

SUMITOMO MITSUI TRUST GROUP

Integrated Report 2025

—Annual Report—



Integrated Report 2025

Three Points
to Focus On

■ Opening Section: “Trust for a flourishing future”

The opening 30 pages present a concise summary of messages from the CEO, CFO and CSuO as well as the story of value creation, based on our renewed purpose of a “Trust for a flourishing future” that was introduced in commemoration of our 100th anniversary. We communicate SuMi TRUST Group’s history, current positioning, and future prospects in a clear and comprehensible manner for every stakeholder.

■ Management challenges and focus areas identified by the CxO

The CHRO, CRO, CISO and CCO provided insights into our Group’s management challenges and focus areas from their respective areas of expertise. The report outlines medium- to long-term initiatives in foundational domains, such as human capital, risk management, information security, and compliance, and clarifies management’s commitment to supporting sustainable growth.

■ Effective governance to enhance corporate value

The report clarifies the current status and challenges of our governance system and the most recent focus points through the external directors’ panel discussion and messages from the chairperson of the Board of Directors and chairperson of statutory committees. We introduce various aspects of effective governance aimed at sustainable enhancement of corporate value.

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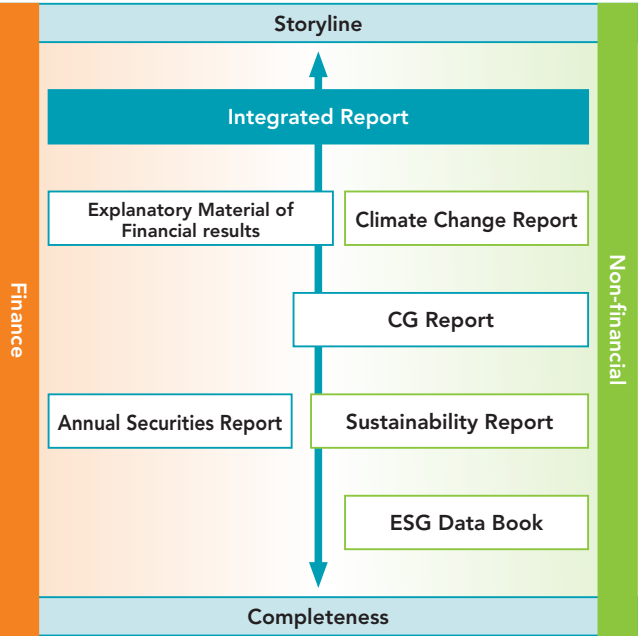
Editorial Policy

We have published this integrated report so that all stakeholders including investors can understand SuMi TRUST Group’s initiatives. Our Group has contributed to the development of our country as a provider of “Trust for a flourishing future” since its foundation. This report describes specific initiatives and corporate value enhancement that we will work on to further promote the “virtuous circulation of funds, assets and capital” through the next 100 years in pursuit of our Purpose. In applying our editorial approach, we strive to improve and expand not only financial information but also non-financial information such as business models, human capital strategies, corporate governance and sustainability, referencing the international integrated reporting framework issued by the International Integrated Reporting Council (IIRC). We also disclose information appropriately, in accordance with our disclosure policy. For more detailed financial data or ESG information, please refer to the Financial Data Section of the Sustainability Report, or visit our website.

Reporting Coverage

Reporting period: From April 2024 to March 2025
(partially including information from April 1, 2025 and beyond)
Scope of reporting: Sumitomo Mitsui Trust Group;
including Sumitomo Mitsui Trust Group,
Inc., Sumitomo Mitsui Trust Bank, Limited,
and other subsidiaries and affiliated
companies

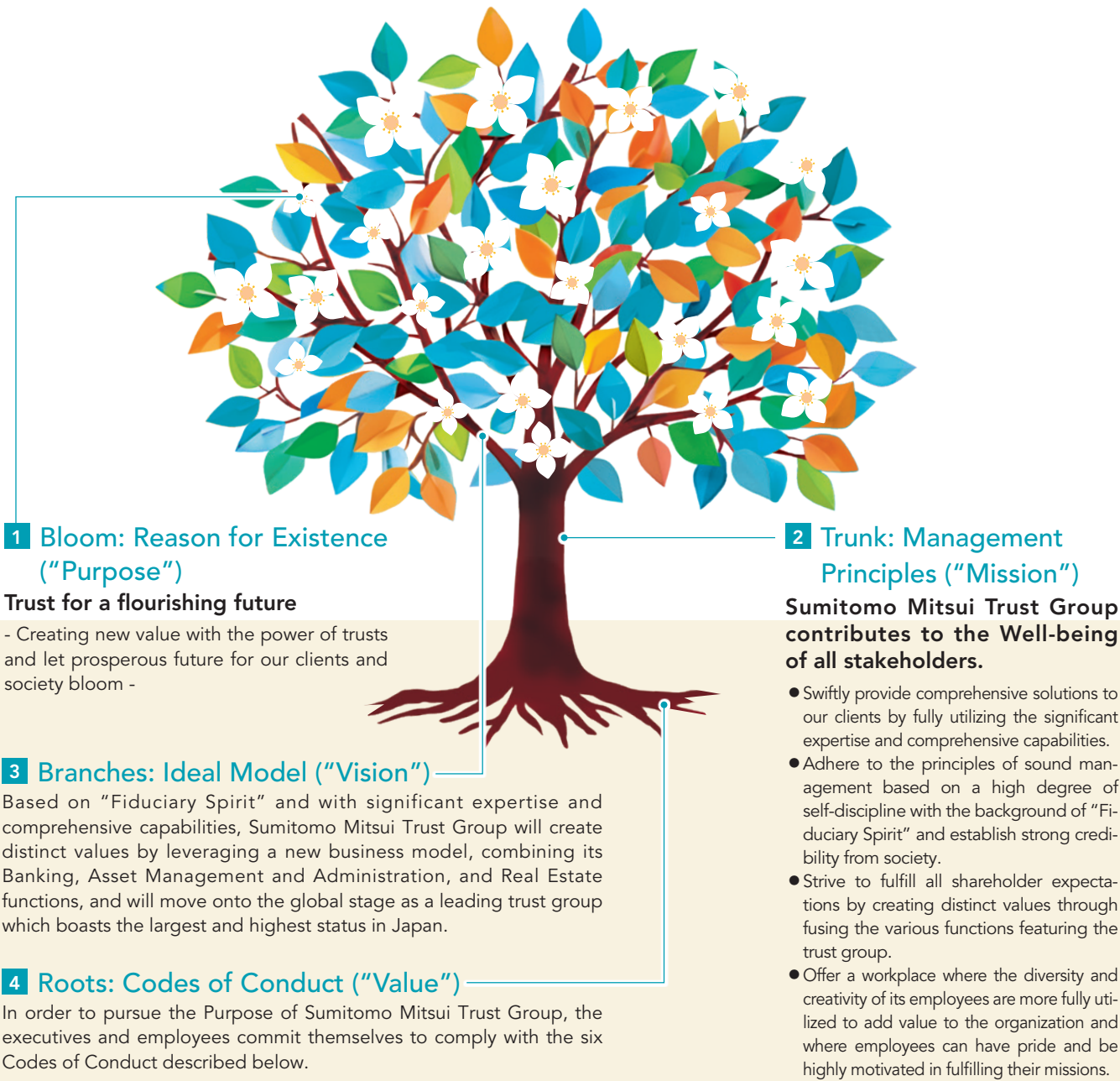
■ Information disclosure system



Reason for Existence ("Purpose")

Trust for a flourishing future

Philosophy of SuMi TRUST Group



Completely Client-oriented - Truthfulness and Loyalty -

Realization of organizational capability - Trust and Creativity -

Strict compliance with applicable laws and regulations

Contribution to society - Dedication and Development -

Establishment of Individuality - Self-help and Self-discipline -

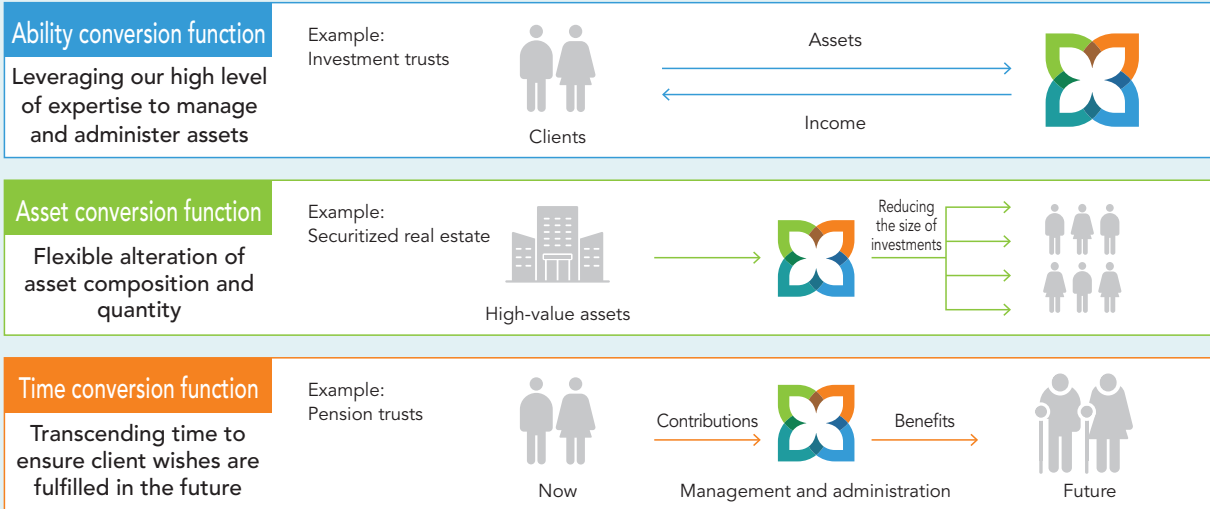
Resolute stance against antisocial forces

Our Standards of Conduct

These represent a guidance document for our employees that aims at transforming our cherished values, represented by Sumitomo Mitsui Trust Group's "Purpose", "Mission", "Vision", and "Value", into guidelines for daily conduct. (P.96)

Achieving our "Purpose" with the power of trusts

The "power of trusts" is a wide-ranging concept - it refers to the numerous functions of our trust schemes, our significant expertise and comprehensive capabilities, and even the basic principle of fiduciary duty.



New value created through business

[Businesses that harness the power of trusts to solve social issues]

Value provided to stakeholders (three economic entities)

SuMi TRUST Group draws on its wide array of trust functions to deliver high-value-added products and services to clients based on the keyword of "circulation" to address the social issues that confront individuals, corporations, and investors.

Themes to be addressed proactively as social issues

Individuals

Asset administration and asset formation in Japan's super aging society

Corporations

Sustainable growth of the Japanese economy and corporations (addressing both financial and non-financial issues)

Investor Clients

Diverse range of investment opportunities and development of the investment chain

Three value creating businesses to create new value

With a view to the kind of society and vision for the Group we hope to achieve by 2030, we identified the following three value creating businesses to encourage a virtuous circulation: (1) The age of 100-year life; (2) ESG/Sustainable Management; and (3) Regional ecosystems and the global investment chain (Networking).

The age of 100-year life

ESG/Sustainable Management

Regional ecosystems and the global investment chain (Networking)

Blooming of a bright future

"Prosperity and happiness for all = Enhancing the Well-being"

At a Glance

Only Listed Trust Group in Japan

SuMi TRUST Group creates unique value by offering broad-ranging trust-related businesses, including banking businesses such as deposits and mortgages, as well as asset management, asset administration, real estate and other services.

(i) SuMi Trust Group At a Glance (as of March 31, 2025)

Basic Information Date of establishment: April 15, 1924

Years since foundation **101** years

Number of employees **23,125**

Number of offices* **147** in Japan **10** overseas

Market capitalization **¥2.7** trn

SuMi TRUST Group's history as a trust company goes back to 1924, and we started banking operations in 1948. Ever since, we have built a unique business model that combines Trust and Banking functions. We leverage the comprehensive capabilities of our domestic and overseas group companies to meet a wide range of needs.

*SuMi TRUST Bank

Balance

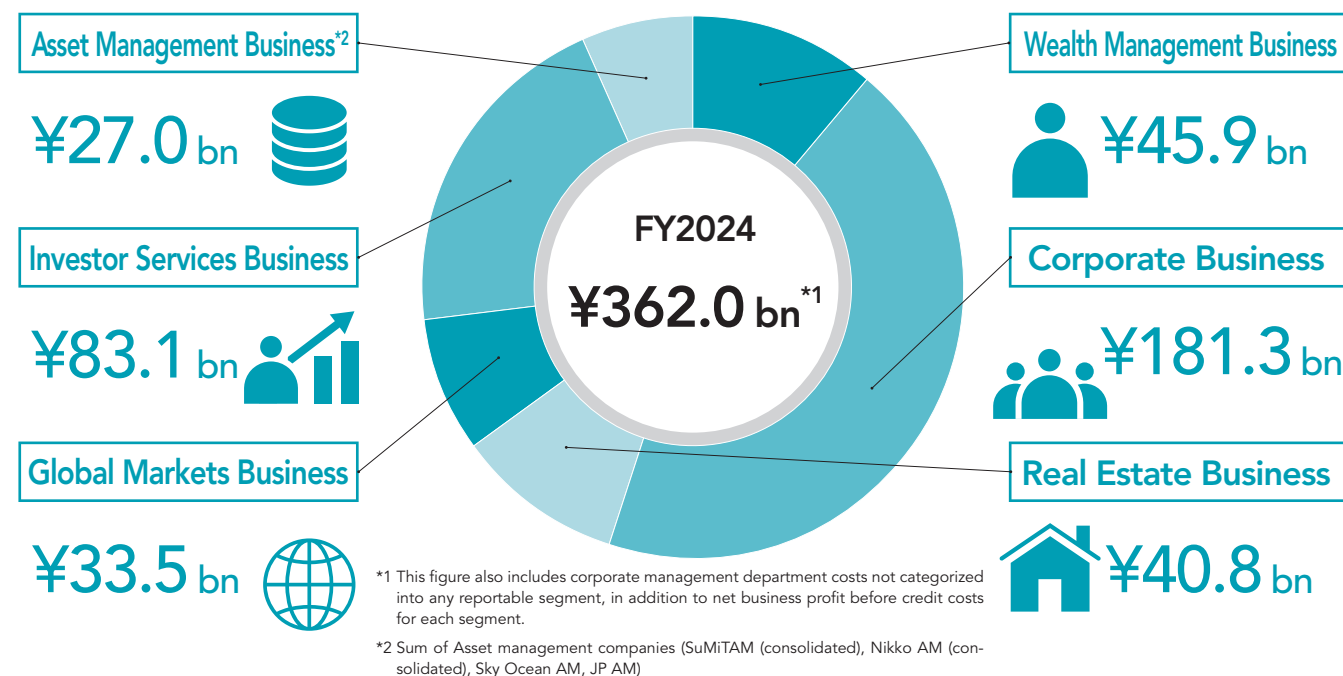
Assets under management **¥140** trn

Balance of trust assets (Assets under custody) **¥263** trn

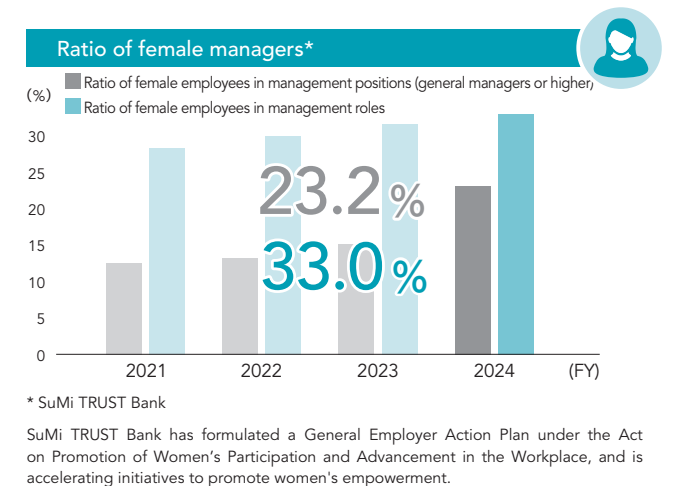
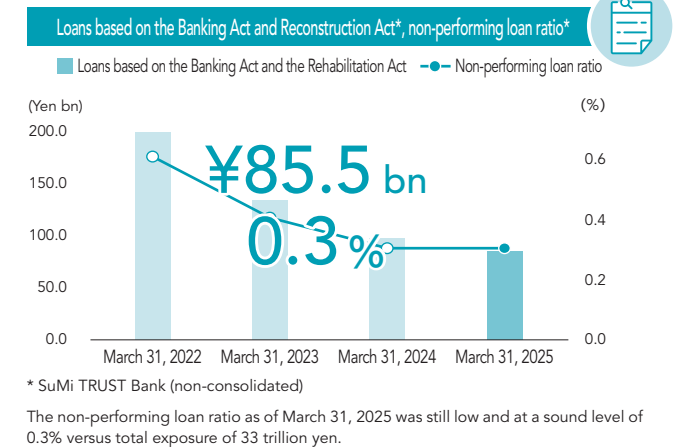
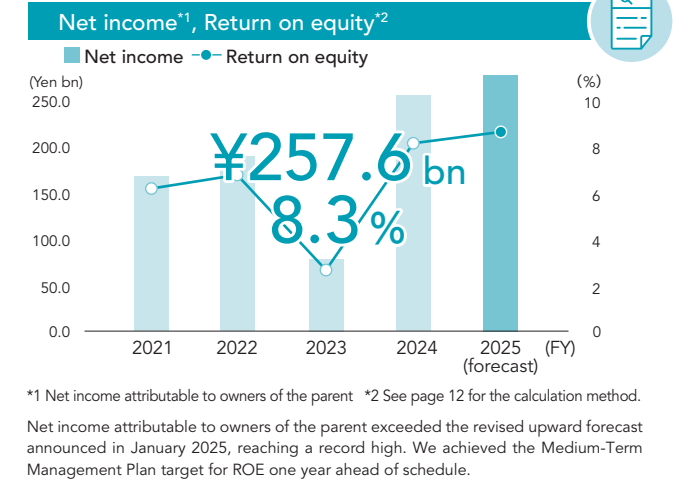
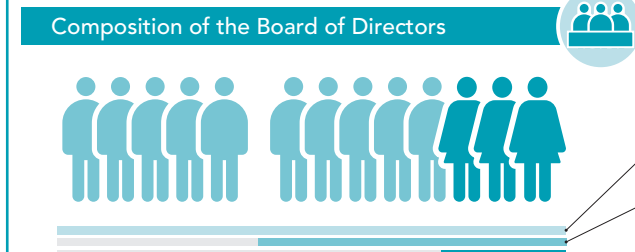
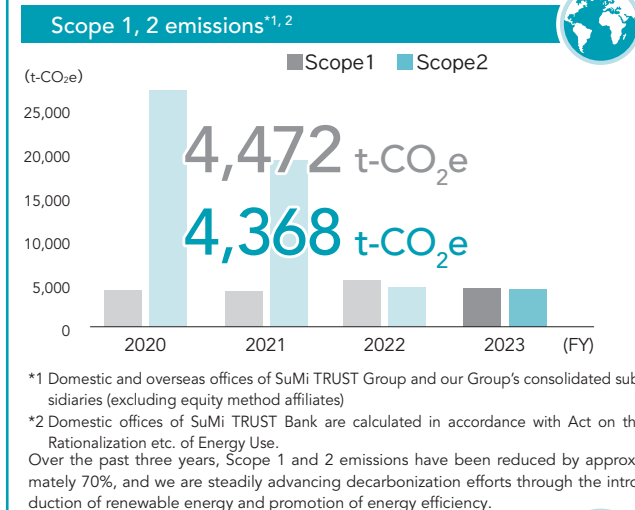
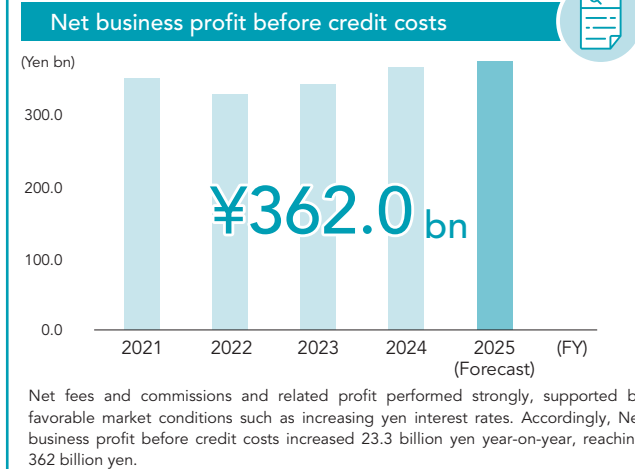
Loan balance **¥32** trn

Our Group has strengths as one of Asia's largest asset management businesses and as one of Japan's largest asset administration businesses, playing an essential role in supporting capital market infrastructure. We also engage in banking operations such as lending, which enables us to leverage revenue opportunities even during periods of rising interest rates.

