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Business Report for the 14th Fiscal Year

(April 1, 2024 – March 31, 2025)

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

(1) Developments and Results of Consolidated Business Activities

[Principal Businesses]

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

SuMi TRUST Group encompasses 58 consolidated subsidiary companies and corporations and 32 affiliates accounted for by the equity method.

[Economic and Financial Environment]

In looking back on the financial and economic environment during the fiscal year under review, even though wage hikes gained momentum in the domestic economy, the pace of recovery remained weak due to rising prices, especially for food. Overseas, the US economy remained firm, driven by consumer spending, while the European economy showed signs of recovery, with interest rate cuts providing a tailwind despite weaknesses in the manufacturing sector. The Chinese economy experienced prolonged stagnation in the real estate market, leading to sluggish domestic demand. Amid these conditions, the downside risks to the global economy increased after January 2025 when US President Trump took office, and his tariff policies became clear.

In the financial markets, the yield on 10-year JGBs experienced some downward pressure due to lower US interest rates triggered by concerns of a slowdown in US employment. However, as the Bank of Japan continued to signal its intention to raise rates, the 10-year JGB yield rose to around 1.5% by March 2025. As for the USD/JPY exchange rate, the yen continued to weaken from April 2024. Around summer, it started to appreciate due to the narrowing interest rate differential between Japan and the US. However, after October, as inflation risks from Trump's mandates became a concern, the yen faced renewed downward pressure, weakening to around ¥150 by March 2025. The Nikkei Stock Average fluctuated significantly from July to August 2024, but generally remained in the ¥38,000 range from October onward. However, with a slew of announcements regarding higher US tariffs through to the end of March 2025, the Nikkei declined again, ending the fiscal year in the ¥35,000 range.

[Results of Business Activities]

(Consolidated Financial Results for the Fiscal Year 2024)

In this financial and economic environment, in the fiscal year under review, net business profit increased 23.3 billion yen from the previous fiscal year to 362.0 billion yen. This was primarily attributable to an improvement in effective loan/investment related earnings*¹ from higher yen interest

rates, as well as growth in net fees and commissions and related profit driven by the brisk performance of trust-related businesses, including asset management and asset administration.

Ordinary profit increased by 266.3 billion yen to 367.6 billion yen due to a significant improvement in net gains on equity derivatives and stocks in the absence of the negative impacts associated with the previous year's position adjustments in a Japanese equity bear fund.*² This was enough to offset an increase in total credit costs stemming from the booking of allowances for doubtful accounts in connection with worsening business conditions for some clients and the revaluation of special provisions in preparation for future uncertainty.

As a result, net income attributable to owners of the parent increased 178.4 billion yen from the previous fiscal year to 257.6 billion yen.

*1 Gains on investment of surplus foreign currency included in forex trading profits/losses added to net interest income and related profit

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

(Segment Information)

Net business profit before credit costs for the fiscal year under review, broken down by reportable segment, was: 45.9 billion yen (up 5.8 billion yen YoY) for the Retail Business; 181.3 billion yen (up 18.4 billion yen) for the Corporate Business; 83.1 billion yen (up 20.3 billion yen) for the Investor Services Business; 40.8 billion yen (up 5.1 billion yen) for the Real Estate Business; 33.5 billion yen (down 12.7 billion yen) for the Global Markets Business; and 27.0 billion yen (up 9.0 billion yen) for the Asset Management Business.

[Developments of Business Activities]

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

In fiscal 2024, the second year of the Medium-Term Management Plan, we pressed ahead with initiatives based on the following key topics in order to execute, implement, and achieve a growth strategy underpinned by assets under fiduciary (AUF), an indicator that represents our commitment to solving social issues and contributing to market creation and growth.

Three topics in the fiscal 2024 management plan

1. Strengthening our advisory, asset management, and asset administration functions (to drive the acceleration of a virtuous circulation)
2. Enhancing our fiduciary duties
3. Improving productivity and profitability (promoting DX and fighting inflation)

1. Strengthening our advisory, asset management, and asset administration functions

The problem with Japan's financial sector and society right now is that over 3,000 trillion yen is tied up in personal assets and company funds and not being invested or spent.

We aim to achieve growth through the virtuous circulation of funds, assets, and capital. The sustained growth of the economy as a whole can be realized through a sequence of positive cycles whereby investors invest in promising businesses. The fruits of those investments, mainly in the form of share price gains and dividends, lead to the formation of assets for people, while stronger earnings at companies enable them to invest more money and hire more people. With our beginnings as a trust company, we have expanded our capabilities in real estate-related services and banking operations, and as part of that process, we have directly acted on the expectations of investors and businesses and bridged the gap between their respective needs. We have further refined the Group's strengths honed thus far—namely, advisory (decision-making support), asset management, and asset administration—and expanded AUF in the space of 12 months from approximately 580 trillion yen to roughly 640 trillion yen.

(1) Strengthening advisory functions

We focused on supporting our clients in making informed decisions (advisory) that are in their best interests by holistically understanding their life plans, overall structures of assets and liabilities, proposing appropriate asset allocations, and seamlessly providing products.

In October 2024, we launched the new trust fund “Future Trust” for individual clients. Through this product, the assets entrusted are provided in the form of long-term capital for projects and companies to help solve social issues, such as building a green society. We are also working to generate new investment demand by proposing and providing optimal portfolios according to the risk tolerance levels of clients.

For corporate clients, from April 2024, ERM SuMi TRUST Consulting Limited, a joint venture between SuMi TRUST Bank and the ERM Group, started supporting actions aimed at tackling climate change. This JV focuses on providing practical and internationally competitive consulting and solutions by combining the global expertise, including technical knowledge, of the ERM Group, with the financial infrastructure capabilities of SuMi TRUST Bank. In addition, we have pressed ahead with initiatives that contribute to improving our clients' corporate value and solving social issues by leveraging the Group's overall capabilities. For example, visualizing management issues based on one of the largest corporate governance surveys in Japan.

(2) Strengthening asset management and asset administration functions

In the asset management domain, Group companies centered around Sumitomo Mitsui Trust Asset Management Co., Ltd (hereinafter “Sumitomo Mitsui Trust Asset Management”), Nikko Asset

Management Co., LTD. (hereinafter “Nikko Asset Management”), *¹ and SuMi TRUST Bank demonstrated their unique strengths, striving to provide returns in accordance with the risk tolerance levels of clients.

Sumitomo Mitsui Trust Asset Management continued to focus on developing its own investment products, such as “SMT iPlus Global Equity”, which, despite being a passive product, aims to leverage first-rate investment capabilities to achieve returns in excess of its benchmark index. Moreover, in the 2025 Morningstar Awards for Investing Excellence announced in March 2025, Sumitomo Mitsui Trust Asset Management’s long-running product of about 20 years, “New Equity Income Open fund”, received a Finalist Award. Also, in the 2025 LSEG Lipper Fund Awards Japan, selected by the London Stock Exchange Group, Sumitomo Mitsui Trust Asset Management was recognized for its characteristics and strengths by winning awards in both the overall categories for investment trusts and defined contribution pensions.

Nikko Asset Management continues to strengthen its private asset management. Leveraging its strength in global networks, Nikko Asset Management entered into a strategic partnership with France's Tikehau Capital, which possesses high value-added investment products across a wide range of asset classes worldwide, including in Europe.

Even SuMi TRUST Bank worked to further strengthen its private asset domain offerings, which it has provided to institutional investors for many years. The first fund launched by Japan Extensive Infrastructure, Limited. in collaboration with SuMi TRUST Bank, which specializes in investment advisory in the domestic infrastructure sector, received contributions totaling 33 billion yen, exceeding expectations, from leading institutional investor clients in Japan. Also, we plan to strengthen our asset management capabilities by integrating the gatekeeper function*², a particular strength of the Group, into Sumitomo Mitsui Trust Investment Co., Ltd. As a private asset management company with an AUM (assets under management) of some 6.0 trillion yen, we aim to expand our services to overseas investors and individual investors while establishing our position as one of the largest in Asia.

In the asset administration domain, we are bringing to bear our high added value by streamlining and standardizing operations with new technologies such as AI, handling new assets like private assets, and creating reports tailored to client needs. In March 2025, we formed a business alliance with the Daiwa Securities Group Inc. and the Daiwa Institute of Research Ltd. (hereafter, collectively referred to as the Daiwa Securities Group), which provide a wide range of IT solutions, with a focus on middle and back-office operations, including accounting services for asset management companies. We aim to revamp and further develop industry-wide processes, including the centralization of net asset values for investment trusts, by building a data-sharing platform with the Daiwa Securities Group to address business practices and entry barriers unique to Japan.

*¹ On September 1, 2025, Nikko Asset Management Co., Ltd. will change its trade name to Amova Asset Management Co., Ltd.

*2 The gatekeeper function primarily involves selecting the most suitable products for investors from numerous domestic and international funds and providing monitoring and reporting services as part of asset management operations based on trust contracts and other agreements.

2. Enhancement of fiduciary duties

The Group's mission is to assess the expectations of clients, along with changes in the times, to fulfill fiduciary responsibilities by executing entrusted assets in the best possible manner and delivering appropriate returns to our clients.

