

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

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

1. Fundamental Perspectives

(1) Fundamental Perspectives on Corporate Governance

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

[http://www.smth.jp/en/about\\_us/governance/policy.pdf](http://www.smth.jp/en/about_us/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, with the objective of supporting sustainable growth and medium- to long-term enhancement of the corporate value of the SuMi TRUST Group:

- 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 a corporate culture 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 execution of the SuMi TRUST Group, SuMi TRUST Holdings shall endeavor to ensure the Board of Directors’ role of effective oversight of the business execution.

- 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 of SuMi TRUST Holdings in the SuMi TRUST Group

In the SuMi TRUST Group, there is a management structure which allows Sumitomo Mitsui Trust Bank (“SuMi TRUST Bank”), Sumitomo Mitsui Trust Asset Management and Sumitomo Mitsui Trust Research Institute (these three companies are collectively referred to in this report as the “Directly Owned Subsidiaries”) to pursue their respective business activities in an independent manner. As a “holding company focusing on the management of business operations,” SuMi TRUST Holdings takes responsibility for the following functions:

### <<Formulating group management strategy>>

SuMi TRUST Holdings adjusts the business strategies of the Directly Owned Subsidiaries 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 Subsidiaries take responsibility for the operation of their own business activities, SuMi TRUST Holdings engages in activities that include (i) monitoring the Directly Owned Subsidiaries’ 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 Subsidiaries.

### <<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 Subsidiaries.

### <<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 Subsidiaries.

### <<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 Subsidiaries' preparedness for internal audits and giving instructions necessary for the Directly Owned Subsidiaries.

<Reasons for not implementing each principle of the Corporate Governance Code>  
(Updated)

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 Cross-Shareholdings>

- The SuMi TRUST Group shall not acquire and hold the shares, etc. of its business counterparty, etc. (the "Cross-Shareholding Shares"), 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 major ones from among the Cross-Shareholding Shares, SuMi TRUST Holdings shall verify, and report at a Board of Directors meeting regarding, the medium- to long-term economic rationale for holding them, and the effect of holding them from the aspect of maintaining and enhancing the overall relationship with the business counterparties, etc.
- In principle, the SuMi TRUST Group shall sell the Cross-Shareholding Shares 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.

<Standards for Voting on Cross-Shareholding Shares>

- 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 Cross-Shareholding Shares (the "Voting Rights"), after comprehensively taking into consideration the business conditions, etc. of the issuing company of the Cross-Shareholding Shares (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 the 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 after collecting enough information through a variety of methods including engaging in dialogue with the Issuing Company.
- 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.

[Principle 1-7]

<Management System of Related Party Transactions>

SuMi TRUST Holdings sets out in Article 11 (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 the 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.

[Principle 3-1]

<Management Principles, Management Strategies, Management Plans, and Fundamental Perspectives and Basic Policy on Corporate Governance>

- The SuMi TRUST Group has established and posted on its website SuMi TRUST Group’s management principles (mission), ideal model (vision), and codes of conduct (value) as the general principle for its management, which shall be shared by all the officers and employees of the SuMi TRUST Group and relied upon in all activities.  
[http://www.smth.jp/en/about\\_us/philosophy/index.html](http://www.smth.jp/en/about_us/philosophy/index.html)
- Financial institutions including SuMi TRUST Holdings are facing a discontinuous, unpredictable business environment such as increasing uncertainty in financial markets and overall economy. In this environment, recognizing the necessity of more flexible and adaptable management for the management plan, SuMi TRUST Holdings has introduced a management

planning process where a one-year management plan is formulated every year in tandem with a 3-year trajectory since fiscal year 2016. SuMi TRUST Holdings posts on its website (given below) the one-year management plan and the 3-year trajectory.

<http://www.smth.jp/en/ir/presentation/E160518-1.pdf>

- 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 Procedures for Deciding Compensation of Directors, etc.>

In response to consultation from the Board of Directors, the Nominating and Compensation Committee, which is a voluntary committee, shall examine the appropriateness, etc. of the compensation structure for officers, etc., and it shall submit a report thereon. These matters are to be determined by the Board of Directors. The details concerning the Nominating and Compensation Committee and directors' compensation are given in <Establishment of voluntary advisory committees, committee composition, and attributes of the chairperson> of this report and <Directors' compensation> of this report, respectively, for your reference.

<Nomination Policies, Procedures, and Reasons for Appointment of Each Individual for Director and Corporate Auditor Candidates>

SuMi TRUST Holdings must select candidates for director and corporate auditor positions from among a wide range of diversified individuals pursuant to the nomination policies and procedures set forth in Article 5 (Qualification of Directors and Nomination Procedures) and Article 6 (Qualification of Corporate Auditors and Nomination Procedures) of the "Basic Policy on Corporate Governance."

For the reasons for appointment of each individual, please refer to the Schedules attached to this report.

(The details concerning external directors and external corporate auditors are given in <Directors> and <Corporate auditors> of this report for your reference.)

[Supplementary Principle 4-1-1]

<Outline of Scope of Delegation to Management Team>

SuMi TRUST Holdings states as follows in Article 3 (Roles of the Board of Directors) of the "Basic Policy on Corporate Governance":

- The Board of Directors shall oversee overall management, including execution of duties by a person performing an executive role, and ensure fairness and transparency of SuMi TRUST Holdings' corporate management. In addition, the Board of Directors shall make decisions for SuMi TRUST Holdings by, among other things, deciding important business-execution matters, which are required by law to be decided by the Board of Directors.
- Except for the important business-execution matters set forth in the preceding paragraph, the Board of Directors shall delegate business execution and decision-making thereon to subordinate meetings, such as the Executive Committee, and officers exercising control over the relevant business, etc., and the Board of Directors shall oversee the execution of duties by such meetings and officers, etc.

[Supplementary Principle 4-1-3]  
<Succession Planning for the CEO and Other Top Executives>

SuMi TRUST Holdings has clarified the quality and capabilities required as executive and a pool of candidates for executives of SuMi TRUST Holdings and SuMi TRUST Bank as part of its succession planning. SuMi TRUST Holdings has also formulated and operated 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 4-8]  
<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 (Qualification of Directors and Nomination Procedures) 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.

[Principle 4-9]  
<Independence Standards of Independent External Directors>

SuMi TRUST Holdings has established and posted on its website 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.

[http://smth.jp/en/about\\_us/governance/independence.pdf](http://smth.jp/en/about_us/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 the wide business fields of a trust bank group. Details are provided in Article 4 (Composition of the Board of Directors), Article 5 (Qualification of Directors and Nomination Procedures), and Article 6 (Qualification of Corporate Auditors and Nomination Procedures) of the

“Basic Policy on Corporate Governance.” In June 2016, SuMi TRUST Bank, the core subsidiary of SuMi TRUST Holdings, appointed its first female external director, signifying steady progress in achieving diversity in the SuMi TRUST Group as a whole.