(ii) Net Business Profit by Business Segment (Q.P.43)



Financial Highlights and Non-Financial Highlights



Thinking by yourself, making your own judgments,
and acting on your own.
Trust for flourishing the future as a fiduciary.



Toru Takakura
Director, President & CEO
Sumitomo Mitsui Trust Group, Inc.

Introduction

The future starts from the moment you feel it

Fifty-five years ago, the Japan World Exposition was held in Osaka under the banner of “Progress and Harmony for Mankind”. As an elementary school student, I remember visiting the venue nine times during the six-month duration of the event, helped by the fact that I lived nearby. It was at the Osaka Expo that products and services now widely used in modern society, from electric cars and mobile phones to moving walkways and canned coffee, first appeared. In front of the Tower of the Sun sculpture, which had a commanding presence at the Expo, there was a large roof and a festival plaza where people from all over the world would gather. As was fitting for an Expo that was being held in Asia for the first time, it seems likely the hosts came up with this design to provide a place for cultural exchange in addition to discussions on science and technology, so that more

countries and regions could get involved in the Expo. Even now, I vividly remember being deeply moved to see the future of Japan, progressing from post-war reconstruction to harmony with the rest of the world, right before my eyes.

As a young child, I didn’t understand complex ideas, but I had an intuition that the future is not just a prediction or a plan. It is something you create by yourself. My memories of that time became a driving force that has supported me over the years. Now, more than half a century later, Osaka is once again hosting the World Expo with the future being the theme. The fact that I am responsible for managing a trust group that aims to create the future is no coincidence. It is partly the result of my own will.

Last year, Sumitomo Mitsui Trust Group celebrated the 100th anniversary of its incorporation. Our 100-year

history is one of solving social issues that change with the times. (Q.P.24) At a time when our economy and society are becoming more sophisticated and diverse, and it is becoming more difficult to solve problems through personal responsibility alone or simply by entering a contract, we need someone we can truly trust and talk to about our concerns. A trust, as a dependable entity that provides reassurance and security, fulfills its responsibilities to help realize a prosperous future for clients built on fiduciary duties that go beyond a simple contractual relationship. (Q.P.22)

Focusing on the social issues of helping citizens build assets in a super aging society and facilitating huge investments toward decarbonization, Sumitomo Mitsui Trust Group is working to establish a virtuous circulation of funds, assets, and capital that connects

investors and business operators. (Q.P.26) Without this virtuous circulation, Japan’s vision of becoming an Asset Management Nation cannot be realized. I am humbled by the enormous role that Sumitomo Mitsui Trust Group plays in a wide range of investment chains, both socially and economically. I believe in the power of trusts to solve social issues through the generations.

Advances in digital technology will dramatically enhance the potential of trusts, enabling them to offer a wide variety of specialized products and services to more people. We will guide our customers through the next 100 years with a sense of pride and determination in our ability to listen to their vague anxiety regarding the future, which they can entrust to us with confidence. This idea is truly embodied in our Purpose - “Trust for a flourishing future”.

Strengthening human capital to adapt to the future

People who can adapt to new technologies and information will create the future

In the early 1990s, closed network communications services called “PC communication” were popular among young people in Japan. I remember buying my own modem, dialing up to a server, and writing my own text. I even created a blog page soon after the Internet became popular. My colleagues were also moved by a vague sense of change and curiosity and felt that communication services using open networks would become widespread in the future, radically changing our daily lives and work styles. The future is created by people who are not bound by the practices or accepted wisdom of the past, and who can adapt to new technologies and information.

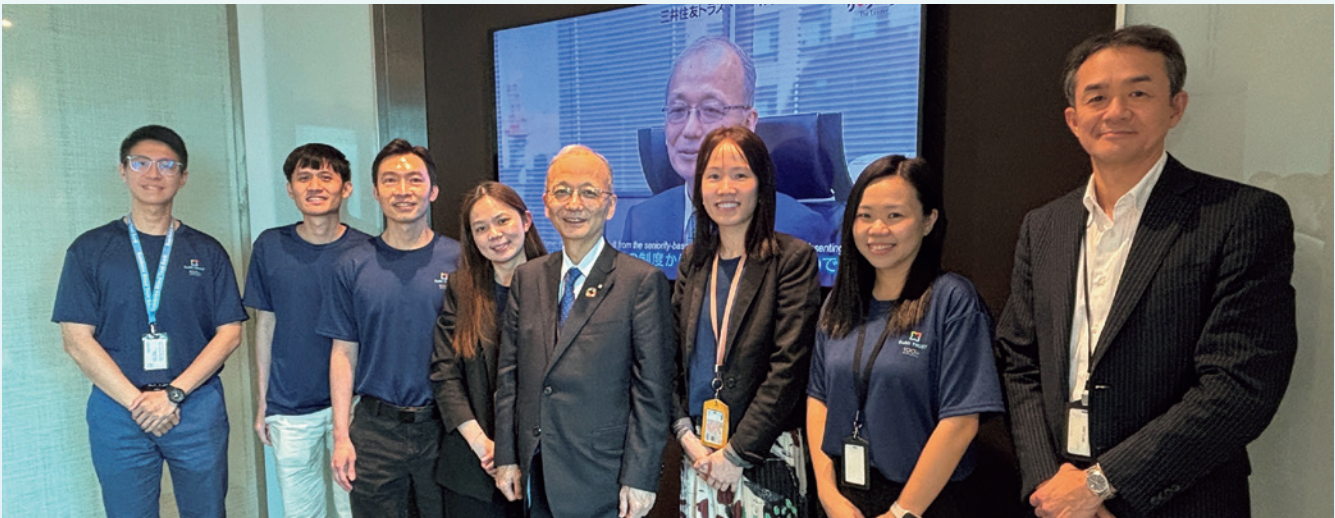
Based on these experiences, I believe it is the responsibility of my generation to provide an environment in which the younger generation, who will lead the future, can actively take on new challenges. Starting in the current fiscal year, Sumitomo Mitsui Trust Bank will introduce a new human resources policy that will enables employees to independently explore careers to match their own intentions, regardless of age or gender. (QP.64) The people who will shape the future are those who take on challenges based on their intrinsic motivation, without fear of failure. A policy that evaluates and promotes employees only within the scope of their assigned roles and responsibilities will no longer work. We need to redesign our policy so that Sumitomo Mitsui Trust Group and our employees are able at all times to make choices and be chosen. This is what will allow us to enhance corporate value and pull together in the same direction as we achieve self-growth and self-realization.

The majority of our employees joined Sumitomo Mitsui Trust Group after the 2011 management integration. The

future custodianship of trusts will lie with a generation that has taken full advantage of the Internet from a young age and effortlessly accepts technologies such as generative AI and blockchain. (QP.38) Since my appointment as President, I have engaged in dialogue with many young employees, including those based overseas. Meeting bright-eyed employees saying, “I want to play a bigger role”, fills me with hope for the future. Moreover, communicating to our employees the importance of thinking for themselves, making their own judgments, and acting on their own without settling for the status quo fills me with inspiration and energy. (QP.41)

Increasing the level of diversity is also an essential element for achieving corporate growth. Sumitomo Mitsui Trust Group aims to have at least 30% female executives in management positions by 2030. In time, it is likely that having female employees in management positions will become so common that these targets become unnecessary. (QP.67) Led by its President & CEO Stefanie Drews, Nikko Asset Management* has a highly diverse governance structure, with five foreign nationals and five women among its eleven directors. We believe that enhancing our ability to respond to changes in the environment and unexpected events, and continuing to develop human resources capable of adapting to the future, will be the main source of competitive strength for Sumitomo Mitsui Trust Group, which has woven a 100-year history alongside trusts.

* On September 1, 2025, Nikko Asset Management will change its trade name to Amova Asset Management.



Interaction with local staff at the Singapore Branch

The challenges facing Sumitomo Mitsui Trust Group

Truly important work is not immediately appreciated

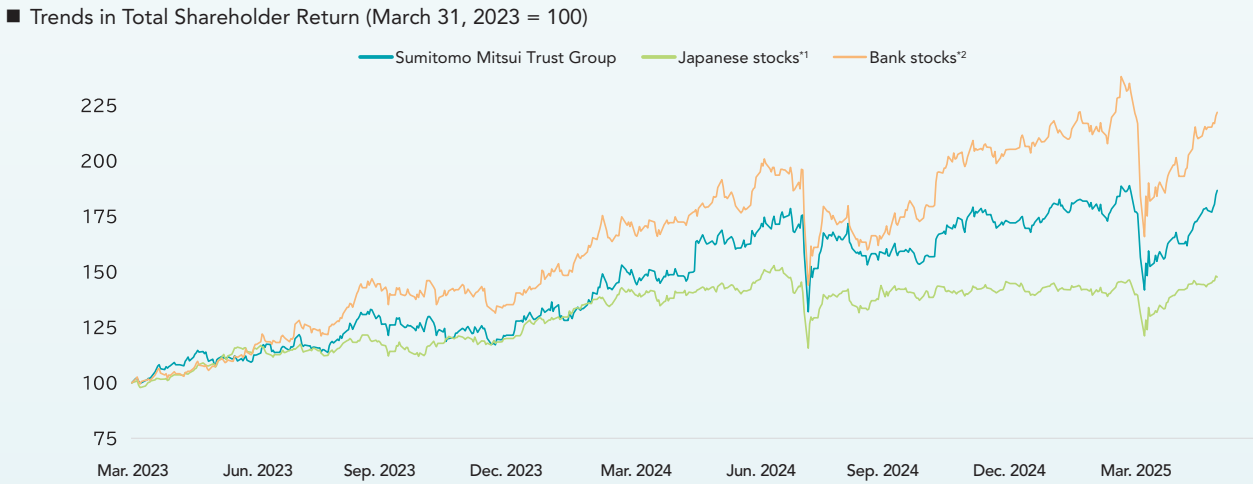
In the mid-1990s, as a middle-level employee in the Human Resources Department, I was in charge of reforming the human resources policy. As we worked to improve our financial health while also building a diversified human resource portfolio, I proposed adding performance evaluation feedback given by supervisors to subordinates as a new process for personnel performance evaluations. At the time, a culture of superiority by superiors over subordinates was accepted without question at many companies, and superiors did not generally explain to their subordinates the basis or reasons for evaluations. People did not see this as good or bad. It was just accepted that this was how evaluations were managed. It goes without saying that many people objected to the proposal. However, we believed it to be an essential reform of the process for employees to develop independent careers, and that it was necessary for the company and employees in the future. Ultimately, we accomplished what we set out to achieve.

Through this experience, I learned that truly important work is not immediately appreciated. When you change things in a future-oriented way, there will naturally be opposition from people who believe in the way things

have always been done and who stick to the current rules. Before change actually happens, people never understand or appreciate ways of thinking that anticipate possible future changes. What’s more, no one will remember you for coming up with these ideas because you will already have retired from your role when those changes actually come about. When you think something is really necessary, you have no choice but to accomplish it based on your own convictions without worrying about what others think.

This is something I have continued to believe ever since I became a business leader. The most important thing in management is to develop strategies that anticipate the future from a medium- to long-term perspective. In this sense, I am extremely grateful to be given the opportunity to share my views through dialogues with long-term investors in Japan and overseas, and to receive their opinions and advice on management. Of course, we have a wide range of different shareholders and stakeholders, so it is important to pursue ideals over a long period of time, while at the same time steadily building on our current performance.

Currently, there are three major challenges facing Sumitomo Mitsui Trust Group.



*1 JPX-Nikkei Index 400 (Total Return)
*2 TOPIX Sector Index – Banks (Total Return)

First, we need to overcome the challenge of our undervalued stock price. Since the Bank of Japan announced a revision to its monetary policy at the end of 2022, Sumitomo Mitsui Trust Group’s stock price has continued to underperform among Japanese banks.

On a recent business trip to North America, an institutional investor who has held our stocks for a long time

said to me, “You’re a trust group, right? You have a different profit structure and business model to commercial banking groups, so I don’t expect your stock price to follow the same trend from the beginning.” This made me smile wryly, but also gave me great encouragement.

In FY2024, we achieved the ROE target set out in our Medium-Term Management Plan one year ahead of schedule

by significantly increasing fee income, mainly in the trust-related business. (QP.34) Although we have yet to resolve the issue of our undervalued stock price, we think that long-term investors who believe in our group's growth have a real sense of the progress we have made in our strategy. By steadily implementing a growth strategy with high capital efficiency, targeting an ROE of 10% or above, and steadily returning the benefits of sustained earnings growth to shareholders, we aim to achieve a PBR of 1x or higher as soon as possible. From there, we will target even higher levels.

We also receive advice from many institutional investors on how to enhance the effectiveness of the Board of Directors as we pursue further enhancement of corporate governance. Although we are not able to follow every suggestion, in June this year we reduced the number of internal directors by three, thereby making independent external directors form the majority of Sumitomo Mitsui Trust Group's Board of Directors. The Nominating Committee and the Compensation Committee are comprised entirely of independent external directors, and more than 20% of directors are women. We will continue to heighten the expertise and diversity of our management, while striving to develop and increase the sophistication of governance to support sustainable growth and enhance our medium- to long-term corporate value. (QP.78)

The second challenge we face is to achieve sustainable earnings growth across Sumitomo Mitsui Trust Group. At present, the market environment is conducive to raising profits in both the trust business and the banking business due to the expansion of investment and the rise in interest rates. Moreover, we can expect to profit from the sale of strategic shareholdings. However, these positive conditions will not continue indefinitely. Sumitomo Mitsui Trust Group's growth strategy is centered on our asset management and asset administration businesses, and it takes a certain amount of time for earnings to materialize. When we are achieving solid growth in earnings, we steadily invest in future growth and enhance the sophistication of our management base to achieve sustainable and stable increases in corporate value.

Reducing strategic shareholdings is the starting point for realizing earnings growth with high capital efficiency. The risk assets we generate as a result of reducing our strategic shareholdings will be reallocated to investments and loans with high expected returns, such as impact equity investments and product-related credit, thereby attracting investor funds and expanding Assets Under Fiduciary (AUF). (QP.36) We will return profits to shareholders through progressive dividends, while proactively making in-organic investments in the asset management and asset



administration domains, as well as investments in our employees and systems to support the future growth of Sumitomo Mitsui Trust Group.

We are also making progress in reviewing our business portfolio to achieve sustainable earnings growth. When formulating the current Medium-Term Management Plan, we decided to define what we want our group to become and to take all possible measures toward a new future. As we recover investments and make progress in concluding strategic partnerships, I feel we are steadily getting closer to that future.

The third challenge we face is the evolution of human capital. Human resources are our most important asset. In my roles as general manager and an executive in charge of the Human Resources Department, I worked to cultivate employees and develop their skills. Since my appointment as President & CEO, I have focused on building a talent portfolio that will shape our future in response to changes in the digital landscape and sustainability. (QP.63)

In the digital domain, we established Trust Base in April 2021 as a digital strategic subsidiary. This company has grown from a staff of around 30 to more than 200 including external partners. It offers digital support to Sumitomo Mitsui Trust Group's diverse range of businesses and operations. In the past, the first assignments we gave to new employees were mainly to branch offices and other sales departments. However, a few years ago, we started to assign at least 10% of our new employees to IT and systems-related departments as part of our efforts to develop and secure experts in the digital domain.

In the sustainability domain, we established the Technology Based Finance (TBF) team in April 2021. We hired about ten researchers and other experts with doctoral degrees, who have perspectives and capabilities that are completely different from those of financial institutions, to support our corporate clients in solving their technical issues. The team has been active in areas such as impact

equity investments and sustainable finance, and its ongoing efforts to collaborate with the sales departments of a trust bank have helped to increase the knowledge and know-how of our entire organization. (QP.59)

In the asset management business, during FY2025 Sumitomo Mitsui Trust Bank will integrate its gatekeeper functions within Sumitomo Mitsui Trust Investment Co., Ltd. This will help to promote private asset initiatives and secure and develop human resources.

In closing

Paving a path to a flourishing future alongside our stakeholders

Today, the world is facing unprecedented instability. A complex mix of factors, including geopolitical tensions, economic uncertainty and the escalating scale of natural disasters, has deepened concerns about the future. It is precisely under circumstances such as these that Sumitomo Mitsui Trust Group places the balanced creation of both social and economic value at the core of our management. We will act with the highest priority on sustainable growth achieved by resolving the challenges facing society and our customers.

History makes it clear that trusts have the ability to transform assets and timeframes, giving us the flexibility and creativity to overcome challenges and cope with the changing times. Utilizing the functions and networks of

At the same time, we will promote the hiring of highly specialized personnel and human resources who are ready to hit the ground running. However, organic human resource development will be crucial for business promotion that leverages the comprehensive capabilities of Sumitomo Mitsui Trust Group. We will strive to systematically develop and secure the human resources needed for the future, and to achieve corporate growth by helping to overcome the challenges faced by society and our customers.

trusts will allow our diverse group of employees, who possess high levels of expertise and the adaptability to make changes, to further develop their ingenuity. There will also be opportunities for them to overcome challenges by working with powerful business partners to demonstrate added value. Let's believe in the power of trusts, take on challenges without fear of failure, and work together to achieve personal growth based on the intrinsic motivation of each and every employee. This is what will help us to pave a path to the future alongside our stakeholders.

This idea is truly embodied in our Purpose - "Trust for a flourishing future".





Masakatsu Sato
Director, Senior Managing Executive Officer CFO
SuMi TRUST Group

1. Review of FY2024 and outlook for FY2025

In fiscal 2024, the Bank of Japan indicated its intention to continue rate hikes, and the normalization of interest rates in Japan progressed. On the other hand, while rate cuts spread overseas on the back of slowing inflation, this was a year when downside risks to the global economy increased due to the inauguration of President Trump and the implementation of tariff policies in the United States.

Even in this environment, the SuMi TRUST group was able to achieve each of the major management targets set for the final year of the Medium-Term Management Plan one year ahead of schedule, achieving the highest ever net income

attributable to owners of the parent and ROE in excess of 8%.

In fiscal 2025, uncertainties in the economic environment are expected to intensify further due to factors including changes in the interest rate environment and the impact of the United States’ tariff policies. In this environment, we are taking a cautious approach in estimating total credit costs while forecasting record profits.

We expect ROE in the upper 8% range, and we will continue to accelerate the virtuous circulation of investment and growth to achieve ROE of 10% or more.

No.	Category	Unit	FY2023 result	FY2024 result	Change from previous year	FY2025 forecast
1	Net business profit before credit costs	Billions of yen	338.6	362.0	+23.3	370.0
2	Net income attributable to owners of the parent	Billions of yen	79.1 ^{*1}	257.6	+178.4	280.0
3	Fee income ratio	%	54.7	54.4	(0.3)	Lower 50% range
4	Overhead ratio (OHR)	%	61.3	61.2	(0.1)	62%
5	ROE ^{*2}	%	2.7	8.3	+5.6	Upper 8% range
6	Common Equity Tier 1 capital ratio ^{*3}	%	10.2	10.6	+0.4	Mid-10% range

^{*1} Excluding impact of gains/losses from sales of strategic shareholdings and bear funds, estimated that net income will be roughly in line with our original forecast (200.0 billion yen)
^{*2} (Net income attributable to owners of the parent / (FY-start total equity + FY-end total equity) ÷ 2) × 100
^{*3} Finalized Basel III (fully phased basis)

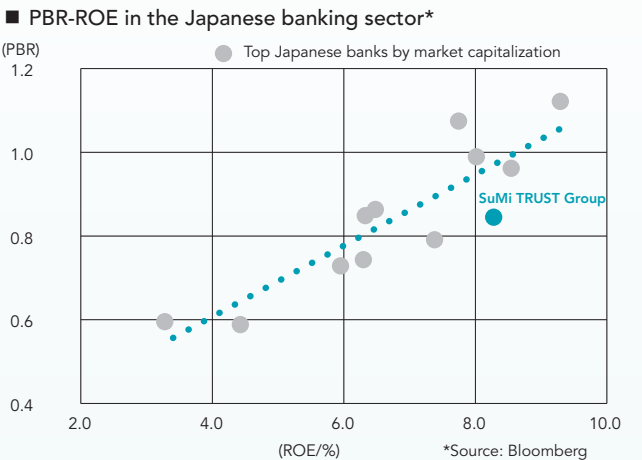
2. The challenges for enhancing corporate value and addressing them

While ROE has increased steadily and arriving at an ROE in excess of 10% in the future is in sight, the price-to-book ratio (PBR) remains at a level below 1x, indicating the gap between corporate value and market valuation is a challenge.

