CORPORATE GOVERNANCE

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

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

1. Fundamental Perspectives (Updated)

(1) Fundamental Perspectives on Corporate Governance

SuMi TRUST Holdings has established and posted on its website a "Basic Policy on Corporate Governance," a set of corporate governance guidelines aiming to contribute to sustainable growth and medium- to long-term enhancement of the corporate value of Sumitomo Mitsui Trust Group (the "SuMi TRUST Group").
https://www.smth.jp/en/about_us/management/governance/policy.pdf

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

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

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

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

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

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

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

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

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

【Reasons for not implementing each principle of the Corporate Governance Code】

SuMi TRUST Holdings implements every principle of the Corporate Governance Code.

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

[Principle 1-4]
<Policies Regarding Strategic Shareholdings>
・ The SuMi TRUST Group shall not acquire and hold the shares, etc. of its

business counterparty, etc. (the "Strategic Shareholdings"), except in the case where it is deemed that such acquisition and holding will contribute to medium- to long-term enhancement of the corporate value of the SuMi TRUST Group, from the perspective of, among other things, establishing a stable transactional relationship over the long-term, business alliance, or facilitating or reinforcing collaborative business development with the business counterparty, in principle.

- Regarding each of the Strategic Shareholdings, the Board of Directors shall examine the correlation between benefits/risks and cost of capital of those shareholdings in light of the aspect of maintaining and enhancing the overall relationship with the business counterparties, and verify the appropriateness of those shareholdings, etc.
- In principle, the SuMi TRUST Group shall sell the Strategic Shareholdings in the case where the significance and rationality of holding them is not observed, after taking into consideration various factors, including the impact of selling the shares on the stock market.

<Plan for Reduction of Strategic Shareholdings>

- SuMi TRUST Holdings shall aim to reduce the ratio of Strategic Shareholdings to Common Equity Tier 1 Capital (excluding valuation difference on available-for-sale securities) of 42% as of the end of March 2016 by half in approximately five years starting from fiscal year 2016.
- Results of reduction: Reduction of 21.3 billion yen in fiscal year 2019 (Total of 117.6 billion yen in the four years from fiscal year 2016 under the current plan), ratio of Strategic Shareholdings to Common Equity Tier 1 Capital of 28% as of the end of March 2020.

<Examination of Significance and Rationality of Strategic Shareholdings>

- In accordance with profitability standards, SuMi TRUST Holdings carefully observes and examines the relationship between the benefits/risks and the capital costs of Strategic Shareholdings based on the following indicators.
  - Profitability indicators
    (Profit after deduction for credit costs/expenses) ÷ (Equity risk-weighted assets + credit risk-weighted assets)
- Regarding shares of the business counterparties that do not meet profitability standards, if the necessity for holding the shares is recognized from the comprehensive standpoint of maintaining and enhancing the relationship with the business counterparties, SuMi TRUST Holdings shall conduct negotiations to enhance and improve profitability. If the necessity of shareholdings cannot be recognized, SuMi TRUST Holdings shall conduct negotiations to sell the shares.
- As of the end of March 2020, approximately 20% of the book value of the Strategic Shareholdings did not meet profitability standards.

<Standards for Voting on Strategic Shareholdings>

- SuMi TRUST Holdings and SuMi TRUST Bank, which is a core subsidiary of SuMi TRUST Holdings, shall decide to vote for or against each agenda and exercise voting rights pertaining to the Strategic Shareholdings (the "Voting Rights"), after comprehensively taking into consideration the business conditions, etc. of the issuing company of the Strategic Shareholdings (the "Issuing Company"), as well as the impact to sustainable growth and medium- to long-term enhancement of the corporate value of the Issuing Company and the SuMi TRUST Group.
- In the case that SuMi TRUST Holdings or SuMi TRUST Bank is required to pay special attention upon the exercise of Voting Rights due to a long-term

downturn of business conditions, a reorganization, or an occurrence of significant compliance violations, etc. of the Issuing Company, SuMi TRUST Holdings or SuMi TRUST Bank shall decide to vote for or against each agenda, by paying attention to the agendas especially listed below, after collecting enough information through a variety of methods including engaging in dialogue with the Issuing Company.
(Agenda regarding the distribution of surplus, appointment of directors and corporate auditors, grant of retirement benefits to corporate auditors, etc., organizational restructuring, MBOs, etc.)

- In the case that there is a risk of conflicts of interest upon the exercise of the Voting Rights, SuMi TRUST Holdings and SuMi TRUST Bank shall properly deal with the risk pursuant to the Management Policy Concerning Conflicts of Interest prescribed separately.

[Supplementary Principle 1-4-1]
<Policy When Strategic Shareholders Indicate Their Intention to Sell Their Shares>
When strategic shareholders indicate their intention to sell, etc. their shares, SuMi TRUST Holdings shall not hinder their selling by, for instance, implying a possible reduction of business transactions.

[Principle 1-7]
<Management System of Related Party Transactions>
SuMi TRUST Holdings sets out in Article 13 (Management System of Related Party Transactions) of the "Basic Policy on Corporate Governance" that when the SuMi TRUST Group engages in transactions with its officers or major shareholders, etc., the transactions shall be referred to the Board of Directors for prior approval, in order to ensure that such transactions do not harm, among other interests, the interests of the SuMi TRUST Group or the common interests of its shareholders, except where the trading terms are obviously equivalent to those of general transactions. In addition, SuMi TRUST Holdings separately prescribes, and discloses an outline of, the Management Policy Concerning Conflicts of Interest pursuant to laws, etc. in order to ensure that the interests of its customers are not unfairly harmed, and appropriately manages transactions that may give rise to a conflict of interest pursuant to this policy.

[Supplementary Principle 2-2-1]
<Review of the Status of Implementation of Company Conduct Standards>
SuMi TRUST Holdings conducts an awareness survey and compliance survey on the SuMi TRUST Group's employees each year. The questions cover employees' satisfaction, sense of burden, corporate outlook, recognition of the current state of their jobs, superiors, workplaces and company and other matters. The results of the survey are compiled and reported to the Board of Directors, which shares information about the state of compliance with conduct standards, SuMi TRUST Holdings' corporate culture and others.

[Principle 2-3]
<Sustainability Issues, Including Social and Environmental Matters>
In order to appropriately address issues surrounding sustainability as management themes, the SuMi TRUST Group has identified priority issues (materiality) based on opinions of external directors and corporate auditors, as well as external experts. The SuMi TRUST Group will strengthen its countermeasures toward these issues at the practical level. In addition, the SuMi TRUST Group will position these issues as management issues to be addressed in creating values that are shared with society,

and multilaterally discuss themes of high priority at the Board of Directors level with the aim of supporting long-term enhancement of corporate value.
During this fiscal year in particular, the SuMi TRUST Group will consider making its management methods even more sophisticated by mainly establishing KPIs for each priority issue as it works towards achieving the objectives of its Medium-Term Management Plan.

[Principle 2-6]
<Demonstration of Functions as Asset Owners of Corporate Pension Funds>
In February 2016, the SuMi TRUST Bank Pension Fund announced its policy to accept Japan's Stewardship Code. Accordingly, the SuMi TRUST Bank Pension Fund dispatches experienced corporate pension managers from the Group as Pension Management Directors to fulfill its role as an asset owner of corporate pension funds to support stewardship activities. In October 2018, the SuMi TRUST Bank Pension Fund set up its website to provide information to beneficiaries (participants and qualified recipients). The information includes reports on relevant activities such as monitoring investment performance at each management institution.
Regarding the management of conflicts of interest which have possibly occurred between beneficiaries of corporate pension and companies, the SuMi TRUST Bank Pension Fund works to ensure that the interests of the beneficiaries are maximized in accordance with the Basic Management Policy, which has been set forth based on the guidelines of the Ministry of Health, Labour and Welfare. In specific terms, the SuMi TRUST Bank Pension Fund enhances the value of pension assets through the selection and monitoring of management institutions (including stewardship activities such as the exercise of voting rights). Furthermore, a system is in place in which the Asset Management Committee, which comprises investment professionals, and the Board of Representatives, the majority of which comprises representatives of the beneficiaries, examine, as necessary, whether the management is being made in accordance with the Basic Management Policy and whether there are any conflicts of interest.

[Principle 3-1]
<Management Principles and Medium-Term Management Plan>
・The SuMi TRUST Group has established the SuMi TRUST Group's management principles and posted them on its website.
https://www.smth.jp/en/about_us/philosophy/index.html

Under the Medium-Term Management Plan, "balanced creation of both social value and economic value" rests at the core of the SuMi TRUST Group's management approach, and the Group formulated a strategy for this coming three years by reassessing the roles and functions expected of it as a financial group specialized in trust banking, as well as the Group's corporate mission (purpose) from a long-term perspective.
https://www.smth.jp/en/news/2020/E200514-1.pdf
Furthermore, SuMi TRUST Holdings publishes and posts on its website the Integrated Report every year, which covers in detail initiatives towards reforms of corporate governance, initiatives towards the enhancement of fiduciary duties and sustainability initiatives, in addition to the medium- to long-term management strategies of SuMi TRUST Holdings.
https://www.smth.jp/en/ir/annual/index.html

<Fundamental Perspectives and Basic Policy on Corporate Governance>

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

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

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

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

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

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

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

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

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

[Supplementary Principle 4-1-1]

<Outline of Scope of Delegation to Management Team>

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

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

[Supplementary Principle 4-1-3]

<Succession Planning for the CEO and Other Top Executives>

SuMi TRUST Holdings has clarified the quality and capabilities as well as personalities required as executive of SuMi TRUST Holdings, SuMi TRUST Bank and Sumitomo Mitsui Trust Asset Management Co., Ltd.("SuMi TRUST AM") as part of its succession planning. After deliberation at the Nominating Committee, SuMi TRUST Holdings has also formulated and is operating a "Plan to Foster Human

Resource as Potential Executives," which prescribes various training programs and forums for fostering human resources as potential executives and processes for managerial promotion.

[Principle 4-6]
<Execution and Supervision of Business>
To ensure the effectiveness of independent and objective supervision of management by the Board of Directors, non-executive directors with no involvement in the execution of business make up 73% of the Board of Directors. Moreover, SuMi TRUST Holdings has appointed an external director as chairman of the Board. For details about the chairman of the Board, please refer to <Support System for External Directors> of this report.

[Principle 4-8]
<Policy on Efforts to Appoint at Least One-Third Independent External Directors>
SuMi TRUST Holdings sets out in Article 4 (Composition of the Board of Directors) of the "Basic Policy on Corporate Governance" that in light of the importance of external directors' functions in the corporate governance, SuMi TRUST Holdings shall operate the Board of Directors with at least one-third of directors being independent external directors, in principle. In accordance with Article 5 (Policies Regarding Nomination and Dismissal of Directors and Executive Officers (*1)) of the "Basic Policy on Corporate Governance," external directors to be appointed must be selected from among a wide range of diversified individuals pursuant to the following nomination policies: a person who satisfies the Independence Standards of Independent External Officers of SuMi TRUST Holdings, and who is deemed unlikely to give rise to conflicts of interest with general shareholders of SuMi TRUST Holdings; a person who understands SuMi TRUST Holdings' management principles, and fully understands the social responsibilities and roles of SuMi TRUST Holdings as a trust bank group; and a person who fully recognizes the role of external director, and who is able to oversee SuMi TRUST Holdings' directors and management, and provide proper and appropriate opinions and advice, by leveraging the person's knowledge and activities in fields such as corporate management, economy, legal affairs, accounting, tax accounting, and auditing.

<Effective Use of Independent External Directors>
In order to ensure the effectiveness of its corporate governance system and further enhance the soundness and reliability of the business model and the transparency of management of the SuMi TRUST Group, SuMi TRUST Holdings, pursuant to Article 7 (Establishment of Committees) of the "Basic Policy on Corporate Governance," shall establish a Risk Committee and a Conflicts of Interest Committee, in which independent external directors shall participate, as advisory bodies to the Board of Directors, in addition to the Nominating Committee, the Compensation Committee and the Audit Committee, which are required to be established under the Companies Act. All of these committees shall be chaired by external directors and the majority of the members of these committees shall be external members. For details, please refer to "2. Items Related to Business Execution, Audit and Oversight, Nominations and Setting of Compensation, etc. (Overview of Corporate Governance Framework)" of this report.