[Supplementary Principle 4-11-2]

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

The situation concerning officer posts that external directors and external corporate auditors hold at other listed companies is indicated in <Directors> and <Corporate auditors> of this report.

Directors and corporate auditors other than external directors and external corporate auditors do not hold officer posts at other listed companies.

[Supplementary Principle 4-11-3]

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

SuMi TRUST Holdings conducted a survey on all of its directors and corporate auditors and those of its core subsidiary, SuMi TRUST Bank, concerning the following items. The survey was carried out as part of a review of the operation of SuMi TRUST Holdings’ Board of Directors for fiscal year 2015 to grasp the priority issues for the next fiscal year and beyond, with the aim of further enhancing effectiveness of the Board of Directors.

Survey items:

- (1) Composition of the Board of Directors, proposals for discussions and duration of deliberations;
- (2) Materials and advance briefings; and
- (3) Operation and statements during the meetings.

The secretariat of the Board of Directors carried out an analysis and evaluation of the effectiveness of the Board of Directors, based on the survey’s aggregate results and the results of individual interviews with all the external officers (directors and corporate auditors) held after the survey. After the validity and appropriateness of the evaluation process was verified by external professionals, the results of the evaluation were reported to the Board of Directors meeting held in April 2016. The external professionals concluded that there were no issues with respect to the validity and appropriateness of the process and results of the evaluation of SuMi TRUST Holdings’ Board of Directors.

A summary of the evaluation results of the Board of Directors for fiscal year 2015 is as follows.

- (1) Composition of the Board of Directors, proposals for discussions and duration of deliberations
  - A certain level of effectiveness was confirmed for the composition of the Board of Directors, proposals for discussions and duration of deliberations.
  - Issues were identified in areas such as a further enhancement of diversity in line with SuMi TRUST Holdings’ strategies and the operation of deliberations of the Board of Directors and matters for deliberation.
- (2) Materials and advance briefings
  - The validity of efforts by SuMi TRUST Holdings in sharing of information with

external officers outside the Board of Directors meetings, and of advance briefings on deliberation matters at the Board of Directors meetings were confirmed.

- With respect to documentation of materials for the Board of Directors meeting, there were request for further improvements, while effects of efforts such as preparing summarized materials were confirmed.
- (3) Operation and statements during the meetings
- It was confirmed that external officers utilized their knowledge and experience and appropriately made statements at the Board of Directors meetings and that deliberation matters were examined from a multilateral perspective.
  - There were also opinions that efforts should be made to ensure completeness and objectivity of deliberation matters and to further encourage active discussions.

As noted above, it was confirmed that there were no problems with the effectiveness and validity concerning the current status of the Board of Directors. Meanwhile, SuMi Trust Holdings will endeavor to further improve its functions by working on improvements and enhancements with respect to the issues raised in the evaluation.

[Supplementary Principle 4-14-2]

<Policies on Training of Directors and Corporate Auditors>

SuMi TRUST Holdings sets out its policies regarding the training of directors and corporate auditors as follows in Article 7 (Policies Regarding Training of Directors and Corporate Auditors) 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 and corporate auditors in order to perform their roles and functions, and it shall thereby support directors and corporate auditors’ execution of duties.
- In a timely manner after assuming office, external directors and external corporate auditors 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 future training programs.

[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 15 (Policy for Constructive Dialogue with Shareholders, etc.) of the “Basic Policy on Corporate Governance”:

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

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

## 2. Capital Structure

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

Name	Number of Shares Held	Percentage (%)
Japan Trustee Services Bank, Ltd. (trust account)	202,906,050	5.30
The Master Trust Bank of Japan, Ltd. (trust account)	162,673,000	4.25
Japan Trustee Services Bank, Ltd. (trust account 9)	106,681,000	2.78
The Bank of New York Mellon SA/NV 10	55,958,400	1.46
Japan Trustee Services Bank, Ltd. (trust account 7)	51,445,000	1.34
The Bank of New York, Treaty Jasdec Account	50,245,141	1.31
State Street Bank and Trust Company 505225	46,601,870	1.21
State Street Bank West Client-Treaty 505234	43,328,832	1.13
JP Morgan Chase Bank 385632	43,208,193	1.12
Japan Trustee Services Bank, Ltd. (trust account 1)	42,678,000	1.11

Controlling shareholders (except parent company)	None
Parent company	None

Supplementary Remarks
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- Principal shareholders indicated are as of September 30, 2016.
- 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 September 30, 2016, they are not included in the status of principal shareholders above.

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%

### 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 corporate auditors
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<Directors>

Number of directors stipulated in Articles of Incorporation:	15
Directors' term of office stipulated in Articles of Incorporation:	1 year
Chairperson of the Board of Directors:	Chairman (unless double as the

	President)
Number of directors:	9
Appointment of external directors:	Yes
Number of external directors:	3
Number of external directors designated as independent officer:	3

Relationship with SuMi TRUST Holdings (1)
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Name	Attribute	Relationship with SuMi TRUST Holding*												
		a	b	c	D	e	f	g	h	i	j	k		
Soichi Shinohara	Scholar													
Takeshi Suzuki	From another company													
Mikio Araki	From another company													

- \* Categories for relationship with SuMi TRUST Holdings
- \* “○” when the said individual presently falls or has recently fallen under each of the following categories; “△” when the said individual fell under each of the following categories in the past.
- \* “●” when a close relative of the said individual presently falls or has recently fallen under each of the following categories; “▲” when a close relative of the said individual fell under each of the following categories in the past.
- Person performing an executive role of a listed company or its subsidiary
  - Person performing an executive role or acting as a non-executive director of the parent company of a listed company
  - Person performing an executive role of a fellow subsidiary company of a listed company
  - Person whose principal client or supplier is a listed company or person performing an executive role thereof
  - Principal client or supplier of a listed company or person performing an executive role thereof
  - 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
  - Major shareholder of a listed company (person performing an executive role of the said corporate shareholder if the major shareholder is a legal entity)
  - 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)
  - Person performing an executive role of a company, between which and SuMi TRUST Holdings external officers are mutually appointed (the said individual only)
  - Person performing an executive role of a company or organization that receives a donation from a listed company (the said individual only)
  - Other

Relationship with SuMi TRUST Holdings (2)
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Name	Independent officer	Supplemental information on corresponding items	Reason for selecting as external director (and reason for appointing as independent officer)
Soichi Shinohara	○	• Emeritus Professor of	Being an economist specializing in

