

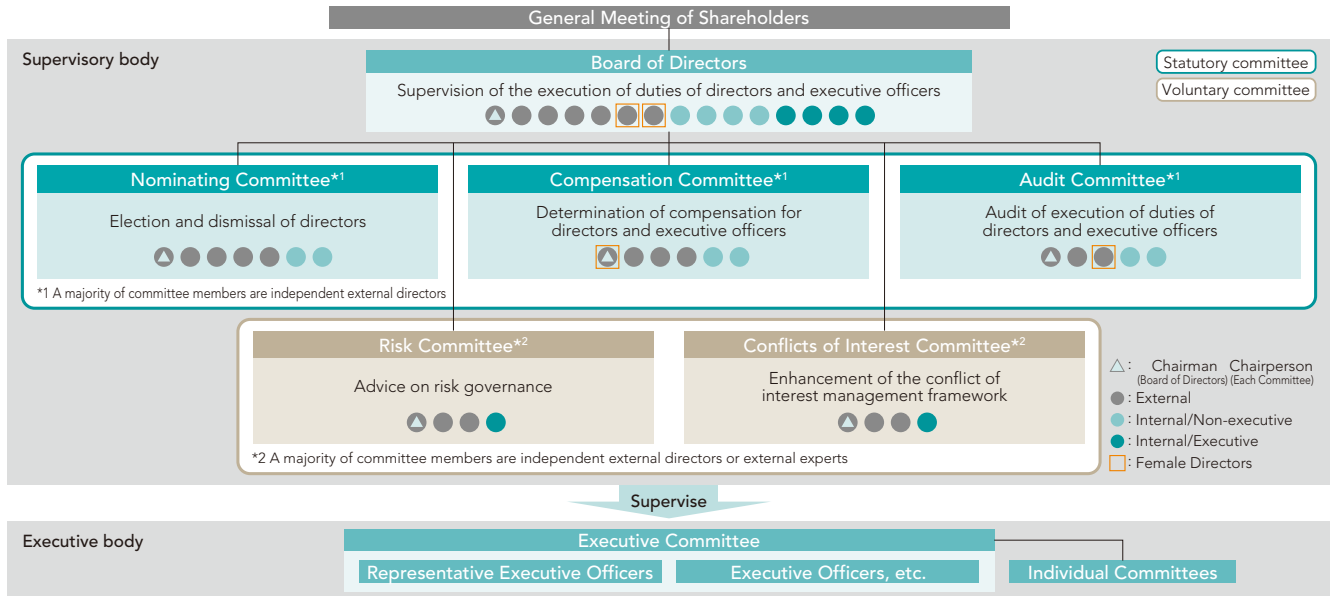
# Corporate Governance

## Perspectives Regarding the Corporate Governance System

SuMi TRUST Holdings is a financial holding company with subsidiaries such as SuMi TRUST Bank, Sumitomo Mitsui Trust Asset Management, and Nikko Asset Management, and aims to be our clients' "Best Partner," by providing "Total Solutions" that combine our banking business, asset management and administration business, and real estate business, based on a fiduciary spirit, and by making full

use of our significant expertise and creativity. To fulfill our principles and meet the expectations of stakeholders, SuMi TRUST Holdings endeavors to ensure the soundness and reliability of its business model and the transparency of the management of the SuMi TRUST Group, and will work to further enhance the Group's corporate governance.

## Corporate Governance System



## Board of Directors

The Board of Directors ensures the fairness and transparency of the SuMi TRUST Group's corporate management as its central role, by setting out the basic management policy of the SuMi TRUST Group and supervising the overall management of the Group. In light of the importance of environmental and social issues related to sustainability, the Board of Directors prescribes a basic policy on the social responsibility that is to be implemented by each Group company (the "Sustainability Policy"). Under this Sustainability Policy, the Board of Directors enhances awareness among its officers and employees, and promotes positive efforts to resolve these issues while taking its stakeholders into consideration, with the aim of supporting the sustainable growth of society and increasing the enterprise value of the SuMi TRUST Group.

