charge of IR: IR Department  The General Manager of the IR Department serves as the administrative IR contact person.</p>	
Others	<p>&lt;Internal organic cooperation to assist dialogues with shareholders&gt;</p> <p>Through cooperation with the management team and each section, the officer in charge of IR and the section in charge of IR endeavors to appropriately understand management information and other internal information, and make efforts to disclose</p>	

	Supplemental remarks	Personal explanation by representative
	<p>such information in a timely, accurate, and fair manner, as well as leverage such information for the purpose of constructive dialogue with shareholders and investors.</p> <p>&lt;Feedback regarding shareholders' opinions and IR activities to the management team and the Board of Directors&gt;  We provide timely and appropriate feedback to the management team regarding opinions or concerns, etc. expressed by shareholders, investors, and analysts, etc. In addition to an overall report on IR activities, reports regarding such opinions or concerns, etc. shall be regularly made to the Board of Directors.</p> <p>&lt;Management of insider information during dialogues&gt;  For the purpose of the management of insider information, the SuMi TRUST Group regularly disseminates, within the SuMi TRUST Group, the laws, regulations, and rules, etc. which the SuMi TRUST Group is bound to comply with, as well as instructions for the appropriate handling of insider information. Strict management and operation is also conducted during dialogues with shareholders and investors.</p> <p>&lt;Enhancement of opportunities for constructive dialogue with shareholders, etc.&gt;  For the purpose of the enhancement of constructive dialogue with shareholders and investors, SuMi TRUST Holdings participates in events with other listed companies in Japan to actively exchange opinions and engage in discussions on corporate governance with domestic and international institutional investors.</p>	

### 3. Measures for Respecting the Position of Stakeholders (Updated)

	Supplemental remarks
Rules for respecting the position of stakeholders through internal regulations, etc.	The "Basic Policy on the Social Responsibility of the Sumitomo Mitsui Trust Group (Sustainability Policy)" sets forth that the SuMi TRUST Group shall "respect dialogue with all stakeholders, including clients, shareholders, investors, employees, business partners, local communities, NPOs, government authorities and international institutions, and play an active role in building a sustainable society." The SuMi TRUST Group has announced such policies externally.
Implementation of environmental	The SuMi TRUST Group has formulated its Sustainability Policy at the Sustainability Promotion Committee chaired by the

	Supplemental remarks
activities, Sustainability activities, etc.	<p>President, and has been promoting the Group’s sustainability activities under the initiative of the Sustainability Management Department, under the Corporate Planning Department. Especially it places emphasis on the response to the risks relating to environmental and social issues, the development of products and services contribute to the resolution of the issues, and the social activities at each site of the SuMi TRUST Group. Regarding our environmental preservation activities, the SuMi TRUST Group has formulated the group’s common “Environmental Policy,” “Action Guidelines for Mitigating Climate Change,” and “Action Guidelines for Preserving Biodiversity,” and makes available, at its Directly Owned Subsidiaries, environment-related investment and loan products, trust products, and real property products, etc. to individual and corporate customers. Further, the SuMi TRUST Group has been promoting activities to reduce green house gas emissions from its business activities, and purchasing of papers that gives consideration to the environment and society based on its CSR procurement policy.</p>
Formulation of policies on providing information to stakeholders	<p>The “Basic Policy on the Social Responsibility of the Sumitomo Mitsui Trust Group (Sustainability Policy)” sets forth that the SuMi TRUST Group shall “build sound and proper relationships with stakeholders, and fulfill our responsibilities as members of society, engaging in fair competition and appropriate disclosure of corporate information, etc.” The SuMi TRUST Group provides relevant information through its Sustainability reports and its website, etc.</p>
Others	<p>[Promoting work style reforms and diversity &amp; inclusion] The SuMi TRUST Group has established the “Declaration on Work Style Reform”. The SuMi TRUST Group is pushing ahead with work style reforms by declaring it a top commitment to offer a workplace where the diversity and creativity of its employees are more fully utilized to add value to the organization and where employees can have pride and be highly motivated in fulfilling their missions.</p> <p>Also, the SuMi TRUST Group believes that the key to combining its variety of functions and creating new business models as a trust bank group is to respect diverse ways of thinking and viewpoints and to offer its employees the opportunity to realize their potential. To this end, SuMi TRUST Holdings and SuMi TRUST Bank have established Diversity &amp; Inclusion Office (hereinafter, “D&amp;I Office”) respectively, in order to promote active participation and advancement of female, disabled, and global employees, as well as to support work-life balance and promote understanding of human rights and LGBTQ as key initiatives of the D&amp;I Office. The Group as a whole is working on D&amp;I promotion.</p> <p>[Key initiatives for D&amp;I promotion] As for promoting active participation and advancement of female employees—one of our key initiatives for D&amp;I promotion,</p>

	Supplemental remarks
	<p>the SuMi TRUST Group has been promoting the appointment of personnel according to their capabilities and placing the right people in the right positions. SuMi TRUST Holdings has appointed two female external directors and two female executive officers. SuMi TRUST Bank has also appointed two female external directors and four female executive officers (*2). With respect to the appointment of female managers, the SuMi TRUST Group supported Keidanren's Here We Go 203030 policy to boost the percentage of female directors to at least 30% by 2030. In response, the Group set a KPI to have more than 20% women at the rank of section manager, team manager or higher by March 31, 2025 (currently 14.5% as of January 31, 2022). At SuMi TRUST Bank, guided by its general business owner action plan based on the Act on Promotion of Women's Participation and Advancement in the Workplace, and with the goal of increasing the number of women in decision-making positions, it set a KPI that calls for more than 20% women at the rank of section manager or higher and more than 30% in charge of management operations (currently 28.3% as of March 31, 2022) by October 2024.</p> <p>To promote women's participation and advancement in the workplace, we are promoting various measures with a view to the advancement of women to management positions, including the formulation of pipeline models to facilitate the planned nurturing of employees in each business and training to enable female employees to build their own career path. In addition, starting in fiscal 2021, we introduced an executive support system in which executive officers get actively involved in women's management and support the acquisition of a wide range of knowledge, perspectives, and personal connections over a period of approximately one year.</p> <p>&lt; Ratio of female executives and managers at SuMi TRUST Bank as of March 31, 2022 &gt;</p> <p>Directors and executive officers: 8.2%</p> <p>Ratio of women in section manager or higher positions: 13.0%</p> <p>Ratio of women responsible for management operations: 28.3%</p> <p>In an effort to support the balance of work and private life, the SuMi TRUST Group is promoting the development of an environment in which employees can work without anxiety. In addition to introducing systems for job relocation or temporary leave for employees when their spouses are relocated, we provide information to employees on maternity/childcare leave on a regular basis, organize seminars to facilitate employees' career development and smooth return to work following such leave, publish handbooks for employees on leave and managers, and conduct trainings for managers having female employees with time constraints.</p> <p>SuMi TRUST Bank has set a target of 100% for the acquisition ratio of childcare leave among male employees under its general business owner action plan. The Bank promotes a company-</p>