[Supplementary Principle 4-8-1]
<Exchange of Information and Shared Awareness Among Independent External Directors from an Independent and Objective Standpoint>

SuMi TRUST Holdings holds External Directors' Meetings consisting solely of external directors, in an effort to further enhance the effectiveness of corporate governance. At the meetings, exchanges of opinion are conducted based on the operations of the Board of Directors meetings and results of the Evaluation of the Board of Directors, which contributes to the objectivity and the strengthening of the independence of the Board of Directors.

[Principle 4-9]
<Independence Standards of Independent External Directors>
SuMi TRUST Holdings has established the Independence Standards of Independent External Officers, and the details of these Standards are given in <Independent officers> of this report and posted on SuMi TRUST Holdings' website.
https://www.smth.jp/en/about_us/management/governance/independence.pdf

[Supplementary Principle 4-11-1]
<Perspectives on the Balance of Knowledge, Experience, and Capability, Diversity and Scale of the Board of Directors as a Whole>
In deciding the candidates for directors, SuMi TRUST Holdings shall consider the balance between, among other things, individuals who can exert their strength in management of particular business fields, from among wide business fields, and individuals who are suitable for management administration, in order to secure a board that is, as a whole, so balanced in terms of knowledge, experience, and capability; and so diversified that it is appropriate for supervising the wide business fields of a trust bank group adequately. Details are provided in Article 4 (Composition of the Board of Directors) and Article 5 (Policies Regarding Nomination and Dismissal of Directors and Executive Officers (*1)) of the "Basic Policy on Corporate Governance." Accordingly, the SuMi TRUST Group as a whole makes a steady progress in achieving diversity, including the appointment of a female external director in SuMi TRUST Holdings in June 2017, as well as the appointment of an external director who is a legal professional in SuMi TRUST Holdings and two female external directors in SuMi TRUST Bank, the core subsidiary of the Company, in June 2019, and so forth.

[Supplementary Principle 4-11-2]
<Situation Concerning Officer Posts that Directors Hold at Other Listed Companies>
The situation concerning officer posts that external directors hold at other listed companies is indicated in < Matters relating to external directors > of this report.
The situation concerning officer posts that directors other than external directors hold at other listed companies is as follows:

- Kunitaro Kitamura: External Director, FUJIFILM Holdings Corporation, and External Director, ASAGAMI CORPORATION
- Hitoshi Tsunekage: External Director, Nankai Electric Railway Co., Ltd., and Outside Audit & Supervisory Board Member, Rengo Co., Ltd.

[Supplementary Principle 4-11-3]
<Outline of Results of Analysis and Evaluation Concerning the Effectiveness of the Board of Directors as a Whole>
SuMi TRUST Holdings conducts annual evaluation of the effectiveness of the Board of Directors as a whole (hereinafter, the "Evaluation of the Board of Directors"), and reviews and implements remedial measures for the challenges derived therefrom, whereby a PDCA cycle is activated for improving the effectiveness of the Board of Directors.

In the Evaluation of the Board of Directors in fiscal year 2019, SuMi TRUST Holdings conducted a self-assessment based on a review by a new external consultant. The third-party organization leading the evaluation was changed from last fiscal year so that the Board of Directors could be examined from a different perspective and so new issues could be identified. As with the previous fiscal year, assessments were conducted from multiple angles; namely, self-evaluation by the Board of Directors, the Board of Directors' evaluation of each committee, each committee's self-evaluation, and executive officers' evaluations of the Board of Directors. Upon conducting surveys mainly on questionnaires and interviews with directors while obtaining advice and support from external consultants, SuMi TRUST Holdings was able to confirm a certain level of effectiveness for the Board of Directors and each committee, while recognizing the new challenges.

<Evaluation Process>

In the Evaluation of the Board of Directors in fiscal year 2019, SuMi TRUST Holdings conducted the evaluation of the effectiveness of the Board of Directors and each committee as follows, upon conducting questionnaires and interviews, and keeping in mind the results of the "Third-party Evaluation" conducted by external consultant.

Bodies to be evaluated	The Board of Directors The Nominating Committee, the Compensation Committee, the Audit Committee, the Risk Committee, the Conflicts of Interest Committee
Respondents	Directors, executive officers (*1), and members of each committee
Method of inquiry	1) Questionnaires for directors, executive officers (*1), and members of each committee (evaluation by five-grade multiple choice, along with narrative writing) 2) Interviews with directors by a third-party organization (external consultant)

<Measures to Address the Challenges Recognized through the Evaluation of the Board of Directors in Fiscal Year 2018>

In fiscal year 2019, SuMi TRUST Holdings tackled the following challenges that were recognized through the Evaluation of the Board of Directors in fiscal year 2018 and, as a result of confirming the status of improvements in each challenge in the Evaluation of the Board of Directors in fiscal year 2019, a certain degree of improvement was confirmed.

(1) Improving discussions concerning longer-term management issues and strategies, including the formulation of the new Medium-Term Management Plan
(2) Strengthening monitoring to enhance Group governance
(3) Improving the framework that underpins the operation of the Board of Directors

<Summary of the Results of Evaluation of the Board of Directors for Fiscal Year 2019 and Initiatives Going Forward>

In the Evaluation of the Board of Directors for fiscal year 2019, SuMi TRUST Holdings confirmed that deliberations had become more active and that objectivity and transparency had been enhanced as a result of the Board of Directors and each committee being operated with an awareness of its objectives, and that a certain level of effectiveness had been ensured.

Meanwhile, through the Evaluation of the Board of Directors, the following three points were confirmed as issues of the Board of Directors and each committee which required improvements and enhancements, and SuMi TRUST Holdings shall continue to make efforts to address these issues.

(1) Supervision of and advice on the progress of the Medium-Term Management Plan in light of the impact of the novel coronavirus pandemic
(2) Improvements to internal control systems and operations at Group companies
(3) Further improvements to the appropriate operations of the Board of Directors, reflecting the supervision and execution roles expected of it

SuMi TRUST Holdings shall, aiming for sustainable growth and medium- to long-term enhancement of corporate value, endeavor to further enhance the effectiveness of the Board of Directors and each committee by continuing to activate the PDCA cycle through the Evaluation of the Board of Directors.
The results of the Evaluation of the Board of Directors for fiscal year 2019 have been posted on SuMi TRUST Holdings' website.
https://www.smth.jp/en/about_us/management/governance/evaluation_E200629.pdf

[Supplementary Principle 4-12]
<Invigorate Deliberations at the Board of Directors>
The Board of Directors supervises the status of execution of duties by the executive officers (*1), etc., as well as determines the basic management policy, selects business models through the formulation of a management plan and makes decisions on risk-taking, etc. To fulfill such a role, the Board of Directors selects management priority issues and themes from a medium- to long-term perspective, in addition to matters required by laws and regulations, as the "management theme," and discusses them freely without the express purpose of reaching conclusions.
Through these initiatives, the Board of Directors utilizes the insights and perspectives of the external directors on important themes at the heart of management.

[Supplementary Principle 4-14-2]
<Policies on Training of Directors>
SuMi TRUST Holdings sets out its policies regarding the training of directors as follows in Article 6 (Policies Regarding Training of Directors) of the "Basic Policy on Corporate Governance":

- SuMi TRUST Holdings shall collect and provide information regarding economic conditions, industry movement, compliance with laws, corporate governance, finance & accounting, and any other matters, which is required by directors in order to perform their roles and functions, and it shall thereby support directors' execution of duties.
- In a timely manner after assuming office, external directors of SuMi TRUST Holdings shall receive explanations from governing sections or responsible officers, etc., and acquire a sufficient understanding regarding such matters as SuMi TRUST Group's management strategy, management plan, status of various business, management environment, and management issues, in order to perform their roles and functions. In addition, the "Policy on Training of Directors and Other Officers" was established in February 2016. SuMi TRUST Holdings will clarify systematically the training and orientation sessions as well as other training programs SuMi TRUST Holdings had hitherto offered, and report to the Board of Directors on the status of implementation for training programs. Implementation status for the fiscal year 2019 is as follows.

1. Providing opportunities to external officers to acquire knowledge on business, etc.

- Conducting business briefings for mainly newly-appointed external officers: Each of the managerial departments and the planning departments of main businesses conduct briefings each year for newly-appointed external officers on the details of business and issues, among other matters. In fiscal year 2019, a total of five sessions, each lasting between 45 minutes and two hours, were provided for the newly appointed external officers over two days, covering subjects such as the Group's business model and management plans, while a total of 19 sessions over five days were provided for all external officers, including external officers already appointed. In addition to the usual subjects of general management and business matters, efforts were made to improve the quality of sessions with the addition of subjects that may be of particular interest to external officers and challenging specialist subjects, including trends in regulations overseas and their impacts on the Group's business, frameworks for FD and conflict of interest management, ESG initiatives, and the Group's digital strategy and industry trends.
- Advance briefing on matters to be deliberated by the Board of Directors
- Attendance at the Group Management Strategy Meeting as well as SuMi TRUST Bank's General Managers Meeting held at the beginning of the fiscal year
- Compliance training (jointly held with internal officers): Participation in US compliance and high level training, as well as officer compliance training
- Joining in at the "Officers Hearings," "Affiliated Company President Hearings," "General Managers Hearings" and "Hearings with General Managers of overseas offices of SuMi TRUST Bank" which are held as interviews with the corporate auditors and Audit and Supervisory Committee members
- Onsite inspection of the DC call center of SuMi TRUST Bank and office tours of Sumitomo Mitsui Trust Asset Management and hearings about the direction of its Medium-Term Management Plan, etc.

2. Various training and seminars for mainly internal officers

- Training programs for understanding finance-related laws/regulations and market trends: Aimed to deepen the understanding of topics of various laws/regulations relating to the finance industry, and the external environment including the market environment that could impact management
- Training programs for reinforcing management capabilities through an understanding of the management issues of the SuMi TRUST Group: Aimed to deepen the understanding of the management issues facing the SuMi TRUST Group and the direction of its business strategies, while at the same time reinforcing management capabilities by discussing various recommendations towards the resolution of such issues
- Compliance training programs: Conducting High-level US Compliance training programs and compliance training programs for officers
- Corporate governance training programs: Training is conducted in the form of seminars by introducing and explaining mainly examples of questions addressed to external officers at recent general shareholders' meetings and examples of corporate scandals. In addition, materials that would be useful to the officers of SuMi TRUST Holdings are selected and utilized including materials from seminars and workshops conducted by the Stock Transfer Agency Business Advisory Department for its customers, materials distributed to customers, and research papers contributed to professional journals, etc.
- Training for newly appointed executive officers: Implemented from fiscal year 2019 for the purpose of having officers fully understand what is expected of

them so they can change their way of thinking and transform from branch/ general managers into a management team (executive officers) capable of achieving overall optimization, future creation, and innovation
- Human rights training programs: Trainings based on the introduction of case examples

[Principle 5-1]
<Policy Regarding Structural Development and Efforts to Promote Constructive Dialogue with Shareholders>
SuMi TRUST Holdings has established the Policy for Constructive Dialogue with Shareholders, etc. as provided in Article 17 (Policy for Constructive Dialogue with Shareholders, etc.) of the "Basic Policy on Corporate Governance" and the "Annual Report-Financial Data Section" which is a supplementary volume of the Integrated Report:

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

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

2. Capital Structure

Percentage of shares held by overseas investors	30% or more

<Principal shareholders> (Updated)

Name	Number of Shares Held	Percentage (%)
The Master Trust Bank of Japan, Ltd. (trust account)	27,367,500	7.29
Japan Trustee Services Bank, Ltd. (trust account)	20,896,800	5.57
Japan Trustee Services Bank, Ltd. (trust account 9)	13,205,500	3.52
JP Morgan Chase Bank 385151	8,560,603	2.28
Japan Trustee Services Bank, Ltd. (trust account 5)	7,595,000	2.02
The Bank Of New York Mellon 140051	7,229,700	1.92
Japan Trustee Services Bank, Ltd. (trust account 7)	7,019,800	1.87
SSBTC Client Omnibus Account	6,174,177	1.64

State Street Bank West Client-Treaty 505234	4,933,635	1.31
Barclays Securities Japan Limited	4,029,174	1.07