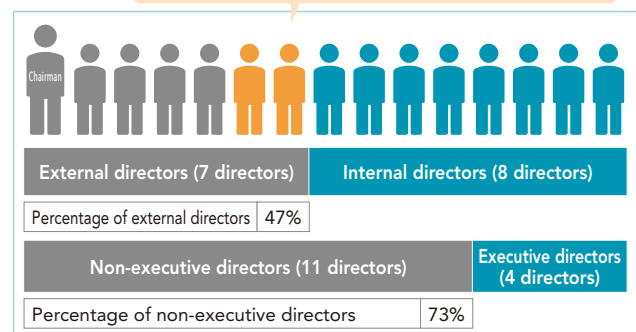
In light of the importance of the functions of external directors in corporate governance, as a general rule, at least one-third of the directors on the Board of Directors are independent external directors. The Board of Directors establishes and discloses Independence Standards of Independent Directors. In determining candidates for directors, based on the reason for existence ("Purpose") of the SuMi TRUST Group, we strive to secure a diverse and well-balanced composition of the Board that ensures appropriate supervision of a wide range of business areas in which we have dealings as a financial group specialized in trust banking. Accordingly, we select members from among those who have a high level of insight and a wealth of experience in corporate management, finance, accounting, legal affairs, risk management,

and compliance, as well as in creation areas, including skills specific to the trust business, sustainability, digitalization, and IT, which lead to the creation of new value, to address our high priority issues (materiality\*). In addition, by assigning highly specialized experts to the statutory and voluntary committees established as supervisory bodies, we intend to strengthen the supervisory function and build a diverse and balanced formation as a whole to sustainably increase the Group's enterprise value.

\*For more information on materiality, please refer to pages 20-21.

## Composition of the Board of Directors

Only on one occasion was one director absent.



- All seven external directors have been registered as independent officers with the relevant securities exchange.
- Breakdown of 15 directors: 13 men, 2 women
- 18 Board of Directors meetings were convened during the period July 1, 2020 through June 30, 2021.

Skill Matrix for Board Members (● : External, ● : Internal (non-executive), ● : Internal (executive), □ : Female directors)

Name		Internal directors						
		Toru Takakura	Jiro Araumi	Nobuaki Yamaguchi	Kazuya Oyama	Tetsuo Ohkubo	Masaru Hashimoto	Kuniyuki Shudo
Area of expertise and experience	Corporate management	●	●	●	●	●	●	●
	Finance/Accounting	—	—	●	●	●	●	—
	Legal affairs/Risk management/Compliance	●	●	—	●	●	●	●
	Value creation	●	●	●	●	●	●	●

Name		External directors						
		Isao Matsushita	Shinichi Saito	Hiroko Kawamoto	Mitsuhiro Aso	Nobuaki Kato	Masanori Yanagi	Kaoru Kashima
Area of expertise and experience	Corporate management	●	●	□	—	●	●	□
	Finance/Accounting	●	●	—	—	—	—	□
	Legal affairs/Risk management/Compliance	—	●	□	●	—	—	□
	Value creation	●	●	□	●	●	●	□

To further improve the effectiveness of our corporate governance, we regularly hold external directors' meetings, which are only attended by external directors. By having external directors exchange information and share their views, we help foster trusting relationships and strengthen the supervisory function of the Board of Directors.

## Committees

In addition to the Nominating Committee, Compensation Committee, and Audit Committee, which are required under the Companies Act, we have established the Risk Committee and Conflicts of Interest Committee as advisory bodies to the Board of Directors. As a financial group specialized in

trust banking, the Conflicts of Interest Committee possesses supervisory functions unlike at any other financial group. Also, every year each committee conducts a self-evaluation in an effort to improve its autonomous management.

## Members of Committees

(▲ : Chairperson, ● : Member (external), ● : Member (internal/non-executive), ● : Member (internal/executive), □ : Female Directors)

			Nominating	Compensation	Audit	Risk	Conflicts of Interest
External	Directors	Isao Matsushita	▲	●			
		Shinichi Saito	●		▲		
		Hiroko Kawamoto	●	□			
		Mitsuhiro Aso			●		
		Nobuaki Kato	●	●			
		Masanori Yanagi	●	●			
		Kaoru Kashima			□		
	Experts	Hideki Kanda*					▲
		Kenji Fujii				▲	
		Takeshi Suzuki					●
		Mikio Araki				●	
		Haruyuki Toyama				●	
		Akiko Hosokawa					●
Internal	Directors	Tetsuo Ohkubo	●	●			
		Masaru Hashimoto	●	●			
		Kuniyuki Shudo			●		
		Kouji Tanaka			●		
	Executive Officer	Yasuyuki Suzuki				●	●

\* Mr. Hideki Kanda is an external director of SuMi TRUST Bank.

## Evaluation of the Board of Directors

SuMi TRUST Holdings conducts an annual evaluation of the Board of Directors and examines and implements improvement measures for the issues identified, thereby leveraging the PDCA cycle and improving the effectiveness of the Board of Directors.

\*For more information on corporate governance, including the evaluation of the effectiveness of the Board of Directors, succession plan, and compensation system for directors and executive officers, please refer to pages 96-103 of the 2021 Integrated Report.