	Supplemental remarks
	<p>wide drive to foster a culture for male employees to take childcare leave by conducting events to encourage male childcare leave and publishing handbooks for better understanding. As a result, the Bank achieved 100% acquisition ratio for three consecutive years from fiscal year 2019 (Fiscal year 2021: 113.3% acquisition ratio; average 7.1 days). The Bank also established a new baby-care leave to enable male employees to take longer paternity leaves, encouraging employees to take one month off work.</p> <p>In addition to the above, to promote understanding of diversity and enable each employee to demonstrate their capabilities to the maximum extent, the SuMi TRUST Group is pressing forward with the following initiatives:</p> <ul style="list-style-type: none"> <li>· Offer lectures and e-learning programs on unconscious bias to deepen understanding toward diversity;</li> <li>· Support the active participation of employees with disabilities in each workplace by increasing the number of participants in courses for acquiring certification as a vocational counselor for persons with disabilities, and implement regular interviews with employees with disabilities so as to address their concerns and requests after joining the Group;</li> <li>· Conduct various types of seminars designed to improve the business mind, enhance skills and build networks for employees hired at overseas bases;</li> <li>· In order to deepen understanding on nursing care, conduct nursing care seminars on a regular basis, publish handbooks, set up consultation contact points, and measure employees' awareness of nursing care schemes and corporate culture through annual surveys;</li> <li>· Revise systems to enable employees to acquire accumulated time off for the purpose of fertility treatment, and set up consultation contact points; and</li> <li>· Establish an in-house consultation contact point as a safety net and offer congratulatory or condolence leave and a condolence money system to employees who are married to the same gender, in addition to publishing a handbook and conducting internal training designed to promote understanding of sexual orientation and gender identity.</li> </ul> <p>[External evaluations]</p> <p>The SuMi TRUST Group received the following certifications and awards from outside bodies in appreciation of its unfailing effort in the areas of work style reform and D&amp;I promotion.</p> <ul style="list-style-type: none"> <li>· “Certified Health and Productivity Management Organization (White 500)” (by the Ministry of Economy, Trade and Industry and Nippon Kenko Kaigi, for five years running in FY2017, 2018, 2019, 2020, and 2021)</li> <li>· “Bloomberg Gender-Equality Index (GEI)” (by Bloomberg/for four years running in FY2018, 2019, 2020, and 2021)</li> <li>· J-Win Diversity Award, second prize for Basic Achievement Award in the basic corporate category (by J-Win/FY2021).</li> </ul>



	Supplemental remarks
	<p>SuMi TRUST Bank)</p> <ul style="list-style-type: none"> <li>· “Nadeshiko Brand” (by the Ministry of Economy, Trade and Industry and Tokyo Stock Exchange/FY2019)</li> <li>· “Platinum Kurumin” (by the Ministry of Health, Labour and Welfare, received by SuMi TRUST Bank, Sumitomo Mitsui Trust Systems &amp; Services Co., Ltd., and Custody Bank of Japan, Ltd.)</li> <li>· “Platinum Eruboshi” (by the Ministry of Health, Labour and Welfare, received by Sumitomo Mitsui Trust Business Service Co., Ltd.)</li> <li>· “Gold rating in PRIDE INDEX” (by wwP (work with Pride: a voluntary organization supporting the promotion and establishment of LGBT-related diversity management) for three years running in FY2019, 2020, and 2021), also received by SuMi TRUST Bank for two years running in FY2017 and 2018; in FY2021 the Bank also received “Rainbow Certification,” which recognizes companies that implement a collective impact-oriented approach to LGBTQ Evaluation (the PRIDE Index))</li> <li>· “D&amp;I Award 2021” BEST WORKPLACE for Diversity &amp; Inclusion (by JobRainbow Co., Ltd./FY2021. SuMi TRUST Bank, Nikko Asset Management)</li> </ul> <p>SuMi TRUST Group’s D&amp;I initiatives:  <a href="https://www.smth.jp/english/about_us/management/human_resources/diversity_inclusion/">https://www.smth.jp/english/about_us/management/human_resources/diversity_inclusion/</a></p>

#### IV. Matters Regarding Internal Control System, etc.

##### 1. Fundamental Perspectives on Internal Control System and Establishment of Relevant Structures

As a bank holding company, the Board of Directors of SuMi TRUST Holdings is fully aware of its responsibility for the management administration of the SuMi TRUST Group, and has developed “a system to ensure the conformity of executive officers’ (\*1) execution of duties with laws, regulations, and the Articles of Incorporation, and other necessary systems to ensure the appropriateness of business activities of SuMi TRUST Holdings and those of the corporate group comprising SuMi TRUST Holdings and its subsidiaries, etc.” as follows, based on the Board of Directors’ resolution concerning the “Basic Policy on Internal Control”:

##### (1) Compliance Structure

- a. Basic compliance policies for the SuMi TRUST Group are established.
- b. With respect to important issues pertaining to compliance, resolutions and reporting are undertaken by the Board of Directors, based on a report by Risk Committee, an advisory body of the Board of Directors.
- c. A Basic Policy on the Management of Conflicts of Interest of the SuMi TRUST Group has been prescribed and a management system is in place to ensure that the interests of customers of the SuMi TRUST Group are not unfairly harmed.
- d. Important matters concerning the management of conflicts of interests are resolved by and reported at the Board of Directors meetings upon receiving reports from the Conflicts of Interest Committee, an advisory body to the Board of Directors.
- e. A supervisory department for compliance is set up at the head office. In addition, each department assigns a person of action and a person of authority.
- f. A concrete action plan to ensure compliance (compliance program) is formulated each fiscal year, and instructions are passed on to the Directly Owned Subsidiaries, etc. for them to prepare their own plans. In addition, the status of these plans – in terms of progress made and goals achieved –are monitored and evaluated.
- g. A handbook (compliance manual) for officers and employees is formulated. Opportunities for compliance-oriented education and training are offered to them on an ongoing basis.
- h. Officers and employees must report violations of law pertaining to the operation of SuMi TRUST Holdings’ business, and a compliance hotline system is established to enable officers, employees, etc. to report directly to special contact points both in-house and outside SuMi TRUST Holdings.
- i. SuMi TRUST Holdings and its subsidiaries take a firm stand to prevent dealings with antisocial forces and maintain no association whatsoever with such elements. A structure, underpinned by close ties with external professionals, particularly the police, is put in place to promote communication and cooperation among relevant 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.
- j. Money laundering and terrorist financing are major threats to a sound financial system, and SuMi TRUST Holdings takes a firm stand against money laundering and terrorist financing and shall comply fully with related laws and regulations.

##### (2) Risk Management Structure

- a. Basic risk management policies for the SuMi TRUST Group are established.
- b. With respect to important issues pertaining to risk management, resolution and

reporting are undertaken by the Board of Directors, based on a report by Risk Committee, an advisory body of the Board of Directors.

- c. The Group will establish a Group-wide risk management system based on three lines of defense.
- d. A supervisory department for risk management is set up at the head office, and a risk management department is established for each risk category.
- e. A plan pertaining to risk management for the SuMi TRUST Group is formulated and instructions are passed on to the Directly Owned Subsidiaries, etc. for them to prepare their own plans. In addition, the status of these plans – in terms of improvements made and goals achieved – are monitored and evaluated.
- f. Opportunities for risk management-oriented education and training are offered to officers and employees on an ongoing basis.
- g. Management activities relating to business continuity in preparation for emergencies have been developed to maintain and continue normal business operations of the SuMi TRUST Group.