In the area of asset management and asset administration, one of our mainstay trust operations, we have strengthened collaboration between the Group's asset management firms that create investment products and SuMi TRUST Bank, the sales company. We spearheaded industry discussions by advancing the development of practical frameworks, such as establishing a robust sales management system and monitoring that aligns with the risk tolerance of client segments envisioned at the time of product development.

To address increasingly complex and sophisticated regulatory requirements and adopt cybersecurity measures, we are endeavoring to enhance our solid management foundation to firmly confront difficult situations through establishment of a framework and scenario analyses.

To improve service quality and client convenience, SuMi TRUST Bank has expanded its online consulting plaza and simplified its forms using a universal design. At our call center, we are improving speed and accuracy mainly by utilizing digital technology. We aim to understand client needs more quickly and deeply in an effort to engage in more thoroughgoing client-oriented business operations. We will actively take on board feedback from employees and invigorate two-way communication between the Company and employees. At the same time, we will strengthen each individual's sense of ethics and compliance through training and other means in an effort to continuously work on building an open organization and fostering a healthy corporate culture.

3. Improving productivity and profitability

As the population declines and inflation accelerates, the Group has actively worked to enhance productivity and profitability through the use of AI and DX suited to the times in order to achieve sustainable growth and make contributions to the well-being of all stakeholders. While the Group's digital strategy subsidiary, TrustBase, continues to acquire advanced technical knowledge, SuMi TRUST Bank is leveraging a raft of new technologies, such as digitizing the application process for home loans and automatically creating comparison tables for old and new pension regulations. With a view to drastically strengthening its IT infrastructure, the bank has plans to integrate Sumitomo Mitsui Trust Systems & Services Co., Ltd. and is currently advancing the establishment of a system that seamlessly handles everything from the formulation of IT solution policies to their implementation.

For areas where our capabilities in the Group are insufficient for advanced technical knowledge and business application, we have established Trust IT Consulting, a joint venture with Nomura Research Institute, Ltd., which possesses these capabilities at a high level.

In addition, we are enhancing our organizational strengths by developing internal infrastructure and placing the right people in the right positions regardless of where they live. With technological innovation, we will make flexible changes to the Group's actions and values and accelerate our future adaptability.

Moreover, we strengthened our business portfolio to further enhance the corporate value of the Group and optimize the allocation of managerial resources. In January 2025, the two subsidiaries of Tokyo Securities Transfer Agent Co., Ltd. and Japan Securities Agents, LTD. were absorbed into SuMi TRUST Bank. By consolidating managerial resources, we will further promote service quality improvements and digitalization. Also, Sumitomo Mitsui Trust Loan & Finance, Ltd.*³, a specialized real estate finance company, engaged in a joint venture with Concordia Financial Group, Ltd. which has strong links to our client base as a regional financial group. We aim to enhance the added value of our services and products more than ever in a bid to achieve efficient and sustainable growth and development.

While pressing ahead with these initiatives, in October 2024 it was discovered that a former employee of SuMi TRUST Bank was suspected of engaging in insider trading for personal gain by using information obtained through their work duties. In March 2025, the individual has been prosecuted for violating the Financial Instruments and Exchange Act. We deeply apologize for the enormous inconvenience and concern caused to all stakeholders, including many clients and shareholders. The Group, which demands high ethical standards and self-discipline, takes the investigation results and recommendations of the investigation committee very seriously. To prevent the recurrence of similar incidents, we will use various opportunities to thoroughly raise awareness of ethics and compliance among all employees and make every effort to regain the trust of stakeholders.

*³ As of April 1, 2025, this company changed its name to L&F Asset Finance, Ltd.

[Issues to be Addressed]

In fiscal 2025, we will be adding the finishing touches to the current Medium-Term Management Plan and preparing to transition to the next plan. To realize our aspiration by FY2030*⁴, in fiscal 2025 we will (1) focus on growth areas such as private asset strategies with an eye on future profit growth and ROE improvement, and (2) build long-term relationships of trust with stakeholders. We will aim to achieve high-quality growth by leveraging accumulated profits and capital.

*⁴ our aspiration by FY2030

Quantitative goals: ROE of 10% or higher in the medium-to-long term; net profit of 300 billion yen or more; AUF of 800 trillion yen

Qualitative goals: 1. Be a fiduciary that is trusted by stakeholders; 2. Contribute to enhancing the well-being of all people, including future generations; and 3. Serve as a social infrastructure, creating a virtuous circulation of funds, assets and capital.

Theme 1: Focusing on private asset strategies and other growth areas

To enhance the Group's corporate value, we will adopt an integrated approach to generating profit growth through the virtuous circulation of funds, assets, and capital, alongside an appropriate expenses strategy and capital policy.

We will continue to focus on leveraging our strength in directly providing solutions to both the funding needs of corporations and the asset management needs of investors, by offering a wide range of high-quality assets in the shape of appropriate returns to clients in Japan and overseas. In particular, we believe that becoming a pioneer in the still-immature domestic private asset market will directly lead to revenue opportunities. In addition to the new trust fund “Future Trust”, which has the hallmarks of a private assets fund, SuMi TRUST Bank will work on creating products that can offer even better returns, beginning with the expectations and preferences of investor clients.

Japan Extensive Infrastructure, Limited. plans to launch a second fund to invest in social infrastructure projects and companies that contribute to decarbonization, revitalization, and sustainable development of local economies in Japan. It will leverage the Group's relationships to the fullest extent possible to realize a broad-reaching fund launch.

As for overseas private assets, Nikko Asset Management and Tikehau Capital have established a joint venture in Singapore to leverage their expertise in private debt and private equity to expand into the Asian market. In addition, through our partnership with GCM Grosvenor Inc. in the US, we aim to acquire overseas private asset management capabilities for the Group.

In our lending practices, we will continue to focus on project finance and credit investments with investor perspectives in mind, thereby meeting the broad-ranging needs of our clients. Moreover, in impact investing, which aims to balanced creation of both social value and economic value, some cases have led to public listings. Under appropriate risk management, we will continue to build a track record primarily through direct investment projects and pursue the creation of investment opportunities that serve the best interests of our clients.

As for higher costs associated with changes in the operating environment, we will actively promote the use of AI and DX, along with price optimization for products and services, to improve profitability and keep a lid on expenses. We will actively allocate resources and personnel to growth areas such as asset management businesses that support revenue growth, and to areas in which added value distinctive of a trust group is being created.

From the perspective of efficient capital utilization, we will continue to transition to a business portfolio that is best suited to the future. To achieve sustainable growth and enhance corporate value over the medium-to-long term, we will promote capital reallocation with an eye on inorganic strategies and accelerate the overall growth of the Group. Regarding strategic shareholdings, we will engage in in-depth dialogue with our corporate clients and accelerate their sale, aiming to reduce our balance, in terms of market value, to less than 20% of net assets by the end of March 2029. We will advance growth investments, business reforms, and the transformation of our profit structure, and by enhancing the mechanisms for generating significant returns even without gains from the sale of strategic shareholdings, we will aim to consistently achieve an ROE of over 10%.

Theme 2: Building long-term relationships of trust with stakeholders

To meet expectations for sustained improvements in corporate value, we will clearly demonstrate our growth strategy of realizing improvements in net business profit and ROE by expanding AUF. This will help us build long-term relationships of trust with all stakeholders, including future generations.

To gain the trust of various stakeholders, it is essential that we raise the level of fiduciary responsibility of each and every officer and employee—the source of the Group's value. Guided by our fiduciary spirit and driven by a high level of self-discipline and intrinsic motivation, we will strive to build “Trust for a flourishing future” with our client-first approach.

Our commitment to realizing a sustainable society remains unchanged. We will keep abreast of trends in the external environment while flexibly promoting the establishment of internal carbon pricing*⁵ and enhancing our human rights management system. We will also improve the quality of disclosures and establish systems for the application of sustainability disclosure standards.

From the perspective of human capital, we will promote the enhancement of our personnel systems, including better compensation and benefits, and support the self-determined efforts of employees to forge a career so that everyone in our diverse workforce can thrive. By enhancing initiatives geared towards strengthening the capabilities of individuals, we aim to improve our organizational strengths to challenge ourselves and achieve growth. As a fiduciary that upholds the intentions of our clients and society in response to the cordial trust placed in us, we will enhance the quality of our services to a level that exceeds their expectations.

We will enhance disclosure and engage in more constructive dialogue with investors and shareholders in order to share the value our Group can provide.

Even as global affairs increasingly reflect conflict and division, particularly with the change of administration in the US leading to heightened uncertainty, our fiduciary spirit, rooted in trust and integrity, remains unchanged. Our role in supporting businesses that take risks to shape the future and

create value by providing financial backing, while delivering quality returns to investors, remains consistent in the past, present, and future. While keeping abreast of changes in society, we will not be swayed and will continue to vigorously promote the businesses unique to a trust banking group, persistently challenging ourselves to create a prosperous future.

We look forward to the continued support and understanding of all shareholders.

*5 Internal carbon pricing: A carbon price set and used independently by a company to manage decarbonization efforts.

Reference: Key Performance Indicators (KPIs)

The Group has set the following KPIs for FY2025. By leveraging a business model that is distinctive of a trust group with a core focus on asset management and administration, we achieved the key KPIs set forth in our Medium-Term Management Plan (FY2023–FY2025) one year ahead of schedule in FY2024. In FY2025, the final year of the plan, we will also press ahead with initiatives to achieve KPI targets that we set as our aspiration by FY2030 and P/B ratio of more than 1.0x (market cap of more than ¥3.0 trillion) at the earliest possible time.