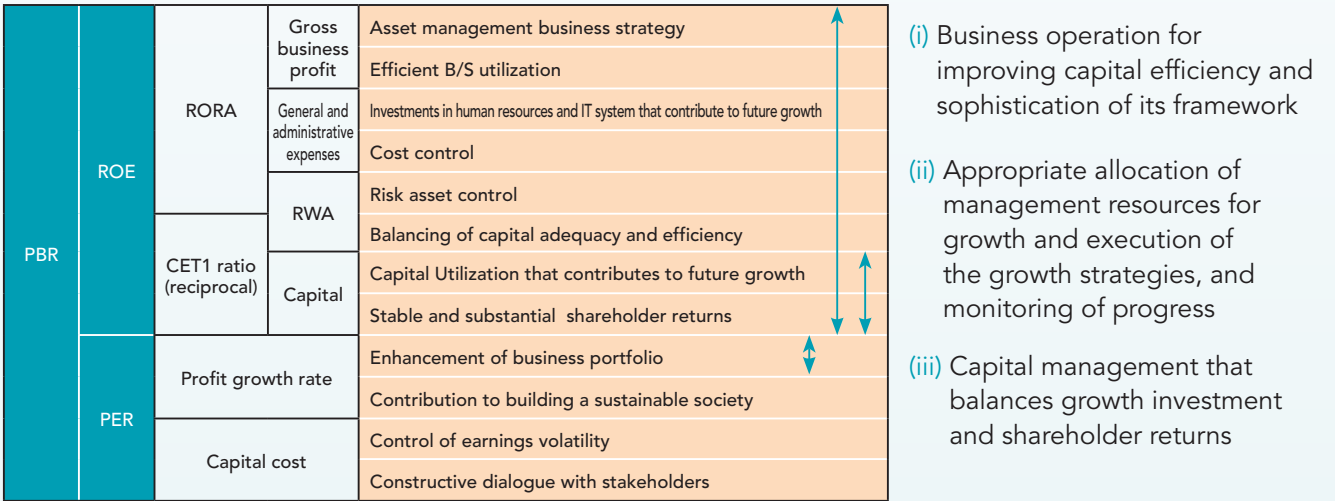
In the Message from the CFO in fiscal 2023, I raised the following challenges (i) to (iii) to enhance corporate value by improving productivity and earning returns from investment for future growth while balancing capital adequacy and efficiency.

In fiscal 2024, among the items based on the PBR logic tree, we have achieved results by executing a loop that sophisticates the framework and monitoring centered on domains linked to the respective challenges, and operating

business based on the PDCA cycle. I explain the details of these specific initiatives below.



■ PBR logic tree and the challenges of sophistication for enhancing corporate value (i) (ii) (iii)

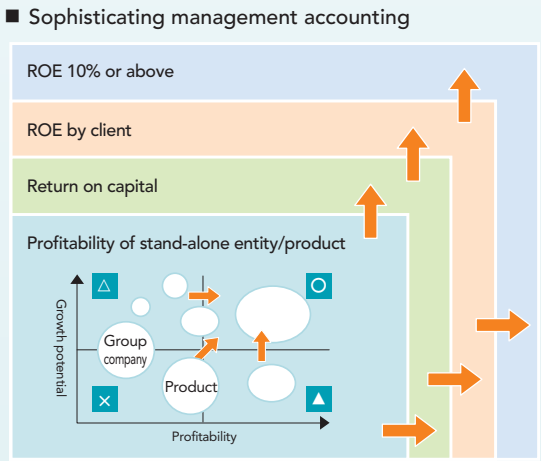


3. Initiatives for improvement of ROE

(i) Sophisticating the framework for strengthening our business portfolio

We have been discussing business portfolio analysis and profitability improvement with the aim of improving capital efficiency.

We are advancing the sophistication of our framework by strengthening the PDCA cycle, through which it inspects and analyzes capital profitability at the entity and product levels in our various business domains, considers improvement measures while deepening discussions in execution and supervision, and implements these measures in conjunction with management and business strategies. The sale of non-core assets described below is one example of these initiatives.



(ii) Earnings growth centered on assets under fiduciary (AUF)

We aim to achieve an ROE of 10% or more, net income attributable to owners of the parent of 300 billion yen or more, and AUF of 800 trillion yen by fiscal 2030 by promoting a business model unique to the trust group centered on asset management and asset administration.

Positioning “Earnings growth through expansion of assets under fiduciary (AUF)” (P.36) as the pillar of our growth strategy, we will expand AUM and AUC in profitable domains for investors by improving profitability without significantly expanding our balance sheet.

This strategy aims to achieve both the improvement of capital efficiency and sustainable earnings growth centered

on fee income by leveraging our balance sheet to expand the scale of our asset management and asset administration businesses.

For example, in the private asset domain, we provide institutional investors with high-value-added investment opportunities through the formation of products that use our strengths as a gatekeeper business in addition to investments and loans on our own account.

Moreover, we are expanding AUF in the retail domain with the launch of a new type of money trust product, “Future Trust,” which provides individual investors with a foothold to access private assets.

(iii) Cost control and investment in growth foundations

While striving for the strengthening of Cost control at the Group overall, we are turning towards investment in the business infrastructure that will contribute to the strengthening of our medium- to long-term competitiveness.

In fiscal 2025, expenses are expected to increase due to investment in human capital, IT, and digital technologies that will contribute to future growth, and inflation.

As investments in human capital, in addition to supporting employee reskilling and introducing a stock-based incentive compensation system, centered on SuMi Trust Bank, during fiscal 2025, we plan to review our HR management policy aimed at building a human resources portfolio adaptable to

the future business environment.

In IT and digital investment, we are planning to invest more than 100 billion yen per year (on a cash flow basis) in IT and digital to promote the improvement of productivity and the streamlining of business.

Because the nature of trust business requires the provision of small quantities of a wide variety of tailor-made services, fundamental investment of a certain scale is essential. In addition, we will also work actively on the promotion of our DX strategy in new business domains as an important driver of future growth.

(iv) Capital policy

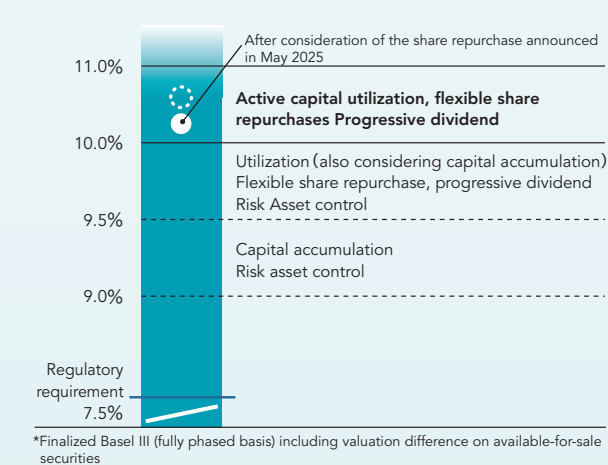
Basic philosophy

We, SuMi TRUST Group, aim for sustainable profit growth while pursuing the best balance of capital adequacy and efficiency. From the perspective of capital adequacy, we have set a target of “stably maintain 10% or above” for the CET1 ratio (on finalized Basel III (fully phased basis)) and have the policy of using capital efficiently while considering the balance of investments for medium- to long-term profit growth that will contribute to the resolution of social issues and returns to shareholders.

In addition, we disclosed the upper limit of the CET1 ratio from the perspective of further clarifying its approach to capital management based on opinions from shareholders and investors. Although we may deviate temporarily from the operating range, we intend to send a message internally and externally that we will prioritize investment for growth and utilize capital to avoid exceeding the ceiling.

We will continue stable operations while paying attention to changes in the market environment and the impact on capital adequacy of the use of capital due to growth investments.

Viewpoints of capital management (CET1 ratio*)

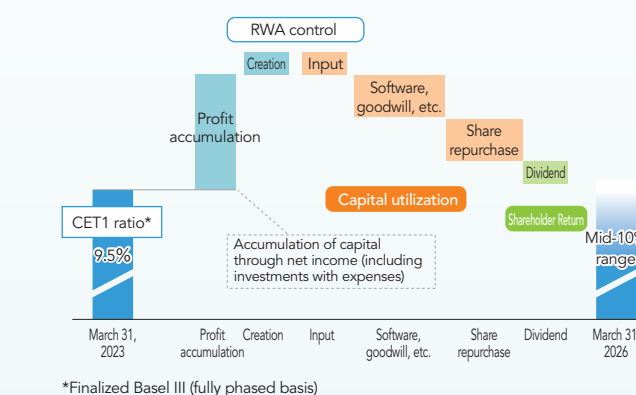


Appropriate allocation of resources for growth

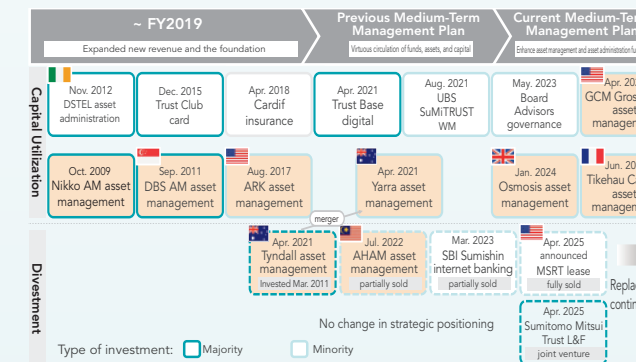
Under the current Medium-Term Management Plan, in addition to accumulating profits, we will continue the reduction of strategic shareholdings and promote capital creation through the sale of non-core assets and the reduction of low-profit assets. In fiscal 2024, we implemented multiple divestments based on business portfolio analysis.

Recently, the CET1 ratio was at a level exceeding 10% so we know that we are in a position where we can invest sufficiently for growth. We will make disciplined investments for growth actively and improve ROE through the expansion of profits. More

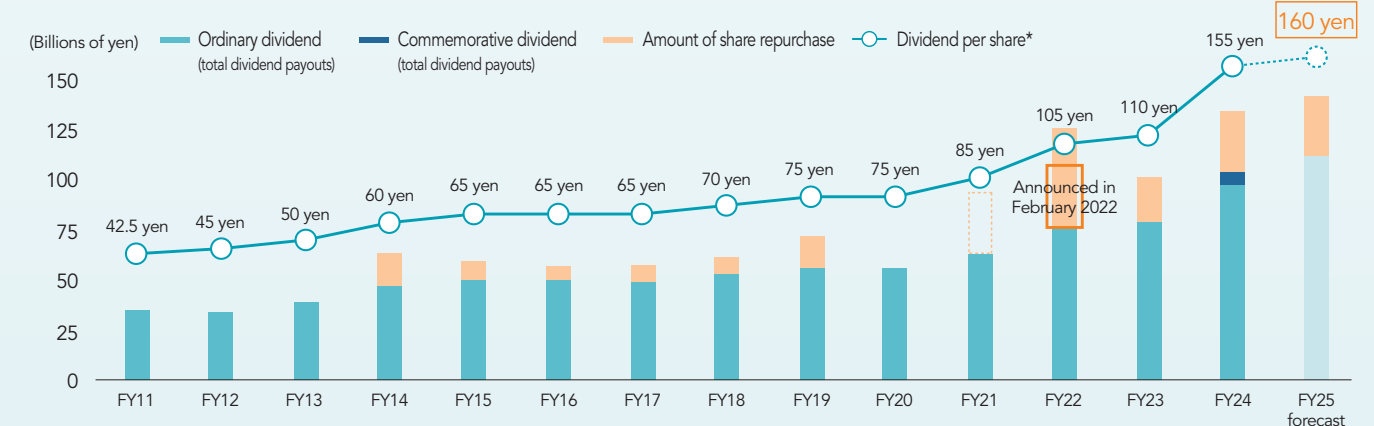
Overall picture of capital allocation



Track record in the inorganic domain



Historical data of share repurchase and dividend



specifically, our policy is to invest a cumulative total of up to 1 trillion yen through fiscal 2030 in “impact equity” and “Strategic Investment Facility for Asset Management.”

Since fiscal 2024, we have invested in GCM Grosvenor, Tikehau Capital, and others aimed at the strengthening of our asset management and asset administration domains. We have considered investments on a larger scale, but as a result of careful judgment based on soaring valuations, there were some cases whose implementation we put off in fiscal 2024. There will be no change to our policy of continuing to implement active capital utilization for the sustainable growth of the SuMi TRUST Group.

In the current situation where our PBR is less than 1x, we are aware that share repurchases are an effective measure. We will consider the balance between capital adequacy and efficiency constantly while looking at the market environment and the level of the company's stock price.

Shareholder returns (balance of growth investments and shareholder returns)

The basic policy of the SuMi TRUST Group is to increase shareholder value through sustainable growth.

To achieve stable and sustainable shareholder returns linked to profit growth, we introduced a formula of progressive dividend per share starting in fiscal 2023 aiming for a consolidated dividend payout ratio of 40% or above.

In fiscal 2024, we paid a commemorative dividend for our 100th anniversary. In fiscal 2025, we expect to pay a higher dividend per share, exceeding the level including the commemorative dividend of fiscal 2024, as the fruit of further growth.

From now on, we will continue to balance capital adequacy and efficiency and work on stable profit growth and the strengthening of shareholder returns while being mindful of both short-term and medium- to long-term time horizons.

4. Initiatives to reduce the cost of capital

(i) Analysis of the current situation

Capital cost serves as one of the factors for stock price formation. Our capital cost was around 6% to 10% (as of March 31, 2025) based on CAPM (Capital Asset Pricing Model) and PER.

Although ROE in fiscal 2024 rose to 8.3% compared to the previous fiscal year, PBR remained below 1x so we recognize the need to take measures to further improvement of ROE and reduction of capital costs.

(ii) Control of earnings volatility

For the reduction of the cost of capital, we will achieve high-quality earnings growth centered on the fee business by investing management resources in our asset management and asset administration businesses while appropriately controlling risks, including the impact of foreign exchange

and stock market fluctuations on our earnings and capital.

In fiscal 2024, we reevaluated special loan loss provision and strove to secure further financial soundness and flexibility from the perspective of preparing for future uncertainty.

(iii) Constructive dialogue with shareholders and investors

We will strive to reduce the cost of capital by engaging actively in dialogue with shareholders, investors, and other stakeholders, and improving and sophisticating disclosure.

In fiscal 2024, requests and advice obtained through dialogue with investors in Japan and overseas were reported to the Executive Committee and the Board of Directors, and we worked on the disclosure and dissemination of easy-to-understand information. In addition, we made changes to the composition of the Board of Directors and the compensation system for directors and executive officers, which had been strongly requested by investors.

We will continue to disclose the status of our initiatives through opportunities such as investor meetings on financial results.

■ Dialogue (FY2024 results)

Investor meetings on financial results for institutional investors and analysts	2 times
Overseas IR tours	9 times
Individual interviews with institutional investors and analysts	326 cases
Conducted by executives	179 cases
Conducted for overseas investors	233 cases
IR Day	2 times

■ Investor interests (FY2024 results)

Performance and management strategy	• Medium- to long-term KPI looking ahead to the next Medium-Term Management Plan • Cost control
Capital policy	• Sophistication of the disclosure of growth investments
Macro environment and risk management	• Impact of U.S. and Japanese interest rates • Impact on performance due to Trump's tariff policy and other uncertainties
Management foundation and sustainability-related matters	• Composition of the Board of Directors • Response to climate change

(iv) Aiming to be a company selected by more individual shareholders

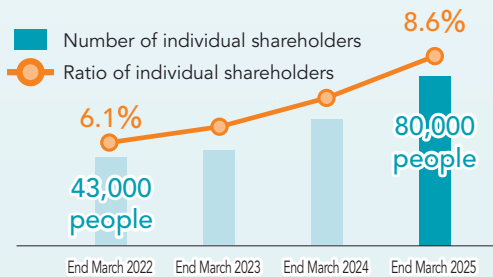
We are working to raise the ratio of individual shareholders aimed at the building of a long-term shareholder base that can realize both the lowering of the cost of capital and sustainable growth.

In fiscal 2024, we participated in 12 investor meetings for individual investors hosted by securities companies, with a total of 7,800 participants. As new initiatives, we held a special seminar for individual shareholders to commemorate the 100th anniversary of the Group's founding and participated in Nagoya Stock Exchange IR Expo 2024 for the first time.

Through our initiatives to date, the number of individual shareholders has roughly doubled over the past three years, and the ratio of individual shareholders has increased steadily.

From now on, we will continue to disseminate information actively and engage in dialogue to raise awareness of SuMi TRUST Group and deepen relationships of trust with investors.

■ Number of individual shareholders and ratio of individual shareholders



5. Conclusion

I think that an organization should grow continuously to realize its purposes, but we may become unable to grow as intended due to changes in the external environment or constraints on management resources.

How do we grasp and understand appropriately where problems or new opportunities are emerging and deal with them? I would like to improve our understanding of our own business situation in order to grasp these issues accurately and quickly, and to increase the speed and accuracy of our decision-making and actions. To that end, in fiscal 2025, I would like to increase further the sophistication of management as described to realize the further improvement of our corporate value.



Our Initiatives to Reduce Strategic Shareholdings

Basic policy: In principle, we shall not hold any “strategic shareholdings as a conventional stable shareholder.”

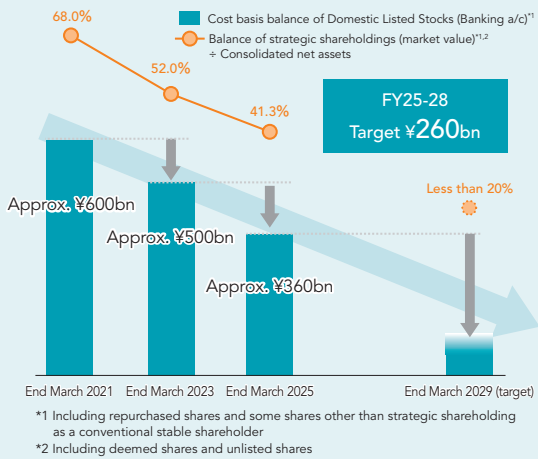
(i) Reduction achieved in fiscal 2024 and new plans

SuMi TRUST Group has recognized strategic shareholdings as a material management issue. We have hedged the price volatility risk that exceeded our financial risk absorption buffer and constantly worked to reduce such shareholdings, obtaining the consent of our corporate clients.

In fiscal 2024, in addition to the existing cost basis reduction target, we set a new target of reducing the market value of strategic shareholdings to less than 20% of consolidated net assets by the end of March 2029. We achieved reductions of ¥82.1bn (cost basis) in fiscal 2024, so realized our initial reduction target one year ahead of schedule.

In May 2025, we announced a new reduction target of ¥260bn (cost basis) over the next 4 years. We will engage in careful dialogue based on long-term relationships of trust with our clients, and continue to work toward reducing the balance of strategic shareholdings to zero.

■ Reduction of strategic shareholdings



(ii) Policy on exercising voting rights for strategic shareholdings

Even during the interim period in which SuMi TRUST Bank will continue to hold strategic shareholdings, SuMi TRUST Bank shall not hold any “strategic shareholdings as a conventional stable shareholder” and instead engage with issuing client companies and act as a responsible institutional investor.

Results of exercising voting rights

The percentage of opposition to companies' proposals on which SuMi TRUST Bank exercised voting rights (at General Meetings of Shareholders held between July 2023 and June 2024) is as follows.
1.7%: company base (YoY 0.9pt increase)
0.4%: proposal base (YoY 0.1pt increase)



Guidelines on voting rights for strategic shareholdings (listed companies in Japan)
https://www.smtg.jp/english/-/media/tg/english/about_us/management/governance/voting_guideline_E.pdf





Chikako Matsumoto

Director, Managing Executive Officer CSuO
SuMi TRUST Group

1. Globally important issues and sustainability management in our Group

The World Economic Forum's Global Risks Report 2025 identified environmental risks such as extreme weather events and biodiversity loss as the most important risks over the next decade. The further away we think about the future, the greater the number of important issues there are for the survival of our planet. At the same time, increasing geopolitical tensions and ESG backlash are making sustainable business management more difficult. Under these circumstances, we shall reconfirm the significance of sustainability management through enforced engagement with both internal and external stakeholders, and advance it based on a shared understanding.

With an aim to realize our Group's Purpose - "Trust for a flourishing future" - SuMi TRUST Group places the balanced creation of social and economic value at the core of our business management. Sustainability management is the key to achieving this goal. Business and social value creation are not separate initiatives. Rather, solving societal issues while making profits as a business leads to sustainable solutions

to various issues. I believe this is the essence of our Group's sustainable business management as a private company.