### (3) Structure for Execution of Duties

- a. Except for matters which are required by law to be decided by the Board of Directors, the Board of Directors of SuMi TRUST Holdings, in principle, delegates decisions on the execution of business to executive officers (\*1). In addition to establishing the Executive Committee, comprising executive officers (\*1), etc., various committees shall be established as advisory bodies to the Executive Committee.
- b. The Board of Directors sets out basic points pertaining to the organizational structure and the division of duties, as well as the organization of and authority granted to officers and employees, to ensure the smooth and appropriate execution of duties by executive officers (\*1) (officers responsible for business execution at the subsidiaries, etc.).
- c. In-house regulations are 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 promptly.

### (4) Ensuring Management Transparency

- a. Internal control systems pertaining to financial reporting are developed to ensure the appropriateness of accounting methods and reliability of financial reporting, and the effectiveness of the systems is evaluated.
- b. The SuMi TRUST Group shall establish an accounting hotline to receive reports from within the Group and outside of the Group for information on accounting, internal controls involving accounting and misconduct or improper treatment on audit items. The hotline shall be established at a law firm, outside of the Group, and the Audit Committee Office serves as the secretariat for its investigations.
- c. Management-related information is managed appropriately and disclosed in a timely, accurate and fair manner.

### (5) The SuMi TRUST Group Management Structure

- a. SuMi TRUST Holdings developed compliance and risk management structures applicable to the entire SuMi TRUST Group.
- b. SuMi TRUST Holdings reviews intra-Group transactions of particular significance to the SuMi TRUST Group from the perspectives of risk management, compliance, and consistency with SuMi TRUST Group's strategic objectives.
- c. Subsidiaries, etc. reports regularly to SuMi TRUST Holdings about their execution of business activities and their financial situations, among other things.
- d. SuMi TRUST Holdings manages the appropriateness and efficiency of the business operation of subsidiaries, etc. according to the size and nature of their activities.

(6) Information Storage and Management Structure

- a. Minutes which record progress on agendas and specific points of discussion are prepared at the General Meeting of Shareholders and at Board of Directors and Executive Committee meetings and kept with related materials.
- b. The Board of Directors sets out the basic points pertaining to information storage and management, such as the organizational structure for information management and the classification of management categories, according to importance.

(7) Internal Audit Structure

- a. An internal auditing unit, which is independent from business execution units and sufficiently capable of fulfilling a restraining function, is established.
- b. Internal audit plans and basic policies for developing internal audit structures for the SuMi TRUST Group are established, and the internal auditing unit conducts audits of each business execution units and, if necessary, of subsidiaries, etc. and point out matters to be improved and make recommendations thereof.
- c. The results of internal audits and the status of internal audit plans – in terms of progress and goals achieved – are reported to the Board of Directors and Audit Committee in a timely and appropriate manner.

(8) Structure for Audit Committee's Audits

- a. Employees assisting Audit Committee in its duties
  - (a) An Audit Committee Office is established to assist Audit Committee members in the execution of their duties, and an appropriate number of directors, executive officers (\*2) or employees, including one office manager, are assigned thereto.
  - (b) Staff of the Audit Committee Office work to assist Audit Committee members with their duties under the directions and orders of Audit Committee members.
  - (c) The personnel affairs and employment terms of staff of the Audit Committee Office are discussed in advance with the Audit Committee.
  - (d) The executive officers (\*1) give consideration so that staff of the Audit Committee Office are not subject to unjust restrictions in conducting work to assist the Audit Committee's duties.

b. System for reporting to Audit Committee

- (a) Directors (excluding directors who are Audit Committee members), executive officers (\*1) (\*2), and employees shall immediately report to the Audit Committee if they have come to know facts about possible significant damage to SuMi TRUST Holdings or its subsidiaries, facts that could significantly damage the credibility of SuMi TRUST Holdings or its subsidiaries, facts about material defects or problems concerning the system or procedures of internal control, or material facts that could violate laws, regulations, or the Articles of Incorporation.
- (b) The Compliance Department shall report to the Audit Committee on the details of whistleblowing received through the compliance hotline system each time it is received.
- (c) The Internal Audit Department shall report to the Audit Committee regularly, or at the request thereof, on the progress and the results of internal audits it conducts in SuMi TRUST Holdings and its subsidiaries.
- (d) Directors (excluding directors who are Audit Committee members), executive officers (\*1) (\*2), and employees shall promptly report to the Audit Committee when requested to do so by the Audit Committee regarding the status of business execution and other matters.
- (e) Directors, corporate auditors, executive officers (\*2), and employees of subsidiaries, etc., or persons who have received reports from such persons shall report the matters described in (a), (b) and (d) above to the Audit Committee of SuMi TRUST Holdings,

immediately when they have come to know the matters described in (a), each time they have received whistleblowing as described in (b) through the internal whistleblowing systems of subsidiaries, etc., and promptly when they are requested to report the matters described in (d) at subsidiaries, etc. by the Audit Committee.

(f) The Audit Committee may demand a report, as necessary, from the persons described in (a) through (e) above regarding the matters described in (a) through (d) above.

(g) Persons who have given reports based on (a) through (f) above shall not be treated unfavorably on account of having given such reports, and that fact shall be thoroughly communicated.

c. Other systems to ensure the effectiveness of Audit Committee's audits

(a) Directors, executive officers (\*1) (\*2), and employees cooperate with Audit Committee in good faith in the audit activities.

(b) Full-time Audit Committee members are selected.

(c) Audit Committee members may attend meetings of the Board of Directors as well as any other meetings (including meetings of subsidiaries) Audit Committee deems necessary to the execution of their duties.

(d) Representative executive officers (\*1) exchange views with Audit Committee on a periodic basis and at the request of Audit Committee.

(e) The internal auditing unit conducts prior consultations with and obtains the approval of the Audit Committee regarding the internal audit plan, as well as conducts investigations, etc. under the instruction of the Audit Committee, when so instructed. The instructions of the Audit Committee regarding investigations, etc. supersede those of executive officers (\*1) or other parties.

(f) Representative executive officers (\*1) or an executive officer (\*1) in charge of the human resources units shall have prior consultation with the Audit Committee for consent regarding the appointment and dismissal of an executive officer (\*1) in charge of the internal auditing units and ranking staff of the internal auditing units.

(g) Departments other than the Internal Audit Department that are involved in internal controls including finance, risk management and compliance shall also strive to maintain smooth cooperative relationships with the Audit Committee.

(h) To ensure the effectiveness of audits conducted by the Audit Committee of SuMi TRUST Holdings across the SuMi TRUST Group, SuMi TRUST Holdings proposes candidates for corporate auditors (excluding candidates from other group companies including joint ventures) to the Audit Committee or to each Audit Committee member in the selection of part-time corporate auditors of its subsidiaries, etc. (including Audit Committee members of a company with three committees, or Audit & Supervisory Committee members of a company with an Audit & Supervisory Committee, hereinafter the same applies). The Audit Committee or each Audit Committee member may voice opinions, as necessary, regarding this proposal.