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

- Principal shareholders indicated are as of March 31, 2020.
- For Percentage (%), the numbers are rounded down to two decimal places.
- BlackRock Japan Co., Ltd. (BlackRock Japan) filed a Report of Large Volume Holding as of October 21, 2014 and reported that BlackRock Japan and nine others held common shares of SuMi TRUST Holdings as of October 15, 2014 as provided below. SuMi TRUST Holdings, however, has not been able to confirm the actual holding of shares as of March 31, 2020, and they are not included in the status of principal shareholders above.
  SuMi TRUST Holdings consolidated its shares with a ratio of ten shares of common stock into one share on October 1, 2016. Please note that the number of shares held as shown below does not take into account the consolidation of shares.
  Name of holder of large-volume shares: BlackRock Japan, Co., Ltd. and nine joint holders
  Number of shares held: 197,950,253 (including the number of shares held by joint holders)
  Percentage of shares held to total shares issued (%) 5.07%
- A Change Report of Large Volume Holding filed by Baillie Gifford & Co available for public inspection as of May 22, 2018, reported that Baillie Gifford & Co and one other shareholder held common shares of SuMi TRUST Holdings as of May 15, 2018, as provided below. SuMi TRUST Holdings, however, has not been able to confirm the actual holding of shares as of March 31, 2020 and they are not included in the status of principal shareholders above.
  Name of holder of large-volume shares: Baillie Gifford & Co and one joint holder
  Number of shares held: 26,365,979 (including the number of shares held by the joint holder)
  Percentage of shares held to total shares issued (%): 6.75%
- Nomura Securities Co., Ltd. (Nomura Securities) filed a Report of Large Volume Holding as of March 6, 2020 and reported that Nomura Securities and two others held common shares of SuMi TRUST Holdings as of February 28, 2020 as provided below. SuMi TRUST Holdings, however, has not been able to confirm the actual holding of shares as of March 31, 2020, and they are not included in the status of principal shareholders above.
  Name of holder of large-volume shares: Nomura Securities Co., Ltd. and two joint holders
  Number of shares held: 19,403,633 (including the number of shares held by joint holders)
  Percentage of shares held to total shares issued (%) 5.17%
- 429,000 shares of common stock owned by Japan Trustee Services Bank, Ltd. (trust account) are included in the trust assets of SuMi TRUST Holdings' Share delivery trust for Directors, etc. and are accounted for as treasury stocks in the consolidated financial statements and the financial statements of SuMi TRUST Holdings, but these figures have not been deducted from the total issued shares.

3. Corporate Profile

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

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

None.

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

None.

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

1. Organizational Structure and Operational Management

Type of Organization	Company with Three Committees

【Directors】

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

【Matters relating to external directors】

Number of external directors: (Updated)	7
Number of external directors designated as independent officer: (Updated)	7

Relationship with SuMi TRUST Holdings (1) (Updated)

Name	Attribute	Relationship with SuMi TRUST Holdings*										
		a	b	c	d	e	f	g	h	i	j	k
Takeshi Suzuki	From another company											
Mikio Araki	From another company											
Isao Matsushita	From another company											
Shinichi Saito	From another company											
Takashi Yoshida	Certified public accountant											
Hiroko Kawamoto	From another company											
Mitsuhiro Aso	Lawyer											

* Categories for relationship with SuMi TRUST Holdings

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

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

a. Person performing an executive role of a listed company or its subsidiary

b. Person performing an executive role or acting as a non-executive director of the parent company of a listed company

c. Person performing an executive role of a fellow subsidiary company of a listed company

d. Person whose principal client or supplier is a listed company or person performing an executive role thereof

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

Relationship with SuMi TRUST Holdings (2) (Updated)

Name	Committees-based			Independent officer	Supplemental information on corresponding items	Reason for selecting as external director (and reason for appointing as independent officer)
	Nominating Committee	Compensation Committee	Audit Committee			
Takeshi Suzuki	○	○		○	<Major concurrent post> Part-time Director, Tokai National Higher Education and Research System	Mr. Takeshi Suzuki has extensive experience and knowledge in the field of accounting, finance, affiliated company management, etc. as the former Senior Managing Director of Toyota Motor Corporation, which is a leading global company in Japan. After retiring from the office of the Senior Managing Director of Toyota Motor Corporation, he has been involved in the management of companies operating finance related businesses; he has served as the Representative Director and President of Toyota Financial Services Corporation and the Representative Director and Chairman of Aioi Nissay Dowa Insurance Co., Ltd. He has provided comments and advice based on such experience, mainly at board meetings, during his term of office as an external director of SuMi TRUST Holdings. In order to continue to make full use of his knowledge and insight, SuMi TRUST Holdings has selected him as an external director. Further, although he served as the Representative Director and Chairman of Aioi Nissay Dowa Insurance Co., Ltd. until June 2015, with which SuMi TRUST Holdings and the SuMi TRUST Group have conducted transactions, the average annual amount of such transactions in the immediately preceding three fiscal years has been less than one percent of each of the consolidated sales of Aioi Nissay Dowa Insurance Co., Ltd. and the consolidated gross profits of SuMi TRUST

Name	Committees-based			Indep-endent officer	Supplemental information on corresponding items	Reason for selecting as external director (and reason for appointing as independent officer)
	Nominating Committee	Compensation Committee	Audit Committee			
						Holdings. Also, SuMi TRUST Bank, a subsidiary of SuMi TRUST Holdings, holds common shares of Toyota Motor Corporation, a company at which Mr. Suzuki served as a director until June 2008, but the amount of holdings is less than 1% of shares outstanding. Thus, these facts should not affect his independence.
Mikio Araki	○	○		○	<Major concurrent posts> Chairman of the Board of Japan Economic Research Institute Inc., External Auditor of Japan Freight Railway Company	Mr. Mikio Araki has extensive experience in bank management and policy-based finance, etc. as the former Representative Director and Vice President of Development Bank of Japan Inc., and has extensive knowledge on domestic and foreign financial and economic circumstances as Chairman of the Board of Japan Economic Research Institute Inc.. He has provided comments and advice based on such experience, mainly at board meetings, during his term of office as an external director of SuMi TRUST Holdings. In order to continue to make full use of his knowledge and insight, SuMi TRUST Holdings has selected him as an external director. In August 2018, he retired from the position as President of The Japan Economic Research Institute which has no business transaction with the Company nor the Group companies. Further, although he currently serves as the Chairman of the Board of Japan Economic Research Institute Inc, with which SuMi TRUST Holdings and the SuMi TRUST Group have conducted transactions, the average annual amount of such transactions in the immediately preceding three fiscal years has been less than one percent of each of the sales of the Institute and the consolidated gross profits of SuMi TRUST Holdings. Thus, these facts should not affect his independence.
Isao Matsushita	○	○		○	<Major concurrent posts> Outside Director of Matsumotokiyoshi Holdings Co., Ltd.	Mr. Isao Matsushita has extensive experience in the general management of companies, as the former Representative Director and President of JX Holdings, Inc. (currently ENEOS Holdings, Inc.), which is a representative integrated energy, resources and material enterprise group in Japan. During his term of office as external director of our Company, he has contributed to further enhancing the effectiveness of the Board of Directors as the Chairperson of the Board as well as provided comments and advice based on such years of experience. In order to make full use of his knowledge and insight regarding business management and company management, SuMi TRUST Holdings has selected him as an external director. Further,

Name	Committees-based			Indep-endent officer	Supplemental information on corresponding items	Reason for selecting as external director (and reason for appointing as independent officer)
	Nominating Committee	Compensation Committee	Audit Committee			
						although until June 2019 he served as a Senior Advisor of JXTG Holdings, Inc. (ENEOS Holdings, Inc.), with which SuMi TRUST Holdings and the SuMi TRUST Group have conducted transactions, the average annual amount of such transactions in the immediately preceding three fiscal years has been less than one percent of each of the consolidated sales of JXTG Holdings, Inc. and the consolidated gross profits of SuMi TRUST Holdings. Thus, these facts should not affect his independence.
Shinichi Saito	○		○	○	<Major concurrent posts>	Mr. Shinichi Saito has extensive knowledge and experience in financial accounting as the former Finance Director of Marubeni Corporation. In addition to engaging in management at an investment company, he also has deep insight as a company executive. During his term of office as an external auditor of SuMi TRUST Holdings for four years from June 2013, and thereafter as an external director of SuMi TRUST Holdings since June 2017, he has provided comments and advice based on such years of experience. SuMi TRUST Holdings has selected him as an external director, in order to continue to make full use of his knowledge and insight in its management. Further, up until November 2019 he served as Chairman & Representative Director of Japan Industrial Solutions, Ltd., with which SuMi Trust Holdings and the SuMi TRUST Group have not entered into any transactions. Also, SuMi TRUST Bank, a subsidiary of SuMi TRUST Holdings, holds common shares of Marubeni Corporation, a company at which Mr. Saito worked until September 2002, but the amount of holdings is less than 1% of shares outstanding. Thus, these facts should not affect his independence.
Takashi Yoshida			○	○	<Major concurrent posts> Certified Public Accountant, External Corporate Auditor of Nippon Seiro Co., Ltd., External Director of Cosmos Initia Co., Ltd.	Mr. Takashi Yoshida had been a member of a major audit firm for many years and has extensive knowledge and experience in financial accounting as a certified public accountant in charge of auditing financial institutions and operating companies. In addition to experience as a certified public accountant, he had been engaged in management as the Representative Partner or Managing Director of an audit firm and also has global knowledge based on overseas work experience. During his term of office as an external auditor of SuMi TRUST Holdings for one year from June 2016, and thereafter as an external director of SuMi TRUST Holdings

Name	Committees-based			Indep-endent officer	Supplemental information on corresponding items	Reason for selecting as external director (and reason for appointing as independent officer)
	Nominating Committee	Compensation Committee	Audit Committee			
						since June 2017, he has provided comments and advice based on such years of experience. SuMi TRUST Holdings has selected him as an external director, in order to continue to make full use of his knowledge and insight in its management. Although he has never been directly involved in the management of a company in the past, for the reasons stated above, SuMi TRUST Holdings is convinced that he is capable of properly performing his duties as an external director. In his capacity as a certified public accountant, he has established Yoshida Certified Public Accounting Office, with which SuMi TRUST Holdings and the SuMi TRUST Group have not entered into any advisory contract or have not engaged in any transactions. Thus, these facts should not affect his independence.
Hiroko Kawamoto	○	○		○	<Major concurrent posts> Chairperson of the Board of ANA Strategic Research Institute Co., Ltd., Outside Director of Renaissance Inc., Outside Director of East Japan Railway Company	Ms. Hiroko Kawamoto had served as a Director and Executive Officer of All Nippon Airways Co., Ltd. from April 2013 and, thereafter has served as a Director and Senior Executive Officer of All Nippon Airways Co., Ltd. since April 2016, and she has been responsible for the overall management of the company and promotion of women's activities. In addition, for one year from June 2016, she has served as an external director of SuMi TRUST Bank, and as an external director of SuMi TRUST Holdings since June 2017, and she has provided comments and advice based on such years of experience during her term of office. SuMi TRUST Holdings has selected her as an external director, in order to continue to make full use of her knowledge and insight in its management. Further, although she served as a Director and Senior Executive Officer of All Nippon Airways Co., Ltd. until March 2017, and currently serves as Director and Chairperson of the Board of ANA Strategic Research Institute Co., Ltd., with both of which SuMi TRUST Holdings and the SuMi TRUST Group have conducted transactions, the average annual amount of such transactions in the immediately three preceding fiscal years has been less than one percent of each of the respective consolidated sales of the above-mentioned companies and the consolidated gross profits of SuMi TRUST Holdings. Also, SuMi TRUST Bank, a subsidiary of SuMi TRUST Holdings, holds common shares of ANA Holdings, Inc., the corporate group at which Ms. Kawamoto served as an officer, but the amount of holdings is less than 1% of shares

Name	Committees-based			Indep-endent officer	Supplemental information on corresponding items	Reason for selecting as external director (and reason for appointing as independent officer)
	Nominating Committee	Compensation Committee	Audit Committee			
						outstanding. Thus, these facts should not affect her independence.
Mitsuhiro Aso			○	○	<Major concurrent posts> External Auditor of Sumitomo Chemical Company, Limited	As Mr. Mitsuhiro Aso served as the Superintending Prosecutor of the Fukuoka High Public Prosecutors Office and Interlocking Professor at Hosei University Law School, etc., he is a law specialist and has experience of organizational management. In addition, he has served as an external auditor of SuMi TRUST Bank for three years since June 2016 and as an external director of SuMi TRUST Holdings since June 2019, and during this time he provided statements and advice based on such experience; therefore, SuMi TRUST Holdings has selected him as an external director, in order to make effective use of such experience and knowledge in its management. Although he has never been directly involved in the management of a company in the past, for the reasons stated above, SuMi TRUST Holdings is convinced that he is capable of properly performing his duties as an external director.

