

Client-Oriented Initiatives

1. Providing Value to Clients

In an era of dramatic environmental change, the needs of both individual and corporate clients to build, manage, and review their assets and plan for succession are becoming increasingly complex, and their needs for trustworthy financial institutions are growing. The SuMi TRUST Group aims to be the “Best Partner,” providing the greatest value to individual and corporate clients by accurately understanding their needs and providing total solutions that include a wide range of highly specialized products and services as the best way to address those needs. To this end, as the only independent trust banking group in Japan, which allows us to make effective use of the comprehensive capabilities that combine banking and trust functions, as well as various trust functions within the Group. In our endeavor to be completely client-oriented, we have established a stringent conflict of interest management framework.

By constantly striving to improve customer satisfaction, be

completely client-oriented, and help solve problems in society, we aim to gain the trust of clients and society and continue to grow alongside each other. To this end, the Group is pursuing initiatives based on the Voluntary Declaration of Consumer-Orientation. In September 2020 we published “Results of Initiatives Based on Voluntary Declaration of Consumer-Orientation,” which documents our results and improvements.

About the Voluntary Declaration of Consumer-Orientation

The Voluntary Declaration of Consumer-Orientation is the Group’s declaration for the approach toward consumer-oriented management (a business activity respecting general consumers’ viewpoints and gaining consumer trust as the providers of a sound market, while being aware of its social responsibilities, and working toward the creation of a sustainable and desirable society) as promoted by the Consumer Affairs Agency and others.

2. Implementing a Client-Oriented Approach

In our effort to provide our clients with the products and services best suited to meet their genuine interests as their “Best Partner,” and to instill a client-oriented approach across all our business operations, in September 2016, we formulated and released our Policies regarding the Fiduciary Duties of the Sumitomo Mitsui Trust Group (“Policies”) and since then we have continued to further strengthen our initiatives by revising them whenever necessary. The SuMi TRUST Group has established an extensive organizational structure from the management level to the working level, and strives

constantly to enhance its initiatives in this area (please see page 128 for enhancement of the conflict of interest management framework).

In order to clearly communicate to our clients regarding the results of these initiatives, we periodically publish a report entitled KPIs for Initiatives Aimed at Becoming Our Clients’ “Best Partner.” (see page 126). These KPIs include those commonly used by financial institutions regarding sales of investment trusts.