SuMi TRUST Group has three core companies - SuMi TRUST Bank, SuMi TRUST Asset Management, and Nikko Asset Management - and our sustainability management leverages synergies within the Group. Both of our asset management companies are signatories of the UK Stewardship Code, in which the world's highest level of stewardship performance is required. They lead Japanese companies to achieve their optimal sustainability management through high quality engagement. SuMi TRUST Bank provides a wide array of solutions in each ESG field, some of which integrate trust functions, and support companies in advancing their sustainability management in a concrete manner. In this sense, our purpose of sustainability management is not limited to our own group's value creation, but rather, it is meant to increase the corporate value of a wide range of Japanese companies through enforcing their intangible asset values.

2. SuMi TRUST Group's solutions to support Japanese companies' sustainability management

With respect to environmental issues, we are undertaking a variety of initiatives toward decarbonization. In 2024, we established ERM SuMi TRUST Consulting as a joint venture with the ERM Group, one of the largest independent sustainability advisory companies in the world. The new company offers decarbonization advisory services to our corporate clients in the formulation of decarbonization strategies, business decarbonization including green transformation of assets, and compliance with decarbonization-related regulations in Japan and overseas. We also established Japan Forest Asset, a joint venture with Sumitomo Forestry. Japan Forest Asset plans to acquire and reforest cutover areas of managed forests and develop a circular business of forestry that may include creating carbon credits in the future. We believe that sustainable forest management, in the near future, is expected to play an important role in conserving biodiversity as well. In 2025, we launched a new loan product named as Impact Finance for Nature to address biodiversity issues. This new product supports corporate clients' biodiversity initiatives and expands SuMi TRUST Bank's sustainable finance lineup.

SuMi TRUST Group's financial inclusion initiatives in the social area have supported the advancement of Japan's financial inclusion policies through our R&D and policy advocacy activities. Although access to financial services for lower income households, women, and social minorities is recognized as a challenge for financial inclusion globally, it is already well advanced in Japan. Considering Japan's ageing society, safe and secure financial access for the elderly is a challenge and SuMi TRUST Group has been focusing on financial inclusion in this area. In recent years, other developed and developing countries have seen their populations aging, and the efforts of Japanese financial institutions in

this area, including that of our Group, will help the world to address similar challenges in the future. Moreover, in line with Japan's policy focus on "Promoting Japan as a Leading Asset Management Center", further expansion of investment education for younger people is crucial. Accordingly, from the current fiscal year, our three core group companies will work towards such educational programs.

In terms of governance, SuMi TRUST Bank has been conducting its "Corporate Governance Survey" since FY2017, which includes questions related to sustainability. This is one of the largest surveys in this area in Japan. In FY2024, it analyzed the responses of approximately 1,800 corporate clients, in other words, nearly half of all publicly listed companies in Japan, and we provide participating companies with feedback including suggestions for improvement. In addition, many companies also use our consulting services to support them in evaluating the effectiveness of their boards of directors and holding dialogues with their investors. We are proud that these efforts, together with high-quality engagement by our Group's asset management companies, have contributed to improving corporate governance in Japan.



Financial education seminar for high school students

3. Our responsibility for "a flourishing future"

Our impact on society "here and now" creates the future with prosperous livelihood. In the immediate aftermath of World War II, Japan faced many societal challenges, including poverty. However, thanks to the efforts of our predecessors in paving a way to the future, Japan boasts the fourth largest GDP* in the world, enjoying economic affluence. This year marks the 101st anniversary of the founding of SuMi TRUST Group. I know that our Group has not just pursued its own growth, but has continuously strived to develop human capital through business and enrich society at large,

which led to our sustainable growth over a century. We must concern ourselves with more than our present lives. As we appreciate the past, we shall devote ourselves to building a flourishing future. Last but not least, our Group's sustainable growth going forward, can only be achieved by contributing to the sustainability of our human world and the entire planet. This conviction should be our guide to keeping us at the forefront as we move towards the future.

* (as of March 31, 2025)

Exploring your story

Theme. 1

Value Creation Story

What is a Trust?

Value Creation Process

History of SuMi TRUST Group

Value Creation Initiatives

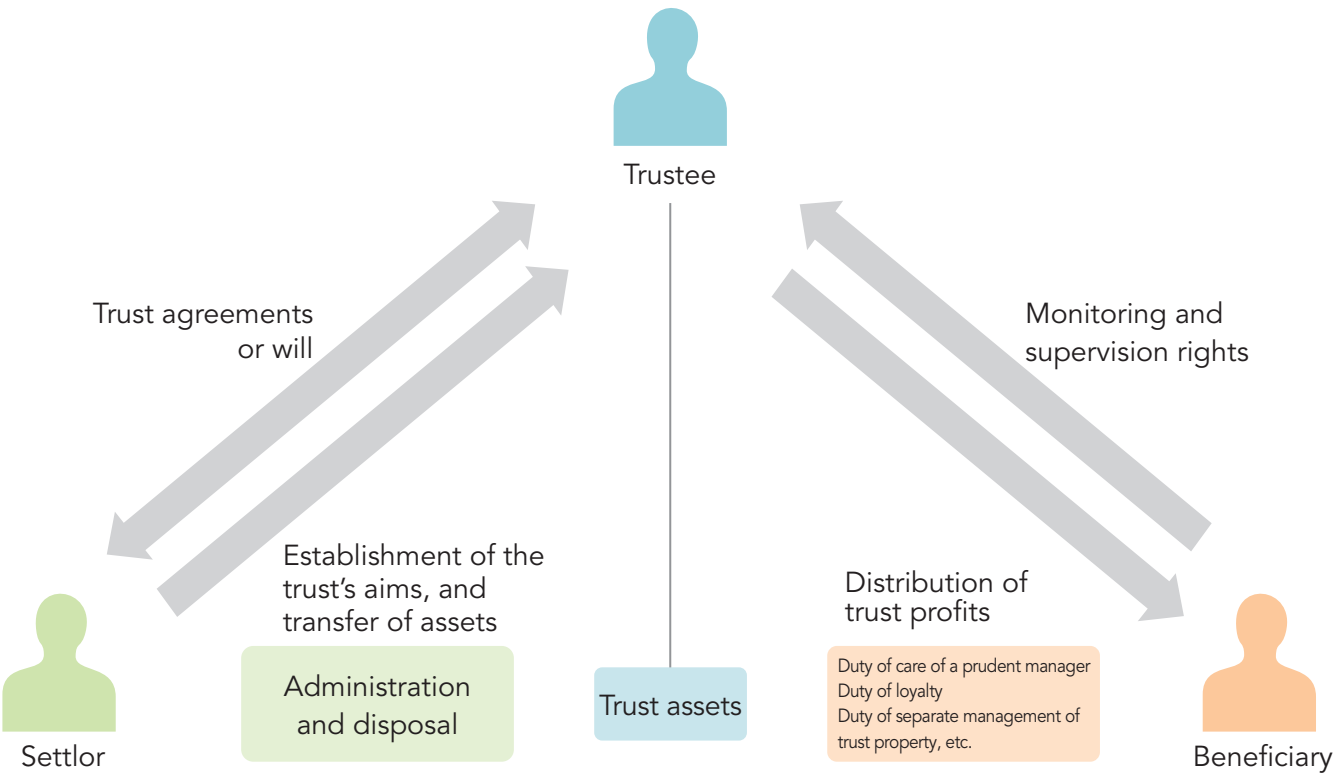
Materiality

What is a Trust?

A trust is a system for managing property as stipulated under the Trust Act.

A person who owns property (the settlor) entrusts property to a reliable person (the trustee), and the trustee manages and disposes of the property for the beneficiary in accordance with the aims of the trust.

The behavior of trustees is regulated under law, and trust assets are managed independently for beneficiaries. The use of trusts is expanding due in part to high expectations for the expertise of asset management trustees.



The early days of trusts and taking on new challenges

Following the enactment of the Trust Act and the Trust Business Act in 1923, The Mitsui Trust Company, Limited was established in 1924, and Sumitomo Trust Co., Ltd. was established in 1925.

In the early days, the main product of trust companies was money trusts. Since its foundation, The Mitsui Trust Company offered money trusts, and the amount of money in trust increased steadily thanks to offering higher dividend yields than fixed deposits held at banks. At the time, trust companies with strong credit backed by zaibatsu were thought to have paved the way for safe and advantageous profit-making. The use of money trusts later spread to schools and insurance companies, and trust funds were used to support industries such as electricity and railways, supporting Japan's development.

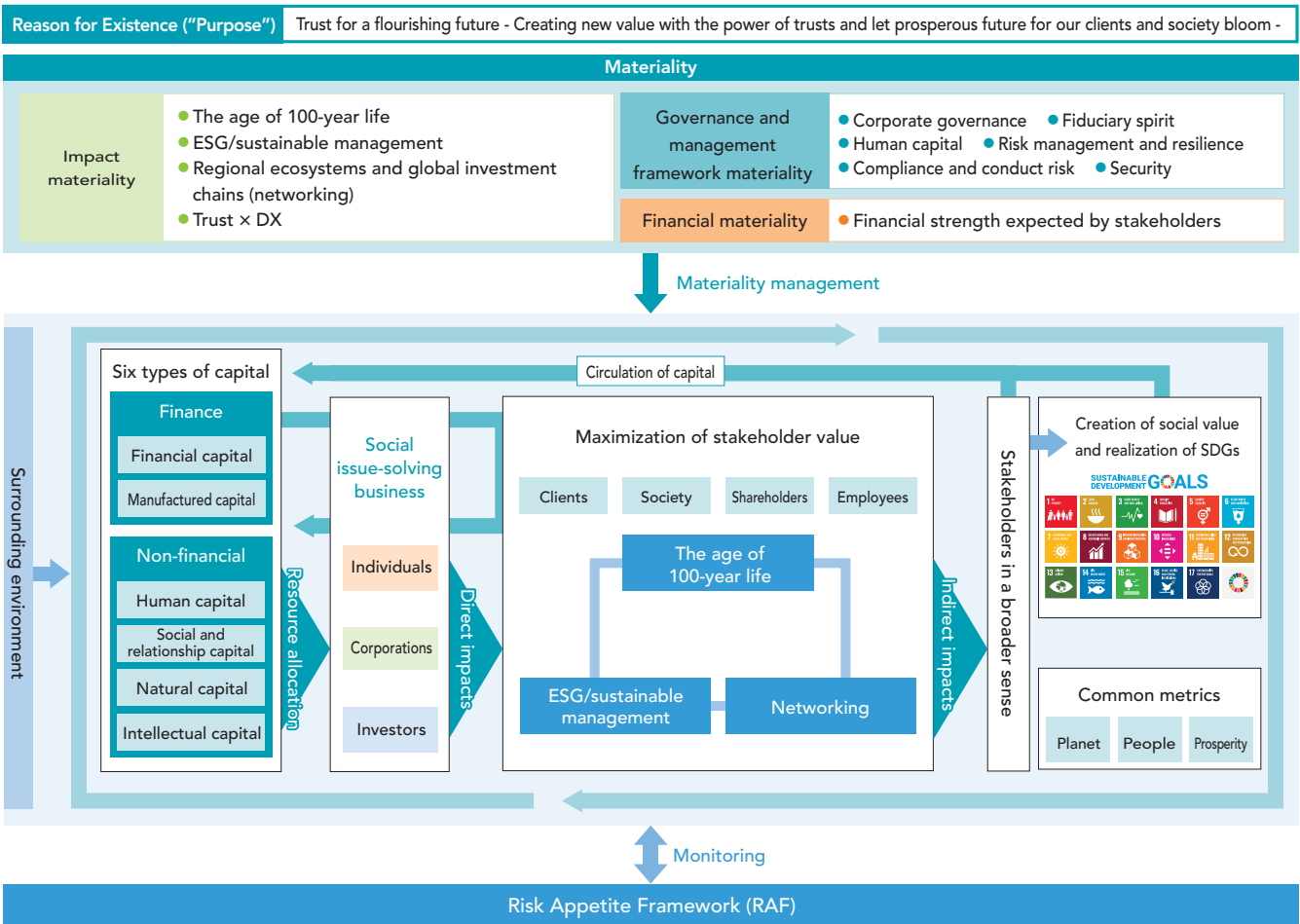
Between 1931 and 1933, Sumitomo Trust Co. developed and sold lots in a hilly area in Nishinomiya City, Hyogo Prefecture. At that time, trust companies with good credit selling good quality land in lots at a large scale were welcomed. The DNA of trust banks possessing strengths in the real estate industry has continued to the present day.

Accordingly, the early days of trusts marked the beginning of attempts to find solutions to social issues. Ever since, trust companies and trust banks have continued to take on challenges in a variety of fields and opened up new avenues.



Money trust pamphlet

Value Creation Process



Value creation process

SuMi TRUST Group has defined our Purpose as "Trust for a flourishing future" and placed the "balanced creation of both social value and economic value" at the core of our management philosophy. To achieve this, we have established a business process aimed at achieving both social and economic value creation, along with an executive-level management framework. This is what we refer to as "Value Creation Process."

Business processes

By leveraging our trust functions, we create and accelerate a virtuous cycle of funds, assets, and capital, delivering economic value to a wide range of stakeholders—from individuals to global corporations (creation of economic value). Through these activities, we aim to generate positive impacts and mitigate negative ones on the planet, society, and the economy, thereby contributing to the achievement of the SDGs (creation of social value).

Management framework for business processes at the executive level

We have established two key frameworks to manage our business processes at the executive level: Materiality management and the Risk Appetite Framework.

(i) Materiality management

Based on the concept of dynamic materiality, —where changes in social conditions and values can impact corporate value—we regularly review our material issues and incorporate them into our management strategies and plans. (Q.P.30)

(ii) Risk Appetite Framework

We regularly monitor and verify whether risk-taking is being conducted within appropriate boundaries, as defined in our Risk Appetite Statement. (Q.P.90)

Through these frameworks, we aim to optimize our business processes and achieve a balance between the creation of social and economic value.

1920s

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1950s

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1960s

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1980s

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2000s

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14

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2010s

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17

18



1 Mitsui Trust Head Office building (the Mitsui Main Building)



2 Sumitomo Trust Head Office building (formerly the Sumitomo Building)



4 Vault for custody services (Mitsui Vault, made by Mosler Safe Company)

1 Establishment of Mitsui Trust (1924)

Mitsui Trust was established as the first trust company in Japan under the Trust Act and the Trust Business Act.

2 Establishment of Sumitomo Trust (1925)

3 Development of money trusts

(from the mid-1920s)

Utilizing the abundant funds accumulated in money trusts, we played an important role in providing long-term loans to electricity, lighting, railway, and tramway companies.

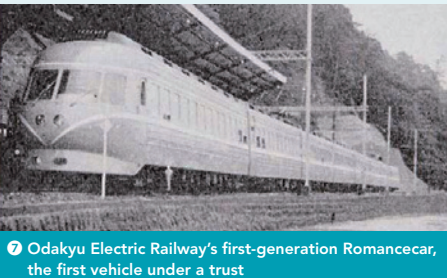
4 Preserving clients' valuable assets through custody services (from 1929)

After experiencing the Great Kanto Earthquake, we became keenly aware of the importance of property management. Accordingly, we installed a robust large safe vault and started providing safe deposit and custody services.

5 Launch of banking services (1948) Listed on the Tokyo Stock Exchange and Osaka Securities Exchange (1949)



6 Advertisement released for the sale of loan trusts



7 Odakyu Electric Railway's first-generation Romancecar, the first vehicle under a trust

6 Supporting postwar reconstruction and rapid economic growth through loan trusts (from 1952)

By linking the collected funds directly to industrial funds used for electric power development and shipbuilding, which were driving forces behind Japan's economic recovery, we became a provider of funding to support Japan's postwar reconstruction efforts and rapid economic growth.

7 Contributing to transportation infrastructure development through a movable equipment trust (from 1956)

Responding to the needs of the times, we were entrusted with Japan's first movable equipment trust (vehicles trust). The first vehicle under a trust was Odakyu Electric Railway's first-generation Romancecar. Later, we contributed to Japan's transportation infrastructure by expanding the scope of entrustment to include vessels and buses.

8 Started providing stock transfer agency services (from 1958)

We entered the stock transfer agency business to manage the shareholder registry and contributed to the development of the capital market by providing appropriate qualified operations, such as transferring names and stock certificate administration.



9 Chuo Trust Head Office building



11 Urban redevelopment project (Rokko Island)

12 The "Big" brochure

9 Establishment of Chuo Trust & Banking (1962)

10 Launch of pension trusts (from the late 1960s)

In order to secure the labor force and promote welfare during the period of high economic growth, we launched qualified retirement pension programs to companies in order to create benefit programs that provide peace of mind to employees of corporations (organizations).

Following this, suited to the needs of the times, the scope of business operations continued to expand to include the handling of personal pension trusts, defined benefit corporate pensions, and defined contribution pensions, as well as the management and administration of public pensions and mutual aid.

11 Creating a new cultural area with a land trust (1970s-1980s)

Land trusts, which were developed by the Trust Companies Association of Japan in 1973, started being developed in earnest around the mid-1980s in connection with redevelopment projects through which a trust bank takes charge of the administration and management of land as an expert on behalf of the landowner, who wishes to make effective use of it. Our Group also worked on a large-scale urban redevelopment project (Rokko Island), utilizing our know-how in project management for land trust projects.

12 The age of new loan trusts (Big) (from 1981)

This was a big hit among clients who had developed a strong preference for yield, given that the investment returns were reinvested to generate high yields. Subsequently, savings and investment products were created that took advantage of the trust's functions, such as the "Hit" money trusts that pay performance-based dividends.



14 Visiting lectures (environmental education)



10 100th anniversary logo voted for by the employees

13 Establishment of Mitsui Trust Holdings, Inc. (2002)

14 Addressing social issues (2000s onward)

The trust bank, which also serves as a public-service asset management institution, has made social contributions an important guiding principle since its foundation. We launched Japan's first SRI fund (a socially responsible investment fund for corporate pension funds) in the 2000s, and have since worked to tackle social issues ahead of the SDGs, including environmental and financial education.

15 Changed trade name to Chuo Mitsui Trust Holdings, Inc. (2007)

16 Establishment of Sumitomo Mitsui Trust Holdings, Inc. (2011)

Sumitomo Trust and Banking and Chuo Mitsui Trust Holdings merged in 2011 to form Sumitomo Mitsui Trust Holdings with the aim of further fulfilling their social responsibility and public mission by strengthening their management base, as well as demonstrating their extensive expertise in broad-ranging business areas.

17 Toward the age of 100-year life (2010s onwards)

Our Group provides broad-ranging support that harnesses the power of trusts to live with joy and peace at various life stages and facilitate smooth circulation across different generations and different stages of an individual's life. For example, in 2019 we began offering the 100-Year Life Solution Trust (100-Year Passport).

18 100th anniversary of our foundation Changed trade name to Sumitomo Mitsui Trust Group, Inc. (2024)

We will continue to work alongside our clients over the next 100 years and beyond.

Value Creation Initiatives

Virtuous circulation of funds, assets and capital

The most significant financial and social issue in Japan is that individual assets which are estimated to amount to 3,000 trillion yen, including real estate, and corporate internal reserves in excess of 600 trillion yen are stagnant, not used for investment or consumption.

The Group has a strength in that it can access the primary information rather than the secondary one for both origination, identifying and structuring profitable investment op-

portunities, and distribution, which provides optimal investment opportunities.

Leveraging this strength, we access both business operators and investors directly in broad-ranging business domains, and through our proprietary investments as a leading investor, we will realize the virtuous circulation of funds, assets and capital.

(i) Supporting business operators in taking risks to create the future

The Group has banking, asset management, asset administration, and real estate functions, and has one of the largest presences in Japan in those respective domains. Utilizing these functions, we provide comprehensive solutions for the

diverse management issues of our corporate clients, including carbon neutrality, and support efforts to enhance their corporate values.

(ii) Creating a foundation for investment with peace of mind and delivering returns to our investor clients

The Group provides products and services tailored to the investment needs and objectives of broad-ranging investors from individual investors to institutional investors.