(i) Directors, executive officers (\*1) (\*2), and employees shall provide support to the operation of a system for external whistleblowing when the establishment of such a system has been decided as deemed necessary by the Audit Committee.

(j) SuMi TRUST Holdings pays expenses necessary for the execution of duties by the Audit Committee and Audit Committee members to ensure the effectiveness of audits.

2. Fundamental Perspectives on Eliminating Antisocial Forces and Establishment of Relevant Structures

(1) Fundamental Perspectives

The Basic Policy on Internal Control states, "SuMi TRUST Holdings and its subsidiaries take a firm stand to prevent dealings with antisocial forces and maintain no association whatsoever with such elements. A structure, underpinned by close ties with external professionals, particularly the police, is put in place to promote communication and cooperation among relevant departments and thereby facilitate an organized response in the event an officer 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.” In addition, the “Codes of Conducts (Value),” with which SuMi TRUST Group’s officers and employees must comply, state, “We continue to take a resolute stance against antisocial forces, which may threaten public order and the security of civil society.”

#### (2) Establishment of Relevant Structures

SuMi TRUST Holdings has established a supervisory department for handling antisocial forces and a department for communicating with external professionals, among other units, and assigned staff in charge of preventing inappropriate requests. In addition, SuMi TRUST Holdings has developed a compliance manual, etc. and informed and given training, etc. to directors, officers and employees on the handling of antisocial forces. Further, it has developed various systems to prevent transactions with antisocial forces, such as the supervisory department, which conducts centralized management of information on antisocial forces and uses it to prevent transactions with antisocial forces. Each of the SuMi TRUST Group companies has also developed various systems in communication with SuMi TRUST Holdings in order to handle antisocial forces.

### V. Other

#### 1. Introduction of Defense Measures Against Takeovers

Introduction of defense measures against takeovers	None
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Supplementary Remarks on This Item
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None.

#### 2. Other Matters Concerning the Corporate Governance System, etc.

##### <Outline of Framework for Timely Disclosure>

Internal framework to ensure timely disclosure of the SuMi TRUST Holdings’ corporate information is outlined below.

##### <Outline of SuMi TRUST Holdings’ Timely Disclosure System>

#### 1. Basic Initiative Policy

Adopting observance standards that all executives and employees must uphold to ensure the transparency of corporate management through appropriate and fair disclosure of corporate information, the SuMi TRUST Group has set out internal rules and has established an internal control system to ensure that disclosures are made in accordance with relevant laws, regulations and rules, including the Companies Act, the Banking Act, and the Financial Instruments and Exchange Act. Based on this philosophy, SuMi TRUST Holdings has established a “Disclosure Policy”

(URL:<https://www.smoth.jp/english/disclosurepolicy>) in order to clarify its basic policy on disclosure both internally and externally, thereby ensuring appropriate disclosure. In this way, it is working to ensure the transparency of corporate management through appropriate disclosure of corporate information.

#### 2. Internal Framework

##### (1) Information Disclosure Committee

In order to ensure timely, accurate, and fair disclosure of management-related information, the SuMi TRUST Group has established the Information Disclosure Committee. Members of the Committee include Officer in charge of Corporate Administration Department, who acts as chairperson, Officers in charge of Financial

Planning Department, IR Department, and related General Managers. In the committee, the SuMi TRUST Group discusses the necessity of disclosure of management-related information and information that could be management-related, the appropriateness of the contents of the disclosure, as well as the appropriateness of management and the enhancement of the information disclosure system.

(2) Internal Rules regarding Timely Disclosure

The SuMi TRUST Group has set out internal rules as “Information Disclosure Rules” and “Information Disclosure Guidelines”, etc.

(3) Department in Charge

Corporate Administration Department is responsible for implementing disclosure, working in cooperation with Financial Planning Department and IR Department.

## &lt;Reasons for appointment of directors (excluding external directors)&gt;

Name of directors	Position	Reasons for appointment
Toru Takakura	Director, President	Toru Takakura has experience serving in position as an Officer in charge of the Corporate Management Department of SuMi TRUST Holdings, and he assumed the office of President Executive Officer in April 2021 and of Director, President in June 2021. In addition, he also has experience serving as an Officer in charge of the Corporate Management Departments of SuMi TRUST Bank and as an Officer in charge of Fiduciary Services Business; therefore, he has extensive knowledge and experience with regard to management administration and business operations of a trust bank group. Based on the experience he has cultivated so far in business management and company management, SuMi TRUST Holdings expects that, going forward, he will continue to play a leading role in the overall management of SuMi TRUST Group and exercise leadership towards sustainable growth and enhancement of corporate value. Accordingly, SuMi TRUST Holdings has selected him as a Director.
Jiro Araumi	Director, Deputy President	Jiro Araumi served as a Senior Managing Executive Officer of SuMi TRUST Holdings from April 2017, overseeing the Corporate Management Departments as a Director, Senior Managing Executive Officer from June 2017 to March 2021, and assumed the office of Director, Deputy President in April 2021. In addition, he served as an Officer in charge of Fiduciary Services Business at SuMi TRUST Bank until March 2021; therefore, he has extensive knowledge and experience with regard to management administration and business operations of a trust bank group. SuMi TRUST Holdings expects that, based on his experience accumulated thus far, he will play a leading role in achieving the sustainable growth of SuMi TRUST Group and the enhancement of SuMi TRUST Group's corporate value, in a position of assisting SuMi TRUST Group's overall management. Accordingly, SuMi TRUST Holdings has selected him as a Director.
Nobuaki Yamaguchi	Director, Senior Managing Executive Officer	Since Nobuaki Yamaguchi assumed the office of Executive Officer of SuMi TRUST Bank in April 2017, he has gained broad sales experience in Wholesale Total Solution Service and Real Estate Business. In addition, he has served as Officer in



Name of directors	Position	Reasons for appointment
		<p>charge of the Corporate Management Departments as a Senior Managing Executive Officer of SuMi TRUST Holdings since April 2021, and as Director, Senior Managing Executive Officer of SuMi TRUST Holdings since June 2021. SuMi TRUST Holdings expects that, going forward, he will continue to exercise leadership towards sustainable growth and enhancement of corporate value.</p> <p>Accordingly, SuMi TRUST Holdings has selected him as a Director.</p>
Kazuya Oyama	Director, Executive Officer	<p>Since Kazuya Oyama assumed the office of Managing Executive Officer, General Manager of Corporate Planning Department of SuMi TRUST Holdings in April 2017, he has consistently been responsible for the formulation and promotion of SuMi TRUST Group's management strategies. In April 2021, he assumed the office of President of SuMi TRUST Bank and has been responsible for the overall management thereof. He also assumed the office of Director, Executive Officer of SuMi Trust Holdings in June 2021. SuMi TRUST Holdings expects that, going forward, he will continue to play a leading role in the overall management of SuMi TRUST Group and exercise leadership towards sustainable growth and enhancement of corporate value.</p> <p>Accordingly, SuMi TRUST Holdings has selected him as a Director.</p>
Tetsuo Ohkubo	Chairman	<p>After having experienced serving in positions supporting a part of corporate management as an Officer in charge of the Corporate Management Departments of SuMi TRUST Holdings, from June 2017 to March 2021, Tetsuo Ohkubo was responsible for SuMi TRUST Group's overall management as Director, President, and assumed the office of Chairman in April 2021. Based on the experience he has cultivated so far in business management and company management, SuMi TRUST Holdings expects that he will be able to continue to contribute further to SuMi TRUST Group's sustainable growth and increase in corporate value. Accordingly, SuMi TRUST Holdings has selected him as a Director.</p>