【Committees】

Composition and attributes of the chairperson of committees (Updated)

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

【Executive officers (*1) 】

Number of executive officers (*1) (Updated)	10

Status of concurrent post (Updated)

Name	Representation Right	Double as director			Double as employee
			Nominating Committee	Compensation Committee	
Tetsuo Ohkubo	○	○	○	○	×
Jiro Araumi	○	○	×	×	×
Yutaka Nishida	○	○	×	×	×

Name	Representation Right	Double as director			Double as employee
			Nominating Committee	Compensation Committee	
Atsushi Kaibara	×	×	×	×	×
Hitoshi Sato	×	×	×	×	×
Futoshi Itani	×	×	×	×	×
Kazuya Oyama	×	×	×	×	×
Junya Ueda	×	×	×	×	×
Masaru Hashimoto	×	○	○	○	×
Shigenori Ikemura	×	×	×	×	×

【Audit】

Directors and employees to assist duties of Audit Committee (Updated)	Yes

Matters relating to the independence of directors and employees from executive officers (*1)

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

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

The basic policy on internal auditing and internal audit plans is determined by the Board of Directors after the Internal Audit Department conducts prior consultation with and obtains approval of the Audit Committee. Results, etc. of the internal audits are reported to the Audit Committee and the President without delay, as well as to the Board of Directors in a timely and appropriate manner.
The Audit Committee and the Internal Audit Department exchange opinions and share information periodically. The Audit Committee also periodically receives reporting from and exchanges opinions and information with the accounting auditors on auditing information, auditing plans, the status of accounting auditing performed and auditing results, among others, and also exchange opinions and share information from time to time as needed. In this way, they monitor and verify whether the accounting auditors have maintained an independent standpoint and performed audits appropriately. Further, the Internal Audit Department exchanges opinions and shares information with the accounting auditors periodically as part of accounting audits and the audits on internal control over financial reporting. In addition to the above efforts, the Audit Committee, the Internal Audit Department and the accounting auditors aim to reinforce cooperation between the three parties such as by holding periodic meetings to ensure effective auditing.

【Independent officers】

Number of independent officers (Updated)	7

Matters relating to independent officers

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

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

"Independence Standards of Independent Officers"

1. If none of the following items applies to a candidate, the candidate shall be determined to have sufficient independence against SuMi TRUST Holdings.

(1) A person who is or was a person performing an executive role (an executive director, an executive officer (*1) (*2) or an employee including a manager) in SuMi TRUST Holdings or its affiliated companies.
(*2) Executive Officer as defined in our internal policy (the same shall apply hereafter).

(2) A person to whom SuMi TRUST Holdings or SuMi TRUST Bank, which is a core subsidiary of SuMi TRUST Holdings, is a principal business counterparty. If such person is a corporation such as a company, a person who is or, within the past three years, has been performing an executive role (an executive director, an executive officer (*1) (*2), a managing director, or an employee including a manager) in such corporation, its parent company or its material subsidiaries.

(3) A person who is a principal business counterparty of SuMi TRUST Holdings or SuMi TRUST Bank. If such person is a corporation such as a company, a person who is or, within the past three years, has been performing an executive role (an executive director, an executive officer (*1) (*2), a managing director, or an employee including a manager) in such corporation, its parent company or its material subsidiaries.

(4) A person who presently is a major shareholder of SuMi TRUST Holdings (holding 10% or more of the voting rights). If such person is a corporation such as a company, a person who is or, within the past three years, has been performing an executive role (an executive director, an executive officer (*1) (*2), a managing director, or an employee including a manager) in such corporation, its parent company or its material subsidiaries.

(5) A major creditor, etc. who, in fund-raising, is indispensable to SuMi TRUST Holdings or SuMi TRUST Bank and is depended on by SuMi TRUST Holdings or SuMi TRUST Bank to such an extent that the creditor cannot be substituted. If such person is a corporation such as a company, a person who is or, within the past three years, has been performing an executive role (an executive director, an executive officer (*1) (*2), a managing director, or an employee including a manager) in such corporation, its parent company or its material subsidiaries.

(6) A debtor, etc. who, in fund-raising, depends on SuMi TRUST Bank to such an extent that SuMi TRUST Bank cannot be substituted. If such person is a corporation such as a company, a person who is or, within the past three years, has been performing an executive role (an executive director, an executive officer (*1) (*2), a managing director, or an employee including a manager) in such corporation, its parent company or its material subsidiaries.

(7) A person who presently is an accounting auditor of SuMi TRUST Holdings or SuMi TRUST Bank, or a partner, etc., of such accounting auditor, or a person who has been in charge of the accounting audit of SuMi TRUST Holdings or SuMi TRUST Bank as such partner, etc., within the past three fiscal years.

(8) A person who is or, within the past three years, has been performing an executive role (an executive director, an executive officer (*1) (*2), a managing director, or an employee including a manager) in the lead managing underwriter

of SuMi TRUST Holdings.

(9) An individual such as a lawyer, certified public accountant, tax accountant, or other consultant who has received a large amount of money from SuMi TRUST Holdings or SuMi TRUST Bank within the past three years.

(10) A person who is or who has been, within the past three years, performing an executive role (an executive director, an executive officer (*1) (*2), a managing director, or an employee such as a manager) in a law firm, audit corporation, tax accountancy corporation, consulting firm, or other corporation to whom SuMi TRUST Holdings or SuMi TRUST Bank is a principal business counterparty.

(11) A person who receives a large amount of donation money from SuMi TRUST Holdings or SuMi TRUST Bank. If such person is a corporation such as a company, a person who is or, within the past three years, has been performing an executive role (an executive director, an executive officer (*1) (*2), a managing director, or an employee including a manager) in such corporation, its parent company or its material subsidiaries.

(12) A person who is a director, corporate auditor or executive officer (*1) (*2), a managing director, of a company to which directors are transferred from SuMi TRUST Holdings or its affiliated companies, or a person who is a director, corporate auditor or executive officer (*1) (*2) of such company's parent company or material subsidiaries.

(13) A person who is a close relative (a spouse, a relative within the third degree of kinship, or a cohabiting relative) of any of the persons listed in items (1), (2), (3), (9), and (10) above.

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

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

<Business counterparty>

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

<Donation money, etc>

- If the recipient is an individual: the money received from SuMi TRUST Holdings and its subsidiaries is less than ¥10 million per year on average over the past three years.
- If the recipient is a corporation: the money received from SuMi TRUST Holdings and its subsidiaries is less than the greater amount of either ¥10 million per year, or 30% of the annual total expenses of the relevant corporation on average over the past three years.

【Incentives】

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

Supplementary Remarks on This Item (Updated)

Starting from fiscal year 2019, SuMi TRUST Holdings has introduced a share delivery trust system, as a new Performance-Based Stock Compensation System that utilizes a trust, in lieu of the previous stock compensation-type stock option plan. The details are stated in "Disclosure of Decision-Making Policies Relating to Compensation Amounts and Calculation Methods" under【Compensation System of Directors and Executive Officers (*1)】.
Further, SuMi TRUST Holdings encourages them to contribute part of their compensation to the share ownership plan of officers in order to, among other things, further increase their enthusiasm to improve SuMi TRUST Holdings' share price and business performance.

Person Eligible to Receive Stock Options	None

Supplementary Remarks on This Item (Updated)

None

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

Disclosure of Compensation of Individual Directors	Partially disclosed.

Disclosure of Compensation of Individual Executive Officers (*1)	Partially disclosed.

The following items for fiscal year 2019 (from April 1, 2019 to March 31, 2020) are detailed in Appendix 2 (<1> Disclosure of Compensation of Individual Directors) attached to this report.

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

Decision-Making Policies Relating to Compensation Amounts and Calculation Methods	Yes

Disclosure of Decision-Making Policies Relating to Compensation Amounts and Calculation Methods

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

1. Decision-making policies, etc. relating to the compensation amounts for Directors and Executive Officers (*1) (*2), and its calculation methods
(1) Policy on decisions on the amounts of compensation for individual directors and executive officers (*1) (*2), and its calculation method
(2) Overview of the compensation system
(3) Performance evaluation mechanism for individual officers
(4) Indicators (KPI) relating to performance linked compensation, reasons for selection of the indicators, and method for determining amounts to be paid
(5) Compensation, etc. for internal directors serving as Audit Committee members
(6) Compensation, etc. for external directors
2. Process for the determination of the amounts of compensation, etc. for officers
(1) Authority of the Compensation Committee
(2) Outline of the procedure, etc. at the Compensation Committee
(3) Activities of the Compensation Committee

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

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

Name	Title/Position	Activity Description	Working Arrangement/Conditions (Full-time/Part-time, With/Without Compensation, etc.)	Date of Retirement as President, etc.	Term
Ken Fujii	Honorary Advisor, SuMi TRUST Bank	Interactions with various external organizations, etc.	Part-time, without compensation	March 31, 1999	1 year
Hiroshi Hayasaki	Honorary Advisor, SuMi TRUST Bank	Interactions with various external	Part-time, without compensation	March 1, 1998	1 year

Name	Title/Position	Activity Description	Working Arrangement/Conditions (Full-time/Part-time, With/Without Compensation, etc.)	Date of Retirement as President, etc.	Term
		organizations, etc.			
Atsushi Niira	Honorary Advisor, SuMi TRUST Bank	Interactions with various external organizations, etc.	Part-time, without compensation	March 1, 1998	1 year
Keiu Nishida	Honorary Advisor, SuMi TRUST Bank	Interactions with various external organizations, etc.	Part-time, without compensation	March 31, 2000	1 year
Hisao Muramoto	Honorary Advisor, SuMi TRUST Bank	Interactions with various external organizations, etc.	Part-time, without compensation	June 27, 2003	1 year
Kiichiro Furusawa	Honorary Advisor, SuMi TRUST Bank	Interactions with various external organizations, etc.	Part-time, without compensation	June 27, 2010	1 year
Hitoshi Murakami	Honorary Advisor, SuMi TRUST Bank	Interactions with various external organizations, etc.	Part-time, without compensation	June 29, 2005	1 year
Atsushi Takahashi	Honorary Advisor, SuMi TRUST Bank	Interactions with various external organizations, etc.	Part-time, without compensation	March 31, 2011	1 year
Kazuo Tanabe	Honorary Advisor, SuMi TRUST Bank	Interactions with various external organizations, etc.	Part-time, without compensation	March 31, 2012	1 year
Jun Okuno	Honorary Advisor, SuMi TRUST Bank	Interactions with various external organizations, etc.	Part-time, without compensation	March 31, 2012	1 year

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

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

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

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

＜Supervisory body>
(1) The Board of Directors
A. Composition, Roles and Responsibility

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

number.

d) In light of the importance of external directors' functions in the corporate governance, SuMi TRUST Holdings shall operate the Board of Directors with at least one-third of directors being independent external directors, in principle.

B. Status of Activities

In fiscal year 2019, 16 meetings of the Board of Directors were held. An agenda for further deliberation and the annual schedule were formulated based on discussions at the initial meeting, which were followed up in the course of the year. Specifically, the Board of Directors conducted deliberations on the reports from executive officers (*1) and the committees, from a supervisory viewpoint, while focusing discussions over the important management challenges and themes from a medium- to long-term prospective selected as "management themes." The average attendance rate for directors was 99.5%.

The attendance of each individual director is as follows.