As a trusted fiduciary, we are committed to exceeding the

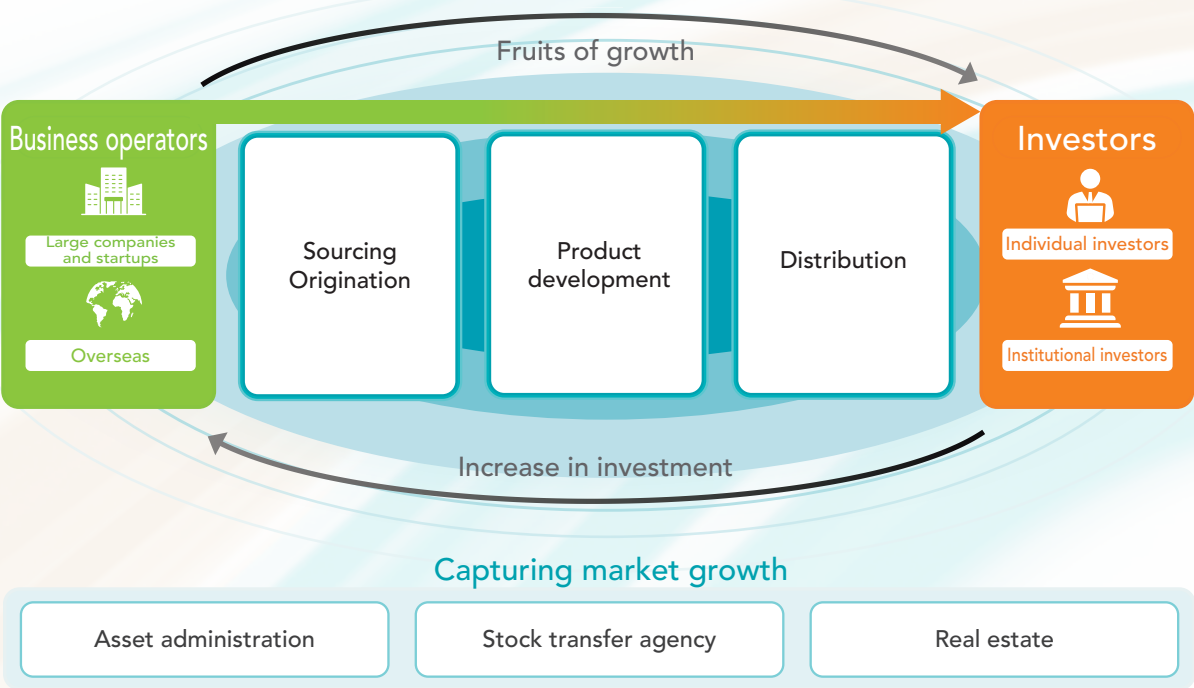
expectations placed in us and supporting long-term asset formation that enables people to live with financial peace of mind in the age of 100-year life.

(iii) Contributing to the sound development of Japan's markets as a social infrastructure

The Group is an essential presence that provides financial and social infrastructure in its asset administration business, boasting amongst the largest scale in the capital and real

asset markets in Japan. We aim to expand our business as a platform provider by capturing the growth of markets, both within and beyond the Group.

■ Virtuous circulation of funds, assets and capital



Exploring your story

1. The Roots of Value Creation

The power to realize clients' aspirations and intentions for the future

People wish to believe in the future and entrust things of value to their destiny. The purpose of trusts, and our Company, is to turn that aspiration into reality.

One of the diverse functions of trust is the "time conversion function" typified by pension trusts. Trust banks are entrusted with corporate and public pension funds and manage them based on long-term relationships of trust with clients over a period of more than 40 years, from being a new employee to retirement.

Since the establishment of the qualified retirement pension programs in 1962, the Group has contributed to the asset formation of individual clients, and their safe and secure life in retirement. In addition, based on the long-term investment needs of institutional investors such as pension funds and financial corporations, we act as a bridge to create the future of business operators that need funds based on our extensive expertise and fiduciary responsibility as a trust group.

2. Value Creation Initiatives

Contributing to the realization of the FINANCIAL WELL-BEING of our clients through Trust × Digital Transformation (DX)

SuMi TRUST Bank boasts the largest entrusted balance of corporate pension funds in Japan, and provides defined contribution pension (DC) services to approximately 1.7 million participants from approximately 6,000 companies. Leveraging the client base cultivated through decades of pension business, we are currently focusing on financial education, and online consultations for employees of companies whose funds we are entrusted to manage.

In financial education seminars, we support the improvement of financial literacy in broad-ranging domains by having people learn about pensions, which they are not aware of in their daily lives, as part of their asset formation plans.

In online consultations, our specialists, who are well-versed

in the unique pension schemes of each company, provide detailed explanations, including the public pension and NISA (Nippon Individual Savings Account) systems.

In addition, by utilizing the smartphone app "Smart Life Designer," we make proposals aligned with each client's needs and life plans. The app enables users to centrally manage information from other financial institutions, DC accounts, and credit cards. By entering details such as family structure and income, users can also simulate their retirement funding outlook (Q.P.45).

The Group will contribute to the realization of individual FINANCIAL WELL-BEING by fusing the expertise it has cultivated over the years with the power of digital technology to reduce customers' anxiety about the future.

Our strengths

- Long-term relationships of trust with clients
- Wide array of functions of a trust
- Trust × DX

Value we create

- Realization of the FINANCIAL WELL-BEING of clients



Breaking fresh ground



Cultivating assets

1. The Roots of Value Creation

The loan trusts that supported Japan's high growth

In the 1950s, Japan had a pressing need to raise funds for critical infrastructure projects such as power development and shipbuilding for reconstruction after the war. In response to these societal issues, "loan trusts" were introduced in 1952 through the initiative of six trust companies. These trusts served as a mechanism to provide massive long-term funds to mainstay industries utilizing household savings as a stable funding source.

In contrast to the interest rate on one-year time deposits at that time of 6%, the interest rate on five-year loan trusts

was 9.5%, which contributed significantly to household asset formation.

In 1971, as Japan's economy advanced and its industrial structure evolved, the role of loan trusts expanded to include a broader range of fund recipients across various industries.

In this way, the Group has continued to be a presence that takes on the challenge of the resolution of social issues and breaks fresh ground.

2. Value Creation Initiatives

New challenges for the democratization of private assets

With investors' interests expanding into "social significance" in addition to "profitability," SuMi TRUST Bank started providing the "Future Trust," a new money trust, in October 2024. This product provides long-term, stable funding to business operators that contribute to the realization of a green society, increase the interests of individual investors in private asset investment, and serve as a stepping-stone towards the democratization of private assets.

In addition, we are also accelerating the initiatives for comprehensive domestic infrastructure funds for institutional investors. With the First Fund, which closed in 2024, we raised 33 billion yen from more than twenty investors, exceeding initial expectations. Approximately 60% of the sourcing

information originates from SuMi TRUST Bank's clients. We are involved in all of the investment chain, from the origination of investment target assets to the development and formation of investment products, and the provision of investment opportunities, and we are advancing initiatives in areas that bring profits to investors.

Even if products change with the times, like loan trusts that have fulfilled their role have done in the past, the essential mission that trusts bear to tackle social issues and connect investors and business operators remains unchanged. The value creation of the Group always lies within challenges for the future.

Our strengths

- Spirit of challenge and development
- Ability to develop diverse products that meet the needs of the times
- Our presence connecting investors and business operators

Value we create

- Wealth creation for Japanese citizens through democratization of private assets

1. The Roots of Value Creation

New value creation cultivated through land trusts

The value of trusts lies in the flexibility to work on the assets themselves, not only in managing the funds.

In 1973, land trusts were developed under the leadership of Mitsui Trust and Banking, a leading member of the Trust Companies Association of Japan at the time. These are products unique to trust banks, which are reliable experts acting on behalf of landowners, conducting all operations related to management and administration, and combining financial functions with property management functions or-

ganically.

In 1986, following the legalization of land trusts for national and public lands, Sumitomo Trust and Banking became the first to undertake such a trust for national and public lands. Subsequently, in fields such as urban redevelopment, they led the industry as a pioneer of land trusts, responding to the evolving needs such as urban development and regional revitalization under public and private collaboration.

2. Value Creation Initiatives

Creating new markets through the flexibility of trusts

Japan is one of the world's most forested countries and most of the forests that were planted after World War II have reached their prime for utilization. However, rather than their utilization progressing, these forests are increasingly facing negative impacts.

In August 2020, SuMi TRUST Bank was entrusted with a "Forestry Trust," in which a forest is a trust asset, from an individual client who owns approximately ten hectares of forest in Nishiwakura Village, Okayama Prefecture. We are contributing to the resolution of social issues such as forest degradation due to depopulation and a shortage of workers, and regional revitalization by outsourcing management to forestry business operators, managing the income, distributing profits from main and secondary logging to the

owner or their designated parties.

In the digital assets domain, which has achieved rapid growth in recent years, we established Japan Digital Asset Trust Preparatory Company, inc. (JADAT) aimed at starting services for the entrusted asset administration of digital assets, including crypto assets. By leveraging the know-how in asset administration business that the Group has cultivated over many years, and providing services with high security and reliability, we aim to create a new market for digital assets and contribute to market expansion as infrastructure.

We will continue to utilize the flexibility of trusts from now on to create and expand the new markets required by the times.

Our strengths

- The flexibility and public nature of trusts
- The breadth of assets that can be entrusted
- High level asset administration know-how and track record cultivated over many years

Value we create

- The creation and expansion of new markets

Definition
“Events that have a material impact on the process of enhancing sustainable value-creation capabilities through the accumulation of financial and non-financial capital”

Approach to Materiality

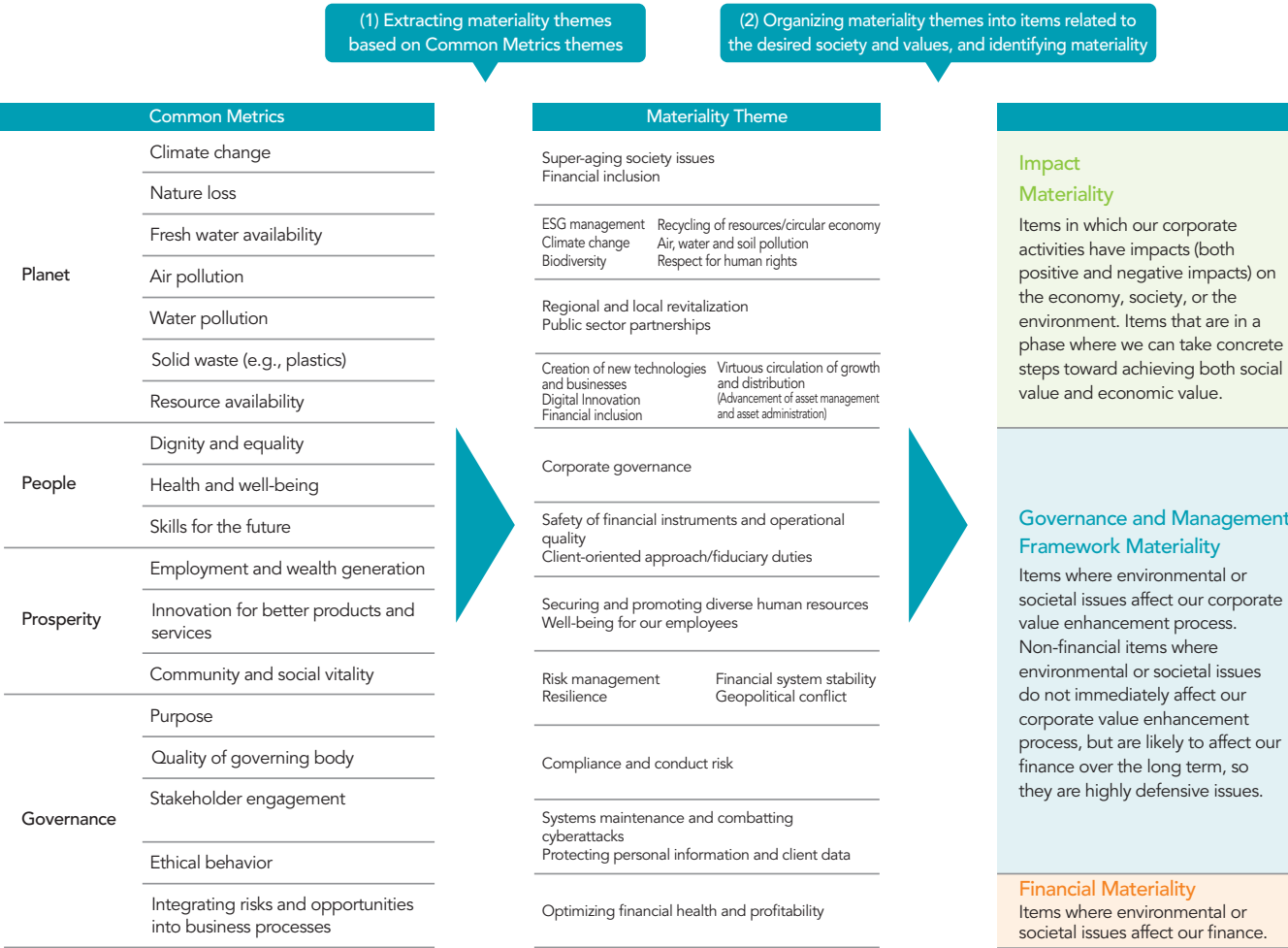
Based on the above definition, our material issues (materiality) are determined by the Board of Directors and managed from both perspectives: opportunities that promote capital circulation and risks that hinder it.

We adopt the concept of dynamic materiality, which recognizes that changes in social conditions and values can affect corporate value. Accordingly, we conduct annual reviews to identify emerging issues in response to shifts in the economic and social landscape, and report them to the Board. These reviews also take into account group-wide risk awareness and stakeholder expectations.

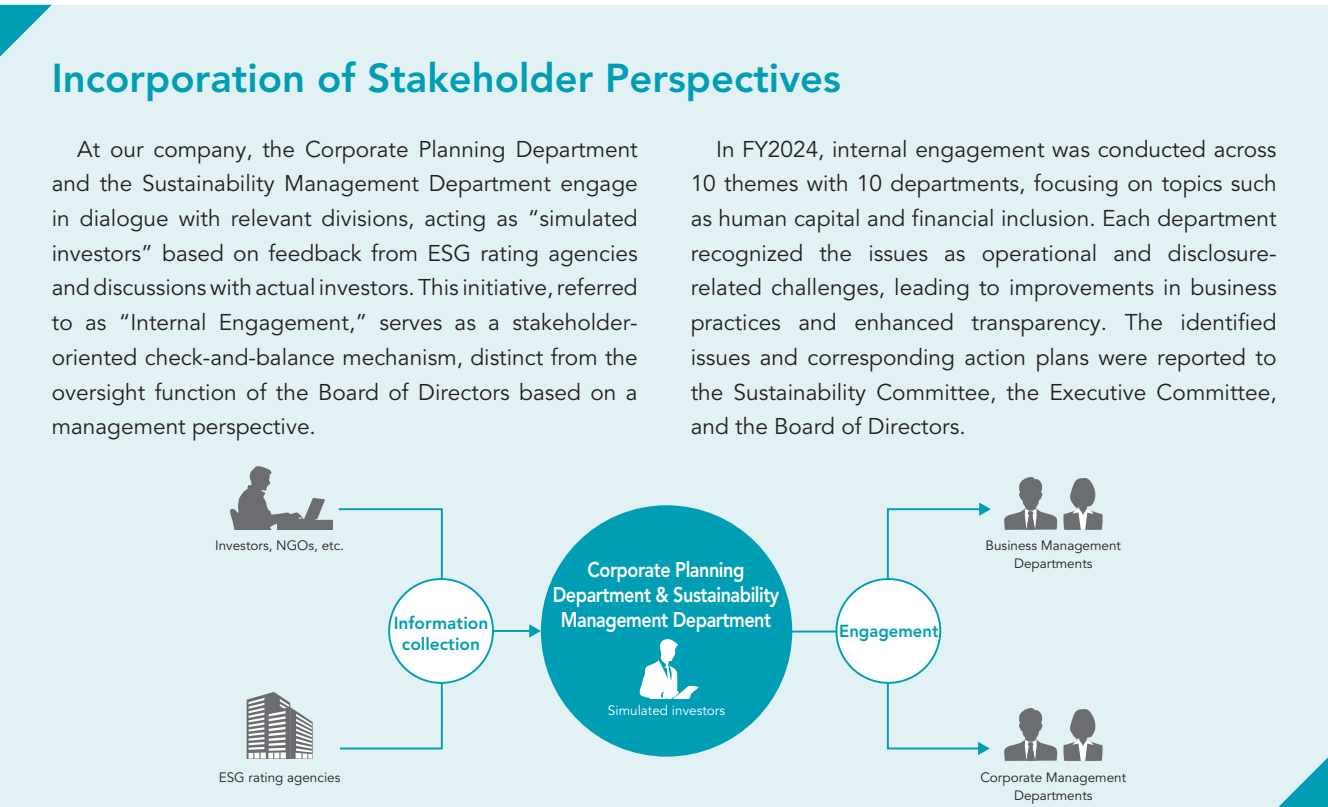
We first identified our materiality in FY2015, and revised it in FY2019 and FY2022. In the 2022 revision, we used Common Metrics* as a starting point to extract materiality themes. These themes were then organized into categories reflecting the society and values we aim to realize, based on our corporate purpose and strategic priorities. This process led to the identification of our current materiality.

In the FY2024 regular review, we anticipated heightened uncertainty in the political and economic landscape, including potential policy shifts associated with the U.S. presidential election and rising geopolitical risks. While remaining attentive to both internal and external environmental changes, we confirmed that no revisions were necessary to our current materiality.

■ Identification of materiality based on Common Metrics*



* Common metrics in “Toward Common Metrics and Consistent Reporting of Sustainable Value Creation”



Materiality	Overview
Impact Materiality	
The age of 100-year life	Providing products and services that support a prosperous life by preparing for changes in social systems such as pensions and social security in a super-aging society, and societal issues such as extending healthy life expectancy. Creating conditions in which clients can use beneficial and affordable financial products and services that meet their requirements.
ESG/Sustainable management	Responding to climate change, biodiversity, resource recycling and the circular economy, air, water and soil pollution, respect for human rights, and providing support and means for environmental, social and governance-friendly management for the companies to which we extend investments and loans and our suppliers.
Regional ecosystems and global investment chain (networking)	Building mutually complementary relationships among agents in the region and establishing relationships with economic agents outside the region to promote multifaceted collaboration and co-creation. Providing investment opportunities by strengthening the investment chain through collaboration with advanced overseas players.
Trust × Digital Transformation	Driving force and function which promote a virtuous circulation of funds, assets and capital. Realization of virtuous circulation through the power of trust, including asset management and asset administration with appropriate management and thorough administration, and the power of DX, which creates new businesses through structural transformation of existing business processes and cross-business integration.
Governance and Management Framework Materiality	
Corporate governance	Establishing a management framework that achieves balanced creation of both social value and economic value.
Fiduciary spirit	Fulfilling the trustee's responsibilities, i.e., acting faithfully on behalf of clients with the due care of a prudent manager. Realizing our clients' best interests.
Human capital	Recruiting and promoting human resources with diverse values, and building a group of them. Creating a situation where employees can utilize their value and strength under good relationship in which they are mentally and physically healthy, agree with our Purpose, and respect diversity.
Risk management and resilience	Appropriately identifying risks and taking necessary countermeasures to secure earnings and support sustained growth by ensuring sound management, and taking risks based on management strategy.
Compliance and conduct risk	Complying with laws and regulations, market rules, and internal regulations, as well as social norms in general. Preventing adverse effects resulting from breach of professional ethics or failure to meet the expectations and trust of stakeholders by directors, executive officers and employees.
Security	Preventing cyber-attacks against core infrastructure providers and addressing incidents when they occur. Continuously reviewing and improving the system risk management system. Acquiring and using client information in accordance with rules and regulations, and managing it strictly.
Financial Materiality	
Financial strength expected by stakeholders	Sound finance and sustained growth. Securing stable earnings.

Breaking fresh ground

Theme. 2

Management Strategies

Progress of the Medium-Term Management Plan (FY2023–2025)

[Special Feature 1] Growth Strategy

[Special Feature 2] Productivity Improvement

[Special Feature 3] Cultivating a Corporate Culture of Challenge

Business Strategy

Sustainability Promotion System

Response to Climate Change

Respect for Human Rights

Human Capital

Progress of the Medium-Term Management Plan (FY2023–2025)

Concept and Aspiration



Paving the Way for the Next 100 Years, with the “Power of Trust”

— Trusted by stakeholders as a fiduciary, contributing to enhancing the well-being of all people —

Review

In fiscal 2024, we achieved KPIs (Net income, ROE, and reduction of strategic shareholdings) one year ahead of schedule, driven by alignment between external environmental changes and our growth strategy. We also strengthened our business portfolio by reassessing subsidiaries and investing capital in growth areas. Shareholder returns included a dividend per share of 155 yen for fiscal 2024, representing an increase of 45 yen compared with fiscal 2023 (including commemorative dividends).