Name of directors	Position	Reasons for appointment
Masaru Hashimoto	Director	<p>Masaru Hashimoto has been in charge of corporate management departments of SuMi TRUST Holdings. From October 2016 to March 2017, he served as Deputy President and Executive Officer. From June 2017 to March 2021, he served as Director, Executive Officer, in a position of assisting SuMi TRUST Group's overall management. At SuMi TRUST Bank, he was responsible for overall management in his role as President from April 2017 to March 2021. Since April 2021, he has served as Chairman of the Board of SuMi Trust Bank. SuMi TRUST Holdings has selected him as a Director because it expects that he will be able to continue to contribute further to SuMi TRUST Group's sustainable growth and increase in corporate value.</p>
Kuniyuki Shudo	Director	<p>After successively holding various posts including general manager of Fiduciary Services Business and overseas business departments, Regional Executive for the Americas and General Manager of New York Branch of SuMi TRUST Bank, Kuniyuki Shudo served as Managing Executive Officer of SuMi TRUST Bank and as Executive Officer (*2) of SuMi TRUST Holdings. He also served as Officer in charge of Global Business Management Office and Americas Business Management Office; therefore, he has extensive knowledge and experience with regard to management administration and business operations of a trust bank group. SuMi TRUST Holdings expects that considering his position as Director and Audit Committee member since June 2019, and based on the experience he has cultivated so far, he has knowledge and experience of auditing the overall status of execution of business from a fair and objective viewpoint and he will provide contribution to enhancement of soundness and transparency of the management. Accordingly, SuMi TRUST Holdings has selected him as a Director.</p>
Kouji Tanaka	Director	<p>After successively holding various posts including general manager of Real Estate Business and general manager of a domestic branch of SuMi TRUST Bank, Kouji Tanaka served as Managing Executive Officer of SuMi TRUST Bank and Officer in charge of Internal Audit Department; therefore, he has extensive knowledge and experience with</p>

Name of directors	Position	Reasons for appointment
		regard to management administration and business operations of a trust bank group. SuMi TRUST Holdings expects that considering his position as Director and Audit Committee member since June 2019, and based on the experience he has cultivated so far, he has knowledge and experience of auditing the overall status of execution of business from a fair and objective viewpoint and he will provide contribution to enhancement of soundness and transparency of the management. Accordingly, SuMi TRUST Holdings has selected him as a Director.

<Reasons for appointment of executive officers)>

Name of executive officer	Position	Reasons for appointment
Toru Takakura	President Executive Officer (Representative Executive Officer)	Toru Takakura served as Officer in charge of the Corporate Management Department and served as the Director, Senior Managing Executive Officer (Representative Executive Officer) for approximately two years. He also served as Director, President (Representative Executive Officer) for about 1 year and have led the entire Group. With these achievements, he has the knowledge and experience to carry out corporate management accurately, fairly and efficiently, and SuMi TRUST Holdings expects that he will play the leading role in executing the duties of SuMi TRUST Holdings. Accordingly, SuMi TRUST Holdings has selected him as an Executive Officer.
Jiro Araumi	Deputy President Executive Officer (Representative Executive Officer)	Jiro Araumi successively held various posts including general manager and Deputy Officer in charge of Fiduciary Services Business of SuMi TRUST Bank, and Officer in charge of Corporate Planning Department (Asset Management Business Planning Department), Corporate Administration Department, and the Corporate Secretariat of SuMi TRUST Holdings. He has served as Director, Senior Managing Executive Officer (Representative Executive Officer) for about 4 years, and as Director, Deputy President Executive Officer (Representative Executive Officer) for about 1 year. With these achievements, he has the knowledge and experience to carry out corporate management accurately, fairly and efficiently, and SuMi TRUST Holdings expects that he will play the leading role in executing the duties of SuMi TRUST Holdings.

Name of executive officer	Position	Reasons for appointment
		Accordingly, SuMi TRUST Holdings has selected him as an Executive Officer.
Nobuaki Yamaguchi	Senior Managing Executive Officer	Nobuaki Yamaguchi has working experience in the Corporate Management Department and served as general manager of corporate business departments at SuMi TRUST Bank as well as Deputy Officer in charge of Real Estate Business. He has served as Managing Executive Officer of SuMi TRUST Bank for about 2 years, and as Director, Senior Managing Executive Officer for about 1 year. With these achievements, he has the knowledge and experience to carry out corporate management accurately, fairly and efficiently, and SuMi TRUST Holdings expects that he will play the leading role in executing the duties of SuMi TRUST Holdings. Accordingly, SuMi TRUST Holdings has selected him as an Executive Officer.
Futoshi Itani	Senior Managing Executive Officer	Futoshi Itani has working experience in the Corporate Management Department and has successively held positions such as general manager of Real Estate Business and Wholesale Total Solution Services at SuMi TRUST Bank. He has served as Managing Executive Officer of SuMi TRUST Holdings for about 2 years, and as Senior Managing Executive Officer for about 1 year. With these achievements, he has the knowledge and experience to carry out corporate management accurately, fairly and efficiently, and SuMi TRUST Holdings expects that he will play the leading role in executing the duties of SuMi TRUST Holdings. Accordingly, SuMi TRUST Holdings has selected him as an Executive Officer.
Junya Ueda	Managing Executive Officer	Junya Ueda has working experience in the system departments and has successively held positions such as general manager of systems-related departments at SuMi TRUST Bank and its affiliates. He has served as Executive Officer of SuMi TRUST Holdings for about 1 year, and as Managing Executive Officer for about 2 years. With these achievements, he has the knowledge and experience to carry out corporate management accurately, fairly and efficiently, and SuMi TRUST Holdings expects that he will play a leading role in executing the duties of SuMi TRUST Holdings. Accordingly, SuMi TRUST Holdings has selected him as an Executive Officer.
Yasuyuki Suzuki	Managing Executive Officer	Yasuyuki Suzuki has working experience in the Corporate Management Department and has successively served as general manager of branch

