

# Our initiatives to reduce strategic shareholdings

The SuMi TRUST Group shall endeavor to foster a virtuous circulation framework that facilitates circulation of funds, assets and capital through our asset management and asset administration services, and enhancement of our corporate clients' enterprise value by offering solution services, with the aim to develop Japanese capital markets.

To realize this objective, we intend to improve our bi-functional expertise as a trust bank Group that assumes the position of an investor as well as an advisor offering solutions to enhance enterprise value, and re-align our policy so that, in principle, we shall not hold any "strategic shareholdings as a conventional stable shareholder." During the interim policy transition period, we shall strive to fulfill our role as an advisor that "offers solutions to issues to enable sustainable increase in enterprise value through extensive dialogue with our clients."

## 1

### Dialogue policy with our corporate clients whom the SuMi TRUST Group is a strategic shareholder

We shall take each client's business environment and stakeholders actions into account, to offer solutions suited to each client, deepening the understanding of each other to accelerate the reduction of strategic shareholdings. During the transition period, we shall continue to offer active dialogue and solutions to create positive impact and sustainable increase in enterprise value.

## 2

### Policy regarding the exercise of voting rights regarding our strategic shareholdings

We intend to define our policy regarding client dialogue to enhance enterprise value, and we are evaluating our options to enhance the SuMi TRUST Group's exercise of voting rights for annual shareholder meetings to be held beyond June 2022. We are considering of publishing our thoughts on this issue in our interim disclosure in November 2021.

## 3

### Pace of our strategic shareholding reduction

During the remaining 2-year period of our current Medium-Term Plan (FY2020 to FY2022), we intend to significantly accelerate the pace of reduction and aim to reduce our holdings by ¥100bn (at cost, or roughly ¥ 250bn at market value).

To ensure the implementation of this initiative, executives including top management is committed to lead the dialogue with our clients, and oversight from our board shall be strengthened to monitor its progress.