Name	Independent officer	Supplemental information on corresponding items	Reason for selecting as external director (and reason for appointing as independent officer)
		Doshisha University • Professor of Kyoto Gakuen University	international economics and macroeconomics, Mr. Soichi Shinohara has abundant knowledge and superior insight into both the domestic and foreign economy. SuMi TRUST Holdings has appointed Mr. Shinohara as an external director, in order to have him utilize such knowledge and insight in its management. Further, SuMi TRUST Holdings has designated him as an independent officer by deeming him qualified as the same, since, in light of his career, etc., no conflict of interest is likely to arise with general shareholders.
Takeshi Suzuki	○	<ul style="list-style-type: none"> <li>• Ex-Senior Managing Director of Toyota Motor Corporation</li> <li>• Ex-Chairman (Representative Director) of Aioi Nissay Dowa Insurance Co., Ltd.</li> <li>• External Director of AICHI CORPORATION</li> </ul>	Mr. Takeshi Suzuki has wide experience and extensive knowledge in the fields of accounting, finance and the management of affiliated companies, etc. as a management member of listed companies. SuMi TRUST Holdings has appointed Mr. Suzuki as an external director, by deeming that he is able to provide advice regarding its overall management. Further, SuMi TRUST Holdings has designated him as an independent officer by deeming him qualified as the same, since, in light of his career, etc., no conflict of interest is likely to arise with general shareholders.
Mikio Araki	○	<ul style="list-style-type: none"> <li>• Ex-Deputy President (Representative Director) of Development Bank of Japan Inc.</li> <li>• President of The Japan Economic Research Institute</li> <li>• External Director of Kintetsu Group Holdings Co., Ltd.</li> <li>• External Corporate Auditor of Japan Freight Railway Company</li> </ul>	Mr. Mikio Araki has wide experience in the management of banks and policy-based finance, etc. as an ex-deputy president (representative director) of a government-affiliated financial institution and also has abundant knowledge regarding domestic and overseas finance and economic conditions. SuMi TRUST Holdings has appointed Mr. Araki as an external director, by deeming him able to provide advice regarding its overall management. Further, SuMi TRUST Holdings has designated him as an independent officer by deeming him qualified as the same, since, in light of his career, etc., no conflict of interest is likely to arise with general shareholders.

Any voluntary committee equivalent to the Nomination Committee or Compensation Committee:	Yes
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Establishment of voluntary advisory committees, committee composition, and attributes of the chairperson
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	Voluntary committee equivalent to Nomination Committee	Voluntary committee equivalent to Compensation Committee
Name of Committee	Nominating and Compensation Committee	Nominating and Compensation Committee
Committee members	5	5
Full-time members	–	–
Internal directors	2	2
External directors	3	3
External experts	–	–
Others	–	–
Chairperson	External director	External director

Supplementary Remarks
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“Nominating and Compensation Committee” (“Basic Policy on Corporate Governance”, Article 9 (Nominating and Compensation Committee))

In June 2015, SuMi TRUST Holdings voluntarily established a “Nominating and Compensation Committee” as an advisory body to the Board of Directors. A majority of the Nominating and Compensation Committee members shall be external directors, in principle. In response to consultation from the Board of Directors, the Nominating and Compensation Committee shall examine the appropriateness, etc. of the nomination process, qualification, and reason for nomination of candidates for directors and corporate auditors of SuMi TRUST Holdings; the Independence Standards of Independent External Officers; and the compensation structure for officers, etc., and it shall submit a report thereon. The Board of Directors shall select candidates for directors and corporate auditors and determine the compensation structure for officers, etc., based on the report from the Nominating and Compensation Committee.

<The members of the Nominating and Compensation Committee (as of June 30, 2016)>

Chair: Mikio Araki (External Director)  
Member: Soichi Shinohara (External Director)  
Member: Takeshi Suzuki (External Director)  
Member: Hitoshi Tsunekage (Chairman)  
Member: Kunitaro Kitamura (President)

“Audit Committee” (“Basic Policy on Corporate Governance”, Article 10 (Audit Committee))

In June 2015, in addition to the above Nominating and Compensation Committee, SuMi TRUST Holdings voluntarily established an “Audit Committee” (chaired by an external director) as an advisory body to the Board of Directors, in an attempt to further ensure management transparency and appropriateness of processes.

A majority of the Audit Committee members shall be external directors, in principle. In response to consultation from the Board of Directors, the Audit Committee shall examine the appropriateness, etc. of SuMi TRUST Holdings’ internal audit plan and important matters regarding the internal audit, and it shall submit a report

thereon. The Board of Directors shall approve an internal audit plan, etc. based on the Audit Committee's report. Currently, three out of a total of four Audit Committee members are external directors, and the Chairman is an external director.

<The members of the Audit Committee (as of June 30, 2016) >

Chair: Soichi Shinohara (External Director)  
 Member: Takeshi Suzuki (External Director)  
 Member: Mikio Araki (External Director)  
 Member: Yoshiaki Koshimura (Officer responsible for SuMi TRUST Holdings' Internal Audit Department)

<Corporate auditors>

Board of Corporate Auditors:	Yes
Number of corporate auditors stipulated in Articles of Incorporation:	6
Number of corporate auditors:	5

Status of relationship between the corporate auditors, accounting auditors, and the Internal Audit Department
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Corporate auditors hold periodic meetings with the accounting auditors in which they receive auditing information, as well as reports on accounting auditing plans, the status of accounting auditing performed, and auditing results, among other information, 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, corporate auditors hold periodic meetings with the Internal Audit Department, and mutually exchange opinions and share information.

In addition to the above efforts, corporate auditors aim to reinforce relationships with the Internal Audit Department and accounting auditors by holding periodic meetings with them, in order to carry out effective auditing.

Appointment of external corporate auditors:	Yes
Number of external corporate auditors:	3
Number of external corporate auditors designated as independent officers:	3

Relationship with SuMi TRUST Holdings (1)
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Name	Attribute	Relationship with SuMi TRUST Holdings*												
		a	b	c	d	e	f	g	h	i	j	k	l	m
Tetsuya Yoshimoto	Others													
Shinichi Saito	From another company													
Takashi Yoshida	Certified Public Accountant													

- \* Categories for relationship with SuMi TRUST Holdings
  - \* “○” when the said individual presently falls or has recently fallen under each of the following categories; “△” when the said individual fell under each of the following categories in the past.
  - \* “●” when a close relative of the said individual presently falls or has recently fallen under each of the following categories; “▲” when a close relative of the said individual fell under each of the following categories in the past.
- a. Person performing an executive role of a listed company or its subsidiary
  - b. Non-executive director or accounting advisor of a listed company or its subsidiary
  - c. Person performing an executive role or acting as a non-executive director of the parent company of a listed company
  - d. Corporate auditor of the parent company of a listed company
  - e. Person performing an executive role of a fellow subsidiary company of a listed company
  - f. Person whose principal client or supplier is a listed company or person performing an executive role thereof
  - g. Principal client or supplier of a listed company or person performing an executive role thereof
  - h. 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
  - i. Major shareholder of a listed company (person performing an executive role of the said corporate shareholder if the major shareholder is a legal entity)
  - j. Person performing an executive role of a client or supplier company of a listed company (which does not correspond to any of f, g, or h above) (the said individual only)
  - k. Person performing an executive role of a company, between which and SuMi TRUST Holdings external officers are mutually appointed (the said individual only)
  - l. Person performing an executive role of a company or organization that receives a donation from a listed company (the said individual only)
  - m. Other

