



**SuMi TRUST**  
SUMITOMO MITSUI TRUST GROUP

# Explanatory material

November 24, 2023

# Governance verification and improvement of Custody Bank of Japan, Ltd.

In response to inquiries we have received from several investors regarding the above topic since the announcement of our 1HFY2023 financial results, we would like to explain as follows.

## 1 Establishment of a Third Party Committee for governance verification

Custody Bank of Japan, Ltd. ("CBJ"), which is accounted for by the equity method, established a third party committee for governance verification (the "Third Party Committee") on October 12, 2023.

The purpose of the Third Party Committee is not limited to confirm the facts directly related to the misconduct by a former director, but also to objectively and rigorously investigate and verify issues related to CBJ's overall governance, and to propose a remedy to CBJ.

Based on such proposal, CBJ will continue to improve and enhance its governance and reform its corporate culture. We also recognize that CBJ will report the results of the investigation and verification by the Third Party Committee in a timely and appropriate manner.

## 2 Our stance as the largest shareholder

As the largest shareholder of CBJ, we will cooperate with other shareholders to firmly confirm CBJ's efforts to prevent recurrence, based on the results of the above investigation and verification and proposal. We will also provide guidance and take other necessary measures to further strengthen the governance structure of CBJ, which plays a major role in society.

## 3 Impact on our financial and capital strategies

At this time, there is no impact of this matter on our consideration and implementation of financial and capital strategies.

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