Key Management Indicators

Indicator	FY2023 (Actual)	FY2024 (Actual)	FY2025 (Plan)	FY2025 (Initial target)	FY2030 (Aspiration)
Substantial gross business profit	¥874.1 bn	¥934.2 bn	¥975.0 bn	¥920.0 bn	¥1 trn or above
Net business profit before credit cost	¥338.6 bn	¥362.0 bn	¥370.0 bn	¥355.0 bn	¥400.0 bn or above
Net income attributable to owners of the parent	¥79.1 bn	¥257.6 bn	¥280.0 bn	¥240.0 bn	¥300.0 bn or above
Fee income ratio	54%	54%	Lower 50% range	Mid-50% range	60% or above
Overhead ratio (OHR)	61%	61%	62%	Lower 60% range	Upper 50% range
Return on equity (ROE)	2.68%	8.3%	Upper 8% range	8% or above	10% or above
AUF	Approx. ¥580 trn	Approx. ¥640 trn	Approx. ¥650 trn	¥600 trn	¥800 trn
Common equity tier 1 capital ratio*	10.2%	10.6%	Mid-10% range	Around 9.5–10%	Stably maintained above 10%

*Basel III finalization fully phased basis

Key Initiatives for Fiscal 2025

I Strengthening our business portfolio

- Promote our Group’s own capital recycling strategy, emphasizing the efficient use of capital
- Transform our business portfolio to align with the future

II Building long-term relationships of trust with stakeholders

- Improve accountability for efforts to enhance corporate value and build long-term relationships of trust for future generations by engaging in constructive dialogue with each stakeholder

Key strategies

Overview

Progress

Theme 1. Business growth that is unique to a trust group, and improvement of capital efficiency
(Creating a virtuous circulation of funds, assets, and capital and enhancing corporate value)

Engaging in value creating businesses

- The age of 100-year life
- ESG/Sustainable management
- Regional ecosystems and global investment chain (Networking)

- Release of the New Trust Funds, “Future Trust”
- The first Comprehensive domestic infrastructure fund has been closed. The formation of a second fund is currently under consideration

Asset management and asset administration business strategy

- Combine the strengths of Group companies to provide unique solutions
- In asset administration, plan to expand the scale and build a platform business

- Invested in GCM Grosvenor and Tikehau Capital
- Business partnership with the Daiwa Securities Group
- Promotion of private REIT with Keikyu Corporation
- Integration of partial private assets functions

Digital Transformation strategy (Trust × DX)

- Expand our client base and create markets through the use of digital technology, while standardizing our know-how as a trust group and providing high-quality services
- Promote digitalization across SuMi TRUST Group

- Launched the company-wide project, “FutureX,” at SuMi TRUST Bank to improve productivity
- Strengthened organizational structures and formulated the AI policy
- Launched “KABUNUSHI PASSPORT”

Finance

Financial and capital strategy

- Aim to achieve ROE of 10% or above and AUF of at least ¥800 trn by fiscal 2030 by promoting business models befitting SuMi TRUST Group

- We have achieved our main management indicators one year ahead of schedule
- In fiscal 2025, we aim to maintain our trend of achieving increased profits and increased dividends

Non-financial

Theme 2. Enhancing human capital to be fit for the future (creating an organization in which job satisfaction leads to well-being)

Human capital strategy

- Enhance human capital based on employee well-being
- Foster a corporate culture that respects the characteristics of individuals and includes them in fairness and equity

- Introducing a new HR management policy in FY2025
- Plans to introduce a talent management system

Theme 3. Sophisticating our management platform (capability to support the business and organizational transformation)

Fiduciary strategy

- Ceaselessly pursue the best interests of our clients
- Enhance our solid business operations and thorough administration systems based on a relationship of trust with clients

- In light of the recent cases of insider trading by a former employee of SuMi TRUST Bank, we are committed to enhancing our internal control system. To this end, we conduct additional training for officers and employees, strengthening preventive measures, and promoting comprehensive management of insider information

Operational infrastructure and facility strategy

- Update ourselves into new ways of working
- Strengthen BCP and security controls and decentralize bases and operations to ensure resilience

- Conducted a fundamental review of the system development structure
- Promoting various measures for successful introduction of new ways of working
- Streamlining meeting operations

Branding strategy

- Work to send messages to and hold events for each stakeholder so that every employee can take the 100th anniversary of our founding as a personal experience and feel a sense of fulfillment in their work

- Renewing our purpose to “Trust for a flourishing future”
- Promoting a corporate culture of tackling challenges to mark our 100th anniversary

Multi-stakeholder capital strategy

- Conduct disciplined investment/distribution for each stakeholder
- Enhance the cross-business and integrating capabilities of our diverse businesses to strengthen our business portfolio

- SuMiTL&F became a joint venture
- SuMi TRUST Bank absorbed Japan Securities Agent and Tokyo Securities Transfer Agent through a merger
- Reorganization of the credit card business within our Group
- Progress in transferring the North American railcar leasing business

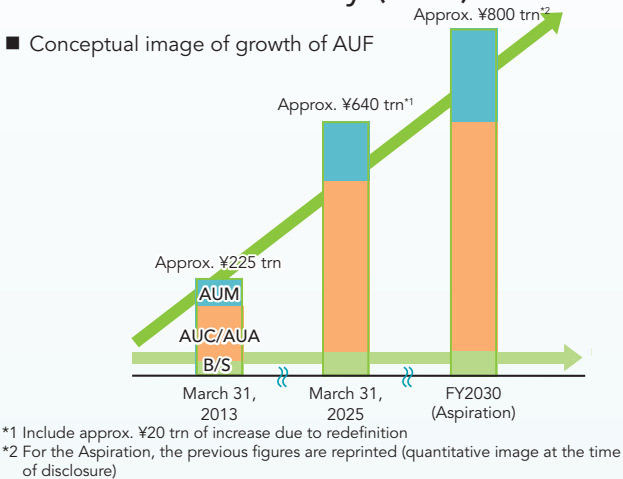
[Special Feature 1] Growth Strategy

Earnings growth through expansion of assets under fiduciary (AUF)

(i) Assets Under Fiduciary (AUF)

Leveraging our long-term businesses based on a relationship of trust with our clients, our Group aims to achieve balanced creation of both social value and economic value through a business model unique to a trust group, which revolves around asset management and asset administration.

Having defined Assets Under Fiduciary as an indicator of the scale of our initiatives to contribute to solving social issues and creating and expanding markets, we are promoting the expansion of the AUF balance to ¥800 trn by fiscal 2030.



Breakdown of AUF (as of the end of March 2025)

Private assets AUM ¥8.8 trn	AUM for domestic and overseas investors ¥108 trn	Assets under custody ¥350 trn	Loans ¥32 trn
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(ii) “Asset Management Business Strategy” and “Efficient B/S Utilization”

To achieve the Group’s Aspiration of a return on equity (ROE) of 10% or more, it is necessary to increase substantial gross business profit by ¥190 billion or more from fiscal 2022. Our objectives include an ambition to augment revenues by ¥100 billion through the Asset Management Business Strategy, encompassing private assets, within Japan and abroad, and by ¥90 billion through the Efficient B/S Utilization, with a view to expanding our investor base.

Asset Management Business Strategy

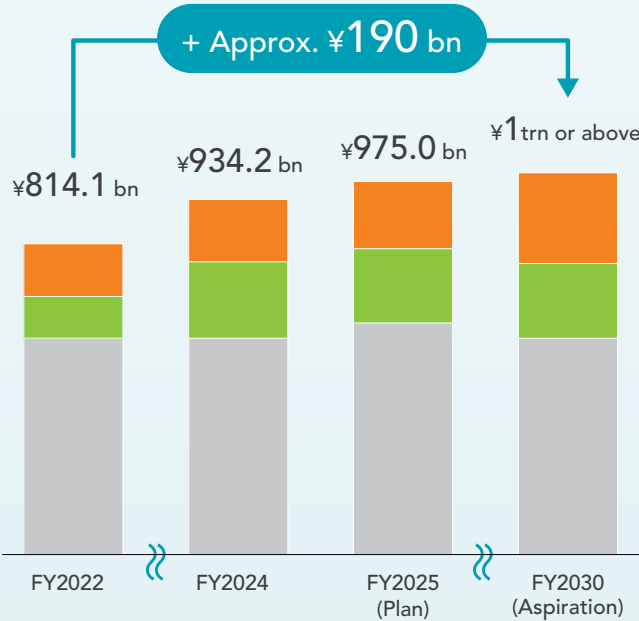
While AUM and AUC have tripled since the integration, fee ratios are under downward pressure. Our objective is to contribute to the government’s Policy for Promoting Japan as a Leading Asset Management Center. We will expand our outstanding balance and focus on profitable areas, such as private assets, for investors.

Efficient B/S Utilization

In May 2021, we announced our zero strategic shareholding policy, and we are moving forward with a shift to a business model that does not depend on B/S. We manage volume in a restrained manner and promote the use of B/S in anticipation of investor development that contributes to AUF expansion.

■ A growth image of substantial gross business profit

Growth strategy	Asset Management Business Strategy
Growth strategy	Efficient B/S Utilization

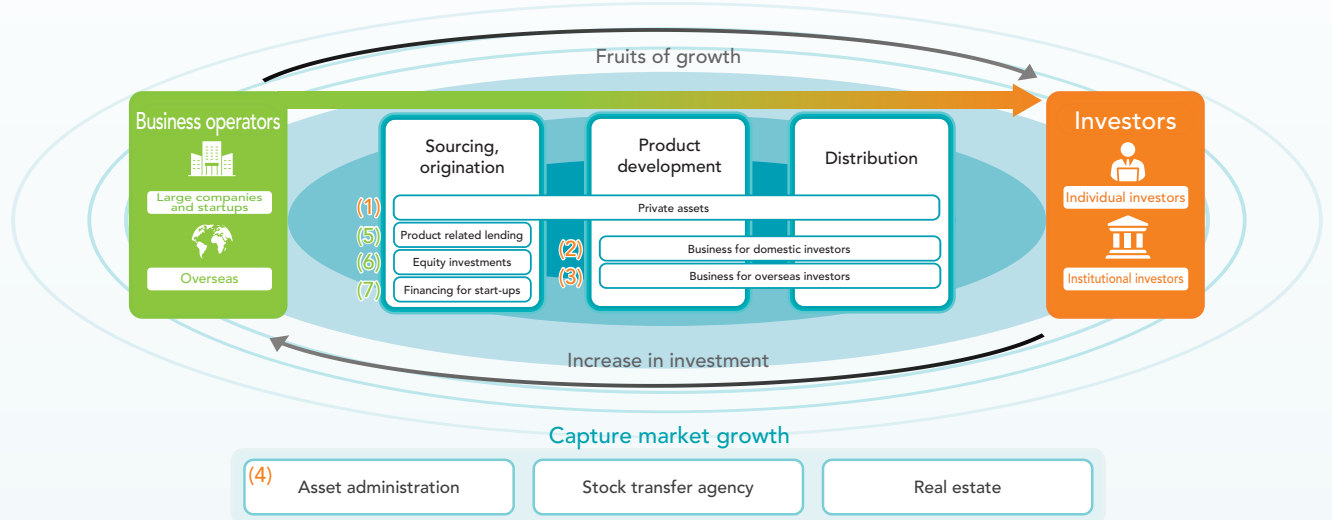


(iii) Seven profitable areas for investors

Our Group identifies areas where investors can expect high returns, such as private assets, and work with them to grow earnings. The timing of earnings growth varies depending on the type of business. While asset management and asset administration businesses and equity investment

require time, improving profitability of the balance sheet (B/S) and increasing fees as a result of asset price increases can be expected to contribute to earnings in the short term. Integrating these strategies will enable us to achieve sustainable and stable earnings growth.

■ Growth achieved through a positive cycle of funds, assets, and capital



Profitable areas	KPI	March 31, 2025	Aspiration
1 Private assets	Private assets AUM	¥8.8 trn	¥24 trn
2 Business for domestic investors	Domestic investors AUM ^{*3}	¥100 trn	¥105 trn
3 Business for overseas investors	Overseas investors AUM ^{*3}	¥8 trn	¥18 trn
4 Asset administration	Assets under custody (AUC) ^{*4}	¥350 trn	¥460 trn
5 Product related lending	Balance of product related lending	¥8.9 trn	¥10 trn
6 Equity investment	Equity investment balance	¥0.6 trn	¥1.0 trn
7 Financing for start-ups	Loan facility for innovative companies	¥26.0 bn	¥50.0 bn or above

^{*3} Sum of SuMi TAM and Nikko AM (excluding ETFs)

^{*4} Includes the balance of BPO, reporting, and other services (including intra-group contracting) in addition to AUC in custody and administration services, etc.

Message



Yoshio Hishida
Executive Officer GAMO
SuMi TRUST Group

Message from the GAMO (Global Asset Management Officer)

SuMi TRUST Group is supporting investors both in Japan and overseas in decision-making with the SuMi TRUST’s ability to offer diverse products and solutions ranging from traditional to private assets.

In the Asset Management Business, led by Sumitomo Mitsui Trust Asset Management, Nikko Asset Management, and Sumitomo Mitsui Trust Bank, our Group is promoting the “Multi-Affiliate Model,” where diverse and capable asset management companies and functions gather.

Our Group’s asset management companies will enhance their autonomous asset management capabilities, and advance partnership in Japan and overseas by utilizing capital, so that we can provide tailor-made investment opportunities for investors.

We will also support these efforts with asset administration services which accommodate a wide range of assets and investment methods, to contribute to the sustainable expansion of AUF and growth in profit of the Group.

[Special Feature 2] Productivity Improvement

Enhancing Productivity to Realize the Group’s Aspiration

(i) Transformation for adapting to the future

(1) FutureX initiatives

SuMi TRUST Bank launched “FutureX,” a company-wide project to improve productivity, in April 2024.

The environment surrounding us is changing at an unprecedented speed, with a declining working population, accelerating aging society, increasing mobility of human resources and career aspirations, advancing technological innovation, and a shift toward collaborative and empathic communication. Seizing the wave of such change as an opportunity, we are vigorously working to use innovative technologies such as AI, radically reform business processes, optimize decision-making, and change our mindset.

Initiatives in the FutureX project go beyond simply improving operational efficiency to redefine the way we work, the way the organization should be, and the very vision of the future of the company. Becoming a company to create the future without fear of change. We are taking that first step.

(2) Activities of evangelists (people who promote our concept)

We assigned approximately 400 evangelists nationwide in October 2024. They play an important role in solving the challenges of streamlining their branch by leveraging new tools and digital skills. In the FutureX initiatives, we work with these evangelists to transform the way we work and strive to evolve our organizational climate and corporate culture.



Takahiro Ishige
(in charge of promoting the FutureX project)
Managing Executive Officer
SuMi TRUST Bank

(ii) Accelerating AI transformation (AX) through IT/digital integration

(1) Collaboration with Trust Base and in-house development of generative AI in CoE

Together with Trust Base, a digital strategy subsidiary established in April 2021, SuMi TRUST Group has acquired and accumulated knowledge through R&D of advanced technologies to strengthen our capabilities to achieve Trust × DX. In particular, in the area of generative AI, we started a collaborative PoC with external partners immediately after its appearance, and we were the first company in our Group to verify the possibility of applying AI to business operations and its effect on improving productivity. In 2024, we established a CoE for generative AI and formed a team to consult

on R&D and business transformation using generative AI. The CoE, as a core organization for AX promotion, consists of members with specialist skills in infrastructure and security, designers, engineers, and business consultants to drive AX in the Group through the development of generative AI products.

(2) Integrating IT/digital systems to strengthen execution capabilities

Integrating IT and the digital arena at the strategic level is essential for business transformation. So far, the Digital Transformation Department had promoted R&D of advanced technologies such as AI, and business transformation with a digital origin, and IT-related departments had provided IT infrastructure for robust business operations of financial institutions. Thus, we had two separate sections of promoting IT and digital strategies. In fiscal 2025, we will integrate the IT System Planning and Management Department and the Digital Transformation Department to consolidate the authority for investment resource allocation and architecture control, strengthen the organization to become a digital/IT organization with the ability to execute, and accelerate Group DX initiatives.



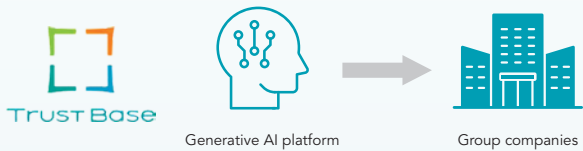
CoE members of generative AI at Trust Base

(iii) Improving productivity through the use of generative AI

(1) Provision of generative AI platform

In fiscal 2024, we focused on creating use cases for productivity improvement using generative AI in broad-ranging fields, including front, middle, and back offices. While we apply it in a wide variety of business, we are working to identify the possibility of unification and standardization from a technical perspective and promote it efficiently in the Group. More specifically, we are planning to develop a generative AI platform and deploy it to the Group during fiscal 2025. The platform will be designed to be easy to build generative AI applications suited to individual tasks, and we will apply generative AI to a wide range of tasks, deliver operational changes driven by AI to operational sites, and improve company-wide productivity.

■ Deploying AI platforms to the Group



(2) Examples of improving productivity and operational quality using generative AI

We believe that generative AI is a technology for not only improving productivity through supporting decision-making and operational efficiency, but also contributing to operational quality improvements. For example, our employees had drawn up an anticipated Q&A for a general meeting of shareholders based on news releases, disclosure materials, etc., and this required a lot of person-hours in the past. However, we could reduce these person-hours significantly by using generative AI instead. For client support, we have released AI that supports responses to clients based on our accumulated knowledge such as Q&A, and this allows branch staff members even if they are newly appointed to respond to specialized inquiries from clients. This AI is being used at all branches of SuMi TRUST Bank. In addition, generative AI is effective in improving the productivity of development. In an example of an application developed at Trust Base, an engineer with less than a year of development experience built an application, while such application would have needed several engineers and taken three months to build previously. The engineer did this by generating code based on natural language and implemented it in about a month. We are aware of the benefits of productivity improvements. We will continue to apply generative AI to a wide range of areas to improve productivity and quality.

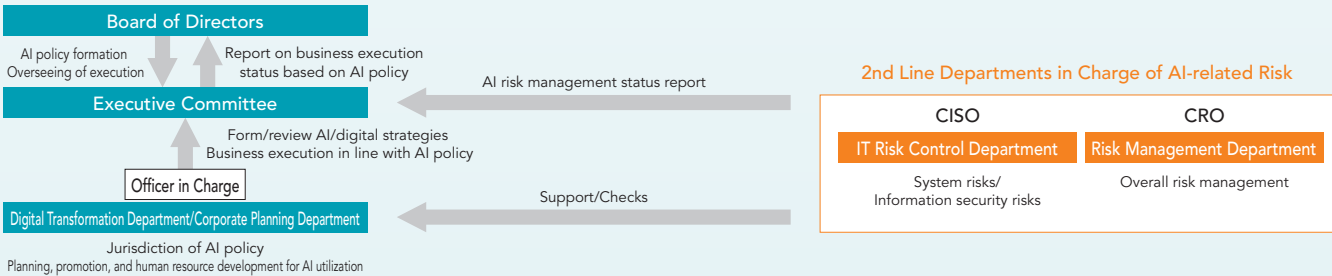
(iv) Building AI governance framework

Establishment of AI policy

As mentioned above, SuMi TRUST Group is working to utilize digital technology, including AI, to improve productivity. While AI is essential for improving operational efficiency and creating new value, it also poses certain risks. In order to promote the utilization of AI under appropriate risk management and control, under the supervision of the Board of Directors, we have established an AI governance system that is in harmony with the existing risk management

system and have established the “Sumitomo Mitsui Trust Group AI Policy.” This policy sets out ten principles, covering areas including human-centered operations, safety/robustness, fairness, privacy protection and security. Going forward, we will update and implement this policy while taking into account changes in the external environment including technological evolution, and work to both promote AI utilization and ensure risk management.

■ AI governance system





For more information on the SuMi TRUST Group’s AI policy, please see here.
https://www.smtg.jp/english/-/media/tg/english/sustainability/management/pdf/E_ai-policy.pdf



[Special Feature 3] Cultivating a Corporate Culture of Challenge

SuMi TRUST Group strives to cultivate a healthy corporate culture to offer a work environment where employees take pride and are highly motivated in fulfilling their missions.

To address the issues highlighted in our annual employee awareness survey, which indicated slow progress in satisfaction and vitality levels, as well as a communication gap between management and employees, we are actively implementing several initiatives.

