

# Asset Management Business

## Aspiration

In addition to supporting clients' decision-making process through institutional and asset management consulting, we offer a variety of options for asset management functions that each Group company possesses and contribute to clients' long-term and continuing asset management.

We also contribute to solving social issues and overall market growth through ESG investments and engagement with investee companies.

### Awareness of issues

The competitive environment is intensifying, with the acceleration of fee reductions, particularly in passive investment, and the entry of foreign players into alternative assets where investor demand is strong one after another. In addition, the expectations for asset managers for improved environmental and social sustainability, such as climate change, biodiversity and human rights, are growing.

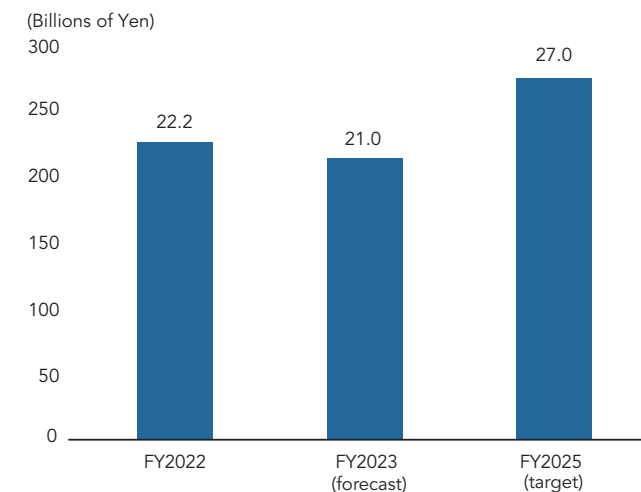
### Opportunities and Strengths

In addition to the asset formation needs of the age of 100-year life and the high growth potential of overseas markets, we recognize that it is important to focus on changes in investors' values brought about by trends in DX and ESG. SuMi TRUST Group will create new investment opportunities by leveraging its custom-made product design capabilities that it has cultivated through passive and active management and expertise in a variety of alternative assets.

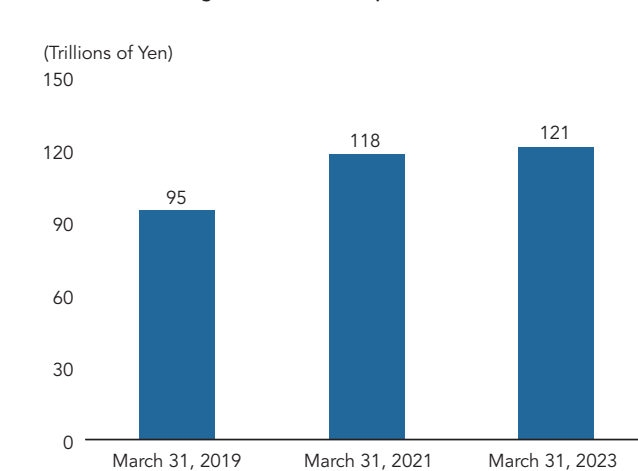
### Key Measures

- Development of investment products that solve social issues
- Expansion of overseas networks by establishing new bases in growing markets and acquiring sales channels
- Expansion of global asset management capabilities by utilizing strategic investments and alliances

### ■ Net Business Profit before Credit Costs



### ■ Assets Under Management of the Group<sup>\*1</sup>



<sup>\*1</sup> Total assets under management of SuMi TRUST Bank, Sumitomo Mitsui Trust Asset Management and Nikko Asset Management

Aiming to be a  
value creating company

Enhance Corporate Value  
and Management Base

Messages from  
subsidiary management

Business Strategy

Financial information  
Corporate information

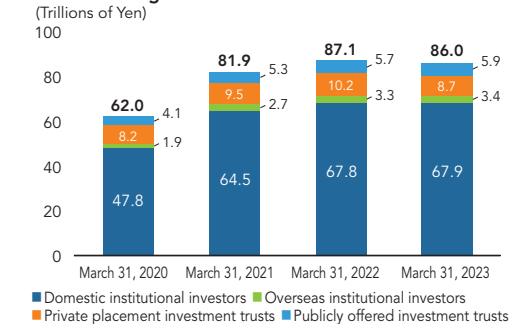
## Specific initiatives

### (1) Providing asset management solutions that have been cultivated through pension management

To date, Sumitomo Mitsui Trust Asset Management has responded to the needs of leading domestic institutional investors, including pension funds, by providing high-quality investment products and problem-solving capabilities. In addition, these investment solutions, which we have cultivated through pension management for institutional investors, are also delivered to individual clients through consulting sales support and programs for distributors of investment trusts.

