

## Client-oriented initiatives

### 1 Providing value to clients

As a financial institution based on the fiduciary spirit, SuMi TRUST Group strives to act in the best benefits of its clients by ensuring client-oriented business operations. To this end, Our Group aims to be the “Best Partner” for both retail and corporate clients. We seek to deliver outstanding value by accurately understanding their needs, and optimally addressing those needs through providing of total solutions that cover a wide range of highly specialized products and services. At our Group, we are making effective use both of comprehensive capability that combines our banking

and trust functions, as well as diverse trust functions within the Group. Striving to be fully client-oriented, we have established a stringent framework for managing conflicts of interest. (For further details about the stringent framework for managing conflict of interest, please see page 79.) Our Group is constantly striving to be completely client-oriented, to improve customer satisfaction and to help solve social issues. Through these initiatives, we aim to earn the trust of our clients and society and to grow hand-in-hand with them.

### 2 Implementing a client-oriented approach

We strive to provide our clients with the products and services best suited to them as their “Best Partner,” and to instill a client-oriented approach across all our businesses operations. To this end, in September 2016, we formulated and announced 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. 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.

We periodically announce a report entitled “KPIs for initiatives pursuing to be the “Best Partner” for our clients” to clearly share the results of these initiatives with our clients. These KPIs include those “comparable common KPIs for sales companies” for investment trusts and foreign currency-denominated insurance.

#### ■ Promoting/supervising structure of our Group

Organization		Initiatives
Sumitomo Mitsui Trust Holdings	Board of Directors	Conflicts of Interest Committee
	Executive Committee	Conflicts of Interest Management Enhancement Committee
	Department in charge	FD & CS Planning and Promotion Department
		Compliance Department
Group companies*	Group-wide	Fiduciary Duties Discussion Panel

\* Sumitomo Mitsui Trust Asset Management, Nikko Asset Management, Mutual Fund & Insurance Research Institute, and Sumitomo Mitsui Trust Life Partners

### 3 Management of conflicts of interest

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

Furthermore, we developed a system in which the Compliance Department, which is the department that oversees management of conflicts of interest independently of sales divisions, regularly verifies the effectiveness of management of conflicts of interest 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 the necessary improvements and guidance.

In addition, our Group has established Conflicts of Interest Committee in an effort to enhance the effectiveness of the Group’s framework for managing conflicts of interest. The majority of members of the Committee are external parties. It serves as an advisory body to the Board of Directors and verifies the appropriateness of the Group’s management of conflicts of interest. A summary of agendas of the Committee has continuously been made available through our website.

Establishment of the framework for managing conflicts of interest following the reorganization of SuMi TRUST Bank in April 2022 was verified through deliberation by Conflicts of Interest Committee, and Summary of the Management Policy Concerning Conflicts of Interest was revised in July 2022.

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

#### ■ Conflict of Interest Management System\*1



\*1 See page 78 for roles and responsibilities of each management structure and main departments.

\*2 Positions as of the end of June 2023.