	FY2024	FY2025 (Forecast)	By FY2030 (Aspiration)
ROE	8.3%	Upper 8% range	10% or above
Net business profit	¥362.0bn	¥370.0 bn	¥400.0 bn or above
Net income attributable to owners of the parent	¥257.6bn	¥280.0 bn	¥300.0bn or above
AUF (outstanding)	¥640trn	¥650trn	¥800trn
CET1 ratio (finalized Basel III, fully phased basis)	10.6%	Mid-10.0% range	Stably above 10%

Glossary of terms

ROE

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

Net business profit

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

AUF (assets under fiduciary)

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

CET1 ratio (finalized Basel III, fully phased basis)

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

(2) Changes in Financial Position and Results of Operations

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

	FY2021	FY2022	FY2023	FY2024
Ordinary income	1,401,091	1,819,060	2,475,303	2,922,428
Ordinary profit	229,704	285,840	101,327	367,694
Net income attributable to owners of the parent	169,078	191,000	79,199	257,635
Comprehensive income	90,859	198,519	416,207	115,503
Net assets	2,745,288	2,822,574	3,137,686	3,127,317
Total assets	64,633,220	69,022,746	75,876,905	78,247,102
Net income per share	yen 451.40	yen 258.57	yen 109.16	yen 359.56

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

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

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

	FY2021	FY2022	FY2023	FY2024
Operating income	63,319	78,111	86,512	157,127
Dividends received	58,154	71,279	78,396	148,257
Dividends received from banking subsidiaries	49,895	60,421	69,555	129,695
Dividends received from other subsidiaries	8,258	10,857	8,841	18,561
Net income	57,620	71,257	78,290	148,405
Net income per share	yen 153.83	yen 96.46	yen 107.90	yen 207.12
Total assets	2,223,512	2,128,640	2,123,441	2,227,689
Investments in banking subsidiaries	1,327,099	1,327,099	1,327,099	1,327,099
Investments in other subsidiaries	112,957	113,789	113,784	133,524

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

(3) Employees of The Group

	Retail Business	Corporate Business	Investor Services Business	Real Estate Business	Global Markets Business	Asset Manage ment Business	Others
Number of employees as of the end of FY2024	5,664	4,250	2,058	1,742	342	1,332	3,760

- (Notes)
1. Number of employees includes overseas hires and excludes contract and temporary staff.
 2. Number of employees include executive officers*2 not concurrently serving as a director.
 3. Number of employees includes SuMi TRUST Group employees plus employees of consolidated subsidiary companies and corporations.

(4) Principal Offices of The Group

a. SuMi TRUST Bank

Domestic: 147 offices including Tokyo Business Department, Yokohamaeki-Nishiguchi Branch, Osaka Business Department, Nagoya Business Department, Kobe Branch, Chiba Branch, Urawa Branch

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

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

b. Principal subsidiary companies and corporations

Name of principal companies		Principal offices
Retail Business	Sumitomo Mitsui Trust Guarantee Co., Ltd.	Head Office (Tokyo) Osaka Branch
	Sumitomo Mitsui Trust Club Co., Ltd.	Head Office (Tokyo) Okinawa Office
Corporate Business	Sumitomo Mitsui Trust Panasonic Finance Co., Ltd.	Head Office (Tokyo) Osaka Branch
	Sumitomo Mitsui Trust Loan & Finance Co., Ltd.	Head Office (Tokyo) Osaka Branch
Real Estate Business	Sumitomo Mitsui Trust Realty Co., Ltd.	Head Office (Tokyo) Osaka Umeda Center
Asset Management Business	Nikko Asset Management Co., Ltd.	Head Office (Tokyo)
	Sumitomo Mitsui Trust Asset Management Co., Ltd.	Head Office (Tokyo)

(Note) Any decrease in subsidiaries or changes in trade names after the end of the fiscal year are detailed in the notes under [b. Subsidiaries] in [(6) Principal Parent Company and Subsidiaries, etc.].

c. Bank agencies of SuMi TRUST Bank

Name	Place of the principal office	Principal businesses other than banking agency
SBI Sumishin Net Bank, Ltd.	Minato-ku, Tokyo	Banking business
UBS AG (Bank) Tokyo Branch	Chiyoda-ku, Tokyo	Banking business
Sumitomo Mitsui Trust Life Partners Co., Ltd.	Chiyoda-ku, Tokyo	Non-life insurance agency business, life insurance solicitation business, financial instruments intermediary services

d. Bank agencies operated by SuMi TRUST Bank

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

(5) Capital Investment of The Group

a. Total Amount of Capital Investment

(million yen)

Company name	Amount
SuMi TRUST Bank ⁴	68,239
Others ⁵	17,808
Total	86,048

- (Notes)
1. Amounts less than one million yen are rounded down.
 2. The above amounts include investments in intangible fixed assets.
 3. The above figures are the total amount of capital investment of SuMi TRUST Group and consolidated subsidiary companies and corporations.
 4. For SuMi TRUST Bank, the above figure is the total amount of capital investment because capital investments are not categorized by business segment during the investment stage.
 5. For other subsidiary companies and corporations, the above figures represent the total amount of capital investment for each company, for the reason that assets are not categorized by business segment.

b. Establishment of Principal Facilities, etc.

(New additions and renovations)

(million yen)

Company name	Description	Amount
SuMi TRUST Bank ²	Upgrades to air-conditioning equipment for the Shiba Building	2,796
	Investment in software	58,323

- (Notes)
1. Amounts less than one million yen are rounded down.
 2. The above figure is the total amount of new addition or renovation of principal facilities because capital investments are not categorized by business segment during the investment stage.

(Disposal and Sales)

Not applicable.

(6) Principal Parent Company and Subsidiaries, etc.

a. Parent Company

Not applicable.

b. Subsidiaries

Company name	Location	Main business	Capital (millions of yen)	% of SuMi TRUST Group voting rights (%)	Other
SuMi TRUST Bank	Chiyoda-ku, Tokyo	Trust business, Banking business	342,037	100.00	—
Nikko Asset Management Co., Ltd.	Minato-ku, Tokyo	Investment management business, Investment advisory and agency business	17,363	100.00 (0.99)	Note 5
Sumitomo Mitsui Trust Asset Management Co., Ltd.	Minato-ku, Tokyo	Investment management business, Investment advisory and agency business	2,000	100.00	—
Sumitomo Mitsui Trust Loan & Finance Co., Ltd.	Minato-ku, Tokyo	Money lending business	6,000	100.00 (100.00)	Note 6
Sumitomo Mitsui Trust Guarantee Co., Ltd.	Minato-ku, Tokyo	Credit guarantee business	301	100.00 (100.00)	—
Sumitomo Mitsui Trust Realty Co., Ltd.	Chiyoda-ku, Tokyo	Real estate brokerage business	300	100.00 (100.00)	—
Sumitomo Mitsui Trust Club Co., Ltd.	Chuo-ku, Tokyo	Credit card business	100	100.00 (100.00)	Note 7
Sumitomo Mitsui Trust Card Co., Ltd.	Minato-ku, Tokyo	Credit card business	100	100.00 (100.00)	Note 7
Sumitomo Mitsui Trust Panasonic Finance Co., Ltd.	Minato-ku, Tokyo	Leasing, Installment purchase services, Credit card business	25,584	84.89 (84.89)	—
Sumitomo Mitsui Trust Bank (Thai) Public Company Limited	Bangkok, Thailand	Banking business	88,200 [THB 20,000m]	100.00 (100.00)	—
Sumitomo Mitsui Trust Bank (U.S.A.) Limited	Hoboken, New Jersey, US	Banking, Trust business	8,370 [USD56m]	100.00 (100.00)	—
UBS SuMi TRUST Wealth Management Co., Ltd.	Chiyoda-ku, Tokyo	Securities business, Trust agreement agency business	5,165	49.00	—
Custody Bank of Japan, Ltd.	Chuo-ku, Tokyo	Banking, Trust business	51,000	33.33	—
SBI Sumishin Net Bank, Ltd.	Minato-ku, Tokyo	Banking business	31,000	34.19 (34.19)	—

Company name	Location	Main business	Capital (millions of yen)	% of SuMi TRUST Group voting rights (%)	Other
Cardif Assurance Vie Japan	Shibuya-ku, Tokyo	Life insurance business	20,600	20.00 (20.00)	—
Zijin Trust Co., Ltd.	Nanjing, Jiangsu Province, People's Republic of China	Trust business	67,318 [CNY3,271 m]	20.00 (20.00)	—
Nanjing Zijin Financial Leasing Co., Ltd.	Nanjing, Jiangsu Province, People's Republic of China	Leasing business	12,348 [CNY600m]	20.00 (20.00)	—
Midwest Railcar Corporation	Edwardsville, Illinois, US	Leasing business	70 [USD 470,000]	— (—) [100.00]	—

(Notes) 1. Figures above have been rounded down.

