

# Stock Transfer Agency Services Business



## Message from Executive Officer

Centering on support services for corporate stock practices, the Stock Transfer Agency Services Business will further strengthen its solutions for management issues related to dialogue with institutional investors and corporate governance matters by leveraging the valuable data, information, and case studies gained from its client base—number one in the industry in terms of both the number of listed companies under management and the number of shareholders under administration.

### Atsushi Kaibara

Director, Senior Managing Executive Officer,  
Head of Stock Transfer Agency Services Business, SuMi TRUST Bank  
Senior Managing Executive Officer, Executive Officer\*, SuMi TRUST Holdings

\*Executive Officer as defined in our internal policy.

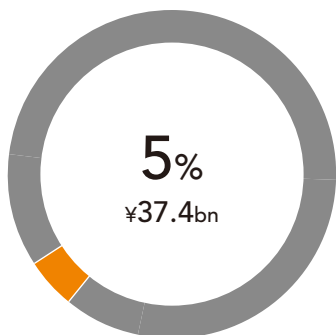
## Medium- to long-term vision

With a core focus on corporate stock practices, we aim to consistently deliver sophisticated solutions across businesses to address the management issues of our clients regarding investor dialogue and corporate governance matters and realize sustainable growth models driven by even stronger client solutions and improved customer satisfaction.

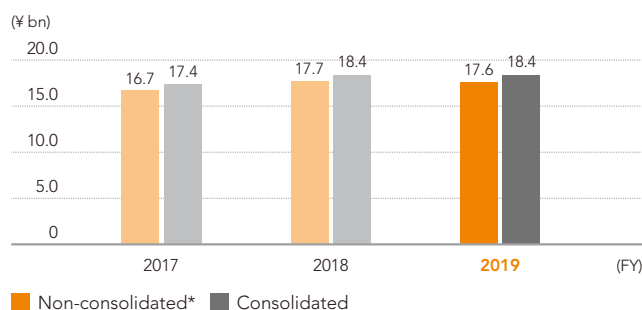
In order to satisfy the increasingly sophisticated and complex needs of clients, address societal demands, and respond to the major changes in the business environment

owing to the rollout of Japan's Corporate Governance Code and Stewardship Code, we are strengthening, in an integrated fashion, our support services for corporate stock practices centering on general shareholder meetings and support services in three areas of consulting: IR/SR, governance, and executive compensation. In addition, we will look to contribute to the further enhancement of corporate and market value for our clients by improving the accuracy of operations and providing optimum, high-quality solutions.

## Weighting of substantial gross business profit



## Net business profit before credit costs



Net business profit before credit costs remained generally flat year on year at ¥17.6 billion on a non-consolidated basis and ¥18.4 billion on a consolidated basis. This owed to a decrease in fees susceptible to market conditions, which offset record-high revenue from various consulting services.

\*SuMi TRUST Bank

## Business environment awareness

### Environment awareness and issues

- Activization of dialogue with institutional investors
  - Adding substance to corporate governance measures
  - TSE market reforms
  - Amendments to the Companies Act
- Owing to the above-mentioned business environment, the needs of clients are diversifying and growing more sophisticated, thus requiring the provision of swift and accurate solutions

### Opportunities and Group strengths

- Number one client base in the industry in terms of both the number of listed companies under management and the number of shareholders under administration
- Extensive data acquired through Japan's largest corporate governance and executive compensation surveys
- Commercialization of growth fields utilizing our position and know-how as a shareholder list manager

## Key measures in Medium-Term Management Plan

### Improving customer satisfaction to develop sustainable growth models

We will conduct corporate governance and executive compensation surveys which we have implemented since FY2017. We will continue to help further strengthen governance practices for our clients by ensuring that our surveys attract the greatest number of participating companies in Japan and by providing analysis results from multiple angles.

### Creating a sustainable growth model in the consulting field

Given that companies are strongly requested to engage in constructive dialogue with institutional investors and reform their corporate governance practices, we intend to draw on the knowledge of J-Eurus IR Co., Ltd., which became a subsidiary of the Group in March 2020, to ensure more stable earnings by enhancing content and reinforcing our ability to provide information.

### Expanding our business platform

By further expanding our experience and expertise harnessed thus far to meet the needs of our client base—the largest in the industry in terms of both the number of listed companies under management and the number of shareholders under administration—we aim to securely establish our position as the leading company in the stock transfer agency services industry.

### Utilizing digital technology

Considering the current advancements in digital technology, in addition to our provision of information on a face-to-face level, we will also aim to meet the needs of clients by providing information through non-face-to-face methods with the active use of digital technology.

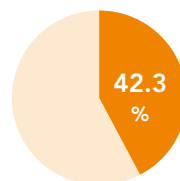
- |                                |  |
|--------------------------------|--|
| Governance survey              | <ul style="list-style-type: none"> <li>• 1,515 participating firms, the highest in Japan (roughly 40% of all listed companies)</li> <li>• Supervised by Professor Emeritus Kunio Ito (Graduate School of Business Administration, Hitotsubashi University), Japan's leading authority on corporate governance reform</li> <li>• Indexing of statistical data that contributes to stronger governance + scoring-based analysis</li> </ul> |
| Executive compensation survey* | <ul style="list-style-type: none"> <li>• 928 participating firms, the highest in Japan (executive compensation data for more than 17,000 people)</li> <li>• Survey covers compensation level, composition, evaluation systems, frameworks, and even position-based compensation</li> </ul> <p><small>*Conducted in collaboration with Deloitte Tohmatsu Consulting</small></p>   |



Industry share in stock transfer agency services\* (as of March 31, 2020)

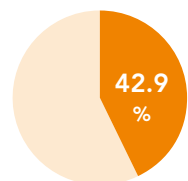
Number of listed companies under management

**No. 1 in industry**



Number of shareholders under administration

**No. 1 in industry**



\*Total for SuMi TRUST Bank, Tokyo Securities Transfer Agent, and Japan Securities Agents

## Sustainability initiatives

### Various forms of consulting

Leveraging the industry's biggest client base and the largest data in Japan provided by our corporate governance and executive compensation surveys, we support the activities of our clients by delivering solutions on corporate governance and dialogue with investors with mainly the following services: assistance on engaging in dialogue with institutional investors, support on board effectiveness evaluations, and executive compensation consulting.