Name of executive officer	Position	Reasons for appointment
		<p>offices at SuMi TRUST Bank, as well as general manager of the Compliance Department of SuMi TRUST Holdings. He has also served as Managing Executive Officer of SuMi TRUST Holdings for about 1 year. With these achievements, he has the knowledge and experience to carry out corporate management accurately, fairly and efficiently, and SuMi TRUST Holdings expects that he will play the leading role in executing the duties of SuMi TRUST Holdings. Accordingly, SuMi TRUST Holdings has selected him as an Executive Officer.</p>
Toshiaki Nakano	Managing Executive Officer	<p>Toshiaki Nakano has working experience in the Corporate Management Department and has successively served as general manager of the Compliance Department and general manager of the Planning and Coordination Department of SuMi TRUST Holdings. He has also served as Managing Executive Officer of SuMi TRUST Holdings for about 1 year. With these achievements, he has the knowledge and experience to carry out corporate management accurately, fairly and efficiently, and SuMi TRUST Holdings expects that he will play the leading role in executing the duties of SuMi TRUST Holdings. Accordingly, SuMi TRUST Holdings has selected him as an Executive Officer.</p>
Manatomo Yoneyama	Managing Executive Officer	<p>Manatomo Yoneyama has working experience in the Corporate Management Department and has successively served as general manager of the Business Process Management Department and general manager of the Corporate Planning Department of SuMi TRUST Holdings. He has also served as Managing Executive Officer of SuMi TRUST Holdings for about 1 year. With these achievements, he has the knowledge and experience to carry out corporate management accurately, fairly and efficiently, and SuMi TRUST Holdings expects that he will play the leading role in executing the duties of SuMi TRUST Holdings. Accordingly, SuMi TRUST Holdings has selected him as an Executive Officer.</p>
Atsushi Matsumoto	Managing Executive Officer	<p>Atsushi Matsumoto has working experience in the Corporate Management Department and has successively held positions such as office manager of the Corporate Secretariat of SuMi TRUST Holdings. He has also served as Executive Officer of SuMi TRUST Holdings for about 4 years. With these achievements, he has the knowledge and experience to carry out corporate management accurately, fairly and efficiently, and SuMi TRUST Holdings expects that he will play the leading role</p>

Name of executive officer	Position	Reasons for appointment
		in executing the duties of SuMi TRUST Holdings. Accordingly, SuMi TRUST Holdings has selected him as an Executive Officer.
Masakatsu Sato	Managing Executive Officer	Masakatsu Sato has working experience in the Corporate Management Department and has successively held positions such as supervisor of the Corporate Planning Department of SuMi TRUST Holdings. He has also served as Executive Officer of SuMi TRUST Bank for about 3 years. With these achievements, he has the knowledge and experience to carry out corporate management accurately, fairly and efficiently, and SuMi TRUST Holdings expects that he will play the leading role in executing the duties of SuMi TRUST Holdings. Accordingly, SuMi TRUST Holdings has selected him as an Executive Officer.
Kazuya Oyama	Executive Officer	Kazuya Oyama has working experience in the Corporate Management Department and has successively held positions such as general manager of branch offices at SuMi TRUST Bank, as well as general manager of the Human Resources Department and Corporate Planning Department of SuMi TRUST Holdings. He also served as Managing Executive Officer of SuMi TRUST Holdings for about 2 years, as Managing Executive Officer for about 2 years, as Director, Managing Executive Officer of SuMi TRUST Bank for about 2 years, and as President of SuMi TRUST Bank since April 2021. With these achievements, he has the knowledge and experience to carry out corporate management accurately, fairly and efficiently, and SuMi TRUST Holdings expects that he will play the leading role in executing the duties of SuMi TRUST Holdings. Accordingly, SuMi TRUST Holdings has selected him as an Executive Officer.
Shigenori Ikemura	Executive Officer	Shigenori Ikemura has working experience in Wholesale Business (Corporate Business) at SuMi TRUST Bank, and has successively held positions such as general manager of branch offices and credit supervision manager at SuMi TRUST Bank, and officer in charge of the Internal Audit Department of SuMi TRUST Holdings. In addition, he has served as Executive Officer of SuMi TRUST Holdings for about 2 years. With these achievements, he has the knowledge and experience to carry out corporate management accurately, fairly and efficiently, and SuMi TRUST Holdings expects that he will play the leading role in executing the duties of SuMi TRUST Holdings.

Name of executive officer	Position	Reasons for appointment
		Accordingly, SuMi TRUST Holdings has selected him as an Executive Officer.
Yuki Takada	Executive Officer	Yuki Takada has working experience in the Corporate Management Department at SuMi TRUST Bank and has successively served as general manager of Fiduciary Service Business departments such as general manager of the Investment Management Department at SuMi TRUST Bank. She has also served as Executive Officer of SuMi TRUST Holdings for about 1 year, and as Executive Officer of SuMi TRUST Bank for about 5 years. With these achievements, she has the knowledge and experience to carry out corporate management accurately, fairly and efficiently, and SuMi TRUST Holdings expects that she will play the leading role in executing the duties of SuMi TRUST Holdings. Accordingly, SuMi TRUST Holdings has selected her as an Executive Officer.
Miyo Yajima	Executive Officer	Miyo Yajima has working experience in the Corporate Management Department and has successively held positions such as general manager of branch offices at SuMi TRUST Bank, and general manager of the Customer Satisfaction Planning and Promotion Department at SuMi TRUST Bank. She has also served as Executive Officer of SuMi TRUST Holdings for about 1 year, and as Executive Officer of SuMi TRUST Bank for about 5 years. With these achievements, she has the knowledge and experience to carry out corporate management accurately, fairly and efficiently, and SuMi TRUST Holdings expects that she will play the leading role in executing the duties of SuMi TRUST Holdings. Accordingly, SuMi TRUST Holdings has selected her as an Executive Officer.
Masaya Yamashiro	Executive Officer	Masaya Yamashiro has working experience in the Corporate Management Department and has successively held positions such as general manager of IR Department of the Financial Planning Department of SuMi TRUST Holdings. With these achievements, he has the knowledge and experience to carry out corporate management accurately, fairly and efficiently, and SuMi TRUST Holdings expects that he will play the leading role in executing the duties of SuMi TRUST Holdings.

Name of executive officer	Position	Reasons for appointment
		Accordingly, SuMi TRUST Holdings has selected him as an Executive Officer.



## Matters Concerning Compensation for Directors and Executive Officers

### <1> Disclosure of compensation for individual directors

In fiscal year 2021 (April 1, 2021 through March 31, 2022), compensation amounts were as follows.

#### 1. Total amounts of compensation etc. by officer category and by type of compensation etc. as well as number of recipients of the submitting company

FY2021 (April 1, 2021 through March 31, 2022)

Classification	Persons paid	Compensation, etc. (¥ mn)					
		Total compensation	Monthly compensation		Performance-based compensation		Other
			Fixed compensation	Individual role-linked compensation	Directors' bonus	Stock compensation	
Directors (excl. external directors)	5	170	122	18	17	11	—
Executive officers	11	367	160	82	75	46	1
External directors	10	114	114	—	—	—	—
Total	26	652	397	101	93	58	1

Note: 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 concurrently serving as directors is included in the amounts for executive officers.

For reference, consolidated amounts of compensation etc. including compensation paid to directors and executive officers for their concurrent service as directors or executive officers at Group companies, including SuMi TRUST Bank, were as follows.

Classification	Persons paid	Compensation, etc. (¥ mn)					
		Total compensation	Monthly compensation		Performance-based compensation		Other
			Fixed compensation	Individual role-linked compensation	Directors' bonus	Stock compensation	
Directors (excl. external directors)	5	258	162	36	34	23	0
Executive officers	11	654	282	146	137	85	2
External directors	10	114	114	—	—	—	—

Total	26	1,028	559	183	172	109	3
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Note:

Compensation etc. paid to executive officers concurrently serving as directors is included in the amounts for executive officers.