Tetsuo Ohkubo: 16/16 meetings
Jiro Araumi: 16/16 meetings
Yutaka Nishida: 12/12 meetings*1
Masaru Hashimoto: 16/16 meetings
Kunitaro Kitamura: 16/16 meetings
Hitoshi Tsunekage: 16/16 meetings
Kuniyuki Shudo: 12/12 meetings*1
Kouji Tanaka: 12/12 meetings*1
Takeshi Suzuki: 16/16 meetings
Mikio Araki: 16/16 meetings
Isao Matsushita: 16/16 meetings
Shinichi Saito: 16/16 meetings
Takashi Yoshida: 16/16 meetings
Hiroko Kawamoto: 15/16 meetings
Mitsuhiro Aso: 12/12 meetings*1
Toru Takakura: 4/4 meetings*2
Yasuyuki Yagi: 4/4 meetings*2
Hiroshi Misawa: 4/4 meetings*2
Soichi Shinohara: 4/4 meetings*2
*1 Total of 12 meetings
*2 Total of 4 meetings

(2) Outline of Committees

<Statutory committees>

A. Nominating Committee

a) Chairperson: Isao Matsushita (external director)
b) Composition: 5 external, 2 internal
c) Authority, Roles and Responsibility

・The Nominating Committee shall determine the content of proposals regarding the election and dismissal of directors to be submitted to a shareholders meeting.
・The Nominating Committee shall receive requests for consultation on the election and dismissal of executive officers (*1) including President from the Board of Directors, and shall deliberate and make reports on these.
・The Nominating Committee shall receive requests for consultation on the election and dismissal of directors from the Board of Directors of SuMi TRUST Bank and SuMi TRUST AM , and shall deliberate and make reports on these.
・The Nominating Committee shall receive requests for consultation on the succession plan of management of SuMi TRUST Holdings, SuMi TRUST Bank, and

SuMi TRUST AM from the Board of Directors, and shall deliberate and make reports on these.

d) Status of Activities

In fiscal year 2019, the Nominating Committee held 14 meetings to engage in activities apart from those stated under "Authority, Roles and Responsibility" above, including a review on improving the plan to select and foster the next generation candidates for top management based on the succession plan. The average attendance rate for committee members was 100%.

B. Compensation Committee

a) Chairperson: Hiroko Kawamoto (external director)

b) Composition: 4 external, 2 internal

c) Authority, Roles and Responsibility

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

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

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

d) Status of Activities

In fiscal year 2019, the Compensation Committee held 11 meetings to engage in activities apart from those stated under "Authority, Roles and Responsibility" above, including amendments to the stock compensation system, a review of the officers' compensation systems including those of the main subsidiaries, discussions on the compensation system based on the considerations for the composition of monthly compensation, officers' bonuses and stock compensation as well as for short-term and medium- to long-term incentives, and discussions on the partial amendment to the officers' bonus system. The average attendance rate for committee members was 100%.

C. Audit Committee

a) Chairperson: Shinichi Saito (external director)

b) Composition: 3 external, 2 internal

c) Authority, Roles and Responsibility

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

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

d) Status of Activities

In fiscal year 2019, the Audit Committee held 17 meetings to engage in activities apart from those stated under "Authority, Roles and Responsibility" above, including discussions from various viewpoints such as whether executive officers (*1) are making decisions on and executing business in a fair, adequate, and efficient manner, whether the Group's internal control system is appropriately developed and efficiently operated, and whether the accounting auditor conducts an adequate audit as a professional through maintaining a fair and unbiased attitude and an independent standpoint. The average attendance rate for committee members was 100%.

<Voluntary committees, etc.>

D. Risk Committee

a) Chairperson: Mikio Araki (external director)
b) Composition: 3 external (including 1 external expert), 1 internal
c) Purpose, Roles and Responsibility

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

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

d) Status of Activities

In fiscal year 2019, the Risk Committee held 7 meetings to engage in activities apart from those stated under "Purpose, Roles and Responsibility" above, including discussions over the desirable risk appetite framework based on the trust banking business model as well as risk culture in general. The average attendance rate for committee members was 100%.

E. Conflicts of Interest Committee

a) Chairperson: Hideki Kanda* (external expert) *External director of SuMi TRUST Bank
b) Composition: 3 external (including 2 external experts), 1 internal (including 2 external experts)
c) Purpose, Roles and Responsibility

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

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

d) Status of Activities

In fiscal year 2019, the Conflicts of Interest Committee held 4 meetings to engage in activities apart from those stated under "Purpose, Roles and Responsibility" above, including examination of a dynamic conflict of interest management structure that reflects the Group's measures, as well topics to be addressed over the medium term, such as the enhancement of risk management in the trust business. The attendance rate for committee members was 100%.

F. External Directors' Meeting
SuMi TRUST Holdings holds External Directors' Meetings consisting solely of external directors to further enhance the effectiveness of corporate governance. At the meetings, exchanges of opinion are conducted based on the operations of the Board of Directors meetings, discussion themes, fulfillment status of the roles of the Board of Directors and results of the Evaluation of the Board of Directors, which contributes to the objectivity and the strengthening of the independence of the Board of Directors.

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

(4) Others
SuMi TRUST Holdings has established various committees including the Sustainability Promotion Committee to deliberate measures to promote sustainability initiatives and the Business Risk Management Committee.

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

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

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

	Supplemental remarks
Prompt distribution of convocation notices for the general shareholders' meeting	The convocation notice for the annual general shareholders' meeting held on June 26, 2020, was dispatched on June 4, after being posted on SuMi TRUST Holdings' website on May 28, for the purpose of prompt notification.
Electronic voting	SuMi TRUST Holdings has been enabling shareholder voting through the Internet (including smartphones) and mobile phones.
Participation in the Electronic Voting Platform system and other efforts to create a better environment in which institutional investors can exercise their voting rights.	SuMi TRUST Holdings participates in the Electronic Voting Platform system operated by ICJ, Inc.
Provision of convocation notice summaries in English	An English version of the convocation notice summaries was prepared and posted on SuMi TRUST Holdings' website at the same time as the Japanese version, from one week before the convocation notice was dispatched, and it has also been provided through the Electronic Voting Platform, for greater convenience to overseas
Others	SuMi TRUST Holdings sends convocation notices by e-mail to those shareholders who have consented to such electronic notification arrangements. Further, in conducting general shareholders meetings, SuMi TRUST Holdings has been aiming at easy-to-understand meetings for shareholders, by such means as increasing use of visual aids and uploading reporting items (including presentations) used in meetings to its website for the convenience of the shareholders unable to attend. In addition, after the meetings, SuMi TRUST Holdings posts notices of resolutions and the results of voting on its website, as well as providing them through the Electronic Voting Platform system.

2. Activities Regarding IR (Updated)

	Supplemental remarks	Personal explanation by representative
Preparation and publication of	SuMi TRUST Holdings has established the Disclosure Policy and disseminates it externally, as well as to SuMi TRUST Group's officers and employees for the purpose of appropriately implementing it. The Disclosure Policy serves as	

	Supplemental remarks	Personal explanation by representative
disclosure policy	SuMi TRUST Group's IR activity guidelines, setting forth that we should make efforts to proactively disclose corporate information which we deem useful for our shareholders, investors, etc. in understanding the SuMi TRUST Group, adopting timeliness, accuracy, and fairness as basic requirements thereof.	
Regular information meetings for individual investors	SuMi TRUST Holdings holds corporate briefings via securities companies and so on, where the President, and the officer and employee in charge of IR explain SuMi TRUST Group's characteristics, earnings results and financial condition, and management strategies, etc.	Yes
Regular information meetings for analysts and institutional investors	SuMi TRUST Holdings holds investor meetings semi-annually (around May and November), inviting securities company analysts and institutional investors, with the President explaining SuMi TRUST Group's earnings results and management strategies, etc. Further, SuMi TRUST Holdings holds one-on-one and group meetings for analysts and institutional investors from time to time, with the President, and the officer and employee in charge of IR providing explanations. SuMi TRUST Holdings also holds the SuMi TRUST IR Day which provides opportunities for officers in charge of businesses to give explanation on business strategies as well as for external directors to explain on the corporate governance status, etc.	Yes
Regular information meetings for overseas investors	SuMi TRUST Holdings' President, or the officer in charge of IR, visits major institutional investors in the U.S., Europe, and Asia, etc. several times per year, explaining SuMi TRUST Group's earnings results and financial condition, and management strategies, etc. Further, SuMi TRUST Holdings regularly participates in IR conferences organized in Japan by securities companies for overseas institutional investors, as well as participates in such conferences held overseas.	Yes
Posting of IR materials on website	Promptly after their announcement, SuMi TRUST Holdings discloses various types of IR information and information for shareholders, etc. on its website. The types of information disclosed are, among others, as follows: financial results and related explanatory materials; timely disclosure materials and press releases; annual securities reports and quarterly securities reports; summary of financial results; investor meetings' presentation materials; integrated reports(disclosure reports); annual	

	Supplemental remarks	Personal explanation by representative
	reports; business reports; the Basic Policy on Corporate Governance; stock information; rating information; analyst coverage; convocation notices for general shareholders' meetings; results of voting, etc. Videos of investors meetings and corporate briefings for individual investors are also posted on the website. Further, on the page of its website entitled "For Individual Investors," explanation is provided for individual investors regarding SuMi TRUST Group's business and operational results in an easy-to-understand format. For overseas institutional investors, too, SuMi TRUST Holdings provides various types of IR information and so on in a timely manner via its English website. Japanese URL: https://www.smth.jp/ir/index.html English URL: https://www.smth.jp/en/ir/index.html	
Establishment of department and/or manager in charge of IR	SuMi TRUST Holdings has appointed an officer in charge of IR, as well as established the IR Department as the section in charge of daily IR activities. SuMi TRUST Holdings makes efforts to appropriately disclose corporate information, as well as aiming for highly transparent corporate management through proactive IR activities and constructive dialogues with both domestic and foreign shareholders and investors. Officer in charge of IR: Hitoshi Sato, Managing Executive Officer (*2) Section in charge of IR: IR Department The General Manager of the IR Department serves as the administrative IR contact person.	
Others	<Internal organic cooperation to assist dialogues with shareholders> Through cooperation with the management team and each section, the officer in charge of IR and the section in charge of IR endeavors to appropriately understand management information and other internal information, and make efforts to disclose such information in a timely, accurate, and fair manner, as well as leverage such information for the purpose of constructive dialogue with shareholders and investors. <Feedback regarding shareholders' opinions and IR activities to the management team and the Board of Directors> We provide timely and appropriate feedback to the	

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

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

	Supplemental remarks
Rules for respecting the position of stakeholders through internal regulations, etc.	The “Basic Policy on the Social Responsibility of the Sumitomo Mitsui Trust Group (Sustainability Policy)” sets forth that the SuMi TRUST Group shall “respect dialogue with all stakeholders, including clients, shareholders, investors, employees, business partners, local communities, NPOs, government authorities and international institutions, and play an active role in building a sustainable society.” The SuMi TRUST Group has announced such policies externally.
Implementation of environmental activities, Sustainability activities, etc.	The SuMi TRUST Group has formulated its Sustainability Policy at the Sustainability Promotion Committee chaired by the President, and has been promoting the Group’s sustainability activities under the initiative of the Sustainability Management Department, under the Corporate Planning Department. Especially it places emphasis on the response to the risks relating to environmental and social issues, the development of products and services contribute to the resolution of the issues, and the social activities at each site of the SuMi TRUST Group. Regarding our environmental preservation activities, the SuMi TRUST Group has formulated the group’s common

	Supplemental remarks
	"Environmental Policy," "Action Guidelines for Mitigating Climate Change," and "Action Guidelines for Preserving Biodiversity," and makes available, at its Directly Owned Subsidiaries, environment-related investment and loan products, trust products, and real property products, etc. to individual and corporate customers. Further, the SuMi TRUST Group has been promoting activities to reduce green house gas emissions from its business activities, and purchasing of papers that gives consideration to the environment and society based on its CSR procurement policy.
Formulation of policies on providing information to stakeholders	The "Basic Policy on the Social Responsibility of the Sumitomo Mitsui Trust Group (Sustainability Policy)" sets forth that the SuMi TRUST Group shall "build sound and proper relationships with stakeholders, and fulfill our responsibilities as members of society, engaging in fair competition and appropriate disclosure of corporate information, etc." The SuMi TRUST Group provides relevant information through its ESG reports and its website, etc.
Others	[Promoting work style reforms and diversity & inclusion] The SuMi TRUST Group has established the "Declaration on Work Style Reform". The SuMi TRUST Group is pushing ahead with work style reforms by declaring it a top commitment to offer a workplace where the diversity and creativity of its employees are more fully utilized to add value to the organization and where employees can have pride and be highly motivated in fulfilling their missions. Also, the SuMi TRUST Group believes that the key to combining its variety of functions and creating new business models as a trust bank group is to respect diverse ways of thinking and viewpoints and to offer its employees the opportunity to realize their potential. To this end, SuMi TRUST Holdings and SuMi TRUST Bank have established Diversity & Inclusion Office (hereinafter, "D&I Office") respectively, in order to promote active participation and advancement of female, disabled, and global employees, as well as to support work-life balance and promote understanding of human rights and LGBT as key initiatives of the D&I Office. The Group as a whole is working on D&I promotion. [Key initiatives for D&I promotion] As for promoting active participation and advancement of female employees—one of our key initiatives for D&I promotion, the SuMi TRUST Group has been promoting the appointment of personnel according to their capabilities and placing the right people in the right positions. SuMi TRUST Holdings has appointed one female external director. SuMi TRUST Bank has also appointed two female external directors and two female executive officers (*2). Furthermore, guided by its general business owner action plan based on the Act on Promotion of Women's Participation and Advancement in the Workplace, SuMi TRUST Bank aimed to