Relationship with SuMi TRUST Holdings (2)
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Name	Independent officer	Supplemental information on corresponding items	Reason for selecting as external corporate auditor (and reason for appointing as independent officer)
Tetsuya Yoshimoto	○	<ul style="list-style-type: none"> <li>• Ex-President of the Takamatsu High Court</li> </ul>	Mr. Tetsuya Yoshimoto has abundant experience in judicial circles and a high sense of morality. SuMi TRUST Holdings has appointed Mr. Yoshimoto as an external corporate auditor, in order to have him utilize such experience and sense of morality in its audit. Further, SuMi TRUST Holdings has designated him as an independent officer since, in light of his career, etc., no conflict of interest is likely to arise with general

Name	Independent officer	Supplemental information on corresponding items	Reason for selecting as external corporate auditor (and reason for appointing as independent officer)
			shareholders.
Shinichi Saito	○	<ul style="list-style-type: none"> <li>• Representative Director, President and CO-CEO of Japan Industrial Solutions, Ltd.</li> </ul>	Mr. Shinichi Saito has abundant experience and knowledge regarding financial matters and accounting, overseas business, finance, corporate rehabilitation, etc. based on his work experience within the treasury section of a large general trading company, or within the consulting section of a large auditing firm. SuMi TRUST Holdings has appointed Mr. Saito as an external corporate auditor, in order to have him utilize such experience and knowledge in its audit. Further, SuMi TRUST Holdings has designated him as an independent officer since, in light of his career, etc., no conflict of interest is likely to arise with general shareholders.
Takashi Yoshida	○	<ul style="list-style-type: none"> <li>• Certified Public Accountant</li> <li>• Corporate Auditor of Nippon Seiro Co., Ltd.</li> <li>• Director of COSMOS INITIA Co., Ltd.</li> </ul>	Mr. Takashi Yoshida has abundant knowledge and deep insight regarding finance and accounting based on his work experience such as auditing of financial institutions and industrial companies in a major audit firm, management of an audit firm, and working overseas. SuMi TRUST Holdings has appointed Mr. Yoshida as an external corporate auditor, in order to have him utilize such experience and knowledge in its audit. Further, SuMi TRUST Holdings has designated him as an independent officer since, in light of his career, etc., no conflict of interest is likely to arise with general shareholders.

<Independent officers>

Number of independent officers:	6
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Matters relating to independent officers
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Having established the Independence Standards of Independent External Officers, SuMi TRUST Holdings has designated all the external directors and external corporate auditors 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 External Officers of SuMi TRUST Holdings are as follows:

## “Independence Standards of Independent External 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 or an employee including a manager) in SuMi TRUST Holdings or its affiliated companies.
  - (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, 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, 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, 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, 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, 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, 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, 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, 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, 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 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 (i), (ii), (iii), (ix), and (x) above.
2. Even if any of the above items applies to such person, SuMi TRUST Holdings may appoint as a candidate for its independent external officer a person who it believes to be suitable for the position of SuMi TRUST Holdings' independent external 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 external 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 external officer can be recognized to be sufficiently independent (including a candidate thereof), and that accordingly there is no threat of that information influencing the shareholders' decision regarding an exercise of voting rights.

(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	Introduced stock option plan and other systems
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Supplementary Remarks on This Item

SuMi TRUST Holdings has introduced a stock-compensation-type stock option plan for the directors (excluding external directors) and executive officers of SuMi TRUST Holdings and its subsidiary SuMi TRUST Bank, in order to further heighten their enthusiasm and morale to improve SuMi TRUST Holdings' mid-to-long term consolidated performance and share price, and to increase the return to shareholders. 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	Internal Directors of SuMi TRUST Holdings, directors of its subsidiaries and others
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Supplementary Remarks on This Item

Allottees of share acquisition rights shall be directors (excluding external directors) and executive officers of SuMi TRUST Holdings and SuMi TRUST Bank. For the sixth stock option in 2016, 510 stock acquisition rights were granted to a total of 63 allottees.

<Directors' Compensation>

Disclosure of Compensation of Individual Directors	The compensation to individual directors is not disclosed.
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Supplementary Remarks on This Item

In fiscal year 2015, total compensation amounts of 193 million yen and 67 million yen were paid to directors and corporate auditors respectively.

Decision-Making Policies Relating to Compensation Amounts and Calculation Methods (Updated)	Yes
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Disclosure of Decision-Making Policies Relating to Compensation Amounts and Calculation Methods
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Compensation for directors is intended to function effectively as an incentive for improvement of corporate performance and expansion of corporate value in order to realize stable and sustainable growth of the SuMi TRUST Group.

(1) Compensation structure

SuMi TRUST Bank, core subsidiary of SuMi TRUST Holdings, engages in businesses in a wide field of business. SuMi TRUST Holdings has adopted a management style that aims to increase profits through efforts to increase the scale of entrusted assets and the like by expanding the customer base over the medium- to long-term rather than seeking short-term profit.

With these features of a trust bank as the background, the systems and structures for compensation of directors have been established, not focusing on single-year performance evaluation in which short-term contribution to profit is emphasized, but focusing on officers' qualifications and capabilities as senior management, and based on a comprehensive evaluation that reflects assessment of medium- to long-term performance.

Specifically, the following structure is applied to compensation of directors (excluding external directors) and executive officers of SuMi TRUST Holdings and SuMi TRUST Bank.

- In principle, payment shall be made as a combination of monthly compensation, officers' bonus, and stock-compensation-type stock options, and the compensation policy and compensation table for each fiscal year shall be resolved at the Board of Directors meeting.
- The monthly compensation is separated into two types: "fixed compensation" that is a fixed amount per position, and "performance-based compensation" that is based on each individual officer's evaluation of the preceding year while also reflecting the officer's medium- to long-term performance contribution as well.
- Allocated amounts of officers' bonuses shall be determined by deciding the total payment amount taking into consideration the overall management environment, corporate performance and the like and reflecting each individual officer's performance in the preceding fiscal year.
- With regard to the stock-compensation-type stock options, the number of stock option rights shall be determined based on the number of stock option rights per position with an adjustment for each individual officer's performance evaluation and the like.
- The share ownership plan of officers is a mechanism by which individual officers shall voluntarily determine their invested amounts based on the target number of share ownership defined per position.

The compensation to external directors of SuMi TRUST Holdings and SuMi TRUST Bank shall be composed of the fixed monthly compensation alone and resolved at the Board of Directors meeting, taking into consideration the business conditions of SuMi TRUST Holdings, compensation level of its internal directors, general standards and the like.