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

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

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

5. On September 1, 2025, Nikko Asset Management Co., Ltd. will change its trade name to Amova Asset Management Co., Ltd.

6. As of April 1, 2025, SuMi TRUST Bank transferred 85% of the issued shares of wholly owned subsidiary, Sumitomo Mitsui Trust Loan & Finance Co., Ltd. (renamed L&F Asset Finance, Ltd. on the same date), to Concordia Financial Group, Ltd. This reduced SuMi TRUST Bank's voting rights ratio from 100% to 15%. As a result, L&F Asset Finance, Ltd. has become an affiliate of SuMi TRUST Bank.

7. As of October 1, 2025, SuMi TRUST Bank plans the reorganization and merger of its subsidiaries, Sumitomo Mitsui Trust Card Co., Ltd. and Sumitomo Mitsui Trust Club Co., Ltd.

8. Outline of the significant business collaborations involving SuMi TRUST Group' subsidiaries are as follows.

[SuMi TRUST Bank]

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

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

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

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

(5) SuMi TRUST Bank provides automatic cash withdrawal service based on the mutual use of ATMs

between SuMi TRUST Bank and Kiraboshi Bank, Ltd., under a collaboration agreement.

- (6) SuMi TRUST Bank has concluded a banking agency agreement with SBI Sumishin Net Bank, Ltd. to operate as an agency for concluding contracts for accepting bank deposits, lending funds, and forex transactions at Sumishin Net Bank.
- (7) As of the end of March 2025, SuMi TRUST Bank has signed trust agency* agreements with 119 financial institutions, business corporations, and foundations, for the purpose of providing trust services to clients.
*Trust agency is a collective term for trust agreement agencies under the Trust Business Act, and agencies concurrently engaged in the trust business under Article 1 of the Act on Engagement in Trust Business by a Financial Institution (Concurrent Business Act).
- (8) SuMi TRUST Bank aims to accumulate more in-depth knowledge and strengthen its ability to provide financial solutions through business alliances with Apollo Global Management, Inc., an asset manager with a world-class track record in managing mainly alternative assets, and with GreensLedge Capital Markets LLC, an independent US investment bank.
- (9) Through a business alliance with Energy Capital Partners, a US-based private equity manager that specializes in the electric power and environmental infrastructure fields, SuMi TRUST aims to unearth investment opportunities in the decarbonization field in Japan and provide them to mainly institutional investors in Japan and overseas.

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

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

[Nikko Asset Management]

- (1) Through a strategic partnership with Tikehau Capital, which offers high value-added investment strategy products across various asset classes, including private debt, Nikko Asset Management aims to provide high-quality investment opportunities to a wide range of investors in Japan and overseas.

(7) Major Creditors

Not applicable.

(8) Transfer of Business

Not applicable.

(9) Other Important Matters regarding The Group

Not applicable.

2. Matters regarding Directors and Executive Officers*1

(1) Directors and Executive Officers*1

a. Directors

(As of March 31, 2025)

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

Name	Position	Responsibility	Significant concurrent positions	Other
		Committee Member (Chairperson), Compensation Committee Member		
Hiroko Kawamoto	Director (External Director)	Nominating Committee Member, Compensation Committee Member (Chairperson)	External Director of East Japan Railway Company, External Director of Canon Marketing Japan Inc.	See notes 1 and 2
Nobuaki Kato	Director (External Director)	Nominating Committee Member, Compensation Committee Member, Conflicts of Interest Committee Member	—	See notes 1 and 2
Kaoru Kashima	Director (External Director)	Nominating Committee Member, Compensation Committee Member, Audit Committee Member (Chairperson)	Certified public accountant, External Audit & Supervisory Board Member of Nippon Telegraph and Telephone Corporation, External Audit & Supervisory Board Member of Kirin Holdings Company, Limited	See notes 1, 2 and 4
Tomonori Ito	Director (External Director)	Audit Committee Member	External Director of Electric Power Development Co., Ltd., Professor at Institute for Business and Finance, Waseda University,	See note 1, 2 and 5

Name	Position	Responsibility	Significant concurrent positions	Other
			Specially Appointed Professor of the Global and Transdisciplinary Studies of Kyoto University of Advanced Science, External Director of Mitsui Sumitomo Insurance Company, Limited	
Hajime Watanabe	Director (External Director)	Nominating Committee Member, Compensation Committee Member, Risk Committee Member	Representative Director and Chairman of Japan Economic Research Institute Inc., External Corporate Auditor of Japan Freight Railway Company, External Corporate Auditor of TOKYU CORPORATION, External Director of Fukoku Mutual Life Insurance Company	See notes 1 and 2
Hirokazu Fujita	Director (External Director)	Audit Committee Member	—	See notes 1, 2, and 6
Kazuo Sakakibara	Director (External Director)	Audit Committee Member	Attorney at Law, Of Counsel of Anderson Mori & Tomotsune, Auditor of Tokyo Dental College, Outside Director of Takasago Thermal Engineering Co., Ltd., Acting Chairman of the Board of Governors of Japan Broadcasting Corporation	See notes 1, 2, and 7

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

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

- 3 SuMi TRUST Group has selected Mr. Toshiaki Nakano and Mr. Kouichi Kato, the non-executive directors, as full-time members of the Audit Committee to ensure the effectiveness of audits.
4. Ms. Kaoru Kashima is a certified public accountant (CPA), having served in a major auditing firm for a long time thus holding a wealth of knowledge and experience in finance and accounting.
5. Mr. Tomonori Ito, having worked at domestic and international financial institutions and serving as a university professor, has a wealth of knowledge and experience in corporate strategy and global finance.
6. Mr. Hirokazu Fujita, having served as Senior Managing Director and Full-Time Auditor of a major non-life insurance company, possesses extensive knowledge and experience in accounting, risk management, asset management, and corporate management.
7. Mr. Kazuo Sakakibara, having served as a superintendent public prosecutor at the High District Public Prosecutors Office in both Fukuoka and Osaka, is a legal expert with experience in organization management.

b. Executive Officers*1

(As of March 31, 2025)

Name	Position	Responsibility*2	Significant concurrent positions, other	Other
Toru Takakura	President (Representative Executive Officer)		Director of SuMi TRUST Bank	
Atsushi Kaibara	Deputy President (Representative Executive Officer)		—	See note 1
Yasuyuki Suzuki	Senior Managing Executive Officer	Risk Management Dept., Legal Dept.	Director, Deputy President of SuMi TRUST Bank	See note 1
Manatomo Yoneyama	Managing Executive Officer	Digital Transformation Dept., Business Process Management Dept., IT System Planning and Management Dept.	Director, Managing Executive Officer of SuMi TRUST Bank	See note 1
Atsushi Matsumoto	Managing Executive Officer	Corporate Administration Dept., Planning and Coordination Dept., Corporate Secretariat	Director, Managing Executive Officer of SuMi TRUST Bank	
Masakatsu Sato	Managing Executive Officer	Financial Planning Dept., Corporate Secretariat	Director, Managing Executive Officer of SuMi TRUST Bank	See note 1
Takumi Fujisawa	Managing Executive Officer	Human Resources Dept.	Managing Executive Officer of SuMi TRUST Bank	
Yuki Takada	Managing Executive Officer	Compliance Dept., Fiduciary Duties & Customer Satisfaction Planning and Promotion Dept.	Director, Managing Executive Officer of SuMi TRUST Bank	
Riro Sato	Managing Executive	Corporate Planning Dept., Group Affiliates	Director, Managing Executive Officer of	

	Officer	Planning and Management Dept., Research Dept.	SuMi TRUST Bank	
Masayuki Okamoto	Managing Executive Officer	Internal Audit Dept.	—	See note 1
Chikako Matsumoto	Managing Executive Officer	Sustainability Management Dept.	Managing Executive Officer of SuMi TRUST Bank	
Kazuya Oyama	Executive Officer		President (Representative Director) of SuMi TRUST Bank	
Miyo Yajima	Executive Officer	Promotion of well-being	Executive Officer of SuMi TRUST Bank	See note 1
Masaya Yamashiro	Executive Officer	IR Dept.	Executive Officer of SuMi TRUST Bank	See note 1
Hisato Nakano	Executive Officer	Corporate Communications Dept.	Executive Officer of SuMi TRUST Bank	

(Note) 1. On March 31, 2025, Mr. Atsushi Kaibara stepped down from his position as Deputy President (Representative Executive Officer), Mr. Yasuyuki Suzuki stepped down from his position as Senior Managing Executive Officer, Mr. Masayuki Okamoto stepped down from his position as Managing Executive Officer, and Ms. Miyo Yajima and Mr. Masaya Yamashiro stepped down from their respective positions as Executive Officers. In addition, as of April 1, 2025, Mr. Masakatsu Sato assumed the position of Senior Managing Executive Officer (Representative Executive Officer), Mr. Manatomo Yoneyama assumed the position of Senior Managing Executive Officer, Messrs. Masanori Watanabe (in charge of the Investor & Shareholder Relations), Naoki Ishibe (in charge of the Corporate Planning Department and the Research Department), Takahiro Yoshida (in charge of the Risk Management Department, Legal Department, and the Business Process Management Department), and Ms. Hisato Nakano (in charge of the Brand Management Office) assumed their positions as Managing Executive Officers, and Ms. Yuuko Nishigaya (in charge of the Internal Audit Department) assumed the position of Executive Officer.