	Supplemental remarks
	have 300 female employees in managerial positions (section manager or higher) by the end of March 2020, a target it achieved ahead of schedule in October 2019 with 357 female employees appointed to such positions. From April 2020, with the goal of increasing the number of women in decision-making positions, SuMi TRUST Bank formulated a new action plan to have more than 12% of female employees appointed to section manager or higher, and more than 30% in charge of management operations by the end of March 2023. To achieve these goals, pipeline models were formulated to facilitate the planned nurturing of employees in each business, while measures are being implemented to bolster their systematic development with a view to future appointments. Such measures include rank-based training for women in leadership positions and seminars for female employees in which executive officers deliver lectures. Further, in an effort to support the balance of work and private life, a framework in support of diverse work styles is in place, involving job relocation or temporary leave for an employee whose spouse needs job relocation, priority admission to corporate daycare centers, and introduction of the telework system. In the action plan that kicked off from April 2020, SuMi TRUST Bank set a goal of conducting an awareness survey on nursing care schemes and corporate culture once a year and aims to achieve at least 60 evaluation points (considered a positive assessment). In this way, SuMi TRUST Bank is working to improve its nursing care schemes and foster a corporate culture in which schemes are more user-friendly. Furthermore, the SuMi TRUST Group is promoting the development of an environment in which employees can actively pursue their careers while engaging in childcare, through organizing seminars for facilitating employees' career development and smooth return to work following maternity/childcare leave, along with regular provision of information to employees on such leave. ＜Ratio of female executives and managers at SuMi TRUST Bank as of March 31, 2020＞ Directors and executive officers: 5.7% Ratio of women in section manager or higher positions: 10.5% Ratio of women responsible for management operations: 25.8% In addition to the above, to promote understanding of diversity and enable each employee to demonstrate their capabilities to the maximum extent, the SuMi TRUST Group is pressing forward with the following initiatives: · Conduct various types of seminar designed to improve the business mind, enhance skills and build networks for employees hired at overseas bases; · Support the active participation of employees with

	Supplemental remarks
	disabilities in each workplace by increasing the number of participants in courses for acquiring certification as a vocational counselor for persons with disabilities, and implement regular interviews with employees with disabilities so as to address their concerns and requests after joining the Group; and · Establish an in-house consultation contact point as a safety net and offer congratulatory or condolence leave and a condolence money system to employees who are married to the same gender, in addition to publishing a handbook and conducting internal training designed to promote understanding of sexual orientation and gender identity. The SuMi TRUST Group received the following certifications and awards from outside bodies in appreciation of its unfailing effort in the areas of work style reform and D&I promotion. · "Certified Health and Productivity Management Organization (White 500)" (by the Ministry of Economy, Trade and Industry and Nippon Kenko Kaigi, for three years running in FY2017, 2018, and 2019) · "Bloomberg Gender-Equity Index (GEI)" (by Bloomberg/for two years running in FY2018 and FY2019) · "Nadeshiko Brand" (by the Ministry of Economy, Trade and Industry and Tokyo Stock Exchange/FY2019) · "New Diversity Management Selection 100" (by the Ministry of Economy, Trade and Industry, received by SuMi TRUST Bank/FY2018) · "Platinum Kurumin" (by the Ministry of Health, Labour and Welfare, received by SuMi TRUST Bank/FY2018) · "Gold rating in PRIDE INDEX" (by wwP (work with Pride: a voluntary organization supporting the promotion and establishment of LGBT-related diversity management/FY2019), received by SuMi TRUST Bank for two years running inFY2017 and 2018) SuMi TRUST Holdings' website presents a report summarizing the promotion of D&I initiatives by the SuMi TRUST Group. SuMi TRUST Group's D&I initiatives: https://www.smth.jp/about_us/management/human_resources/diversity_inclusion/

IV. Matters Regarding Internal Control System, etc.

1. Fundamental Perspectives on Internal Control System and Establishment of Relevant Structures (Updated)

As a bank holding company, the Board of Directors of SuMi TRUST Holdings is fully aware of its responsibility for the management administration of the SuMi TRUST Group, and has developed "a system to ensure the conformity of executive officers' (*1) execution of duties with laws, regulations, and the Articles of Incorporation, and other necessary systems to ensure the appropriateness of business activities of

SuMi TRUST Holdings and those of the corporate group comprising SuMi TRUST Holdings and its subsidiaries, etc." as follows, based on the Board of Directors' resolution concerning the "Basic Policy on Internal Control":

(1) Compliance Structure

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

(2) Risk Management Structure

a. Basic risk management policies for the SuMi TRUST Group are established.
b. With respect to important issues pertaining to risk management, resolution and reporting are undertaken by the Board of Directors, based on a report by Risk Committee, an advisory body of the Board of Directors.
c. A supervisory department for risk management is set up at the head office, and a risk management department is established for each risk category.

d. A plan pertaining to risk management for the SuMi TRUST Group is formulated and instructions are passed on to the Directly Owned Subsidiaries, etc. for them to prepare their own plans. In addition, the status of these plans – in terms of improvements made and goals achieved – are monitored and evaluated.
e. Opportunities for risk management-oriented education and training are offered to officers and employees on an ongoing basis.
f. Management activities relating to business continuity in preparation for emergencies have been developed to maintain and continue normal business operations of the SuMi TRUST Group.

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

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

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

(6) Information Storage and Management Structure

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

(7) Internal Audit Structure

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

(8) Structure for Audit Committee's Audits

a. Employees assisting Audit Committee in its duties

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

b. System for reporting to Audit Committee

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

(e) Directors, corporate auditors, executive officers (*2), and employees of subsidiaries, etc., or persons who have received reports from such persons shall report the matters described in (a), (b) and (d) above to the Audit Committee of SuMi TRUST Holdings, immediately when they have come to know the matters described in (a), each time they have received whistleblowing as described in (b) through the internal whistleblowing systems of subsidiaries, etc., and promptly when they are requested to report the matters described in (d) at subsidiaries, etc. by the Audit Committee.
(f) The Audit Committee may demand a report, as necessary, from the persons described in (a) through (e) above regarding the matters described in (a) through (d) above.
(g) Persons who have given reports based on (a) through (f) above shall not be treated unfavorably on account of having given such reports, and that fact shall be thoroughly communicated.

c. Other systems to ensure the effectiveness of Audit Committee's audits
(a) Directors, executive officers (*1) (*2), and employees cooperate with Audit Committee in good faith in the audit activities.
(b) Full-time Audit Committee members are selected.
(c) Audit Committee members may attend meetings of the Board of Directors as well as any other meetings (including meetings of subsidiaries) Audit Committee deems necessary to the execution of their duties.
(d) Representative executive officers (*1) exchange views with Audit Committee on a periodic basis and at the request of Audit Committee.
(e) The internal auditing unit conducts prior consultations with and obtains the approval of the Audit Committee regarding the internal audit plan, as well as conducts investigations, etc. under the instruction of the Audit Committee, when so instructed. The instructions of the Audit Committee regarding investigations, etc. supersede those of executive officers (*1) or other parties.
(f) Representative executive officers (*1) or an executive officer (*1) in charge of the human resources units shall have prior consultation with the Audit Committee for consent regarding the appointment and dismissal of an executive officer (*1) in charge of the internal auditing units and ranking staff of the internal auditing units.
(g) Departments other than the Internal Audit Department that are involved in internal controls including finance, risk management and compliance shall also strive to maintain smooth cooperative relationships with the Audit Committee.
(h) To ensure the effectiveness of audits conducted by the Audit Committee of SuMi TRUST Holdings across the SuMi TRUST Group, SuMi TRUST Holdings proposes candidates for corporate auditors (excluding candidates from other group companies including joint ventures) to the Audit Committee or to each Audit Committee member in the selection of part-time corporate auditors of its subsidiaries, etc. (including Audit Committee members of a company with three committees, or Audit & Supervisory Committee members of a company with an Audit & Supervisory Committee, hereinafter the same applies). The Audit Committee or each Audit Committee member may voice opinions, as necessary, regarding this proposal.
(i) Directors, executive officers (*1) (*2), and employees shall provide support to the operation of a system for external whistleblowing when the establishment of such a system has been decided as deemed necessary by the Audit Committee.
(j) SuMi TRUST Holdings pays expenses necessary for the execution of duties by the Audit Committee and Audit Committee members to ensure the effectiveness of audits.

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

(1) Fundamental Perspectives

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

(2) Establishment of Relevant Structures

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

Each of the SuMi TRUST Group companies has also developed various systems in communication with SuMi TRUST Holdings in order to handle antisocial forces.

V. Other

1. Introduction of Defense Measures Against Takeovers

Introduction of defense measures against takeovers	None

Supplementary Remarks on This Item

None.

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

None.

Appendix **1**

<Reasons for appointment of directors (excluding external directors)>

Name of directors	Position	Reasons for appointment
Tetsuo Ohkubo	Director, President (Representative Executive Officer (*1))	Tetsuo Ohkubo has experience in positions for supporting a part of corporate management as an Officer in charge of the Corporate Management Sections of SuMi TRUST Holdings, and he assumed office as President in April 2017, followed by the office as Director, President in June 2017. In addition, he has experience of serving as an Officer in charge of the Corporate Management Sections of SuMi TRUST Bank, as well as experience in diversified departments such as an Officer in charge of the Wholesale Financial Services Business (current Wholesale Total Solution Services Business). In SuMi TRUST Bank, he also served as Deputy President for one (1) year from April 2016, and is serving as Director since April 2017. SuMi TRUST Holdings expects that, by using his experience of corporate management and business management accumulated thus far, he will provide contribution to the sustainable growth of SuMi TRUST Group and the enhancement of the Group's corporate value, in a position of leading the Group's overall management. Accordingly, SuMi TRUST Holdings nominated him as a Director.
Jiro Araumi	Director, Senior Managing Executive Officer (*1) (Representative Executive Officer (*1))	Jiro Araumi served as Senior Managing Executive Officer (*2) from April 2017, and is serving as Director, Senior Managing Executive Officer (*1) in charge of the Corporate Planning Department (Asset Management Business Planning Department), Corporate Administration Department, and the Corporate Secretariat of SuMi TRUST Holdings since June 2017. He has been also serving as Director, Senior Managing Executive Officer (*2) of SuMi TRUST Bank in charge of Fiduciary Services Business; therefore, he has extensive knowledge and experience with regard to management administration and business operations of a trust bank group. SuMi TRUST Holdings expects that, based on his experience accumulated thus far, he will play a leading role in achieving the sustainable growth of SuMi TRUST Group and the enhancement of the Group's corporate value, in a position of assisting the Group's overall management. Accordingly, SuMi TRUST Holdings nominated him as a Director.