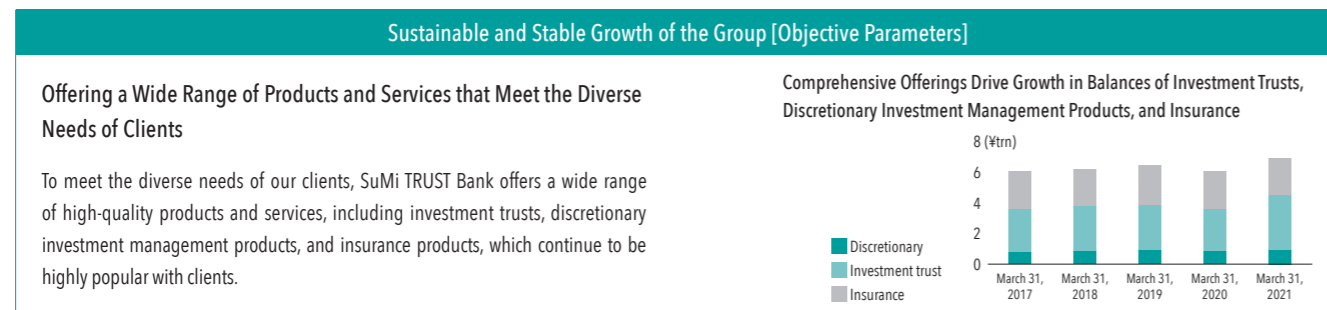
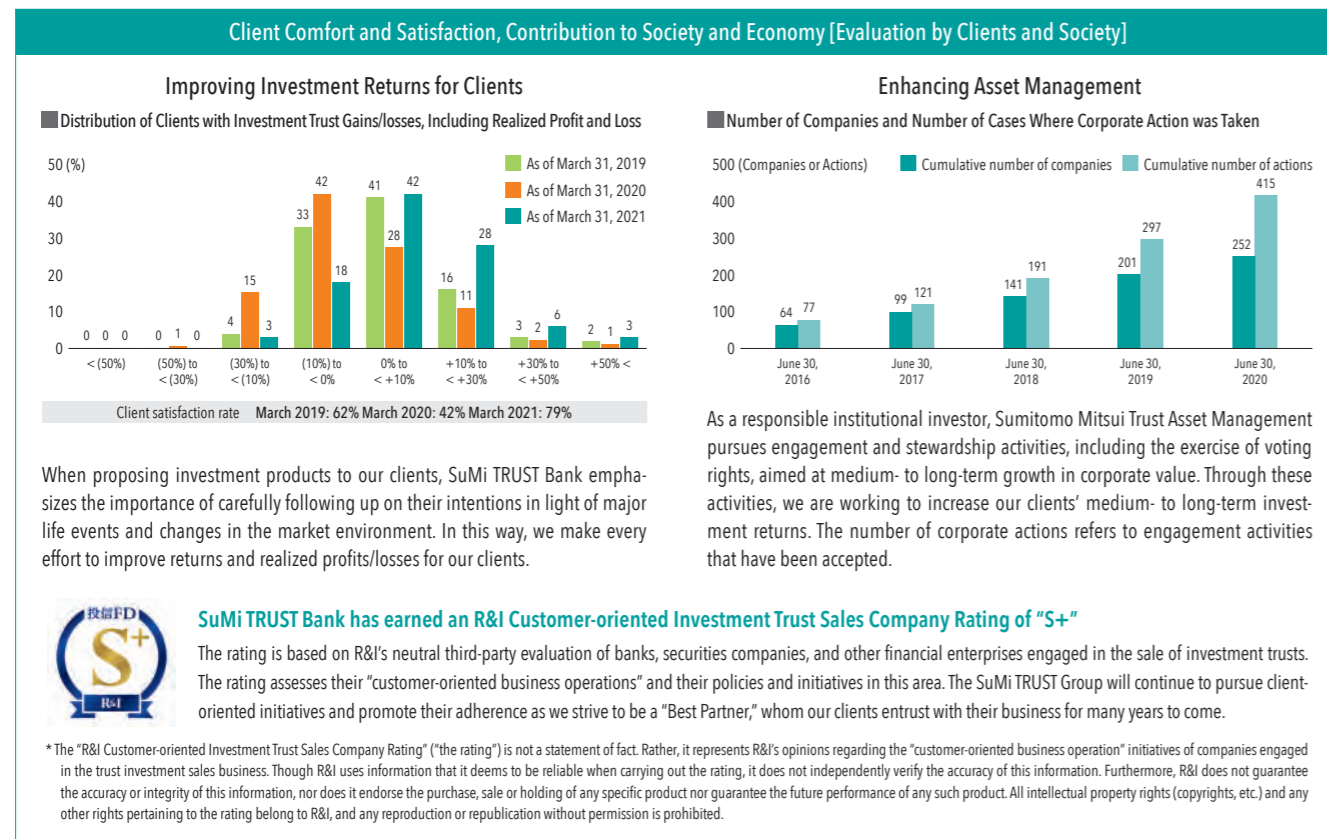
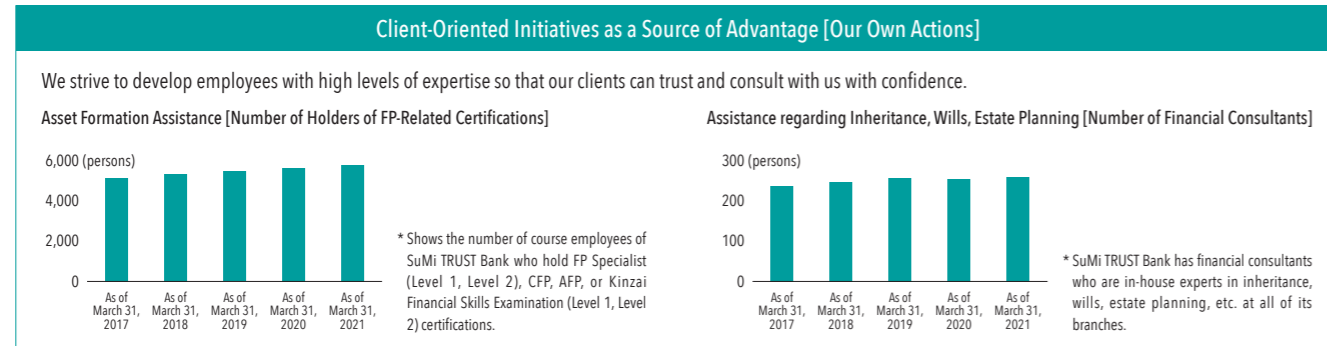
■ Promoting/Supervising Structure of the Group

