

# Fiduciary Services Business



## Message from Executive Officer

Guided by the Group's fiduciary spirit, the Fiduciary Services Business seamlessly deploys its significant expertise and know-how across the entire Group to provide client-oriented, high added-value services, from the design of pension plans right through to their management and administration.

### Toru Takakura

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

\*Executive Officer as defined in our internal policy.

## Medium- to long-term vision

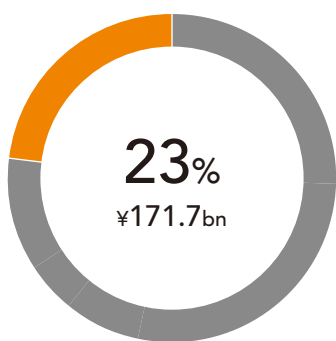
As we draw closer to an age of 100-year life, there is growing interest among corporate clients in modifying pension plans to suit an extension to the mandatory retirement age, while individual clients are keen to build wealth in preparation for a prolonged "second life" during which interest rates remain perpetually low. Through our pension business, we will look to accommodate the needs of our clients with pension plan proposals for a new age and support the asset formation needs of the working generation through investment education and other means.

In our asset management and administration business, we

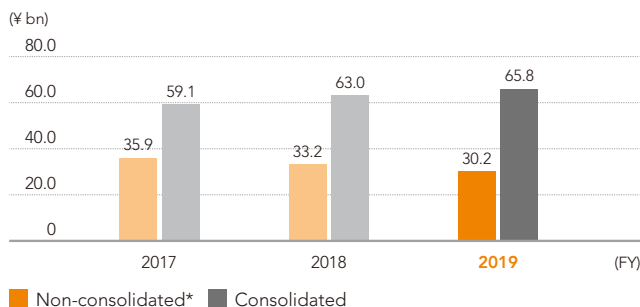
will aim to improve upon our significant expertise and brush up our administrative quality especially considering that the needs of institutional investors and individual clients are growing more sophisticated and diverse. We will also strive to offer even more extensive services by presenting proposals to clients in line with their intentions.

In this way the Fiduciary Services Business will contribute to the realization of a financially inclusive society by developing investment chains unique to a financial group specialized in trust banking and supporting the asset formation efforts of all kinds of clients.

## Weighting of substantial gross business profit



## Net business profit before credit costs



The client base of the corporate pension business has been further bolstered and expanded by mainly an increase in defined contribution (DC) pension plan members. Despite some impact of a decline in market value in the fourth quarter, assets under custody have steadily increased mainly due to the entrustment of new client assets, while assets under management have also remained stable. As a result, consolidated net business profit before credit costs rose ¥2.8 billion year on year to ¥65.8 billion.

\*SuMi TRUST Bank

## Business environment awareness

### Environment awareness and issues

- Heightened demand for asset formation for an age of 100-year life
- Growing need for pension system reform along with work style reforms and an extension in the retirement age
- Ongoing asset management and administration needs owing to prolonged negative interest rates
- Sophistication of asset management methods and diversification of managed assets

### Opportunities and Group strengths

- Comprehensive support on pension systems, pension asset management, and employee benefit programs
- Extensive product lineup
- Ability to provide services based on close coordination between Group companies
- Ability to cater to outsourcing needs, benefits of economies of scale

## Key measures in Medium-Term Management Plan

### Strengthening defined contribution (DC) pension plan services

As DC pension plans grow increasingly important from the viewpoint of policy changes reflecting an extension in the retirement age and better employee benefit programs to help secure human resources, we have maintained the highest number of DC plan members in the industry thanks to our strong reputation among clients regarding our investment education, online services, and call center operations. Up ahead, we will make use of non-face-to-face web-based channels to provide DC pension plan consulting and other services so that we can continue to lend our total support to the cash flow plans of our clients in preparation for an age of 100-year life.

### Asset management business

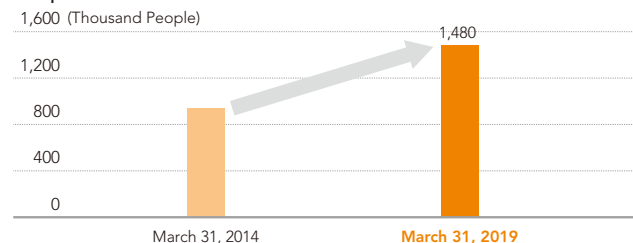
We will further strengthen our management know-how of defined benefit pensions and public pensions and improve the level of services we provide. We will also broadly offer the asset management consulting and product selection knowledge gained from dealing with institutional investors to mainly individual clients.

### Asset administration business

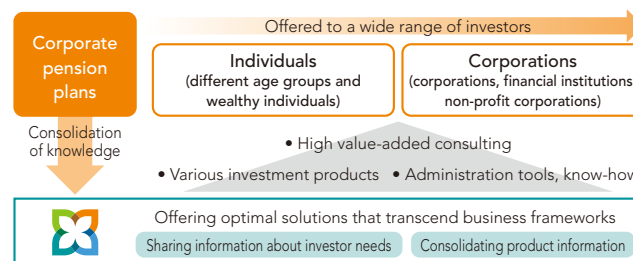
We plan to complete the merger\* of the Group's banks that specialize in asset administration and ramp up our efforts on improving Group-wide client services in Japan and overseas so that we can cater to the varied needs of asset managers and investor clients alike. Moreover, we will aim to merge the expertise and know-how cultivated primarily from the administration of securities into our administration business for mostly real estate and monetary claims in an effort to further expand our breadth of asset administration services.

\*Refer to page 12 for more information about the merger.

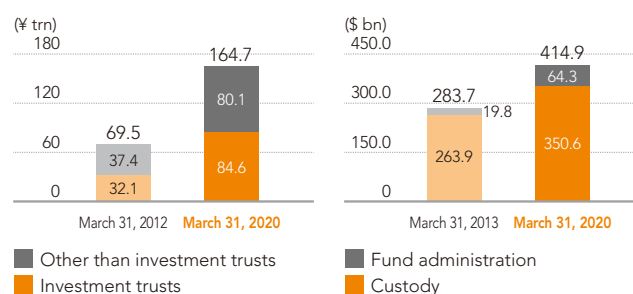
### DC plan members



### Asset management business



### Assets under custody of the Group



## Sustainability initiatives

### Expanding ESG products

With Japan's Corporate Governance Code and Stewardship Code now firmly entrenched in corporate management practices, we are working to enhance our lineup of mostly ESG products in light of heightened investor (individuals, institutional investors, etc.) interest in environmental and social issues. More specifically, we are increasing our number of ESG funds on offer, and from an investment management perspective, we are taking steps to help mitigate climate change and other social issues.