The compensation to corporate auditors of SuMi TRUST Holdings and SuMi TRUST Bank shall be composed of the fixed monthly compensation alone and the suitable level for corporate auditors of SuMi TRUST Holdings and SuMi TRUST Bank shall

be discussed by corporate auditors, taking into consideration the business conditions of SuMi TRUST Holdings, compensation levels of corporate directors, general standards and the like.

(2) Procedures to determine compensation

In SuMi TRUST Holdings and SuMi TRUST Bank, the compensation structure and compensation table for directors and executive officers, and compensation amounts of individual officers shall be determined by the following procedures:

- The Nominating and Compensation Committee that was established as an advisory body to the Board of Directors of SuMi TRUST Holdings shall consider matters relating to officers' compensation of SuMi TRUST Holdings and SuMi TRUST Bank (officers' compensation structure, officers' compensation table and other important matters) and then report it to the Boards of Directors of each of them.
- In principal, a majority of the Nominating and Compensation Committee members shall be external directors, and the chair shall be selected from external directors, in principle, through a mutual election by the members.
- The monthly compensation amounts, bonus amounts, and the number of stock-compensation-type stock option rights and the like for individual directors (excluding external directors) and executive officers of SuMi TRUST Holdings and SuMi TRUST Bank based on the performance evaluation shall be proposed at the performance evaluation meeting that is composed of SuMi TRUST Holdings' internal officers and resolved at the Board of Directors meeting.
- Details of the determined compensation amount and the like shall be reported at the explanatory meeting for external directors and external corporate auditors of SuMi TRUST Holdings and SuMi TRUST Bank. This meeting is organized in order to establish an opportunity to hear opinions from an objective standpoint.

<Support System for External Directors (External Corporate Auditors)>

SuMi TRUST Holdings has established the External Officers Support Office in June 2015 in order to strengthen supporting systems to fulfill the functions of external directors and external corporate auditors.

The External Officers Support Office provides external directors and external corporate auditors with various forms of support, including explaining in advance the proposals of the Board of Directors meeting, providing materials and holding briefing sessions regarding managerial and administrative matters as well as businesses of the SuMi TRUST Group.

For external corporate auditors, full-time corporate auditors report audit information collected through daily audit activities such as minutes of important meetings and investigation results of SuMi TRUST Holdings and its subsidiaries and share information at the Board of Corporate Auditors. At the same time, staff members of the Corporate Audit Department who are separated from the execution of business provide support by providing materials and explanations and answering questions.

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

### (1) The Board of Directors

The Board of Directors shall oversee overall management, including execution of duties by a person performing an executive role, and ensure fairness and transparency of SuMi TRUST Holdings' corporate management. In addition, the Board of Directors shall make decisions for SuMi TRUST Holdings by, among other things, deciding important business-execution matters, which are required by law to be decided by the Board of Directors.

The Board of Directors of SuMi TRUST Holdings shall have not more than 15 directors, which is the number of directors prescribed in the Articles of Incorporation, and it shall basically comprise such number of directors as shall be necessary and appropriate to secure (a) an effective management system, required of a financial holding company managing the business execution of a financial group, and (b) substantive discussion at the Board of Directors. However, due consideration shall also be given to securing diversity and professionalism at the Board of Directors in deciding such number.

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.

### (2) Corporate auditors and the Board of Corporate Auditors

Corporate auditors shall attend important meetings such as the Board of Directors meeting, hear the status of execution of duties from directors or executive officers, etc., inspect important documents, and hear a report from the head office and subsidiaries based on the audit policy and the audit plan that are formulated by the Board of Corporate Auditors.

Corporate auditors shall have regular meetings with the Internal Audit Department once a month in order to exchange opinions and information. Corporate auditors shall also have regular meetings with accounting auditors, receive reports, and exchange opinions regarding audit related information, the accounting audit plan, status of execution of the accounting audit, and results of the audit, and audit whether accounting auditors have maintained their independent position and audited appropriately.

Furthermore, corporate auditors shall endeavor to strengthen collaboration with the Internal Audit Department and accounting auditors and to ensure the effectiveness of audits by holding regular meetings among three parties: the Board of Corporate Auditors, the Internal Audit Department, and accounting auditors.

### (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.

Furthermore, the "Nominating and Compensation Committee" and the "Audit Committee" were voluntarily established as the advisory bodies to the Board of Directors in June 2015 in order to secure improvement of management transparency and the appropriateness of the process when deciding important

matters relating to nomination of officers, compensation, and internal audits.

(Status of establishment of the Executive Committee, etc. in group companies)

SuMi TRUST Holdings (holding company)

- Board of Directors
- Board of Corporate Auditors
- Executive Committee
- CSR Council
- Nominating and Compensation Committee
- Audit Committee
- Business Management Committee
- Enterprise Risk Management Committee
- Disclosure Committee

SuMi TRUST Bank

- Board of Directors
- Audit Committee
- Executive Committee
- Business Operation Officer Committee
- Executive Officer Committee
- Credit Risk Committee
- ALM Committee
- Fiduciary Asset Management Committee
- Compliance Committee
- Product Screening Committee
- Financing Facilitation Committee
- Capital Allocation Committee
- Operational Risk Management Committee
- Operational Efficiency Increase Committee
- Credit Control Committee
- Investment Management Consulting Committee
- IT Investment Management Committee
- Capital Investment Management Committee
- Corporate Communication Committee
- Diversity and Inclusion Promotion Committee

Sumitomo Mitsui Trust Asset Management Co., Ltd.

- Board of Directors
- Executive Committee
- Investment Management Committee
- Investment Risk Management Committee
- Stewardship and Proxy Voting Committee

Sumitomo Mitsui Trust Research Institute Co., Ltd.

- Board of Directors

### 3. Reasons for Adopting the Current Corporate Governance System

SuMi TRUST Holdings is a trust bank group, which is formed around SuMi Trust Bank, a core subsidiary with significant expertise developed over the years and with wide business fields, highlighted by its strength, a flexibility that enables providing

a one-stop total solution service, highly specialized knowledge, and an outstandingly thorough degree of practical knowledge. With the objectives of realizing effective and efficient corporate management by leveraging such characteristics, and of meeting its stakeholders' expectations, SuMi TRUST Holdings shall further ensure the transparency of its management, and shall develop a system necessary to enhance the corporate governance system of the SuMi TRUST Group.

In order to realize these objectives, SuMi TRUST Holdings sets out the basic policy on corporate governance, stating that SuMi TRUST Holdings shall adopt the system of a company with the Board of Corporate Auditors in which directors who are thoroughly familiar with businesses determine the execution of important business and establish a Board of Corporate Auditors with three external corporate auditors which consists of a majority of corporate auditors, and that SuMi TRUST Holdings shall operate the Board of Directors with at least one-third of directors being external directors, in principle. Currently, three of nine directors are external directors.