SuMi TRUST Holdings	Organization		Initiatives
SuMi TRUST Bank	Board of Directors	Conflicts of Interest Committee	• Supervise Conflict of Interest management for the group, monitor FD* progress
	Executive Committee	Conflict of Interest Management Enhancement Committee	• Discuss important cases • Guide improvement to relevant departments
	Department in charge	Fiduciary Duties & Customer Satisfaction Planning Promotion Dept.	• Promote FD* within organization
		Compliance Dept.	• Enhance Conflict of Interest management
Group Companies	Group-wide	Fiduciary Duties Discussion Panel	• Consult with external experts, Implement within company

* FD: Fiduciary duties

3. Status of Initiatives Aimed at Becoming Our Clients' "Best Partner," and Key Performance Indicators (KPIs)

The SuMi TRUST Group regularly discloses public indicators that allow confirmation of the status of initiatives aimed at becoming our clients' "Best Partner." These indicators are revised periodically as we promote and enhance these activities.



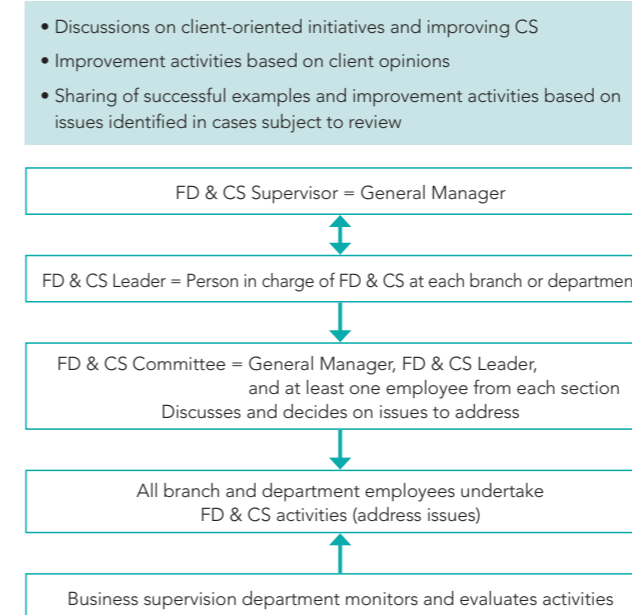
4. Shaping Corporate Culture to Become Our Clients' "Best Partner."

SuMi TRUST Bank has established FD & CS Committees at its branch offices and departments and each and every employee strives to improve customer satisfaction and deliver client-oriented services by engaging in improvement activities based on the opinions of clients, improvement activities to address issues identified in client questionnaires, and by taking part in various training sessions and discussions.

Establishment of FD & CS Committees

For the purpose of enhancing FD in each branch office and department and improving CS, we have revised the activities of the CS Committees undertaken thus far and launched a new set of activities under a new FD & CS Committee system. The FD & CS Committees are actively undertaking a whole host of activities according to the characteristics of each branch office or department.