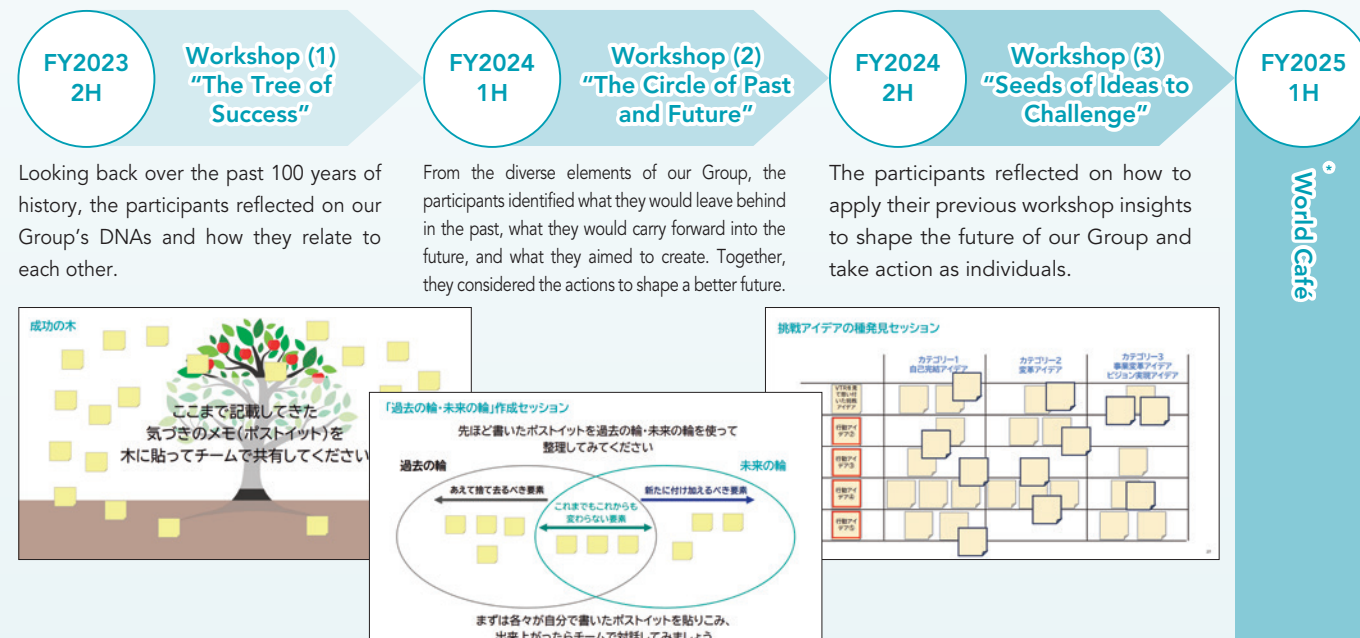
(i) Fostering a corporate culture of tackling challenges to mark our 100th anniversary

(1) Employee workshop

Since 2024, the 100th anniversary of our founding, we have continued to hold workshops led by our employees.

These workshops aim to deepen our understanding of the Group while reaffirming our appreciation for the stakehold-

ers. Simultaneously, we strive to build a culture of “Challenge without fear of failure and to learn and to grow even in the face of setbacks” to drive our growth for the next 100 years.



*The methodology involves participants engaging in group discussions centered on a specific theme, all within a relaxed, café-like setting. As members rotate during these cases of dialogue, it stimulates communication within the organization.

Comments from employees participating in the workshops



It was valuable for us to have **dialogue about the past, present, and future**, topics we rarely discuss in depth.



I would love to see a **corporate culture of tackling challenges spread throughout our Group**.



I now have a better **understanding of our Company**.



I expect our **Company to transform itself**.

(2) World Café

In June 2025, a World Café workshop brought together about 1,000 employees from various Group companies and locations across the country.

During the event, management talked about the significance of challenges, their own experiences of challenges and failures, as well as the vision they have for the future beyond these challenges. Meanwhile, participants engaged in dialogue, discussing ideas of matters to tackle they had developed based on the previous workshops. Through the conversation, participants shared methods of promoting their ideas and making their activities to tackle challenges meaningful, deepened their understanding of challenges, and established a network of colleagues interested in pursuing similar endeavors.

Moving forward, these participants will take both the mindset and the network they have cultivated back to their respective companies and locations. SuMi TRUST Group as a whole, including management, will back employees in their pursuit of challenges, fostering a “corporate culture of challenge” throughout SuMi TRUST Group.



(ii) Enhancing internal communication

(1) Roundtable discussion between the President and young employees

A total of six small-group roundtable discussions were held between President Takakura and young employees of Group companies at three locations: Tokyo, Nagoya, and Osaka.

It was a valuable opportunity for both the President and the employees to engage in open dialogue about their thoughts on employee workshops, share each employee's efforts as they have taken on the challenges, and discuss business issues and prospects. The President spoke in his own words about what he is usually aware of during his daily work, offering his insights to the young employees.



Young employees who participated in the roundtable discussion

(2) Communication among employees and with society

In fiscal 2024, we embarked on a diverse range of activities as a “trial year” for our corporate volunteer initiatives. Through lectures and various events in collaboration with non-profit organizations, we are gaining insights into the societal challenges we face and strengthening our engagement with local society, as these initiatives encourage each employee to think about what they can do and put it into action.



Kamakura beach cleanup volunteers

Launch of a volunteer club

In August 2024, a group of employees interested in volunteer work came together to form a volunteer club. This initiative includes activities such as beach cleanups and participation in events organized by non-profit organizations. Additionally, it fosters an internal community that transcends operational boundaries, allowing members to share information and experiences related to volunteering. Currently, the club mainly consists of employees in the Kanto region, but there are plans to expand its activities to other Group companies and locations in the future.

Enhancement of business portfolio

(i) Review

To realize earnings growth centered on AUF, we are accelerating both the recovery of investments and future growth investments, with a strong focus on capital efficiency. In addition to capital creation and investment, we are enhancing our IT and DX capabilities by reviewing our system development framework. At the same time, we are promoting operational efficiency by integrating and transferring functions

across Group companies in key areas such as private assets investment, stock transfer agency services, and credit card businesses. Since the beginning of FY2025, the Group has continued to announce initiatives in collaboration with business partners that possess outstanding capabilities and strategies in the private asset business are where we are focusing.

Initiatives to Strengthen the Business Portfolio



(ii) Aiming for FY2030

In order to realize our Aspiration and ROE of 10% or more in FY2030 earlier, we need to further improve earning capacity by renewing management resources. We will aim to achieve sustainable and stable profit growth through expansion of AUF by shifting management resources from traditional banking business to strengthening asset management and asset administration businesses.

(2) Expenses

Amid rising inflation and increased investment in human capital and DX, cost increases have become unavoidable. In this context, strategic investments are being steadily executed in the foundations that support future growth, while appropriate cost control—including price optimization—is thoroughly enforced.

(3) Risk Weighted Asset

By reducing strategic shareholdings and low-profitability assets, management resources will be generated, with a cumulative investment of up to ¥1 trillion planned by FY2030 in impact equity and the Strategic Investment Facility for Asset Management. In addition, we will focus on sourcing assets that are beneficial to investors and efficiently utilize our balance sheet with a view to expanding investor engagement.

ROE improvement by client

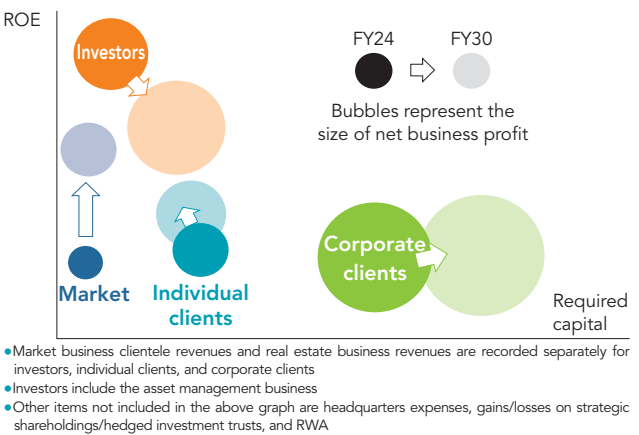
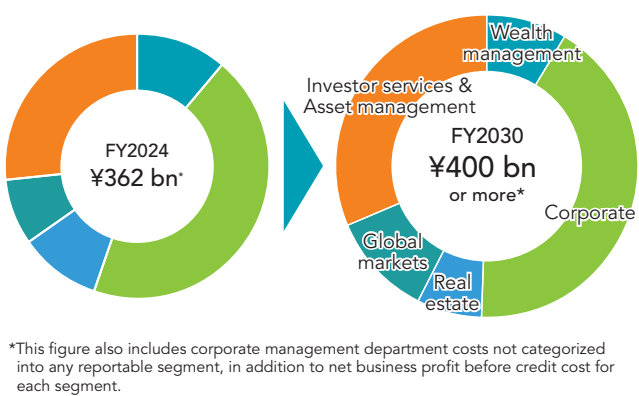


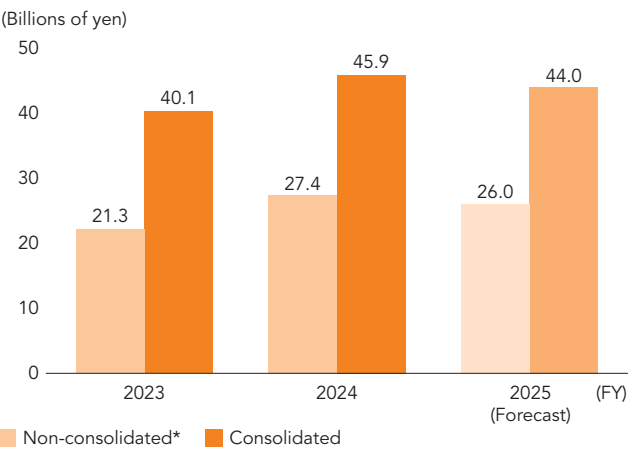
Image for Aspiration of the Net Business Profit by Business Segment



Net business profit before credit costs

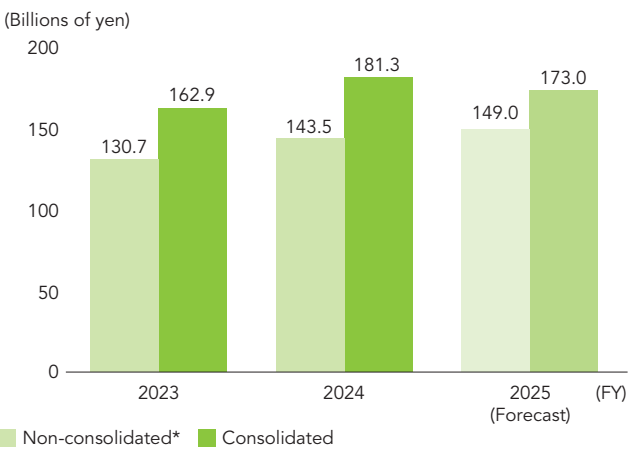
■ Wealth Management Business

Mainly due to an improvement in interest income from deposits accompanying a rise in yen interest rates and an increase in revenue from investment management consulting services, profit increased by ¥6.0 billion year on year to ¥27.4 billion on a non-consolidated basis and by ¥5.8 billion year on year to ¥45.9 billion on a consolidated basis.



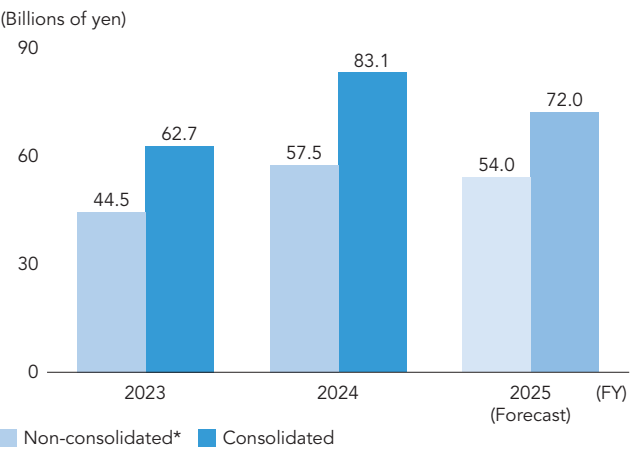
■ Corporate Business

In addition to an increase in interest income due to rising yen interest rates, an expansion in stock transfer agency fees also contributed to the increase, resulting in ¥12.7 billion increase year on year to ¥143.5 billion on a non-consolidated basis and ¥18.4 billion increase year on year to ¥181.3 billion on a consolidated basis.



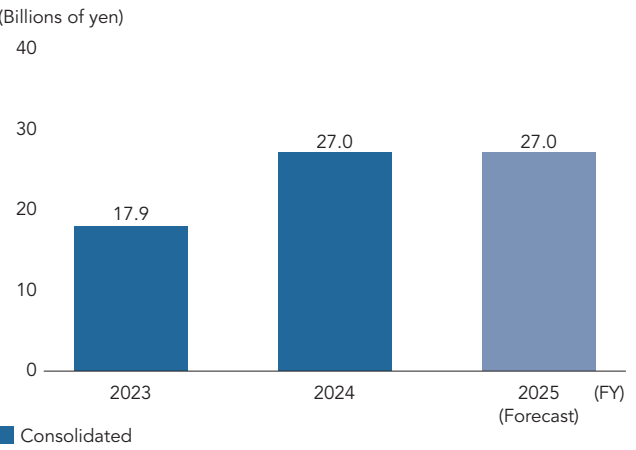
■ Investor Services Business

In addition to the steady performance of our asset management, pension, and asset management businesses, increased interest income from investment partnership contributed resulted in increase of ¥12.9 billion year on year to ¥57.5 billion on a non-consolidated basis and ¥20.3 billion year on year to ¥83.1 billion on a consolidated basis.



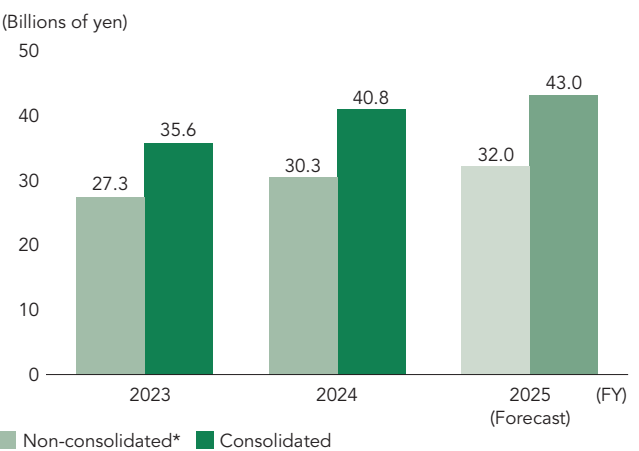
■ Asset Management Business

Mainly due to an increase in fee income resulting from rising market value, profit increased by ¥9.0 billion to ¥27.0 billion year on year.



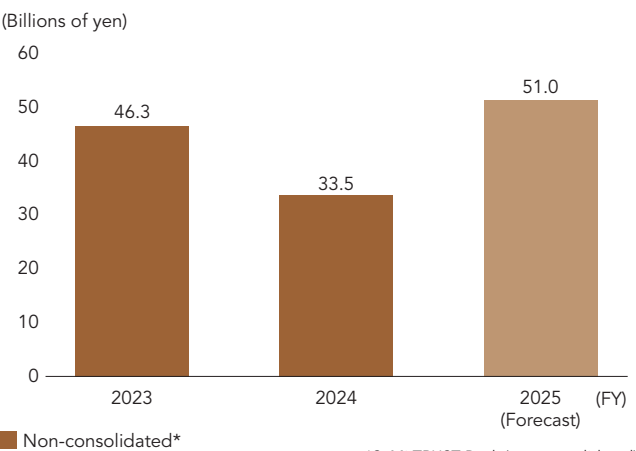
■ Real Estate Business

Against the backdrop of a steady market, corporate brokerage business performed well, and individual brokerage business also remained strong. As a result, net income increased by ¥3.0 billion year on year to ¥30.3 billion and increased by ¥5.1 billion year on year to ¥40.8 billion on a consolidated basis.



■ Global Markets Business

Although client-related business and ALM funding business performed well, investment business were unfavorable, resulting in ¥12.7 billion decrease year on year to ¥33.5 billion.



*SuMi TRUST Bank (non-consolidated)

Wealth Management Business

Key Clients/Markets

- High-net-worth individuals
- Asset-formation generation, Pre- and post-retirement generation, Seniors generation

Competitors

- Mega-banks
- Securities companies
- Online banks

1. Main Business

Our Group offers integrated products and services that combine banking, trust, and real estate functions to address the needs of our clients in the age of 100-year life. We contribute to the maintenance and improvement of mental, physical, and financial health, and we support the creation of a prosperous and secure future.

Major subsidiaries and affiliated companies

- SuMi TRUST Bank
- Sumitomo Mitsui Trust Club
- Sumitomo Mitsui Trust Wealth Partners
- Sumitomo Mitsui Trust Life Partners
- UBS SuMi TRUST Wealth Management

2. Aspiration

By exercising our Group’s unique strengths based on long-term relationships of trust with our clients, we aim to resolve various financial and wealth concerns and social issues for individual clients in the age of 100-year life.

In this way, we aim to support our clients achieve a prosperous and secure future—Financial Well-Being—and achieve sustainable and stable growth of the Group.

3. Environmental Awareness

- Growing demand for asset management against the backdrop of the “Asset Management Nation” concept led by the Government and a diverse range of needs for asset administration and wealth succession in the “Great Inheritance Era”
- The shift to a positive interest rate environment has prompted changes in client needs and behavioral trends
- Increasing necessity of more sophisticated business operating processes addressing medium- to long-term population decline and DX
- The growing significance of in-person consultations and the rapid expansion of digital contact channels

Opportunities

Increase in value of in-person consulting due to diversifying needs, and diversified channel preferences due to changing behavioral trends

Threats

Intensifying competition due to rising interest rates, efforts by companies to engage in high-net-worth businesses, and shifting management resources to the digital domain

4. Our Strengths (Winning Formula)

- A quality client base unique to trust banks
- Total consulting services tailored to diverse transactions, life stages, and asset types- based on the long-term relationships of trust with our clients
- A broad range of products and services, encompassing banking, trust, and real estate
- A hybrid consulting channel that is highly convenient, offering services at our branches, online, and non-face-to-face

5. Challenges and Action Plans

Challenges

- Rebuilding our Group’s asset custody business for individual clients supported by the shift to a positive interest rate environment while also increasing social impact
- The sophistication of business infrastructure evident in the channels and operators, etc. that utilize digital technology to optimally provide total consulting services

Action Plans

- Further refining total consulting services, developing profitable products and services, and enhancing promotions
- Through the Human Assets × DX Strategy, strengthen our in-person consulting services for high-net-worth individuals, both at branches and online. Strengthen our channels for acquiring new clients through non-face-to-face channels

6. Initiatives to Strengthen Our Business Portfolio

To achieve sustainable growth in the wealth management business, we will continue to strengthen our business for the high-net-worth individuals and develop a next-generation base. Our objective is to enhance client engagement and expand earnings opportunities by leveraging the sophistication of digital technologies in our consulting services and fortifying our channels for acquiring new clients.

In addition, we will allocate resources to these focus areas by implementing structural changes to streamline the mortgage loan business and reviewing the branch network. We will also streamline business processes and enhance productivity through the integration of information technology and digital transformation strategies.

7. KPI

	FY23	FY24	FY25 Plan	FY30 Aspiration
Balance of investment trust and discretionary investment (trillion yen)	3.41	3.66	3.86	4.66
Balance of deposits for individuals (trillion yen)	18.56	18.19	18.51	21.61

High-net-worth business

Our highly specialized and experienced staff will support our clients’ affluent lives in a holistic manner by combining our Group’s diverse financial, real estate, and trust services with UBS’s traditional Swiss private banking services*.

*Our Group offers clients wealth management services through UBS SuMi TRUST Wealth Management Co., Ltd., an affiliate that specializes in high-net-worth individuals. These services are facilitated by the UBS Group’s global network.



Consulting channel

In order to respond to the changing needs of clients due to digitalization and diversification of lifestyles, we are working to strengthen our online and non-face-to-face channels in addition to providing consulting services at our branches.

Online consulting plazas are expanding, offering high-quality consulting services (equivalent to those provided at branches) accessible anytime, anywhere, and to a broad client base. In parallel, Smart Life Designer smartphone application continues to evolve, delivering features such as an ideal life plan, integrated household and asset management, and information collection services related to asset formation. These initiatives strengthen client engagement.



As of the end of May 2025, the number of accounts had surpassed 600,000

Corporate Business

Key Clients/Markets
• Large enterprises, Mid-sized companies, Innovation firms

Competitors
• Mega-banks, Regional banks, Online banks
• Securities companies

1. Main Business

We help achieve a sustainable society by providing a wide range of total solutions that lead to the enhancement of our clients' corporate value. These solutions include various types of financing, stock transfer agency services, and consulting.