**2. Total amounts etc. of consolidated compensation etc. for directors and executive officers of the submitting company**

Name (Classification)	Total consolidated compensation etc. (¥ mn)	Companies	Total compensation etc. (¥ mn)				
			Monthly compensation		Performance-based compensation		Other
			Fixed compensation	Individual role-linked compensation	Directors' bonus	Stock compensation	
Toru Takakura (executive officer)	112	SuMi TRUST Holdings	44	23	25	17	1
		SuMi TRUST Bank	—	—	—	—	—
Jiro Araumi (executive officer)	63	SuMi TRUST Holdings	28	13	12	8	—
		SuMi TRUST Bank	—	—	—	—	—
Kazuya Oyama (executive officer)	111	SuMi TRUST Holdings	—	—	—	—	—
		SuMi TRUST Bank	44	23	25	17	1

Note: Amounts shown are total consolidated compensation of Representative Executive Officers and those whose compensation is more than ¥100mn.

### 3. Targets and results for indicators (KPIs) concerning performance-based compensation and the actual payment rate of the compensation of the submitting company

Types of Performance-based compensation	Indicators (KPIs) concerning Performance-based compensation	Near-term / medium-term	Target	Actual	Payment Rate
■ Bonus for directors and executive officers*1*2					
Bonus linked to earnings	(1) Consolidated net business profit	Linked to near-term earnings	260 bn yen	294.7 bn yen	120.0%
	(2) Net profit attributable to owners of the parent		140 bn yen	142.1 bn yen	
■ Stock compensation					
Share delivery trust	(1) Consolidated net business profit	Linked to near-term earnings	260 bn yen	294.7 bn yen	120.0%
	(2) Net profit attributable to owners of the parent		140 bn yen	142.1 bn yen	
	(3) Consolidated shareholders' equity and ROE	Linked to medium-term earnings	Around 7%	5.41%	
	(4) Consolidated common equity tier 1 capital ratio		Mid-10% range	9.4%	
	(5) Consolidated overhead ratio (OHR)		Lower 60% range	60.1%	
	(6) ESG-related activities and rating agency score, etc.		-	-	
	(7) Fiduciary duty and customersatisfaction activities		-	-	

(Note) (1) and (2) are the results for FY2021 against the forecast announced in FY2021. (3), (4) and (5) are the actual results for FY2021 against the target for FY2022 set in the Medium-Term Management Plan.

#### <2> Disclosure of policy for determining compensation amounts and calculation methods

##### 1. Policy etc. for determining the amounts of compensation etc. for directors and executive officers and calculation methods

(1) Policy etc. for determining the amounts of compensation etc. for individual directors and executive officers and calculation methods

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

(i) Compensation etc. for directors (excluding external directors and internal directors serving as Audit Committee members) and executive officers\*1\*2 (hereinafter "directors and executive officers\*1\*2") shall effectively function as an incentive for enhancing company performance and increasing corporate value, in order to realize steady and sustainable growth of the SuMi TRUST Group.

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

## (2) Compensation System

The specific compensation structure for us is as follows.

- (i) In principle, compensation is paid with a combination of monthly compensation, director and executive officer\*1\*2 bonuses, and stock compensation (Share delivery trust).
- (ii) Monthly compensation shall consist of fixed compensation for each position, and Individual role-linked performance compensation that reflects a qualitative evaluation of mainly medium- to long-term earnings contributions and capabilities based on the expectations of individual directors.
- (iii) Director and executive officer\*1\*2 bonuses shall be 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 net profit attributable to owners of the parent, and the amount for each individual director and executive officer\*1\*2 shall be determined reflecting the performance of each individual director and executive officer\*1\*2 in the previous fiscal year and shall be paid after the end of the ordinary general meeting of shareholders for the same fiscal year.
- (iv) Stock compensation (Share delivery trust) is based on the points determined for each position, finalized based on the following points: the ratio of operating profit from consolidated net business profit and net profit attributable to owners of the parent, consolidated capital ROE as qualitative evaluation items, consolidated CET1 ratio, status of activities related to consolidated OHR and ESG, scores of evaluation organizations, and performance evaluation of the company based on the activity status of fiduciary duty (FD) and improvement of customer satisfaction (CS), and shares and cash are awarded in accordance with the accumulated points at the time of resignation as a director and executive officer\*1\*2. The ratio of stock allocation trusts to the total remuneration shall be designed to be sufficient as an incentive.

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

### (3) Compensation Weighting by Types

Types of Compensation		Variable	Compensation weighting (Standard)	
			President	Other than President
<b>Monthly compensation</b>				
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, set at a range of 85% to 130% of the standard amount.	Variable	Around 25%	Around 25%
<b>Bonus for directors and executive officers</b>				
Performance-linked bonus	Allocated according to the performance evaluation of each individual from the total amount determined with reference to the following indicators of near-term earnings; consolidated net business profit and net profit attributable to owners of the parent.	Variable	Around 20%	Around 20%
<b>Stock compensation</b>				
Share delivery trust	Stock compensation utilizing a trust scheme. Points are awarded every fiscal year and delivered in the form of shares upon resignation/retirement with reference to mainly the following indicators of medium-term earnings: consolidated net business profit, consolidated capital and ROE, and consolidated CET1 ratio. Provisions of Malus-(reduction/forfeiture prior to share delivery) and Clawback (return after issuance of shares) are also applied.	Variable	Around 15%	Around 10%

Note: For details on Performance-based compensation indicators, refer to "(4) Indicators (KPIs) relating to Performance-based compensation, reasons for selection, method for determining payment amounts etc."

(4) Indicators (KPIs) relating to Performance-based compensation, reasons for selection, method for determining payment amounts etc.

Types of Performance-based compensation	Indicators (KPIs) concerning Performance-based compensation	Near-term / medium-term	KPI selection reason	Evaluation Weithting	Calculation method	Final determination method	Payment method
<b>■ Bonus for directors and executive officers*1*2</b>							
Bonus linked to earnings	(1) Consolidated net business profit	Linked to near-term earnings	Considered consolidated net business profit before credit costs and net income attributable to owners of the parent as appropriate indicators of SuMi TRUST Group'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) Net profit attributable to owners of the parent			33.3%			
<b>■ Stock compensation</b>							
Share delivery trust	(1) Consolidated net business profit	Linked to near-term earnings	Considered consolidated net business profit before credit costs and net income attributable to owners of the parent as appropriate indicators of SuMi TRUST Group'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	<ul style="list-style-type: none"> <li>● The company sets up a share delivery trust with the directors and officers as the beneficiary and enough capital required to purchase shares is placed in trust ↓</li> <li>● The trustee makes block purchases from the market for the number of shares expected to be</li> </ul>
	(2) Net profit attributable to owners of the parent			33.3%			