Example of FD & CS Committee System

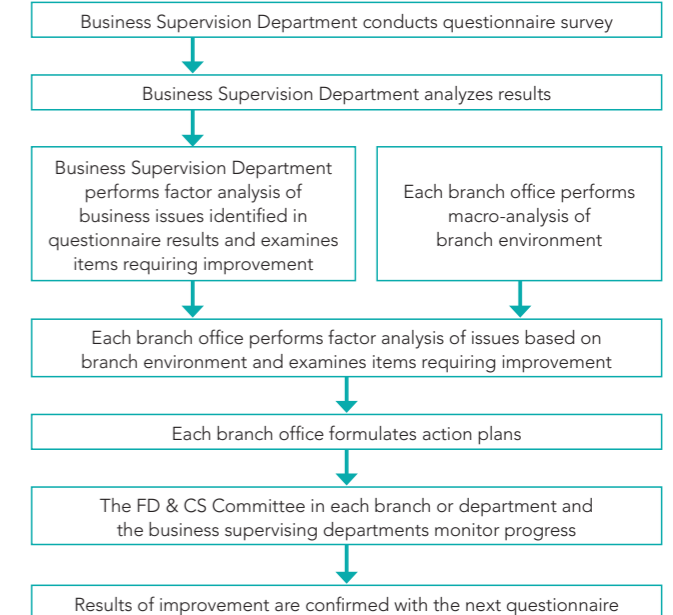


* Example of FD & CS Committee in the Retail Total Solution Services Business

Use of Client Questionnaires

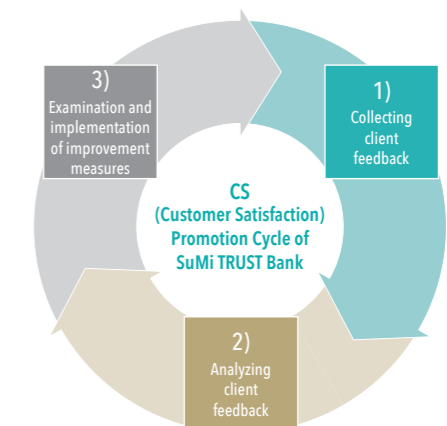
We survey both corporate and individual clients with a questionnaire so that we can better manage and improve the quality of our services. We utilize the questionnaire results to identify issues that need to be addressed by SuMi TRUST Bank and subsequently implement initiatives that reflect measures to improve those issues.

Example of Utilizing CS Questionnaire at Each Business



5. Initiatives to Link "Voice of Clients" to Enhance Customer Satisfaction

1) SuMi TRUST Bank receives hundreds of thousands of valuable opinions and requests annually from clients and many requests via branch offices throughout Japan and through diverse channels such as telephone centers and the Group's website. 2) To analyze this client feedback, we use the "CS Voice of Clients Portal" system, the purpose of which is to better meet our clients' needs by making client feedback more visible, so that we can better recognize such needs. 3) Furthermore, regarding opinions and requests received from clients, branches and the head office cooperate to investigate and analyze the causes and identify problems. Based on the results, we search for improvement measures, and strive to provide better products and services.



6. Conflict of Interest Management*

With the approval of the Board of Directors, the Group announced the Management Policy Concerning Conflicts of Interest (Outline), in order to protect the interests of our clients from undue harm caused by provision of various services by Group companies and their related parties. The Group identifies and classifies transactions that have possible conflicts of interest in advance and manages such transactions appropriately.

Furthermore, we have established a system in which the Compliance Department, which is the department that oversees conflict of interest management independently of sales divisions, regularly verifies the effectiveness of conflict of interest management across the Group. The results are regularly reported to the Board of Directors and other relevant parties and we have a framework to continuously implement necessary improvements and guidance.

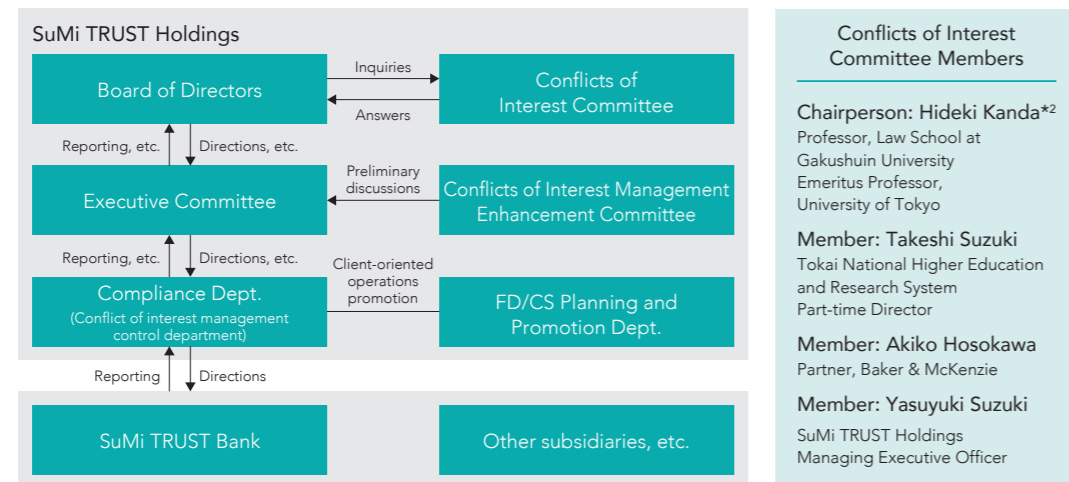
In addition, the Group has established the Conflicts of Interest