2. As of April 1, 2025, to enhance the Group's management system, the Group Affiliates Planning and Management Department was reorganized as the Group Affiliate and Global Business Planning and Management Department. Also, to strengthen long-term fiduciary relationships with investors and shareholders, the IR Department was reorganized as the Investor & Shareholder Relations Department. Moreover, to enhance the compliance framework, the Compliance Department was merged with the Fiduciary Duties & Customer Satisfaction Planning and Promotion Department to form the FD and Compliance Department. Furthermore, to strengthen effective branding activities, the Corporate Communications Department was abolished and integrated into the Planning and Coordination Department. In addition, IT Risk Control Department was established by separating the IT-related risk management function from the IT System Planning and Management Department.

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

a. Persons Paid, Compensation, etc.

(million yen)

Classification	Persons paid	Compensation, etc.					
		Total compensation	Monthly compensation		Performance-linked compensation		Other
			Fixed compensation	Individual role-linked compensation	Bonus	Stock compensation (non-monetary compensation)	
Directors (excl. external directors)	4	214	143	26	22	21	—
Executive officers*1	14	600	215	112	126	142	3
External directors	9	159	159	—	—	—	—
Total	27	974	518	138	148	164	3

(Notes) 1. The compensation data is on an annual basis with amounts less than one million yen are rounded down.

2. Compensation, etc. paid to executive officers*1 concurrently serving as directors is included in the amount for executive officers*1.

3. The amounts of officer bonus and stock compensation have not been determined at this time, so the amounts of allowance are shown.

4. Details of performance indicators selected as the basis for calculating the amount or value of performance-linked compensation, the reasons for their selection, and calculation methodologies are described below in [b. Summary of Policy on Decisions on Compensation, etc. for Directors and Executive Officers and Determination Methods]. Results related to these performance indicators are shown below in [b. (iv) Details of Earnings Indicators Concerning Performance-linked Compensation].

5. For stock compensation, shares in the Company (RS Trust*) are awarded to directors (excluding external directors and Audit Committee members) and executive officers as non-monetary compensation. Details of stock compensation are described below in [b. Summary of Policy on Decisions on Compensation, etc. for Directors and Executive Officers and Determination Methods].

*RS Trust: A system for awarding restricted stock (RS) with the use of a share delivery trust mechanism.

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

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

(i) Policy Overview

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

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

(ii) Compensation System Overview

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

- A. In principle, compensation is paid with a combination of monthly compensation, director and executive officer bonuses, and stock compensation (RS Trust).
- B. The monthly compensation is separated into two types: “fixed compensation” that is a fixed amount per position, and “individual role-linked compensation” that reflects each individual officer’s role expectations.
- C. For bonuses for directors and executive officers, the total amount is determined based on indicators linked to near-term earnings such as consolidated net business profit before credit costs and net income attributable to owners of the parent, while the amount for each individual director and executive officer reflects their previous fiscal year’s achievements and is paid at the conclusion of the General Meeting of Shareholders for that fiscal year.
- D. Restricted stock compensation (RS Trust) is granted based on a basic amount determined by position and according to the following markers of company performance: the annual target achievement rate for consolidated net business profit and net income attributable to owners of the parent, and in comparison to the final year results of the previous Medium-Term Management Plan; the share price indicator of relative TSR; the financial indicators of consolidated shareholder ROE, consolidated CET1 ratio, and a qualitative evaluation of consolidated OHR; and an ESG indicator (comprehensive evaluation based on ESG activities). The transfer restrictions are lifted upon retirement.
- E. The proportion of the bonuses and stock compensation (RS Trust) for directors and executive officers as a percentage of total compensation shall be designed so that they function sufficiently as an incentive.

(iii) Composition Weightings of Compensation

Types of Compensation			Fixed/ Performance- linked	Compensation weighting (standard)	
				Presiden t	Other than presiden t
Monthly compensation					
	Fixed compensation	Fixed amount based on position held	Fixed	Around 25%	Arou nd 40%
	Individual role- linked compensation	Compensation that reflects each individual officer’s role expectations during the fiscal year	Fixed	Around 15%	Arou nd 20%
Bonus for directors and executive officers					
	Performance-linked bonus (short-term incentive)	Allocated according to the performance evaluation of each individual from the total amount determined with reference to the following indicators of near-term earnings: consolidated net business profit and consolidated net profit attributable to owners of the parent.	Performance- linked	Around 25%	Arou nd 20%
Stock compensation					
	RS Trust (Medium- to long-term incentive)	Stock-based compensation aimed at clarifying the link between executive compensation and company earnings/stock value, and enhancing awareness of contributing Medium- to long-term performance improvement and increased corporate value. Annual restricted stock grants with transfer restrictions based on performance indicators (consolidated net business profit and net income attributable to owners of the parent), share price indicator (relative TSR), financial indicators (consolidated shareholder	Performance- linked	Around 35%	Arou nd 20%

		ROE, consolidated CET1 ratio, and consolidated OHR), and ESG indicator (comprehensive evaluation of ESG activities). Transfer restrictions are lifted upon retirement, with provisions for claw back (recovery after transfer restrictions are lifted) and malus (reduction or forfeiture before transfer restrictions are lifted).			
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*Refer to (iv) Details of Earnings Indicators Concerning Performance-linked Compensation for details on earnings indicators.

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

Types of performance-linked compensation	Indicators (KPIs) for performance-linked compensation	Indicator Type	Target	Actual	KPI selection reason	Weighting	Calculation method	Decision-making process	Payment method
■Bonus for directors and executive officers*1*2									
Performance-linked bonus (short-term incentive)	(1) Consolidated net business profit	Short-term performance indicator	340 bn yen	362.0 bn yen	Considered appropriate indicators of the company’s business results and capabilities in the fiscal year under review	66.7%	Calculated based on a 2:1 weighting of the achievement levels for (1) and (2), respectively	The Compensation Committee determines the achievement level after giving full consideration to special factors that cannot be ascertained based on the target achievement level alone. Special factors are generally considered within ±10%.	Paid in cash after the General Meeting of Shareholders the following fiscal year
	(2) Profit attributable to owners of parent		240 bn yen	257.6 bn yen		33.3%			
■Stock compensation									
RS Trust (medium-term incentive)	(1) Consolidated net business profit	Performance indicators	340 bn yen	362.0 bn yen	Considered appropriate indicators of the company’s business results and capabilities during the	20%	(1) and (2) are calculated based on a 1:1 weighting of the	Determined by the Compensation Committee with special factors and the business environment	●The company sets up a share delivery trust with the directors
	(2) Profit attributable		240 bn yen	257.6 bn yen		10%			

	to owners of parent				current fiscal year and the period covered by the Medium-Term Management Plan.		target achievement rate for the fiscal year and a comparison of the actual results with the final year results of the previous Medium-term Management Plan period, respectively	taken into full account. The performance-linked coefficient is determined within a range from 130% (upper limit) to 0% (lower limit).	and officers as the beneficiary and enough capital required to purchase shares is placed in trust ↓ ●The trustee makes block purchases from the market for the number of shares expected to be delivered to beneficiaries in the future ↓ ● The company grants restricted stock with transfer restrictions to eligible directors and executive officers based
	(3) Relative Total Shareholder Return (TSR)	Stock price indicator	—	102.4 %	Using relative TSR as a KPI for the period covered by the Medium-Term Management Plan was judged to be appropriate in order to more clearly link sustainable growth in corporate value with	10%	Calculated on the basis of the Company's relative TSR for the Medium-Term Management Plan. However, if the TSR is less than 100%, the maximum		

					improvements in shareholder.		is 100%		on the performance- linked coefficient determined by the Compensation Committee, as well as position. The transfer restrictions are lifted upon retirement.
	(4) Consolidated shareholder's equity and ROE	Financial indicators	Around 8%	8.3%	Using key financial indicators in the Company's Medium-Term Management Plan was judged to be appropriate.	10%	Assessment score calculated based on qualitative assessment of progress on achieving Medium- Term Management Plan targets		
	(5) Consolidated CET1 ratio (common equity tier 1 capital ratio)		Around the 10% range	10.6%		10%			
	(6) Consolidated overhead ratio (OHR)		62.6%	61.2%		10%			
	(7) ESG overall assessment	ESG indicators	-	-	In light of materiality, five key categories were identified: climate change, fiduciary duties (FD), client satisfaction (CS), employee engagement, DE&I (empowerment of women), and ESG assessment organizations. Using a comprehensive	30%	Assessment score calculated based on overall assessment comprising both quantitative and qualitative evaluations of activities in each assessment category		

					evaluation of these categories from both quantitative and qualitative perspectives was judged to be appropriate as a holistic assessment of ESG.				
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- (Notes)
1. (1) and (2) and (4) through (6) are fiscal 2024 actual results versus fiscal 2024 forecasts (announced in May 2024)
 2. For the comparison indicator of relative TSR (3), both the rate of change in the TOPIX sector index for banks (including dividends) and the rate of change in the JPX-Nikkei Index 400 (including dividends) are used to calculate an average relative.
 3. For (7), each assessment category and final ESG overall score is determined by the Compensation Committee in light of yearly ESG activity reports presented at the meetings of the Sustainability Committee
 4. Scores from MSCI, FTSE, and Sustainalytics are used for the ESG rating agency scores in (7)

(v) Determination of Individual Compensation

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

(vi) Other Items of Importance

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

(vii) Compensation for Internal Directors Serving as Audit Committee Members

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

(viii) Compensation for External Directors

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

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

c. Compensation Committee Reasoning

As the details of individual compensation for directors and executive officers for this fiscal year have been determined based on the method of determination described above in b. Summary of Policy on Decisions on Compensation, etc. for Directors and Executive Officers and Determination Methods

(v) Determination of Individual Compensation, the Compensation Committee has judged that those details are in line with the determination policy of SuMi TRUST Group.