Name of directors	Position	Reasons for appointment
Yutaka Nishida	Director, Senior Managing Executive Officer (*1) (Representative Officer (*1))	Yutaka Nishida successively held various posts including Regional Executive of Europe and General Manager of London Branch of SuMi TRUST Bank. He has been serving as Senior Managing Executive Officer (*2) since April 2017 and as Director, Senior Managing Executive Officer (*1) since June 2019 in charge of Risk Management Department, Compliance Department and Legal Department of SuMi TRUST Holdings; therefore, he has extensive knowledge and experience with regard to management administration and business operations of a trust bank group. SuMi TRUST Holdings expects that, based on his experience accumulated thus far, he will play a leading role in achieving the sustainable growth of SuMi TRUST Group and the enhancement of the Group's corporate value, in a position of assisting the Group's overall management. Accordingly, SuMi TRUST Holdings nominated him as a Director.
Masaru Hashimoto	Director, Executive Officer (*1)	Masaru Hashimoto has served as an Officer in charge, etc. of the Corporate Management Sections of SuMi TRUST Holdings, from October 2016 to March 2017, served as Deputy President and Executive Officer (*2), and is serving as Director, Executive Officer (*1) since June 2017. He has been in a position of assisting the Group's overall management. At SuMi TRUST Bank, he took office as President since April 2017, and has been responsible for the overall management. SuMi TRUST Holdings expects that he will play a leading role in achieving the sustainable growth of SuMi TRUST Group and the enhancement of the Group's corporate value, in a position of conducting the Group's overall management. Accordingly, SuMi TRUST Holdings nominated him as a Director.
Kunitaro Kitamura	Director	Kunitaro Kitamura has served as the President of SuMi TRUST Holdings for five (5) years since April 2012; therefore, he has extensive knowledge and experience with regard to the overall management of a trust bank group. SuMi TRUST Holdings expects that, by using his experience accumulated thus far, he will continuously provide contribution to the sustainable growth of SuMi TRUST Group and the enhancement of the Group's corporate value. Accordingly, SuMi TRUST Holdings nominated him as a Director
Hitoshi Tsunekage	Director	Hitoshi Tsunekage has served as the Chairman of SuMi TRUST Holdings since April 2011. He also

Name of directors	Position	Reasons for appointment
		served as President of SuMi TRUST Bank up to March 2017, and is serving as Chairman since June 2017; therefore, he has extensive knowledge and experience with regard to the overall management of a trust bank group. SuMi TRUST Holdings expects that, by using his experience accumulated thus far, he will continuously provide contribution to the sustainable growth of SuMi TRUST Group and the enhancement of the Group's corporate value. Accordingly, SuMi TRUST Holdings nominated him as a Director.
Kuniyuki Shudo	Director	After successively holding various posts including general manager of Fiduciary Services Business and overseas business departments, Regional Executive for the Americas and General Manager of New York Branch of SuMi TRUST Bank, Kuniyuki Shudo served as Managing Executive Officer of SuMi TRUST Bank and as Executive Officer (*2) of SuMi TRUST Holdings. He also served as Officer in charge of Global Business Management Office and Americas Business Management Office; therefore, he has extensive knowledge and experience with regard to management administration and business operations of a trust bank group. SuMi TRUST Holdings expects that considering his position as Director and Audit Committee member since June 2019, he has knowledge and experience of auditing the overall status of execution of business from a fair and objective viewpoint and he will provide contribution to enhancement of soundness and transparency of the management. Accordingly, SuMi TRUST Holdings nominated him as a Director.
Kouji Tanaka	Director	After successively holding various posts including general manager of Real Estate Business and general manager of a domestic branch of SuMi TRUST Bank, Kouji Tanaka served as Managing Executive Officer of SuMi TRUST Bank and Officer in charge of Internal Audit Department; therefore, he has extensive knowledge and experience with regard to management administration and business operations of a trust bank group. SuMi TRUST Holdings expects that considering his position as Director and Audit Committee member since June 2019, he has knowledge and experience of auditing the overall status of execution of business from a

Name of directors	Position	Reasons for appointment
		fair and objective viewpoint and he will provide contribution to enhancement of soundness and transparency of the management. Accordingly, SuMi TRUST Holdings nominated him as a Director.

<Reasons for appointment of executive officers)>

Name of directors	Position	Reasons for appointment
Tetsuo Ohkubo	President	Tetsuo Ohkubo has working experience in the corporate management sections and his background includes general manager and other posts. His tenure has already been for about 9 years as Director of SuMi TRUST Holdings and for about 3 years as Director, President (Representative Executive Officer), and he has taken the leading role in the entire SuMi TRUST Group. With these achievements, he has the knowledge and experience to carry out corporate management accurately, fairly and efficiently, and SuMi TRUST Holdings expects that he will play the leading role in executing the duties of SuMi TRUST Holdings. Accordingly, SuMi TRUST Holdings has selected him as a Director.
Jiro Araumi	Senior Managing Executive Officer	Jiro Araumi successively held various posts including general manager in the Fiduciary Services Business section and Deputy Officer in charge of Fiduciary Services Businesses of SuMi TRUST Bank, and Officer in charge of Corporate Planning Department (Asset Management Business Planning Department), Corporate Administration Department, and the Corporate Secretariat of SuMi TRUST Holdings. He has served as Director, Senior Managing Executive Officer (Representative Executive Officer) for about 3 years. With these achievements, he has the knowledge and experience to carry out corporate management accurately, fairly and efficiently, and SuMi TRUST Holdings expects that he will play the leading role in executing the duties of SuMi TRUST Holdings. Accordingly, SuMi TRUST Holdings has selected him as a Director.
Yutaka Nishida	Senior Managing Executive Officer	Yutaka Nishida has working experience in the corporate management sections, and he successively held various posts including Regional Executive of Europe of SuMi TRUST Bank as well as Officer in charge of Risk Management Department, Compliance Department, Legal Department and

Name of directors	Position	Reasons for appointment
		Fiduciary Duties Planning and Promotion Department of SuMi TRUST Holdings. He has served as Senior Managing Executive Officer of SuMi TRUST Holdings for about 2 years and Director, Senior Managing Executive Officer (Representative Executive Officer) for about 1 year. With these achievements, he has the knowledge and experience to carry out corporate management accurately, fairly and efficiently, and SuMi TRUST Holdings expects that he will play the leading role in executing the duties of SuMi TRUST Holdings. Accordingly, SuMi TRUST Holdings has selected him as a Director.
Atsushi Kaibara	Senior Managing Executive Officer	Atsushi Kaibara has working experience in the corporate management sections, and he successively held various posts including general manager as well as Officer in charge of Stock Transfer Agency Services Business of SuMi TRUST Bank and Officer in charge of Corporate Administration Department and Corporate Secretariat of SuMi TRUST Holdings. He has served as Managing Executive Officer of SuMi TRUST Holdings for about 2 years and Senior Managing Executive Officer for about 1 year. With these achievements, he has the knowledge and experience to carry out corporate management accurately, fairly and efficiently, and SuMi TRUST Holdings expects that he will play the leading role in executing the duties of SuMi TRUST Holdings. Accordingly, SuMi TRUST Holdings has selected him as a Director.
Hitoshi Sato	Managing Executive Officer	Hitoshi Sato has working experience in the Corporate Management Department and IR Department, and his background includes the General Manager of New York Branch as well as Officer in charge of Credit Risk Management of SuMi TRUST Bank. He has served as Managing Executive Officer of SuMi TRUST Holdings for about 2 years, and as Managing Executive Officer of SuMi TRUST Bank for about 5 years. With these achievements, he has the knowledge and experience to carry out corporate management accurately, fairly and efficiently, and SuMi TRUST Holdings expects that he will play the leading role in executing the duties of SuMi TRUST Holdings. Accordingly, SuMi TRUST Holdings has selected him as a Director.

Name of directors	Position	Reasons for appointment
Futoshi Itani	Managing Executive Officer	Futoshi Itani has working experience in the corporate management sections and served as general manager of Real Estate Business and Wholesale Total Solution Services Business of SuMi TRUST Bank. He has served as Managing Executive Officer of SuMi TRUST Holdings for about 1 year, and as Managing Executive Officer of SuMi TRUST Bank for about 3 years. With these achievements, he has the knowledge and experience to carry out corporate management accurately, fairly and efficiently, and SuMi TRUST Holdings expects that he will play the leading role in executing the duties of SuMi TRUST Holdings. Accordingly, SuMi TRUST Holdings has selected him as a Director.
Kazuya Oyama	Managing Executive Officer	Kazuya Oyama has working experience in the corporate management sections and served as general manager. He has served as Managing Executive Officer of SuMi TRUST Holdings for about 1 year, and as Managing Executive Officer of SuMi TRUST Bank for about 3 years. With these achievements, he has the knowledge and experience to carry out corporate management accurately, fairly and efficiently, and SuMi TRUST Holdings expects that he will play the leading role in executing the duties of SuMi TRUST Holdings. Accordingly, SuMi TRUST Holdings has selected him as a Director.
Junya Ueda	Managing Executive Officer	Junya Ueda has working experience in the systems departments and served as general manager. He has served as Executive Officer of SuMi TRUST Holdings for about 1 year, and as Executive Officer of SuMi TRUST Bank for about 3 years. With these achievements, he has the knowledge and experience to carry out corporate management accurately, fairly and efficiently, and SuMi TRUST Holdings expects that he will play a leading role in executing the duties of SuMi TRUST Holdings. Accordingly, SuMi TRUST Holdings has selected him as a Director.
Masaru Hashimoto	Executive Officer	Masaru Hashimoto has working experience in the corporate management sections, and his background includes general manager. He has served as Director, Executive Officer of SuMi TRUST Holdings for about 3 years and as President (Representative Director) of SuMi TRUST Bank for about 3 years. With these achievements, he has the knowledge and experience to carry out corporate management accurately, fairly and efficiently, and SuMi TRUST Holdings expects that he will play the

Name of directors	Position	Reasons for appointment
		leading role in executing the duties of SuMi TRUST Holdings. Accordingly, SuMi TRUST Holdings has selected him as a Director.
Shigenori Ikemura	Executive Officer	Shigenori Ikemura has working experience in the Wholesale Total Solution Services Business section, and his background includes credit manager. He has served as Executive Officer of SuMi TRUST Bank for about 3 years. With these achievements, he has the knowledge and experience to carry out corporate management accurately, fairly and efficiently, and SuMi TRUST Holdings expects that he will play the leading role in executing the duties of SuMi TRUST Holdings. Accordingly, SuMi TRUST Holdings has selected him as a Director.

Appendix 2

Matters Concerning Compensation for Directors and Executive Officers

<1> Disclosure of compensation for individual directors

In fiscal year 2019 (April 1, 2019 through March 31, 2020), compensation amounts were as follows.

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

FY2019 (April 1, 2019 through March 31, 2020)

Category	No.	Total compensation etc. (¥ mn)	Total compensation etc. by type (¥ mn)				
			Fixed compensation	Variable compensation			Other
			Monthly compensation (fixed)	Monthly compensation (individual performance)	Bonus (performance-linked)	Stock compensation (share delivery trust)	
Directors (not including external directors)	6	139	103	21	6	7	–
Executive officers	10	265	121	81	33	28	–
External directors	8	114	114	–	–	–	–

Note: 1. The numbers of directors and executive officers include three directors and one executive offer that retired during the fiscal year.

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

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

Category	No.	Total compensation etc. (¥ mn)	Total compensation etc. by type (¥ mn)				
			Fixed compensation	Variable compensation			Other
			Monthly compensation (fixed)	Monthly compensation (individual performance)	Bonus (performance-linked)	Stock compensation (share delivery trust)	
Directors (not including external directors)	6	241	152	54	16	19	–
Executive officers	10	549	249	168	69	58	3
External directors	8	114	114	–	–	–	–

Note: 1. The numbers of directors and executive officers include three directors and one executive offer that retired during the fiscal year.
2. Compensation etc. paid to executive officers concurrently serving as directors is included in the amounts for executive officers.

2. Total amounts etc. of consolidated compensation etc. for directors and executive officers (*1) of the submitting company

Name (category)	Total consolidated compensation etc. (¥ mn)	Companies	Total compensation etc. by type (¥ mn)				
			Fixed compensation	Variable compensation			Other
			Monthly compensation (fixed)	Monthly compensation (individual performance)	Bonus (performance-linked)	Stock compensation (share delivery trust)	
Tetsuo Ohkubo (executive officer)	102	SuMi TRUST Holdings	44	29	14	13	–
		SuMi TRUST Bank	–	–	–	–	–
Masaru Hashimoto (executive officer)	104	SuMi TRUST Holdings	–	–	–	–	–
		SuMi TRUST Bank	44	29	14	13	3

*Officers receiving consolidated compensation etc. of ¥100 million or more are shown.