Committee in an effort to enhance the effectiveness of the Group's conflict of interest management framework. The majority on the Committee consists of external members. It serves as an advisory body to the Board of Directors and receives verification of the appropriateness of the Group's conflict of interest management. The summary of agendas of the Committee has continuously been made available for public review.

With respect to our conflict of interest management system for stewardship activities, the Conflicts of Interest Committee has established a Stewardship Services Working Group composed of third-party members from the external committees of the Group's asset management companies. The aim is to strengthen information coordination and oversight functions on the Group-level stewardship activities.

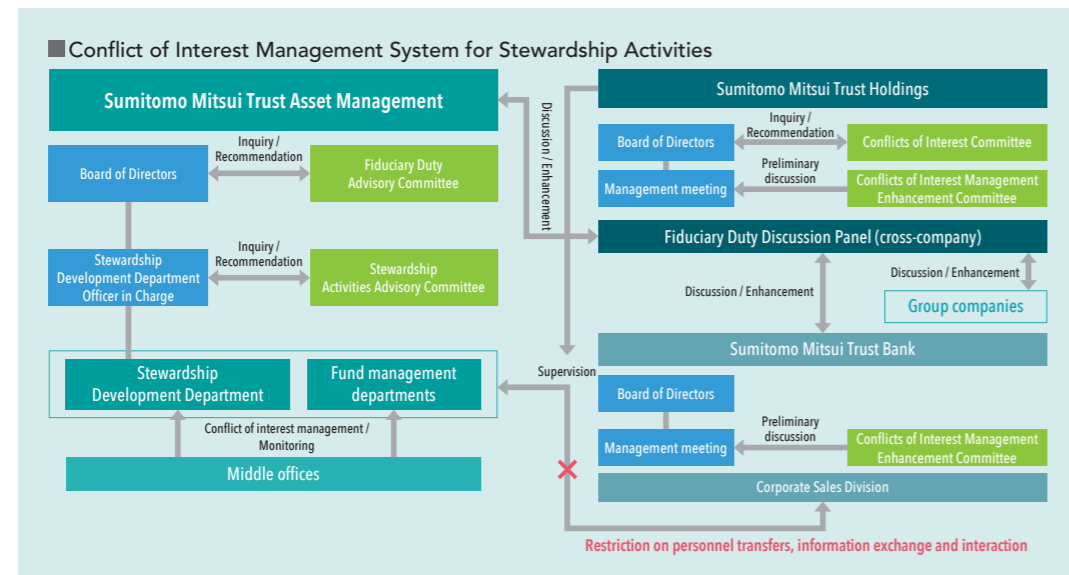
* A conflict of interest refers to a situation where there are conflicting interests between the Group and its clients, or between clients of the Group.

Conflict of Interest Management System*1



*1 For roles and responsibilities of each management structure and main departments, please see page 125.