(3) Liability Limitation Agreement

Name	Summary of Liability Limitation Agreement
<p>External directors:</p> <p>Isao Matsushita</p> <p>Hiroko Kawamoto</p> <p>Nobuaki Kato</p> <p>Kaoru Kashima</p> <p>Tomonori Ito</p> <p>Hajime Watanabe</p> <p>Hirozaku Fujita</p> <p>Kazuo Sakakibara</p>	<p>Pursuant to Article 427, Paragraph 1 of the Companies Act and Article 41 of Incorporation, SuMi TRUST Group has entered into an agreement with each of the external directors listed on the left to limit their liability for damages as provided for in Article 423, Paragraph 1 of the Companies Act. The limitation of liability under such agreement shall be the Minimum Liability Amount stipulated in Paragraph 1 of Article 425 of the Companies Act.</p>

(4) Indemnity Agreement

Not applicable.

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

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

3. Matters regarding External Directors

(1) Concurrent Positions and Other Details on External Directors

(As of March 31, 2025)

Name	Concurrent positions and other details
Isao Matsushita	External Director of MatsukiyoCocokara & Co.
Hiroko Kawamoto	External Director of East Japan Railway Company External Director of Canon Marketing Japan Inc.
Nobuaki Kato	—
Kaoru Kashima	Certified Public Accountant External Audit & Supervisory Member of Nippon Telegraph and Telephone Corporation Audit & Supervisory Board Member of Kirin Holdings Company, Limited
Tomonori Ito	External Director of Electric Power Development Co., Ltd. Professor at Institute for Business and Finance, Waseda University Specially Appointed Professor of the Global and Transdisciplinary Studies of Kyoto University of Advanced Science External Director of Mitsui Sumitomo Insurance Company, Limited
Hajime Watanabe	Representative Director and Chairman of Japan Economic Research Institute Inc. External Corporate Auditor of Japan Freight Railway Company External Corporate Auditor of TOKYU CORPORATION External Director of Fukoku Mutual Life Insurance Company
Hirokazu Fujita	—
Kazuko Sakakibara	Attorney at Law, Of Counsel of Anderson Mori & Tomotsune Auditor of Tokyo Dental College External Director of Takasago Thermal Engineering Co., Ltd. Acting Chairman of the Board of Governors of Japan Broadcasting Corporation

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

(2) Major Activities of External Directors

(as of FY-end)

Name	Term of office	Attendance at Board of Directors meetings, etc.	Statements and other activities at Board of Directors meetings, etc.
Isao Matsushita	7 years, 9 months	Attended all 15 Board of Directors meetings Attended all 17 Nominating Committee meetings Attended all 12 Compensation Committee meetings	Made statements mainly from the perspectives of corporate management, leveraging his wealth of experience as a representative director and president of a major general energy company.
Hiroko Kawamoto	7 years, 9 months	Attended all 15 Board of Directors meetings Attended all 17 Nominating Committee meetings Attended all 12 Compensation Committee meetings	Made statements mainly from the perspectives of corporate management and diversity, leveraging her wealth of experience in empowering women as a director and senior managing executive officer of a major airline.
Nobuaki Kato	3 year, 9 months	Attended all 15 Board of Directors meetings Attended all 17 Nominating Committee meetings Attended all 12 Compensation Committee meetings Attended all 7 Conflicts of Interest Committee meetings	Made statements mainly from corporate management and global viewpoints, leveraging his wealth of experience as a director and president of a major automotive parts manufacturer and its overseas operations.
Kaoru Kashima	3 year, 9 months	Attended all 15 Board of Directors meetings Attended all 12 Nominating Committee meetings Attended all 9 Compensation Committee meetings Attended all 21 Audit Committee meetings Attended 1 Risk Committee meeting	Made statements mainly from the perspectives of a financial accounting professional, leveraging her wealth of business experience as a certified public accountant at a leading accounting firm.
Tomonori Ito	1 year, 9 months	Attended all 15 Board of Directors meetings Attended all 21 Audit Committee meetings	Made statements mainly from the perspectives of corporate strategy and global finance, leveraging his wealth of experience

			working at major domestic and international financial institutions and as a graduate school professor of business economics.
Hajime Watanabe	1 year, 9 months	<p>Attended all 15 Board of Directors meetings</p> <p>Attended all 17 Nominating Committee meetings</p> <p>Attended 12 Compensation Committee meetings</p> <p>Attended all 6 Risk Committee meetings</p>	Made statements mainly from the perspectives of corporate management and finance, leveraging his wealth of experience as a representative director and president of a government financial agency.
Hirokazu Fujita	9 months	<p>Attended all 11 Board of Directors meetings</p> <p>Attended all 17 Audit Committee meetings</p>	Made statements mainly from the perspectives of accounting, risk management, asset management, and corporate management, leveraging his experience as a senior managing director and full-time auditor of a major non-life insurance company.
Kazuo Sakakibara	9 months	<p>Attended all 11 Board of Directors meetings</p> <p>Attended all 17 Audit Committee meetings</p>	<p>Made statements mainly from the perspectives of law and organization management, leveraging his insight as a lawyer and his wealth of experience as a superintendent public prosecutor at the High District Public Prosecutors Office in both Fukuoka and Osaka.</p> <p>In addition, an investigation committee regarding the insider trading incident involving a former employee at the Company's subsidiary, SuMi TRUST Bank, has been set up and Mr. Sakakibara, as the committee chairperson, is fulfilling his responsibilities by making recommendations for preventing a recurrence of the incident.</p>

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

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

3. Attendance at the Board of Directors and other meetings differs for each committee member because it reflects their circumstances during the fiscal year.

(3) Compensation, etc. for External Directors

(million yen)

	Persons paid	Compensation etc. paid by SuMi TRUST Group	Compensation, etc. paid by parent company, etc. of SuMi TRUST Group
Total amount of compensation	9	159	—

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

(4) Opinions from External Directors

Not applicable.

4. Matters regarding Shares of SuMi TRUST Group (as of March 31, 2025)

(1) Number of Shares

Total number of shares authorized to be issued: 1,740,000,000 shares

Breakdown	
Common stock	1,700,000,000 shares
First Series Class VIII Preferred Stock	10,000,000 shares (note 1)
Second Series Class VIII Preferred Stock	10,000,000 shares (note 1)
Third Series Class VIII Preferred Stock	10,000,000 shares (note 1)
Fourth Series Class VIII Preferred Stock	10,000,000 shares (note 1)
First Series Class IX Preferred Stock	10,000,000 shares (note 2)
Second Series Class IX Preferred Stock	10,000,000 shares (note 2)
Third Series Class IX Preferred Stock	10,000,000 shares (note 2)
Fourth Series Class IX Preferred Stock	10,000,000 shares (note 2)
First Series Class X Preferred Stock	20,000,000 shares (note 3)
Second Series Class X Preferred Stock	20,000,000 shares (note 3)
Third Series Class X Preferred Stock	20,000,000 shares (note 3)
Fourth Series Class X Preferred Stock	20,000,000 shares (note 3)
First Series Class XI Preferred Stock	10,000,000 shares (note 1)
Second Series Class XI Preferred Stock	10,000,000 shares (note 1)
Third Series Class XI Preferred Stock	10,000,000 shares (note 1)
Fourth Series Class XI Preferred Stock	10,000,000 shares (note 1)
First Series Class XII Preferred Stock	10,000,000 shares (note 1)
Second Series Class XII Preferred Stock	10,000,000 shares (note 1)
Third Series Class XII Preferred Stock	10,000,000 shares (note 1)
Fourth Series Class XII Preferred Stock	10,000,000 shares (note 1)
First Series Class XIII Preferred Stock	10,000,000 shares (note 2)
Second Series Class XIII Preferred Stock	10,000,000 shares (note 2)
Third Series Class XIII Preferred Stock	10,000,000 shares (note 2)
Fourth Series Class XIII Preferred Stock	10,000,000 shares (note 2)
First Series Class XIV Preferred Stock	10,000,000 shares (note 2)
Second Series Class XIV Preferred Stock	10,000,000 shares (note 2)
Third Series Class XIV Preferred Stock	10,000,000 shares (note 2)
Fourth Series Class XIV Preferred Stock	10,000,000 shares (note 2)

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

- (Notes) 1. Aggregated total number of authorized shares of the First through Fourth Series Class VIII Preferred stock, that of the First through Fourth Series Class XI Preferred stock, and that of the First through Fourth Series Class XII Preferred stock shall not exceed 10,000,000 shares.
2. Aggregated total number of authorized shares of the First through Fourth Series Class IX Preferred stock, that of the First through Fourth Series Class XIII Preferred stock, and that of the First through Fourth Series Class XIV Preferred stock shall not exceed 10,000,000 shares.
3. Aggregated total number of authorized shares of the First through Fourth Series Class X Preferred stock, that of the First through Fourth Series Class XV Preferred stock, and that of the First through Fourth Series Class XVI Preferred stock shall not exceed 20,000,000 shares.