In order to further enhance its corporate governance system, SuMi TRUST Holdings has established the Nominating and Compensation Committee and the Audit Committee, in which more than half of external directors participate as advisory bodies to the Board of Directors. With the Committees chaired by an external directors respectively, SuMi TRUST Holdings works to further ensure management transparency and appropriateness of process in deciding important matters relating to nomination of officers, compensation, and internal audits.

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

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

	Supplemental remarks
Prompt distribution of convocation notices for the general shareholders' meeting	The convocation notice for the annual general shareholders' meeting and class shareholders meeting of common shareholders held on June 29, 2016, was dispatched on June 7, after being posted on SuMi TRUST Holdings' website on May 31, for the purpose of prompt notification.
Avoidance of peak day when scheduling the general shareholders' meeting	—
Electronic voting	SuMi TRUST Holdings has been enabling shareholder voting through the Internet and mobile phones.
Participation in the Electronic Voting Platform system and other efforts to create an environment in which institutional investors can exercise their voting rights	SuMi TRUST Holdings participates in the Electronic Voting Platform system.

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. 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 disclosure policy	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 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 representative director, 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 representative director 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 representative director, and the officer and employee in charge of IR providing explanations.	Yes
Regular information meetings for overseas investors	SuMi TRUST Holdings' representative director, 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	<p>Promptly after their announcement, SuMi TRUST Holdings discloses various types of IR information and information for shareholders, etc. on its website.</p> <p>The types of information disclosed are, among others, as follows: financial results and related explanatory materials; annual securities reports; quarterly securities reports; summary of financial results; investor meetings' presentation materials; annual reports; business reports; the Basic Policy on Corporate Governance; stock information; convocation notices for general shareholders' meetings; results of voting, etc.</p> <p>Videos of investors meetings and corporate briefings for individual investors are also posted on the website.</p> <p>Further, on the page of its website entitled "For Individual Investors," explanation is provided for individual investors regarding SuMi TRUST Group's business and operational results in an easy-to-understand format.</p> <p>For overseas institutional investors, too, SuMi TRUST Holdings provides various types of IR information and so on in a timely manner via its English website.</p> <p>Japanese URL: <a href="http://smth.jp/IR/index.html">http://smth.jp/IR/index.html</a>  English URL: <a href="http://smth.jp/en/IR/index.html">http://smth.jp/en/IR/index.html</a></p>	—

<p>Establishment of department and/or manager in charge of IR</p>	<p>SuMi TRUST Holdings has appointed an officer in charge of IR, as well as established the IR Department as the section in charge of daily IR activities. SuMi TRUST Holdings makes efforts to appropriately disclose corporate information, as well as aiming for highly transparent corporate management through proactive IR activities and constructive dialogues with both domestic and foreign shareholders and investors.</p> <p>Officer in charge of IR: Yukihiro Kitano, Senior Managing Executive Officer  Koichi Onaka, Managing Executive Officer</p> <p>Section in charge of IR: IR Department  The General Manager of the IR Department serves</p>	<p>—</p>
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Others	<p>&lt;Internal organic cooperation to assist dialogues with shareholders&gt;</p> <p>Through cooperation with the management team and each section, the officer in charge of IR and the section in charge of IR endeavors to appropriately understand management information and other internal information, and make efforts to disclose such information in a timely, accurate, and fair manner, as well as leverage such information for the purpose of constructive dialogue with shareholders and investors.</p> <p>&lt;Feedback regarding shareholders' opinions and IR activities to the management team and the Board of Directors&gt;</p> <p>We provide timely and appropriate feedback to the management team regarding opinions or concerns, etc. expressed by shareholders, investors, and analysts, etc. In addition to an overall report on IR activities, reports regarding such opinions or concerns, etc. shall be regularly made to the Board of Directors.</p> <p>&lt;Management of insider information during dialogues&gt;</p> <p>For the purpose of the management of insider information, the SuMi TRUST Group regularly disseminates, within the SuMi TRUST Group, the laws, regulations, and rules, etc. which the SuMi TRUST Group is bound to comply with, as well as instructions for the appropriate handling of insider information. Strict management and operation is also conducted during dialogues with shareholders and investors.</p> <p>&lt;Enhancement of opportunities for constructive dialogue with shareholders, etc.&gt;</p> <p>For the purpose of the enhancement of constructive dialogue with shareholders and investors, SuMi TRUST Holdings participates in events with other listed companies in Japan to actively exchange opinions and engage in discussions on corporate governance with domestic and international institutional investors.</p>	—
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### 3. Measures for Respecting the Position of Stakeholders

	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, CSR activities, etc.	The SuMi TRUST Group has formulated its CSR Policies at the group’s CSR Council chaired by the President, and has been promoting the group’s CSR under the initiative of the CSR Promotion Office, under the Corporate Planning Department. Regarding our environmental preservation activities, the SuMi TRUST Group has formulated the group’s common “Environmental Policy,” “Action Guidelines for Mitigating Climate Change,” and “Action Guidelines for Preserving Biodiversity,” and makes available, at its Directly Owned Subsidiaries, environment-related investment and loan products, trust products, and real property products, etc. to individual and corporate customers. Further, the SuMi TRUST Group has been promoting activities to reduce green house gas emissions from its business activities, and purchasing of papers that gives consideration to the environment and society based on its CSR procurement policy. In addition, each operation base of the SuMi TRUST Group implements various CSR activities.
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 CSR reports and its website, etc.
Others	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, 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 Bank has formulated an action plan of a general business operator based on the Act on the Promotion of Women’s Participation and Advancement in the Workplaces. SuMi TRUST Bank has also formulated a

plan to increase the number of female employees at the level of Section Manager or above to 300 by the end of March 2020. While sharing information about various ways of working and implementing measures to broaden career planning options for female employees through training for women in leadership positions carried out at each level, and publication on SuMi TRUST Bank's intranet of interviews with female employees who are playing active roles, SuMi TRUST Bank is enhancing its infrastructure for supporting diverse ways of working by increasing the provision of information to employees on maternity leave and childcare leave, management training carried out to managers of those who return from leaves, and other methods.

In addition, Hiroko Kawamoto, who has managed the promotion of customer satisfaction and women's participation at ALL NIPPON AIRWAYS CO., LTD, was appointed as an external director of SuMi TRUST Bank in June 2016.

<Status of Promotion of Women to Managerial Positions as of October 1, 2016>

13 female employees at the level of General Manager or above;

233 female employees at the level of Section Manager or above; and

1,088 female employees at the level of Assistant Manager or above

Total: 1,334 (approximately 21.5% of the total managerial positions)

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;
- Expand the participation of employees with disabilities by promoting their employment in a variety of workplaces, including branches, and increasing the number of participants in courses for acquiring certification as a vocational counselor for persons with disabilities; and
- Establish an in-house consultation contact point as a safety net, in addition to conducting internal training designed to promote understanding of sexual orientation and gender identity.