*2 External Director, SuMi TRUST Bank

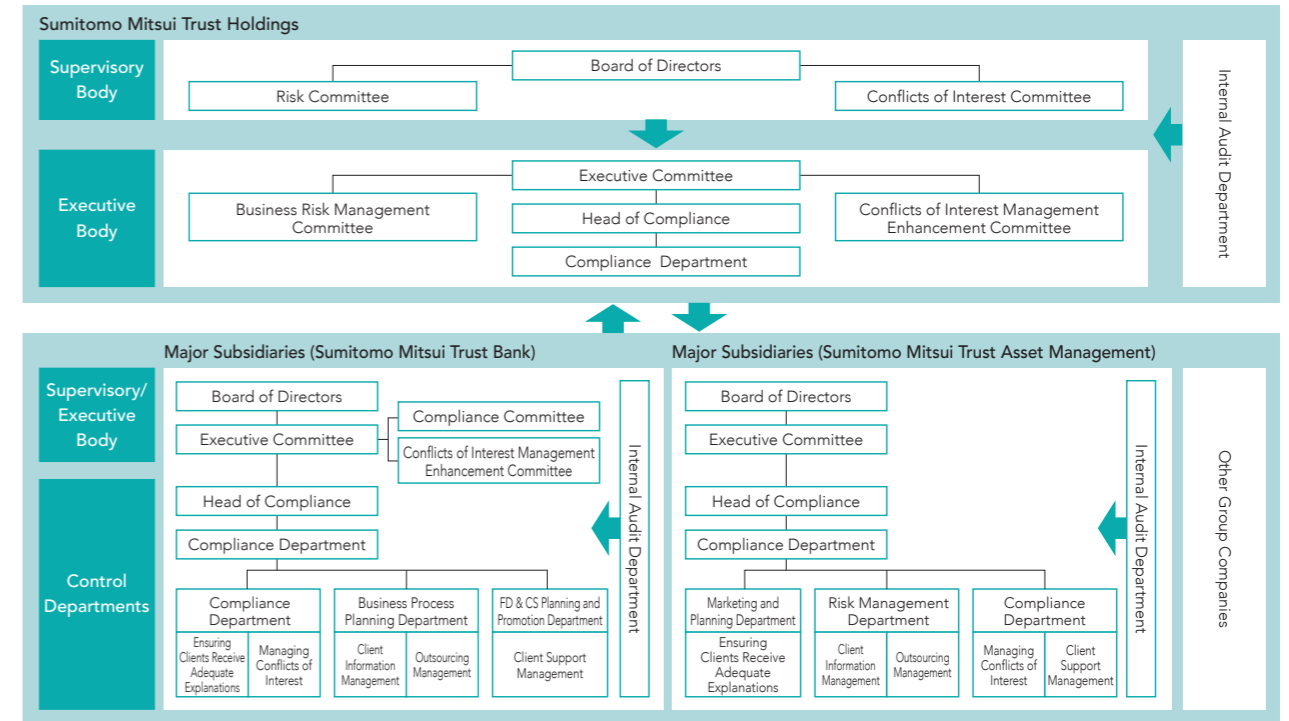


7. Client Protection Management

(1) Basic Initiative Policy

The Group regards client protection as one of its most important management issues. SuMi TRUST Holdings has established a basic policy in its Action Guidelines for the Best Interest of Clients designed to enhance the Group's client protection and convenience, to enable the Group companies to develop appropriate client protection management systems in accordance with the characteristics of their own operations. Based on the basic policy, each Group company has estab-

lished the control departments for client protection management and supervisory departments according to functions. The control departments oversee client protection management as a whole, through the preparation of internal company rules and regular reporting to the Board of Directors and others. Supervisory departments develop frameworks for each function, and ensure appropriateness and sufficiency of each function through guidance for related departments, enhanced training and improvement.



(2) Ensuring Clients Receive Adequate Explanations

When providing financial products and services, the SuMi TRUST Group offers appropriate and sufficient explanations and easy-to-understand information so that our clients understand and are assured about the offered products and services. Specifically, we have created a client protection management framework, such as thoroughly enforcing the suitability rule* and duty of honesty and fairness, creating a client explanation manual that stipulates appropriate provision of information to clients and expanding and improving training, based on the solicitation policy regarding provision of financial products and services and the Policies regarding the Fiduciary Duties of the Sumitomo Mitsui Trust Group.

In particular, we monitor whether appropriate explanations are provided to our clients to ensure their understanding in transactions involving financial products that may pose risk, including investment trusts and life insurance. We revise our solicitation rules, as necessary, to ensure that solicitation and

sales activities for financial products are conducted appropriately from the perspective of the clients.

* Rules that prohibit inappropriate solicitation in view of clients' knowledge, experience, financial position, and purpose of transactions

(3) Client Information Management

The Group has established the Sumitomo Mitsui Trust Group Privacy Policy to securely protect the personal information of its clients for establishing a framework for appropriately managing client information. When accessing client information jointly within the Group, each company complies with laws on personal information protection, guidelines on personal information protection in the financial industry, and other related laws and regulations, so as to ensure the appropriate use of such information. The SuMi TRUST Group requires all employees to submit a written affirmation of their duty of confidentiality, so that they clearly recognize the duty they have to keep important information, including personal data they come across while working, confidential.