Total number of shares issued: 721,355,380 shares

Breakdown

Common stock: 721,355,380 shares

(2) Number of Shareholders as of March 31, 2025

126,202 persons

Breakdown Common stock: 126,202 persons

(3) Major Shareholders

Common stock

Name of shareholder	Investment in SuMi TRUST Group by the shareholder	
	Number of shares held	Percentage of total shares (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	114,410,700	16.05
Custody Bank of Japan, Ltd. (Trust Account)	49,258,154	6.91
STATE STREET BANK AND TRUST COMPANY 505001	29,106,314	4.08
STATE STREET BANK WEST CLIENT-TREATY 505234	13,272,370	1.86
JP Morgan Securities Japan, Co., Ltd.	13,113,232	1.83
JP MORGAN CHASE BANK 385781	10,497,176	1.47
Barclays Securities Japan Limited	10,318,300	1.44
The Nomura Trust and Banking Co., Ltd. (Trust Account)	9,796,200	1.37
STATE STREET BANK AND TRUST COMPANY 505103	9,711,972	1.36
Sumitomo Mitsui Trust Group Employee Stock Ownership Plan	7,679,773	1.07

(Note) Percentage of shares held is calculated by deducting own shares (8,647,366 shares), rounded down to two decimal places.

(4) Shareholdings of Directors and Executive Officers

The details of shares awarded to the Company's directors and executive officers as compensation for the execution of their duties during the fiscal year under review are as follows.

	Number of people awarded shares	Number and type of shares
Directors (excl. external directors) and executive officers	14	Common Stock 18,378
External directors	—	—

(Note) 1. The Company has introduced the RS Trust as stock compensation, which uses a share delivery trust system to grant specific restricted stock. The number of shares listed reflects the stock granted during the fiscal year as stock compensation for fiscal 2023.

2. In addition to the above, 20,693 shares were granted to 11 directors of the Company's subsidiary, SuMi TRUST Bank.

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

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

(1) SuMi TRUST Group' Share Acquisition Rights held by SuMi TRUST Group' Directors and Executive Officers*1, as of March 31, 2025

	Number of share acquisition rights	Number and type of shares to be issued for share acquisition rights	Directors and Executive Officers*1	
			Number of holders	Number of share acquisition rights
Fourth Series Share Acquisition Rights	27	Common stock: 5,400 shares	4	27
Fifth Series Share Acquisition Rights	28	Common stock: 5,600 shares	5	28
Sixth Series Share Acquisition Rights	47	Common stock: 9,400 shares	5	47
Seventh Series Share Acquisition Rights	86	Common stock: 17,200 shares	8	86
Eighth Series Share Acquisition Rights	134	Common stock: 26,800 shares	10	134

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

Not applicable.

6. Matters regarding Financial Auditor

(1) Financial Auditor

(million yen)

Name	Compensation, etc. for the fiscal year under review	Other
KPMG AZSA LLC Designated Limited Liability Partner CPA Yutaka Terasawa Designated Limited Liability Partner CPA Tomomi Mase Designated Limited Liability Partner CPA Yoichi Tanaka	79	1. The Audit Committee verified the contents of audit plan, the status of execution of duties, and the basis of determining of estimate of compensation for the financial auditor through obtaining necessary materials and conducting hearing from the financial auditor and financial department of SuMi TRUST Group. As a result, the Audit Committee determined that the compensation, etc. of the financial auditor was appropriate and gave consent to it as stipulated in Article 399, Paragraph 1 of the Companies Act. 2. SuMi TRUST Group commissions and pays financial auditor for non-audit services, other than those defined in Article 2, Paragraph 1 of the Certified Public Accountants Act. These services include issuing of a comfort letter (a letter from certified public accounts to underwriters) and others.

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

2. The audit agreement between SuMi TRUST Group and financial auditor does not distinguish between compensation for audits performed under the Companies Act and compensation for audits performed under the Financial Instruments and Exchange Act and such amounts cannot be separated practically. Accordingly, SuMi TRUST Group states the total amount of compensation. Also, the above amount includes compensation for non-audit services of 7 million yen.

3. Total sum of the monetary and other economic benefits (including the above) payable to KPMG AZSA LLC by SuMi TRUST Group and its subsidiary companies and corporations is 734 million yen.

(2) Liability Limitation Agreement

Not applicable.

(3) Indemnity Agreement

Not applicable.

(4) Other Matters regarding Financial Auditor

- a. Policy for Decisions on Dismissal or Non-Reappointment of Financial Auditor
If financial auditor meets the items applicable to the provisions of items of Article 340, Paragraph 1 of the Companies Act, the Audit Committee may dismiss the financial auditor at its own discretion, and report such dismissal with the reasons thereof to the general meeting of shareholders, according to relevant laws and regulations. In addition, SuMi TRUST Group may submit a proposal for dismissal or non-reappointment of financial auditor to the general meeting of shareholders, according to the procedure stipulated by the Companies Act and other laws and regulation, if SuMi TRUST Group determines it is necessary to do so.
- b. Financial Auditor of SuMi TRUST Group' Significant Subsidiary Companies and Corporations
Among SuMi TRUST Group' significant subsidiary companies and corporations, Sumitomo Mitsui Trust Bank (Thai) Public Company Limited, Sumitomo Mitsui Trust Bank (U.S.A.) Limited are audited by audit corporations (including ones in foreign countries holding a qualification equivalent to the Japanese qualification) other than the financial auditor of SuMi TRUST Group.

7. System to Ensure Appropriate Conduct of Operations

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

(1) Compliance Structure

[Content of the basic policies on internal control]

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

- 1) Basic compliance policies for The Group will be established.
- 2) With respect to important issues pertaining to compliance, resolutions and reports will be undertaken by the Board of Directors based on the reports from the Risk Committee, an advisory body to the Board of Directors.
- 3) Basic management policy concerning conflicts of interest for The Group will be established, and a management framework will be developed so that the interests of clients will not be unduly impaired in The Group.
- 4) With respect to important issues pertaining to conflict of interest management, resolutions and reports will be undertaken by the Board of Directors based on the opinions of the Conflicts of Interest Committee, an advisory body to the Board of Directors.
- 5) Compliance Department, a supervisory unit for compliance, will be set up at the head office. In addition, each department will assign a person of action and a person of authority.
- 6) A compliance program—a concrete action plan to ensure compliance—will be formulated each fiscal year, and instructions will be passed on to the subsidiaries whose shares are directly held by SuMi TRUST Group, etc. for preparing their own plans. The status of these plans—in terms of improvements made and goals achieved—will be monitored and evaluated.
- 7) A handbook (compliance manual) for directors, executive officers*1*2 and employees will be formulated. Opportunities for compliance-oriented education and training will be offered to them on an ongoing basis.
- 8) Directors, executive officers*1*2 and employees must report violations of laws pertaining to SuMi TRUST Group' business operation, and a compliance hotline system will be established to enable directors, executive officers*1*2 and employees, etc. to report directly to special contact points both in-house and outside SuMi TRUST Group.
- 9) SuMi TRUST Group and its subsidiaries will take a firm stand to prevent dealings with antisocial forces and will maintain no association whatsoever with such elements. A structure, underpinned by close ties with external professionals, particularly the police, will be put in place to promote communication and cooperation among relevant divisions and departments and thereby facilitate an organized response in the event an executive or an employee is approached with an inappropriate request. Under no circumstances will we engage in transactions to benefit persons or organizations that threaten the order and safety of civil society.
- 10) SuMi TRUST Group and its subsidiaries will take a firm stand against money laundering and the funding of terrorism, which are serious threats to sound financial systems, and will comply with relevant laws and regulations.

[Operational status]

SuMi TRUST Group has formulated a compliance program to serve as a concrete action plan for realizing the Group's compliance and ensuring a management system for client protection. The program is resolved semiannually at the Board of Directors through the Risk Management Committee, etc. SuMi TRUST Group monitors and evaluates the progress and achievement of the program and reports the results thereof to the Board of Directors every quarter. The program is discussed at the Risk Committee, an advisory body to the Board of Directors, and reported semiannually to the Board of Directors. In addition, important issues pertaining to conflict of interest

management are reported every quarter to the Board of Directors through the Conflicts of Interest Committee, also an advisory body to the Board of Directors. Furthermore, SuMi TRUST Group has provided instructions to its subsidiaries for formulating their compliance programs, monitors and evaluates their progress and achievements every quarter and reports as necessary to the Board of Directors through the Risk Management Committee, etc. SuMi TRUST Group is also working on measures such as the enhancement of the Group's global compliance based on global regulations and global strategies and the implementation of compliance trainings. Moreover, SuMi TRUST Group is working to develop a framework for the prevention of mainly money laundering. In addition, a compliance hotline system has been established to enable directors, executive officers, and employees to report directly to certain contacts within and outside SuMi TRUST Group. As already mentioned above in the section about Developments of Business Activities, in response to the insider trading incident involving a former employee of SuMi TRUST Bank, we will further strengthen our internal management structure by diligently implementing measures to prevent a recurrence, such as fostering a stronger awareness of compliance and ensuring strict management of insider information.