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

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

As a bank holding company, the Board of Directors of SuMi TRUST Holdings is fully aware of its responsibility for the management administration of the SuMi TRUST Group, and has developed “a system to ensure the conformity of directors’ 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.
- c. 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.
- d. 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.
- e. 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.
- f. 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.
- g. 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.

###### (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.
- 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.
- (3) Structure for Execution of Duties
- a. Key matters up for resolution or reporting by the Board of Directors undergo preliminary discussion by the Executive Committee, which the president chairs and relevant officers attend.
  - b. The Board of Directors sets out the basic points pertaining to SuMi TRUST Holdings' organizational structure and the division of duties, as well as the organization of staff and authority granted to executives, to ensure the smooth execution of duties and appropriate conduct.
  - 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. 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 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 in a timely and appropriate manner.

(8) Structure for Corporate Auditors' Audits

- a. Employees assisting corporate auditors in their duties
  - (a) At the request of corporate auditors, the Corporate Auditors Office is established to assist corporate auditors in the execution of their duties, and an appropriate number of employees, including one office manager, are assigned thereto.
  - (b) Staff of the Corporate Auditors Office works to assist corporate auditors with their duties under the directions and orders of corporate auditors. The personnel affairs and employment terms for the staff of the Corporate Auditors Office are discussed in advance with corporate auditors.
- b. System for reporting to corporate auditors
  - Directors, executive officers, and employees report the following matters (including those regarding subsidiaries, etc.) to corporate auditors:
    - (a) Facts about possible significant damage to SuMi TRUST Holdings, or material facts about violations of laws, regulations, or the Articles of Incorporation
    - (b) Status of reports to the compliance hotline system
    - (c) Status of internal audit processes and the results thereof
    - (d) Status of business execution and any other matters on which the corporate auditors request a report
  - Directors, executive officers, and employees do not treat unfavorably those who have reported under the preceding paragraph based on the fact of their reporting.
- c. Other systems to ensure the effectiveness of corporate auditors' audits
  - (a) Directors, executive officers, and employees cooperate with corporate auditors in good faith in the audit activities.
  - (b) Corporate auditors may attend meetings of the Board of Directors and the Executive Committee as well as any other meetings they deem necessary to the execution of their duties.
  - (c) Representative directors exchange views with corporate auditors on a periodic basis and at the request of corporate auditors.
  - (d) The internal auditing unit exchanges views with corporate auditors on a periodic basis and at the request of corporate auditors.
  - (e) Corporate auditors can request an additional audit by the internal auditing unit and insist on other pertinent measures when the situation calls for further action.

- (f) Directors develop a system to ensure the effectiveness of corporate auditors' audits across the SuMi TRUST Group, for example, by appointing, at the request of corporate auditors, corporate auditors of subsidiaries, etc. who concurrently serve as SuMi TRUST Holdings' corporate auditors.
- (g) Directors pay expenses necessary for the execution of corporate auditors' duties 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 officers and employees on the handling of antisocial forces. Further, it has developed various systems to prevent transactions with antisocial forces, such as the supervisory department, which conducts centralized management of information on antisocial forces and uses it to prevent transactions with antisocial forces. Each of the SuMi TRUST Group companies has also developed various systems in communication with SuMi TRUST Holdings in order to handle antisocial forces.

V. Other

1. Introduction of Defense Measures Against Takeovers

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

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

None.

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

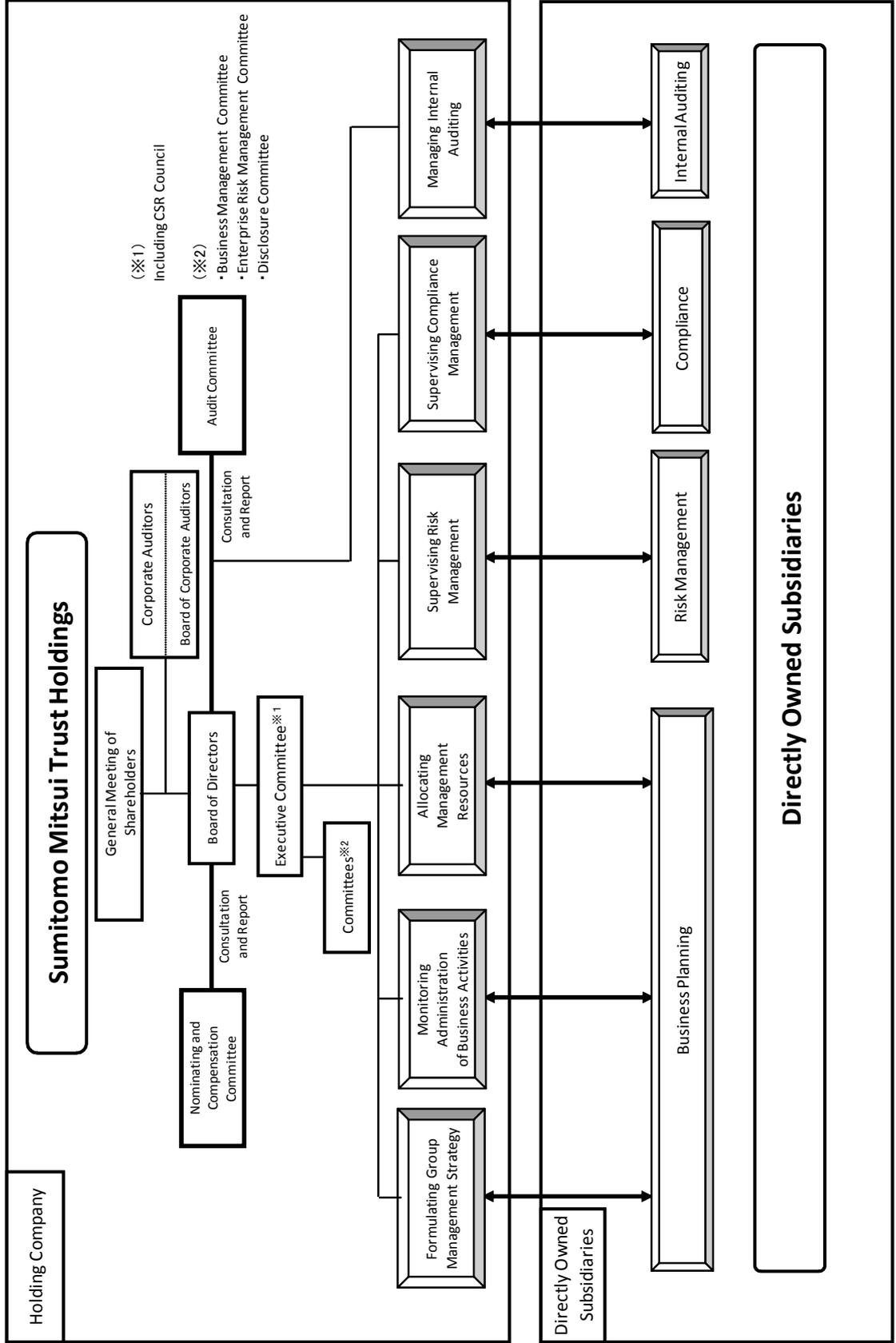
Name of directors	Position	Reasons for appointment
Hitoshi Tsunekage	Representative Director, Chairman	Mr. Hitoshi Tsunekage has served as Chairman of SuMi TRUST Holdings since April 2011 and President of SuMi TRUST Bank since April 2012; therefore, he has extensive knowledge and experience with regard to all aspects of management administration and the business operations of a trust bank group. SuMi TRUST Holdings expects that, by using his experience accumulated thus far, he is capable of providing further contribution to sustainable growth of the SuMi TRUST Group and enhancement of the Group's corporate value, in a position of leading the Group's overall management. Accordingly, SuMi TRUST Holdings appointed him as Director.
Kunitaro Kitamura	Representative Director, President	Mr. Kunitaro Kitamura has served as President of SuMi TRUST Holdings and Chairman of SuMi TRUST Bank since April 2012; therefore, he has extensive knowledge and experience with regard to all aspects of management administration and the business operations of a trust bank group. SuMi TRUST Holdings expects that, by using his experience accumulated thus far, he is capable of providing further contribution to sustainable growth of the SuMi TRUST Group and enhancement of the Group's corporate value, in a position of leading the Group's overall management. Accordingly, SuMi TRUST Holdings appointed him as Director.
Nobuo Iwasaki	Representative Director, Deputy President	Mr. Nobuo Iwasaki has served as a Deputy President of SuMi TRUST Holdings and as a Deputy President of SuMi TRUST Bank since April 2012. He also has experience in business management as an Officer in charge of the Retail Financial Services Business of SuMi TRUST Bank; therefore, he has extensive knowledge and experience with regard to management administration and the business operations of a trust bank group. SuMi TRUST Holdings expects that, by using his experience accumulated thus far, he is capable of providing further contribution to sustainable growth of the SuMi TRUST Group and enhancement of the Group's corporate value, in a position of assisting the Group's overall management. Accordingly, SuMi TRUST Holdings appointed him as Director.
Rikiya Hattori	Representative Director, Deputy President	Mr. Rikiya Hattori has served as a Deputy President of SuMi TRUST Holdings since April 2013 (as a Director and Deputy President since June 2015) and as a Deputy President of SuMi TRUST Bank since April 2013. He also has experience in business management as an Officer in charge of the Wholesale Financial Services Business of SuMi TRUST Bank; therefore, he has extensive knowledge and experience with regard to management administration and the business operations of a trust bank group. SuMi TRUST Holdings expects that, by using his experience accumulated thus far, he is capable of providing contribution to sustainable growth of the SuMi TRUST Group and enhancement of the Group's corporate value, in a position of assisting the Group's overall management. Accordingly, SuMi TRUST Holdings appointed him as Director.

