

## Message from the Chairman of the Board of Directors and the Chairman of the Nominating Committee



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External Director  
Chairman of the Board of Directors and  
Chairman of the Nominating Committee

### Performance Status of the Functions of the Board of Directors

Four years have elapsed since SuMi TRUST Holdings became a "company with Three Committees," and during this period, the Board of Directors has made steady progress in accordance with the PDCA cycle of annual evaluation of the Board of Directors. Seeking to further enhance its supervisory function, the Board of Directors itself has continued to reflect seriously about what its role should be. I believe that we have been able to build a frank relationship with the executive side that includes critical discussions.

At last year's Board of Directors meeting, in response to the occurrence of serious incidents, we challenged the executive side with sustained questioning from an outsider's perspective. These exchanges made us realize the need to accelerate our efforts to improve the quality of our operations, which is the starting point of a trust bank group, and to strengthen the relationship of trust with our clients and society.

In addition, as a result of further transfer of authority to the executive side under the "monitoring board" model, which separates execution from supervision, I feel the need to further deepen the dialogue by taking additional steps to follow up on the status of discussions on the executive side, and at times, demanding speedier responses. This was presented as one of the issues to be addressed in the evaluation of the Board of Directors in FY2020.

Going forward, in my role as chairman of the Board of Directors, I intend to continue to address these issues and to enrich our discussions aimed at achieving sustainability, both in society and in terms of stable growth

in the Group, so that we can live up to the expectations of our stakeholders.

### Process and Key Points for Selecting the President

I was appointed as an external director in 2017, the same year of the transition to a "company with Three Committees," and today I serve as chairman of the Board of Directors and chairman of the Nominating Committee. Of the seven members of the Nominating Committee, five, including myself, are external directors, which I believe constitutes a highly independent structure. This selection of President was the first since the transition to a company with Three Committees. However, the Nominating Committee had been continuously discussing the selection in accordance with the succession plan, which had been undergoing revision since 2017.

Specifically, when selecting the President, the committee members, each of whom brings a broad range of experiences, knowledge, and perspectives, considered and discussed each of several candidates based on their achievements, reputation, leadership, and similar qualities in light of the Group's business environment, business strategy, and the qualities required of top management. Following candidate deliberations, including interviews, the Nominating Committee compiled a draft report at its January 2021 meeting and submitted it to the Board of Directors. Overall, I believe that the selection of the President was conducted with a high degree of objectivity and transparency.

### ■Development of management personnel based on succession plan