(2) Risk Management Structure

[Content of the basic policies on internal control]

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

[Operational status]

SuMi TRUST Group has formulated risk management plans based on The Group's basic risk management policies. The plans are resolved at the Board of Directors semiannually through the Risk Management Committee, etc. SuMi TRUST Group monitors and evaluates the progress and achievements of the plan and reports the results thereof to the Board of Directors on a quarterly basis. At the same time, SuMi TRUST Group has provided instructions to the subsidiaries for formulating their own risk management plans, monitors and evaluates their progress and achievements and reports to the Board of Directors through the Risk Management Committee, etc. in every quarter. In addition, SuMi TRUST Group has established Risk Appetite Framework (RAF) in order to exercise an appropriate risk management for the achievement of management targets, and its operational status has been monitored by the Board. Moreover, considering our public nature as a financial group, we are developing a business continuity framework (BCP, backup offices, backup systems, etc.) in preparation for emergencies such as large-scale disasters.

(3) Structure for Execution of Duties

[Content of the basic policies on internal control]

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

- 1) SuMi TRUST Group' Board of Directors will, in principle, delegate decisions on the execution of business to executive officers*1, except for those matters which are required by law to be decided by the Board of Directors. SuMi TRUST Group will establish an Executive Committee consisting of members such as executive officers*1, and various committees as advisory bodies to the Executive Committee.
- 2) The Board of Directors will set out the basic items pertaining to SuMi TRUST Group' organizational structure and the division of duties, as well as the staff organization and authority granted to directors, executive officers*1*2 and employees, to ensure the smooth execution of duties and appropriate conduct of executive officers*1 (for subsidiaries, the officers in charge of business execution).
- 3) In-house regulations will be prepared in accordance with relevant legislation, and in the event said legislation is revised or abrogated, required amendments to in-house regulations will be implemented forthwith.

[Operational status]

SuMi TRUST Group has delegated the Board of Directors' decision-making regarding business execution to executive officers*1. Each executive officer*1 reports the status of execution of duties to the Board of Directors. Also, the FD and Compliance Department provides information on legal amendments to each business department on a regular basis, and establishes, revises or abolishes the in-house regulations according to such amendments timely and appropriately.

(4) Ensuring Management Transparency

[Content of the basic policies on internal control]

- The following measures are taken to develop a system to ensure management transparency.
 - 1) Internal control systems pertaining to financial reporting will be developed to ensure the appropriateness of accounting treatment and reliability of financial reporting, and the effectiveness of the systems will be evaluated.
 - 2) An accounting hotline system will be established as a system for receiving internal and external reports regarding fraud or inappropriate treatment in accounting, internal control pertaining to accounting, and audit matters of The Group. Reports will be received by an external law firm, and the office of investigation will be the Audit Committee Office.
 - 3) Management-related information will be managed appropriately and disclosed in a timely, accurate and fair manner.

[Operational Status]

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

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

(5) The Group Management Structure

[Content of the basic policies on internal control]

- The following measures are taken to develop a system to ensure appropriate conduct of operations within The Group.
 - 1) SuMi TRUST Group will develop compliance and risk management structures applicable to the entire Group.
 - 2) SuMi TRUST Group will verify intra-Group transactions of particular significance to The Group from the perspectives of risk management, compliance, and consistency with The

Group's strategic objectives.

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

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

[Operational status]

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

(6) Information Storage and Management Structure

[Content of the basic policies on internal control]

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

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

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

[Operational status]

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

(7) Internal Audit Structure

[Content of the basic policies on internal control]

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

- 1) Internal auditing units, that are independent from business execution departments and sufficiently capable of fulfilling a restraining function, will be established.

- 2) Internal audit plans and the basic policy on internal audits for The Group will be established, and the internal auditing units will conduct audits of each business execution department and, if necessary, of subsidiaries, etc. and point out matters to be improved and make recommendations thereof.

- 3) Results of internal audits and the status of internal audit plans—in terms of progress and goals achieved—will be reported to the Board of Directors and the Audit Committee in a timely and appropriate manner.

[Operational status]

SuMi TRUST Group develops internal audit plans based on the basic policy on internal audits of The Group. The plans are resolved by the Board of Directors annually after obtaining a pre-approval of the Audit Committee. Results of internal audits, etc. are reported to the Board of Directors and the Audit Committee on a quarterly basis. In addition, internal audit plans of subsidiaries are approved by the Board of Directors. Furthermore, in order to strengthen the Group's internal auditing framework, corporate auditors are concurrently serving as part-time statutory auditors at major subsidiaries and undertaking audits and monitoring centering on key audit topics.

(8) Structure for Audit Committee's Audits

[Content of the basic policies on internal control]

• The following measures are taken to develop a system to ensure effective execution of audits by the Audit Committee.

1) Employees, etc. assisting the Audit Committee in its duties

(i) The Audit Committee Office will be established to assist the Audit Committee in its execution of duties and an appropriate number of directors, executive officers*2 or employees, including one office manager, will be assigned therein.

(ii) Members of the Audit Committee Office will assist in the duties of the Audit Committee under its orders and instructions.

(iii) Personnel matters and handling of the members of the Audit Committee Office will be subject to prior consultations with the Audit Committee.

(iv) Executive officers*1 will make sure members of the Audit Committee Office will not be subject to any unreasonable constraints upon assisting in the duties of the Audit Committee.

2) Reporting system to the Audit Committee

(i) Directors (excluding directors who are the members of the Audit Committee), executive officers*1*2, and employees must report immediately to the Audit Committee if they learn of any facts about possible significant damage to SuMi TRUST Group or its subsidiaries, affairs which significantly undermine credibility, material issues or defects in regard to the system or procedures, etc. of internal control, or material facts about violations of laws, regulations, or the Articles of Incorporation.

(ii) The FD and Compliance Department must report to the Audit Committee every time it receives reports via the compliance hotline system.

(iii) The Internal Audit Department must report to the Audit Committee on a regular basis or when requested with respect to the status of internal audit processes and the results thereof conducted on SuMi TRUST Group or its subsidiaries.

(iv) Directors (excluding directors who are members of the Audit Committee), executive officers*1*2, and employees must report the status of business execution and any other matters immediately to the Audit Committee if they are requested to do so.

(v) Directors, auditors, executive officers*2, and employees of subsidiaries, etc. or those who have received a report from any of the aforementioned persons will report to the Audit Committee of SuMi TRUST Group immediately upon learning of any of the matters listed in (i) above, on a case-by-case basis for matters listed in (ii) received via a subsidiary's internal reporting system, and immediately when requested to do so by the Audit Committee regarding subsidiary matters listed in (iv).

(vi) The Audit Committee, as necessary, will be able to ask for a report to those persons in (i) through (v) above on the matters described in (i) through (iv) above.

(vii) Unfairly treating a person who reports matters in accordance with (i) through (vi) above on the grounds of making such a report is prohibited, and SuMi TRUST Group shall endeavor to make employees aware of this.

3) Other systems to ensure the effectiveness of Audit Committee's audits

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

(ii) Audit Committee members who serve on a full-time basis will be selected.

(iii) The Audit Committee members may attend the Board of Directors meetings as well as

any other meetings (including the meetings at subsidiaries, etc.) the Audit Committee deems necessary.

(iv) Representative Executive Officers*1 will exchange views with the Audit Committee on a periodical basis or at the request of the Audit Committee.

(v) The internal auditing units will make a prior consultation with the Audit Committee to obtain an agreement on internal audit plans, and carry out an investigation when instructed by the Audit Committee. Instructions from the Audit Committee to carry out an investigation shall take precedence over instructions from an executive officer*1 or any other person.

(vi) Representative Executive Officers or the executive officers*1 in charge of human resources shall consult in advance with the Audit Committee to obtain approval on the appointment and dismissal of executive officers*1 in charge of internal auditing units, as well as positions of a certain level within internal auditing units.

(vii) Not only the internal auditing units but also other departments involved in internal control such as Financial Planning Department, Risk Management Department, and Compliance Department will promote smooth cooperation with the Audit Committee.

(viii) In order to ensure the effectiveness of audits performed by the Audit Committee across the entire The Group, when selecting part-time corporate auditors of subsidiaries (including Audit Committee members in a company with Three Committees, and Audit and Supervisory Committee members in a company with an Audit and Supervisory Committee; the same applies below), a proposal of candidates for corporate auditors will be presented to the Audit Committee or each Audit Committee member (excluding candidates from other corporate groups in the case of joint ventures, etc.). The Audit Committee and individual Audit Committee members may express opinions regarding the proposal, as necessary.

(ix) In the event the Audit Committee deems it necessary to establish an external reporting system, the directors, executive officers, and employees shall cooperate on operating such a system.

(x) SuMi TRUST Group will disburse expenses necessary for execution of duties of the Audit Committee and its members in order to ensure the effectiveness of audits.

[Operational status]

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

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

8. Matters regarding Specified Wholly Owned Subsidiary

- (1) Name and address of specified wholly owned subsidiary
SuMi TRUST Bank 4-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo
- (2) Total book value of shares of the specified wholly owned subsidiary at the end of the fiscal year under review at SuMi TRUST Group, its wholly owned subsidiaries, etc.
1,293,014 million yen
- (3) Total amount recorded under assets on the non-consolidated balance sheet of SuMi TRUST Group for the fiscal year under review
2,227,689 million yen

9. Others

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

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

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

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