Tetsuo Ohkubo	Director, Senior Managing Executive Officer	<p>Mr. Tetsuo Ohkubo has experience in positions for supporting a part of corporate management as an Officer in charge of the Corporate Planning Department, the Corporate Administration Department and the Human Resources Department of SuMi TRUST Holdings, and he assumed office as a Deputy President in April 2016. In addition, he also has experience serving as an Officer in charge of the Corporate Planning Department, the Corporate Administration Department and the Human Resources Department of SuMi TRUST Bank, as well as experience in diversified business management as an Officer responsible for the Global Investment Solutions Business Field and as an Officer in charge of the Wholesale Financial Services Business. He has served as a Deputy President of SuMi TRUST Bank since April 2016. SuMi TRUST Holdings expects that, by using his experience accumulated thus far, he is capable of providing contribution to sustainable growth of the SuMi TRUST Group and enhancement of the Group's corporate value, in a position of assisting the Group's overall management. Accordingly, SuMi TRUST Holdings appointed him as Director.</p>
Yoshiaki Koshimura	Director, Managing Executive Officer	<p>Mr. Yoshiaki Koshimura has experience serving as a Deputy Officer in charge of the Human Resources Department and as an Officer in charge of the Internal Audit Department of SuMi TRUST Holdings and in other positions. He has served as a Managing Executive Officer of SuMi TRUST Holdings since April 2012 (as a Director and Managing Executive Officer since June 2015) and as a Managing Executive Officer of SuMi TRUST Bank since April 2012 (as a Director and Managing Executive Officer since April 2015); therefore, he has extensive knowledge and experience with regard to the management administration of a trust bank group. SuMi TRUST Holdings expects that, by using his experience accumulated thus far, he is capable of providing contribution to sustainable growth of the SuMi TRUST Group and enhancement of the Group's corporate value, in a position for supporting a part of SuMi TRUST Holdings' management. Accordingly, SuMi TRUST Holdings appointed him as Director.</p>

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

Name of corporate auditors	Position	Reasons for appointment
Takashi Kamikanda	Senior Corporate Auditor	Mr. Takashi Kamikanda successively served as, e.g., General Manager of the Global Credit Supervision Department and as an Officer in charge of the Corporate Administration Department and the Global Credit Supervision Departments of SuMi TRUST Bank (including the former The Chuo Mitsui Trust and Banking Company, Limited). He has also served as corporate auditor of SuMi TRUST Holdings for approximately 2 years and contributed to enhancing the soundness and transparency of SuMi TRUST Holdings' management; therefore, he has the competency and insight required to oversee the execution of business by directors from a fair and objective standpoint. SuMi TRUST Holdings expects that, using his experience and achievements thus far, he is capable of providing contribution to further improving the soundness and transparency of management through providing his audit services to SuMi TRUST Holdings. Accordingly, SuMi TRUST Holdings appointed him as Corporate Auditor.
Yasuyuki Yagi	Senior Corporate Auditor	Mr. Yasuyuki Yagi successively held various posts such as General Manager of Credit Supervision Department of former STB and President of a real estate-related affiliated company. Since April 2015, he served as an Officer in charge of the Kinki Region in a position of a Senior Executive Officer of SuMi TRUST Bank; therefore, he has extensive knowledge and experience with regard to management administration and the business operations of a trust bank group. SuMi TRUST Holdings expects that, by using his experience accumulated thus far, he is capable of providing contribution to improving the soundness and transparency of management through providing his audit services to SuMi TRUST Holdings. Accordingly, SuMi TRUST Holdings appointed him as Corporate Auditor.

# Corporate Governance System



<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 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.