We will continue to respond promptly to the diverse needs of investors and strive to maximize profits for our clients through the provision of advanced and high-quality products.

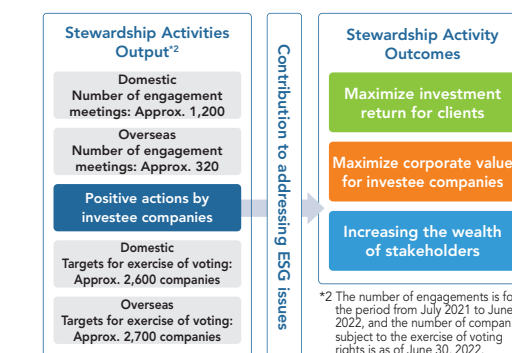
### ■ Assets Under Management of Sumitomo Mitsui Trust Asset Management



### (2) Stewardship activities as a responsible institutional investor

As a responsible institutional investor, Sumitomo Mitsui Trust Asset Management promotes stewardship activities such as engagement and the exercise of voting rights in Japan and overseas. More specifically, in addition to engaging in in-depth dialogue with investee companies by integrating ESG and business perspectives, we actively make recommendations on global social issues such as climate change and human rights and express opinions that contribute to improving governance through the exercise of voting rights.

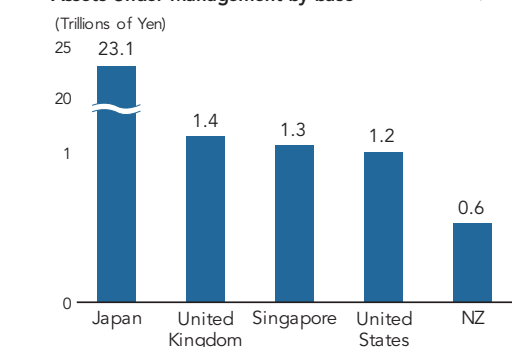
Through these efforts, we will not only maximize our clients' investment returns by enhancing corporate value, but also contribute to the realization of a prosperous society.



### (3) Providing products leveraging global network

Nikko Asset Management provides clients with innovative products and services that harness its various strengths, from a network of corporate hubs, including joint ventures, spanning 11 countries worldwide, to the support for distributors and the unique product development that actively utilizes this network. For example, Global Equity Strategy, which is managed in Edinburgh, United Kingdom, offers investors worldwide, including Japan, the ability to invest carefully in a small number of stocks without being constrained by benchmarks. In addition, our Singapore office has a wide range of asset management capabilities, from equities to bonds and multi-assets, and offers products not only to investors locally and in neighboring Asian countries, but also to many Japanese institutional investors, by leveraging its capability to closely respond to diverse needs.

### ■ Assets Under Management by base As of March 31, 2023



### (4) ESG investment

Nikko Asset Management has been strengthening its offering of investment products that contribute to the resolution of ESG issues, including making new applications for certain domestic equity active funds as Article 8 funds<sup>\*3</sup> under the EU Sustainable Finance Disclosure Regulation (SFDR).

In addition, our Japan office newly established Sustainable Investment Department with a view to promoting cross-asset stewardship activities and to deepening ESG integration for each asset. Global Sustainable Investment Team, led by our Singapore office, will enhance high-quality ESG initiatives to meet the expectations of our global clients while strengthening cooperation among our global offices.

<sup>\*3</sup> Among ESG (environmental, social and corporate governance), financial instruments that promote environmental or social characteristics or a combination thereof

### ■ Collaboration between global base