\*3 External Director of SuMi TRUST Bank

### 4 Shaping corporate culture to become our clients’ “Best Partner”

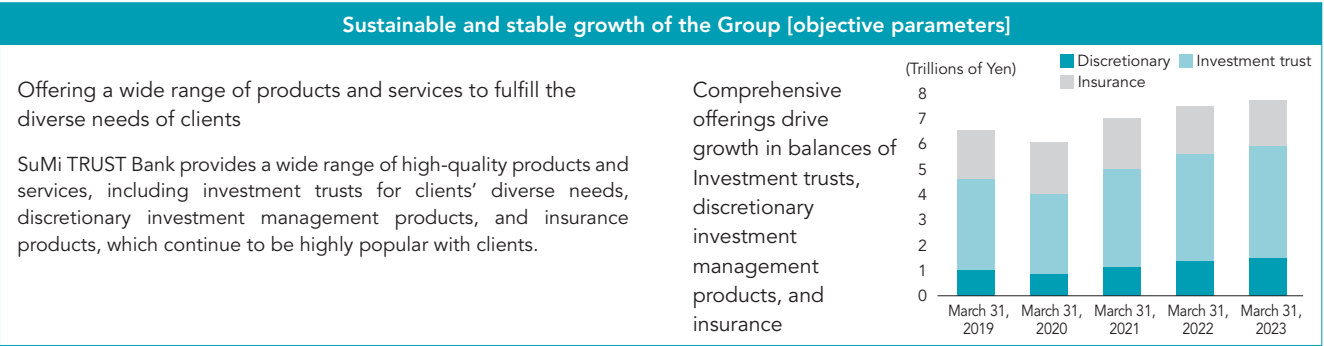
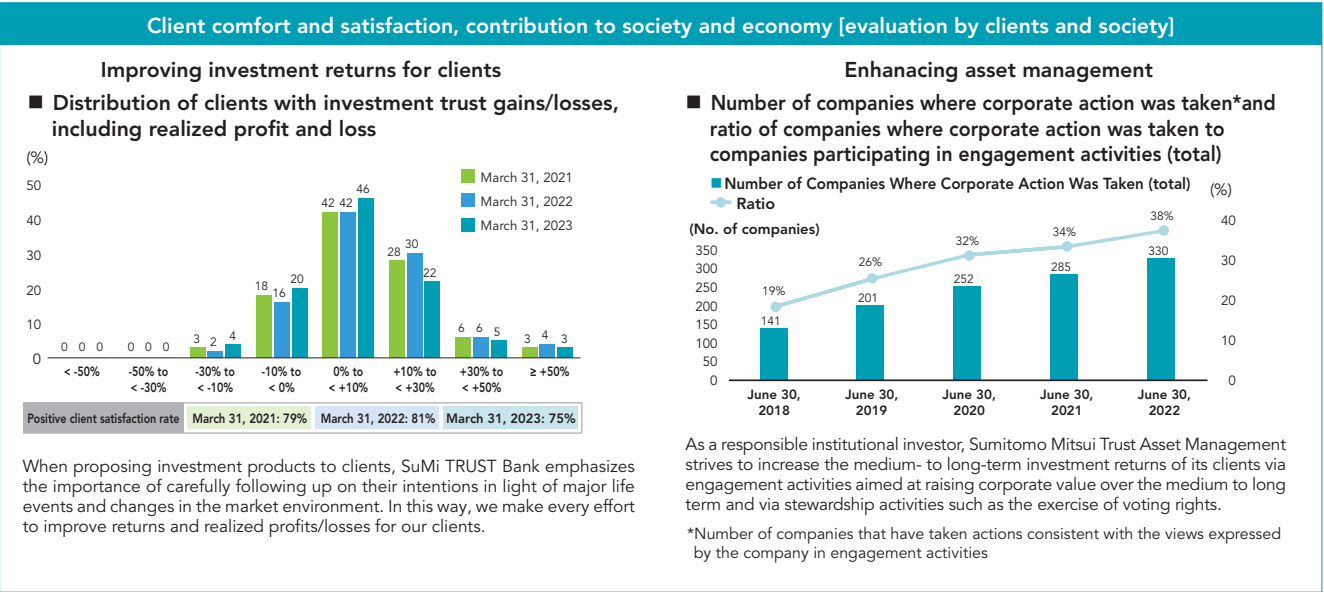
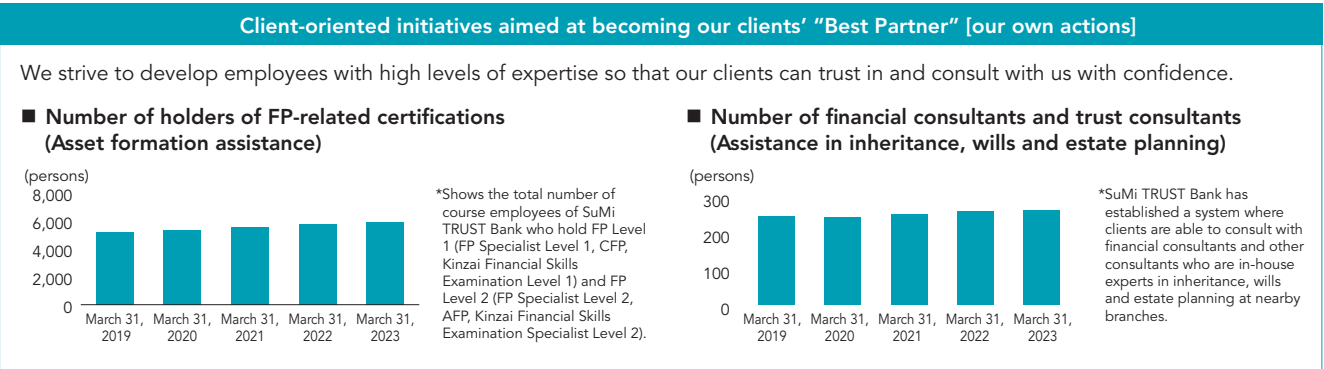
With the objective of entrenching a corporate culture geared towards becoming our clients’ “Best Partner,” at SuMi TRUST Bank we have been implementing the following initiatives, including discussions at each FD & CS Committee in each branch or department and activities to make improvements based on feedback from client questionnaires.