3. Targets and results for indicators (KPIs) concerning performance-linked compensation of the submitting company

Types of performance-linked compensation	Indicators (KPIs) concerning performance-linked compensation	Near-term / medium-term	Target	Result
Bonus for directors and executive officers				
Performance-linked bonus	(1) Consolidated net business profit	Linked to near-term earnings	¥290bn	¥289bn
	(2) Consolidated net profit attributable to owners of the parent		¥180bn	¥163bn
Stock compensation				
Share delivery trust	(1) Consolidated net business profit	Linked to near-term earnings	¥290bn	¥289bn
	(2) Consolidated net profit attributable to owners of the parent		¥180bn	¥163bn
	(3) Consolidated shareholders' equity and ROE	Linked to medium-term earnings	Around 8%	7.12%
	(4) Consolidated CET1 ratio (Tier 1 capital ratio of mostly common stock)		12.5%	12.62%
	(5) Consolidated OHR		60.8%	61.1%
	(6) ESG-related activities and rating agency score, etc.		—	—
	(7) Fiduciary duty and customer satisfaction activities		—	—

Notes: (1) and (2) are results versus initial FY2019 targets established under the Medium-Term Management Plan.
(3) through (5) are results at end-FY2019 versus medium-term targets established under the Medium-Term Management Plan.
Attainment rates are calculated based on a weighted average with a 2:1 weighting for (1) and (2), respectively.
For the share delivery trust, attainment rates are adjusted based on qualitative assessments of indicators (3) through (7) to derive an ultimate attainment rate.

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

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

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

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

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

(ii) A compensation system shall be established which takes into consideration the balance between short-term incentives and medium- to long-term incentives and puts a priority on attributes and capabilities of directors and executive officers*1*2 as senior management, without placing exclusive emphasis on performance evaluation for a single fiscal year focusing on contribution to short-term revenue but based on comprehensive evaluation reflecting the medium- to long-term performance.

(iii) In order to fully demonstrate the function of supervising each of the SuMi TRUST Group companies as a holding company, SuMi TRUST Holdings shall accurately grasp the roles that directors and executive officers*1*2 should fulfill

in terms of business management and their achievements, and determine individual compensation based on a highly transparent, fair and objective evaluation.

(iv) The Compensation Committee shall conduct deliberations to establish a compensation system/structure with high accountability and determine the fair and efficient amounts of compensation by deepening collaboration of information with the Nominating Committee, Audit Committee, and voluntary committees such as Risk Committee and Conflicts of Interest Committee.

(2) Compensation System

In principle, compensation is paid with a combination of monthly compensation, director and executive officer*1*2 bonuses, and stock compensation. Previously, bonuses for directors and executive officers*1*2 consisted of a bonus linked to company performance and a bonus linked to individual performance, but now only one performance-linked bonus is awarded. Moreover, the stock compensation-type stock options paid in the past have been replaced since fiscal year 2019 with a share delivery trust system.

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

*For details about performance-linked indicators, refer to section (4) below "Indicators (KPIs) relating to performance-linked compensation, reasons for section, and method for determining payment amounts".

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



	Monthly compensation		Officer bonus	Stock compensation	Total
President	Fixed compensation	Individual performance compensation	Performance-linked bonus	Share delivery trust	
	40%	30%	15%	15%	100%

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



	Monthly compensation		Officer bonus	Stock compensation	Total
Excluding President	Fixed compensation	Individual performance compensation	Performance-linked bonus	Share delivery trust	
	45%	30%	15%	10%	100%

The Compensation Committee deliberated on the system of compensation etc. for directors and executive officers*1*2 for FY2020 and decided to make the following changes. (Changes will take effect from July 2020)

- The individual performance component of monthly compensation will now be linked to the performance of the individual's role and changed to a type of compensation that is evaluated across five stages reflecting the individual's contribution to medium- to long-term earnings and a qualitative evaluation of their capabilities, etc. based on the expectations for their role during the fiscal year.
- Based on the change described above, the composition ratio of individual role-linked performance compensation will be reduced and shifted to the performance-linked bonus. As a result, the weighting for performance-linked compensation will be higher than in the past.

Types of Compensation		Variable	Compensation weighting (standard)	
			President	Other than president
Monthly compensation				
Fixed compensation	Fixed amount based on position held	Fixed	Around 40%	Around 45%
Individual role-linked performance compensation	Compensation that reflects a qualitative evaluation of mainly medium- to long-term earnings contributions and capabilities based on the expectations of the individual's role during the fiscal year (evaluated across five stages).	Variable	Around 25%	Around 25%
Bonus for directors and executive officers				
Performance-linked bonus	Allocated according to the performance evaluation of each individual from the total amount determined with reference to the following indicators of near-term earnings: consolidated net business profit and consolidated net profit attributable to owners of the parent.	Variable	Around 20%	Around 20%
Stock compensation				
Share delivery trust	Stock compensation utilizing a trust scheme. Points are awarded every fiscal year and delivered in the form of shares upon resignation/retirement with reference to mainly the following indicators of medium-term earnings*: consolidated net business profit, consolidated shareholders' equity and ROE, and consolidated CET1 ratio. Malus provisions (reduction/forfeiture prior to share delivery) are also applied.	Variable	Around 15%	Around 10%

(3) Performance Evaluation Mechanism for Individual Directors and Executive Officers

Details of the performance evaluation mechanism for individual directors and executive officers*1*2 are as follows.

(i) Regarding individual performance evaluations, the draft amounts of compensation for individual directors and executive officers*1*2 to be presented to the Compensation Committee shall be deliberated and determined by the Performance Evaluation Committee, which is comprised of the President and related directors and executive officers*1*2.

(ii)The persons that are subject to performance evaluations shall be directors and executive officers*1 of SuMi TRUST Holdings that are subject to the resolutions of the Compensation Committee, as well as executive officers*2 of SuMi TRUST Holdings and directors and executive officers of major subsidiaries that are subject to reporting. The compensation items falling under the scope of the evaluations shall be individual performance compensation (individual role-linked performance compensation from July 2020 onwards) related to monthly compensation and individual performance linked bonuses related to the bonuses of directors and executive officers*1*2.

(iii) Draft individual performance compensation (draft individual role-linked performance compensation from July 2020 onwards) shall be determined, by considering the medium- to long-term contributions etc. of individual directors and executive officers*1*2 to that performance, as well as their ability levels etc. in addition to their achievements such as the sizes of role burdens and contributions to the development of human resources.

(iv) For draft individual performance linked bonuses, the total amount of director bonuses shall first be determined by considering the performance level of the Group, the trend of total director bonus amounts over time, the status of dividends to shareholders, and the bonus amounts of course employees. Next, the draft amounts to be allocated to individual directors shall be determined, and then the draft amounts to be allocated to individual executive officers shall be determined. When determining the amounts to be allocated, evaluations shall be

performed, taking into consideration the levels of achievement, sizes of role burdens, status of activities, etc. of individual directors and executive officers*1*2.

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

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

(5) Compensation etc. for internal directors serving as Audit Committee members

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

(6) Compensation etc. for external directors

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

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

(1) Authority of the Compensation Committee

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

(i) Matters decided by the Compensation Committee

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

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

(ii) Matters deliberated by the Compensation Committee

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

(iii) Matters reported to the Compensation Committee

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

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

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

(3) Activities of the Compensation Committee

(i) Number of committee meetings held in fiscal year 2019: 11

Annual activity cycle (administrative year) of the Compensation Committee runs from

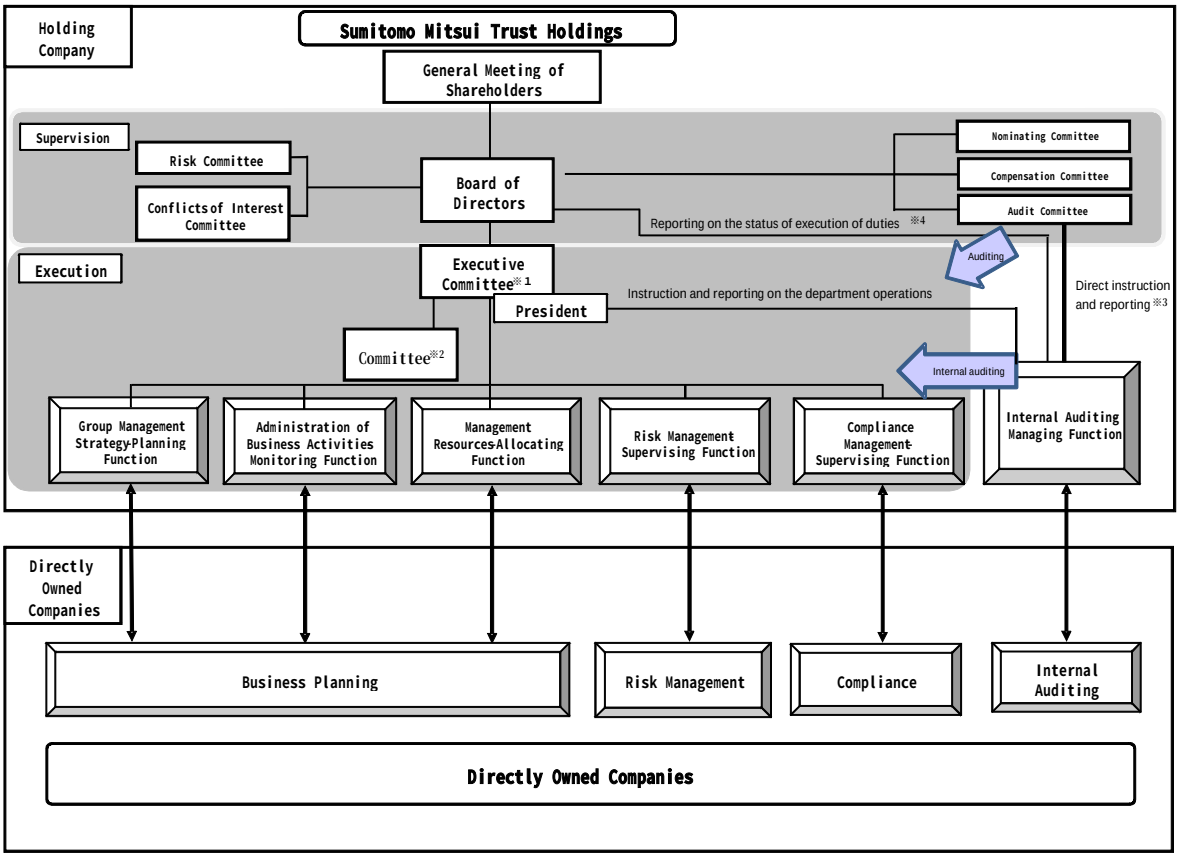
the first committee meeting, which is held after the conclusion of the ordinary general meeting of shareholders in June each year, to June the following year.

(ii) Main resolution / deliberation / reporting themes

- Resolution on the policy on decisions on the content of compensation etc. for individual directors and executive officers (*1) of SuMi TRUST Holdings
- Resolution on the amounts of compensation etc. for individual directors and executive officers (*1) of SuMi TRUST Holdings
- Resolution on introducing stock compensation systems and revising the policy for determining compensation etc. for directors and executive officers
- Deliberation of the policy on decisions on the content of compensation etc. for individual directors and executive officers (*2) of SuMi TRUST Bank and SuMi TRUST AM
- Report on the amounts of compensation etc. for individual executive officers (*2) of SuMi TRUST Holdings
- Report on the amounts of compensation etc. for individual directors and executive officers (*2) of SuMi TRUST Bank and SuMi TRUST AM

<Management Structure of the SuMi TRUST Group>

Corporate Governance System



※1 Including Sustainability Promotion Committee
※2 Business Risk Management Committee, IT Committee, Conflicts of Interest Management Enhancement Committee, Information Disclosure Committee
※3 Direct instruction and reporting relating to the audit of Audit Committee leveraging internal control system
※4 Reporting the status of execution of duties of the Officer in charge of Internal Audit Department (Executive Officer*1)

<Outline of SuMi TRUST Holdings' Timely Disclosure System>

1. Basic Initiative Policy

Adopting observance standards that all executives and employees must uphold to ensure the transparency of corporate management through appropriate and fair disclosure of corporate information, the SuMi TRUST Group has set out "Information Disclosure Rules" and "Information Disclosure Guidelines," and has established an internal control system to ensure that disclosures are made in accordance with relevant laws, regulations and rules, including the Companies Act, the Banking Act, and the Financial Instruments and Exchange Act. Based on this philosophy, SuMi TRUST Holdings has established a "Disclosure Policy" in order to clarify its basic policy on disclosure both internally and externally, thereby ensuring appropriate disclosure. In this way, it is working to ensure the transparency of corporate management through appropriate disclosure of corporate information.

2. Outline of Initiatives

In order to ensure timely, accurate, and fair disclosure of management-related information, the SuMi TRUST Group has established the Information Disclosure Committee, which deliberates on the necessity and appropriateness of disclosure of management-related information and information that could be management-related. It also considers the appropriateness of the information disclosure system, particularly its establishment and management.