(3) Consolidated capital and ROE	Linked to medium-term earnings	(1) Considered them as appropriate KPIs for they are key financial indicators and non-financial items in the company's medium-term management plan and key topics in management strategy	±5%	Final achievement rate calculated by qualitatively assessing the achievement and progress of (3), (4), and (5), as well as the activities for (6) and (7) and adding the scores to the achievements rates calculated with (1) and (2) above	delivered to beneficiaries in the future ↓ ● Time of retirement or resignation, the company makes payment in the form of stock compensation according to the number of points awarded and accumulated as determined by the Compensation Committee every fiscal year based on achievement rates and rank	
(4) Consolidated CET1 Capital ratio			±5%			
(5) Consolidated OHR			±5%			
(6) ESG-related activities and rating agency score, etc.			±5%			Achievement rate is capped at 130% (lower limit of 0%) so as to provide an appropriate incentive scheme
(7) Fiduciary duty and client satisfaction activities			±5%			

(5) Method for determining the content of individual compensation

The individual compensation of our directors and executive officers is determined by the Compensation Committee. As reference data for verifying the objectivity and appropriateness of the compensation level for each position, we use feedback materials for management compensation provided by external specialists organizations, etc. With respect to individual Performance-based compensation in particular, the Compensation Committee determines the base amount to be paid based on the consolidated net business profit before credit costs, etc., and then decides on an amount after comprehensively considering special factors, the business environment, etc.

(6) Other important items

The Company has introduced a system to apply Provisions of Malus (reduction/forfeiture prior to share delivery) and Clawback (return after issuance of shares) to stock-based trust funds, which are stock-based remuneration, to drastically revise financial information for the previous fiscal year due to fraudulent acts, record

large losses due to excessive risk-taking and other such acts, serious violations of laws and internal regulations, or conduct that significantly impairs the valuation or corporate value of the Company through the prescribed internal procedures.

(7) Compensation etc. 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.

(8) Compensation etc. for external directors

Compensation for external directors shall be composed of fixed monthly compensation alone, with the addition of a predetermined amount when an external director serves as a statutory committee chairman or member. For an external director serving as chairman of the Board of Directors, a fixed compensation table has been established, taking into consideration the compensation levels of internal directors and external directors. The compensation level shall be determined by the Compensation Committee, taking into consideration the business conditions of SuMi TRUST Holdings, and compensation levels at industry peers and the like.

(9) Reasons for the Compensation Committee's determination that the details of the individual compensation, etc. of directors and executive officers for FY 2021 are in line with their policies on compensation decisions

The Compensation Committee has determined that the details of the individual compensation, etc. of directors and executive officers of SuMi TRUST Holdings for FY 2021 are in line with their policies on compensation decisions based on the method described in "(5) Method for determining the content of individual compensation."

In the case of officers who serve concurrently at SuMi TRUST Bank or Sumitomo Mitsui Trust Asset Management, the amount of compensation paid is split according to their respective ratios of concurrent service.

2. Process for the determination of the amounts of compensation etc. for officers

(1) Authority of the Compensation Committee

Rules on the Compensation Committee stipulate the details on the process for the determination of the amounts of compensation for officers of SuMi TRUST Holdings. The details include the committee composition, procedure for calling a committee meeting, its authority and operation. The compensation for officers, whether subject to statutory resolution or otherwise, is administered as follows under the authority of the Compensation Committee.

(i) Matters decided by the Compensation Committee

- Policy on decisions on the details of compensation etc. for individual directors and executive officers (\*1) of SuMi TRUST Holdings
- Amounts of compensation etc. for individual directors and executive officers (\*1) of



### SuMi TRUST Holdings

Any member of the Compensation Committee, whether an internal or external member, shall not vote on the resolution concerning the amounts of his/her own compensation etc.

(ii) Matters deliberated by the Compensation Committee

- Policy on decisions on the details of compensation etc. for individual directors and executive officers (\*2) of SuMi TRUST Bank and SuMi TRUST AM

(iii) Matters reported to the Compensation Committee

- Amounts of compensation etc. for individual executive officers (\*2) of SuMi TRUST Holdings
- Amounts of compensation etc. for individual directors and executive officers (\*2) of SuMi TRUST Bank and SuMi TRUST AM

(2) Outline of the procedure etc. at the Compensation Committee

External directors who are Compensation Committee members shall receive explanations on matters including the concept of the compensation system in place, compensation tables and how they operate, the mechanism of performance evaluation for individual officers and the results thereof, and the method for reflecting the performance indicators in officers' bonuses, as well as explanations and information regarding industry peers' executive compensation systems and the trend of corporate governance in the market. These explanations are an effort to ensure incremental improvements for materializing the still better executive compensation system of SuMi TRUST Holdings. Furthermore, as reference data to verify the objectivity and validity of the level of compensation by position, SuMi TRUST Holdings is using data from the executive compensation survey jointly conducted by SuMi TRUST Bank and Deloitte Tohmatsu Group, as well as other executive compensation feedback materials from external specialists organizations, etc.

(3) Activities of the Compensation Committee

(i) Number of committee meetings held in FY 2021: 10

Annual activity cycle (administrative year) of the Compensation Committee runs from the first committee meeting, which is held after the conclusion of the ordinary general meeting of shareholders in June each year, to June the following year.

(ii) Attendance of individual members at Compensation Committee meetings in FY2021

Position	Name	Meetings held	Meetings attended	Attendance rate
Chairperson of the Compensation Committee (External director)	Hiroko Kawamoto	10	10	100%
Compensation Committee member (External director)	Isao Matsushita	10	10	100%
Compensation Committee member (External director)	Nobuaki Kato	6	6	100%
Compensation Committee member (External director)	Masanori Yanagi	6	6	100%

Compensation Committee member (Director)	Tetsuo Ohkubo	10	10	100%
Compensation Committee member (Director)	Masaru Hashimoto	10	10	100%

(iii) Main resolution / deliberation / reporting matters at the Compensation Committee in FY2021

Date	Main resolution / deliberation / reporting matters
May 2021	<ul style="list-style-type: none"> <li>• Performance-based compensation of officers</li> </ul>
June 2021	<ul style="list-style-type: none"> <li>• Performance-based compensation of officers</li> <li>• SuMi TRUST Holdings' policy regarding the determination of the content of individual compensation, etc., for officers, the amount of compensation for each individual, and stock compensation (share delivery trust) for officers of SuMi TRUST Group</li> <li>• Policy regarding the determination of the content of individual compensation, etc., for officers of SuMi TRUST Bank and Sumitomo Mitsui Trust Asset Management and the amount of compensation for each individual</li> </ul>
July 2021	<ul style="list-style-type: none"> <li>• Amount of compensation for each individual director of SuMi TRUST Holdings in connection with measures related to misconduct by former employee</li> </ul>
November 2021	<ul style="list-style-type: none"> <li>• Providing information on executive compensation levels</li> </ul>
December 2021	<ul style="list-style-type: none"> <li>• Implementation of a clawback clause to share delivery trust for officers of SuMi TRUST Group</li> </ul>
March 2022	<ul style="list-style-type: none"> <li>• Amount of compensation for each individual officer of SuMi TRUST Holdings in connection with the reassignments effective April 1</li> <li>• Amount of compensation for each individual officer of SuMi TRUST Bank and Sumitomo Mitsui Trust Asset Management in connection with the reassignments effective April 1</li> <li>• Policy on revision of officer compensation system of Sumitomo Mitsui Trust Asset Management</li> </ul>