Establishment of FD & CS Committees	Established FD & CS Committees for the purpose of enhancing FD and improving CS at each branch. FD & CS Committees actively conducted various activities in line with the characteristics of each branch office and department.
Sophistication of client questionnaires	Strengthened PDCA cycle for improvement based on client evaluations by standardizing evaluation items of various questionnaires, sophisticating analysis, sharing improvement plans, and taking other measures.
Various types of training	Conducted training on FD practice, CS awareness-raising, sharing of complaints and VOC (voice of clients), business etiquette for newly appointed branch and general managers, new employees, and other employees at each level.
Holding lectures on FD&CS	Held lectures on topics that contribute to FD&CS for group employees.

5 Status of initiatives aimed at becoming our clients’ “Best Partner,” and Key Performance Indicators (KPIs)

By practicing fiduciary duty, supporting asset formation, asset management and asset administration of clients, SuMi TRUST Group seeks both to provide its clients with satisfaction and peace of mind, and to contribute to society and economy. In addition, we aim to achieve sustainable and stable growth for our Group by improving

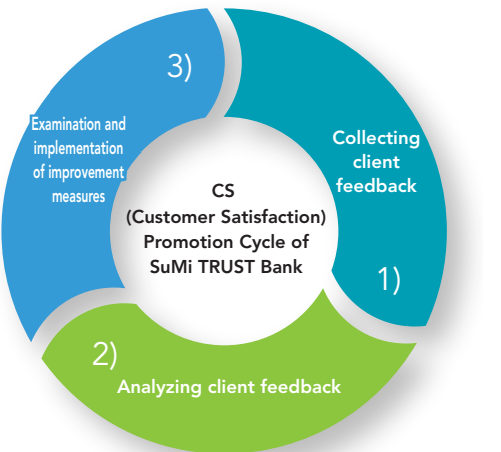
our evaluation from our clients and society, and by becoming our clients’ “Best Partner.” We regularly disclose indicators regarding our initiatives to become our clients’ “Best Partner.” As we work to promote and enhance these initiatives, these indicators are revised as necessary.



6 Initiatives to link “voice of clients” to enhance customer satisfaction

SuMi TRUST Bank 1) receives many valuable opinions and requests from clients and feedback, such as “voice of customers” via branches throughout Japan and through call centers and website. 2) To analyze this client feedback, we strive to better meet our clients’ needs by making client feedback more visible, so that we can better recognize such needs. Furthermore, 3) regarding opinions and requests received from clients, branches and head office cooperate to investigate and analyze the reasons and identify problems. Based on the results, we search for necessary improvement measures and strive to provide better products and services. At the Group, we formulated and published Voluntary Declaration of Consumer Orientation\* in June 2019 to ensure that clients and society always trust us and continue to grow together, and compiled and publicized the results of improvements based on client feedback.

\*Promoted by the Consumer Affairs Agency, a Voluntary Declaration of Consumer Orientation is a commitment to adopt a consumer-oriented management—a form of corporate management that seeks improve social value by collaborating and engaging in co-creation with consumers.



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 Interests of Clients designed to enhance the Group’s client protection and convenience in order to enable group companies to develop appropriate a framework to manage client protections in accordance with the characteristics of their own operations. Based on the basic policy, each group company has established control divisions for client protection management and supervisory divisions according to functions. The control divisions 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 divisions develop frameworks for each function, and ensure appropriateness and sufficiency of each function through guidance for related departments, enhanced training and improvement.

(2) Client explanation management

Our Group offers appropriate and sufficient explanations and easy-to-understand information so that its clients understand and are assured about financial products and services it provides. Specifically, we have created a framework to manage client protection, 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 “Policies regarding the Fiduciary Duties of the Sumitomo Mitsui Trust Group”.

We monitor whether our clients have been provided with appropriate information and explanations to ensure their understanding of transactions involving financial products such as investment trusts and life insurance in particular. Where necessary, we revise our solicitation rules to ensure that solicitation and sales activities for financial products are conducted appropriately from the perspective of our clients.

\* The suitability rule prohibits inappropriate solicitation in view of clients’ knowledge, experience, financial position and purpose of transactions.

(3) Client information management

Our Group has established the “Sumitomo Mitsui Trust Group Privacy Policy” to securely protect personal data of its clients in order to establish 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.

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 confidential information, including personal data they come across while working.