Major subsidiaries and affiliated companies

- SuMi TRUST Bank
- Sumitomo Mitsui Trust Panasonic Finance
- Sumitomo Mitsui Trust Bank (Thai)
- Zijin Trust
- Sumitomo Mitsui Trust TA Solution
- Japan Stockholders Data Service

2. Aspiration

While the business environment surrounding us has been changing dramatically and becoming complicated, corporate clients are facing more diverse business issues. As the "Best Partner" for our clients and society, our Group is committed to contributing to the resolution of management and

social issues and the realization of a sustainable society. We will achieve this by providing end-to-end solutions that leverage the diversity and expertise of our Group and the creation of a virtuous circulation of funds.

3. Environmental Awareness

- Business expansion using balance sheets supported by the economy with positive interest rates
- Globally accelerated initiatives to achieve carbon neutrality and transition to sustainable corporate management
- Financial business model transformation driven by DX
- Accelerated reduction of strategic shareholdings through widespread adoption of the Corporate Governance Code

Opportunities

Huge demands of funds and capital for carbon neutrality, corporate restructuring, and other factors. Expanding business opportunities generated by new technologies such as generative AI and improving productivity

Threats

Stagnation and regression of carbon neutrality, primarily in the United States, rapid market changes due to unstable international conditions, intensifying competition for deposits, and increasing mobility and shortage of human resources

4. Our Strengths (Winning Formula)

- Build long-term relationships of trust based on finance transactions and sophisticated management discussions by acquiring and analyzing financial and non-financial information
- Provide total solutions by leveraging our advanced expertise in pension, stock transfer agency, real estate, sustainable business and other areas, as well as our alliance strategies with partners in Japan and overseas
- Demonstrate the Group's unique role as a financial intermediary by leveraging our contact points with various economic entities and stakeholders

5. Challenges and Action Plans

Challenges

- Expanding the business using balance sheets and improved profitability due to an economy with positive interest rates
- Securing resources for expanding areas through productivity enhancement by utilizing technology, etc.

Action Plans

- Strengthen efforts in profitable areas where the balance sheet can be utilized, and expand these areas by establishing offensive and defensive frameworks
- Strategically allocate resources to promote DX utilization across the entire business to achieve radical transformation and productivity improvement

6. Initiatives to Strengthen Our Business Portfolio

We will achieve a virtuous circulation of funds by improving profitability through comprehensive RAROC* management, reducing strategic shareholdings, and improving productivity through DX utilization, expanding initiatives in high-margin areas, promoting the provision of total solu-

tions, providing solutions that help bring about a sustainable society, and responding to both the funding needs of corporate clients and the investment needs of investors.

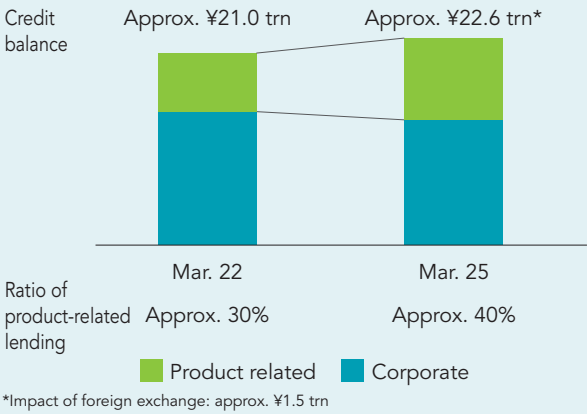
*RAROC is an abbreviation for "Risk Adjusted Return On Capital." Comprehensive RAROC is calculated by dividing "total transaction income, including lending & non-lending transactions" by "capital required to acquire income."

7. KPI

	FY23	FY24	FY25 Plan	FY30 Aspiration
Balance of investments and loans (trillion yen)	24.6	23.0	24.4	—
Ratio of product-related lending (%)	32	39	41	—

On/Off expansion and product shift

To improve the return on equity (ROE) in our Group, we are working to enhance transaction profitability and optimize the utilization of our balance sheet in the corporate business. We are promoting a shift to highly profitable product areas, and strengthening off-balance-sheet operations through investor development. As of the end of fiscal 2024, the product-related lending ratio had grown to approximately 40%, and the volume of sales to investors has been on an increasing trend due to high-quality project sourcing and expansion of our investor base, among other factors. Moving forward, we will continue to contribute to the enhancement of our group's corporate value by leveraging our balance sheet in high-profit areas and strengthening investor relations.



KABUNUSHI PASSPORT

In recent years, the environment surrounding listed companies has undergone significant changes, with a shift from savings to investments accelerating and the presence of individual investors increasing. In April 2025, we launched a new application called "KABUNUSHI PASSPORT," which facilitates dialogue between listed companies and individual shareholders.

Individual shareholders can view convocation notices for multiple stocks and exercise voting rights, and listed companies can implement measures to improve shareholder communication, such as disseminating information and conducting surveys, on the application throughout the year.

We aim to help bring about a sustainable society by promoting a paperless society through DX, while also aiming to promote shareholders' understanding of the company and improve the voting rights exercise rate.



Investor Services Business

Key Clients/Markets
• Public mutual aid, Corporate pension
• Financial institutions, Non-profit organizations, Asset management companies

Competitors
• Mega-banks
• Securities companies

1. Main Business

We will contribute to solving the challenges of diverse investors by providing a full range of services, including institutional consulting, asset management solutions, and asset administration functions that leverage our expertise as a trust group.

Major subsidiaries and affiliated companies

- SuMi TRUST Bank
- Custody Bank of Japan
- Sumitomo Mitsui Trust Bank (U.S.A.)
- Sumitomo Mitsui Trust (Ireland)
- Japan Pension Operation Service
- Japan Extensive Infrastructure

2. Aspiration

We will provide our diverse investors with high-quality asset management and asset administration solutions through consulting services that support the best possible decisions. In particular, we will contribute to solving our clients' man-

agement and social challenges by creating and socializing new and valuable investment opportunities that focus on the funding needs arising from solving social challenges.

3. Environmental Awareness

- The Japanese economy is undergoing a major transition, symbolized by rising interest rates and stock prices. Shift in corporate focus to human capital management with a view to this Age of a 100-Year Life
- Growing expectations for asset ownership reform and the development of the asset management industry under the "Asset Management Nation" concept
- Medium- to long-term demand for large amounts of capital to address societal challenges such as carbon neutrality and regional revitalization
- Continued acceleration in the complexity of business challenges and the expansion of investment areas by investors and asset management companies due to changes in market conditions, regulations, and other business environments

Opportunities

Expansion of investors' investment needs due to the "Asset Management Nation" concept and other policy trends, the age of a 100-year life, etc.

Threats

In-house asset management by investors, and intensifying competition in the pricing of traditional assets

4. Our Strengths (Winning Formula)

- Support decision making through institutional and investment management consulting based on the asset/liability structure of investor clients
- Access primary assets and booking function through our Group's corporate client contact points
- Promote small-lot strategies to enhance in-house asset management capabilities and new platforms by leveraging the network of global players
- Sophisticate asset administration functions which support asset management business and expand business process outsourcing (BPO) and data services for middle- and back-office management

5. Challenges and Action Plans

Challenges

- Expand the pool of investors to achieve sustainable growth in assets under management (AUM) and earnings
- Effectively allocating resources to expanding areas like in-house operations by improving productivity

Action Plans

- Enhance the sophistication of the asset management business in areas that offer profitable investment opportunities, and expand the asset administration business by fortifying the promotion of DX
- Implement radical business process reforms across the entire business value chain

6. Initiatives to Strengthen Our Business Portfolio

In the corporate pension business and the middle- and back-office business related to asset management and asset administration, we will reform business processes by utilizing digital technology to promote productivity improvement. Our objective is to establish a value chain for asset management and asset administration that will provide added value

for investors. We will also expand our business from institutional investors to domestic individuals and overseas investors, and develop in-house management products, etc. that lead to a virtuous circulation of funds, assets and capital, including a comprehensive domestic infrastructure fund.

7. KPI

	FY23	FY24	FY25 Plan	FY30 Aspiration
Private assets AUM*1 (trillion yen)	7.4	8.8	9.8	24
Assets under custody (AUC)*2 (trillion yen)	300	350	365	460

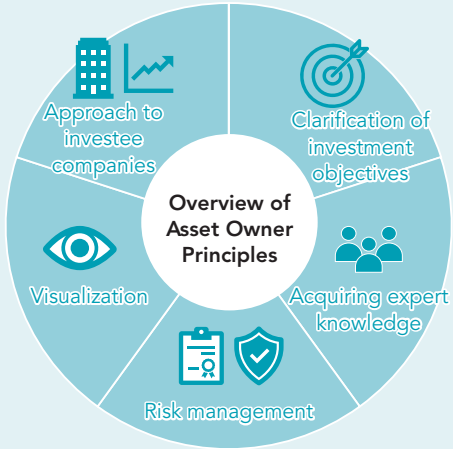
*1 Private equity, real estate, infrastructure, credit products and others (excluding our proprietary investments)

*2 Including assets under custody through custody/administration, etc., as well as balances for BPO, reporting, and other services (including intra-group contacting)

Strengthening advisory function in line with trends in asset ownership reform

The "Asset Owner Principles" (hereinafter, AOP) were established in August 2024 as a common principle for asset owners to fulfill their responsibilities, such as providing appropriate investment results to beneficiaries.

In addition to providing information to promote understanding and early acceptance of AOP, SuMi TRUST Bank provides services to help strengthen governance and risk management systems according to their size and structure. These services are designed to support clients to enhance their investment portfolios and achieve stable asset growth. Our objective is to provide optimal value as an investment partner through these efforts.

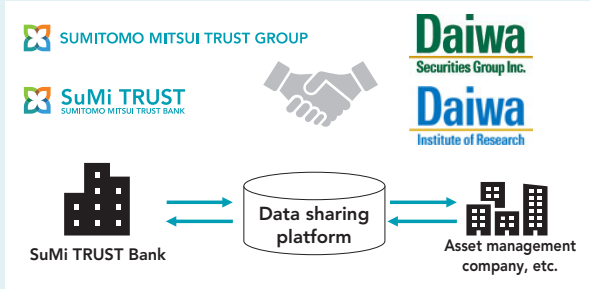


Asset administration: Business partnership with the Daiwa Securities Group

In March 2025, our Group and the Daiwa Securities Group established a business alliance for asset management and asset administration. We will leverage the strengths of both companies to promote asset management industry reforms that will lead to the realization of the government's "Policy Plan for Promoting Japan as a Leading Asset Management Center."

First, we will establish "data sharing platform" to facilitate information and data coordination between asset management companies and trust banks. We will then streamline middle- and back-office investment operations and provide IT solutions to asset management companies. Furthermore, we aim to promote the development of the industry by improving the efficiency of the entire asset management industry and by

encouraging new entrants. We plan to achieve this through the expansion of business process outsourcing (BPO) and other services, the establishment of a Single-NAV calculation solution, and the digitalization of business operations.



Asset Management Business

Key Clients/Markets

- Individual investors
- Institutional investors in Japan and overseas

Competitors

- Financial groups in Japan (Mega-banks, Securities companies, etc.)
- Asset management companies in Japan and overseas

1. Main Business

We contribute to the long-term and continuous asset management of our clients through the various asset management functions of our Group companies, including high-quality asset management solutions cultivated through pension management business and the provision of a wide range of products through our global network.

Major subsidiaries and affiliated companies

- Sumitomo Mitsui Trust Asset Management
- Nikko Asset Management
- Sky Ocean Asset Management
- JP Asset Management

2. Aspiration

In addition to autonomously enhancing the various asset management functions of our Group's asset management companies, we will make strategic investments to strengthen our unique and value-added product offering, thereby

contributing to the long-term and continuous asset management of our clients' assets. We also aim to solve societal issues and have overall market growth through ESG investing and engagement with investee companies.

3. Environmental Awareness

- The "Asset Management Nation" concept is generating momentum for a "virtuous circulation of growth and distribution" and encouraging the entry of new asset management companies
- Experiencing a paradigm shift towards an "economy with positive interest rates," and increased uncertainty in the markets due to geopolitical risks
- The reduction in the fee ratios has accelerated, particularly in passive investment
- Continued strengthening and entry of Japanese and foreign players in private assets, where investor demand is increasing

Opportunities

The new NISA scheme, among other factors, has led to accelerated investment, as well as an increase in asset-formation needs among individual investors. There is increasing demand for investment in private assets, etc. particularly among institutional investors in Japan and overseas.

Threats

Investor attitudes are subject to rapid change due to shifts in market conditions, regulations, and other environmental factors. There is an escalating level of competition for highly specialized asset management talent

4. Our Strengths (Winning Formula)

- Our Group collaboration that contributes to the development of high-quality index and active investment strategies cultivated through pension management and the exercise of our Group's advisory function (Sumitomo Mitsui Trust Asset Management)
- Optimal solutions to meet the diverse investment needs of a broad client base in Japan and overseas by leveraging the management capabilities with a competitive edge and global network of asset management and distribution that we have cultivated (Nikko Asset Management)

5. Challenges and Action Plans

Challenges

- Expand the product formation and lineup in order to meet the diversifying needs of our investors
- Improve the overhead ratio by increasing profitability and streamlining
- Further expansion of assets under management (AUM) in the domestic individual business and in overseas markets where high market growth is expected

Action Plans

- Strengthening the autonomous asset management capabilities of our Group asset management companies
- Offering high-value investment products such as private asset and streamlining the group business operation by leveraging the internal synergies
- Scaling up through strategic investments and alliances

6. Initiatives to Strengthen Our Business Portfolio

In addition to selecting and concentrating investment products to meet the diversifying needs of investors, we will create resources by rationalizing the system environment and promoting the use of generative AI, etc. The resources created will be used to support organic growth, including the recruitment of specialized talent in key strategic areas

and the attraction of new funds through seed investment for product formulation. We will also pursue inorganic growth opportunities, such as acquiring a global sales network, by leveraging the resources for strategic investments and alliances.

7. KPI

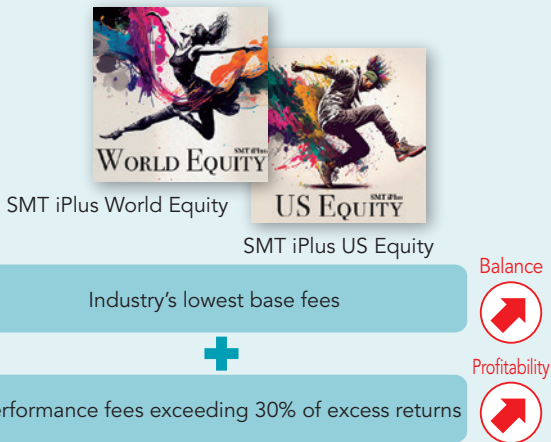
	FY23	FY24	FY25 Plan	FY30 Aspiration*
Sumitomo Mitsui Trust Asset Management AUM (trillion yen)	Approx. 94	Approx. 94	Approx. 99	Approx. 102
Nikko Asset Management AUM (trillion yen)	Approx. 36	Approx. 35	Approx. 38	Approx. 43

*Excluding market value impact

Maximize profitability by offering distinctive investment products

Our Group will respond to the diversifying needs of investors by offering distinctive investment products, each provided by our Group management companies, in addition to improving the profitability of our Group.

Sumitomo Mitsui Trust Asset Management also offers premium asset management products to individual clients, leveraging its expertise in asset management and customization, which is cultivated through its experience in pension management for institutional investors. In addition to the goal of generating returns that outperform the index through a distinctive investment strategy, the SMT iPlus Series provides clients with new investment opportunities. These opportunities are designed for investors who prioritize cost and performance, with trust fees based on the investment track record.



Strengthening investment capabilities to meet diverse investment needs

Nikko Asset Management is committed to developing talent with extensive expertise through evaluation and compensation systems based on global standards, and to enhancing their autonomous asset management capabilities.

Furthermore, to address the diverse investment needs of investors, the company has acquired its asset management capabilities to perform inorganic strategies. In the private asset field, where investor needs are rising, the company has entered into a strategic partnership with Tikehau Capital, a global alternative asset management group. The partnership promotes the joint development of Asia focused private asset investment strategies, combining the investment expertise of both companies.

Nikko Asset's global management framework designed to address diverse investment needs



- Key Nikko Asset Bases
 - Strategic Partners
1. Osmosis (Holdings) Limited; 2. Rongtong Fund Management Co., Ltd.; 3. AHAM Asset Management Berhad; 4. Tikehau Amova Investment Management; 5. Yarra Capital Management, Limited; 6. ARK Investment Management LLC

Real Estate Business

Key Clients/Markets
• Individuals, Corporations, Investors
• Real demand markets, Investment markets

Competitors
• Mega-banks, Securities companies
• Dedicated real estate brokerage firms

1. Main Business

We offer a comprehensive suite of professional services, including real estate brokerage, development, asset utilization, construction, environmental and other consulting services, asset management, and real estate custody. Our comprehensive approach is designed to address our clients' challenges, providing peace of mind and security in the market.

Major subsidiaries and affiliated companies

- SuMi TRUST Bank
- Sumitomo Mitsui Trust Realty
- Sumitomo Mitsui Trust Research Institute

2. Aspiration

Our objective is to be the Best Partner, trusted by our clients, by leveraging our deep expertise and comprehensive capabilities in real estate, as well as our proprietary investments. In addition, our high-quality services rooted in a

strong fiduciary commitment provide peace of mind and security. As a key component of the market's social infrastructure, we aim to grow in tandem with the markets.

3. Environmental Awareness

- Growing need for individuals to manage their assets driven by the arrival of the era of great inheritance and the Government's initiatives of "Asset Management Nation"
- Diversification of asset management needs in response to the expansion of the private asset market and the return of interest rates
- Increased recognition for increasing shareholder value through sustainable management practices, such as capital efficiency, human capital development, and decarbonization
- Movement toward business process transformation through generative AI and other digital transformation (DX) initiatives

Opportunities

The real estate investment market is expanding driven by the "Asset Management Nation" concept, the "savings-to-investment" policy and the broadening investor base. DX presents a valuable opportunity to enhance operational efficiency and create added value

Threats

The real estate investment market has largely priced in interest rate and inflation to some extent. However, a sharp rise could lead to falling property prices and a decline in transaction volume

4. Our Strengths (Winning Formula)

- Our high-quality fiduciary services backed by 100-year of experience in the real estate business, our founding industry
- Strong capabilities in property evaluation and comprehensive consulting, supported by diverse information and data
- Real estate asset management expertise through proprietary investments and financing/investor arrangements
- Client-centric value creation in securitized trust and REIT-related services, where we hold a leading market share

5. Challenges and Action Plans

Challenges

- Maximize productivity and profitability while expanding our market share in the rapidly growing real estate sector
- Achieve stable and sustainable growth through expanded recurring income

Action Plans

- Sophisticate sales by leveraging data and establishing platform, and optimize appropriate fees by providing high added value
- Sustainable earnings growth by expanding proprietary investments and accumulating AUF

6. Initiatives to Strengthen Our Business Portfolio

To further strengthen the real estate value chain and reform business processes through digital transformation (DX), we will review low-profit operations to create a front-line sales force and invest resources in profitable areas while closely monitoring market conditions. Additionally, we will

prioritize strategies to enhance recurring income from securitization entrustment by optimizing fees, strengthening sourcing through proprietary investments, and expanding investor outreach.

7. KPI

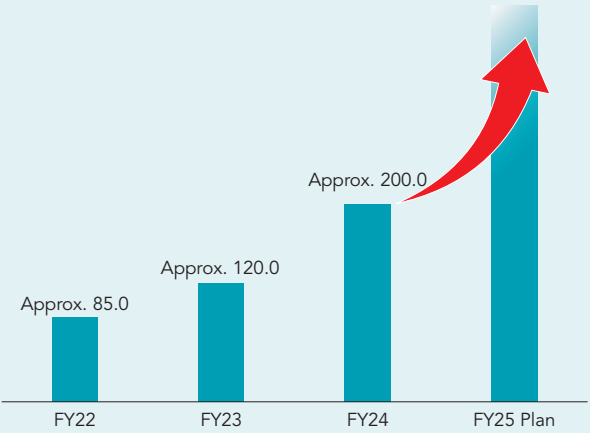
	FY23	FY24	FY25 Plan	FY30 Aspiration
Entrusted balance of real estate securitization (trillion yen)	27.3	29.9	32.3	—
Income from corporate real estate brokerage (billion yen)	31.3	34.5	36.0	40.5

Strengthening real estate equity and asset management businesses

In the real estate business, our goal is to guide clients seeking invest opportunities in real estate by utilizing equity based on our discerning expertise and the various data that we have cultivated through our many years of experience in the real estate business. We are also enhancing our sourcing framework to provide clients with superior investment opportunities by leveraging our diverse capabilities, including real estate brokerage, consulting, securitized real estate, financial arrangements, and asset management. As a "bridge" between the real demand market and the investment market, our goal is to increase earnings by offering solutions that include equity utilization and accumulating equity AUA*

*Total amount of invested real estate

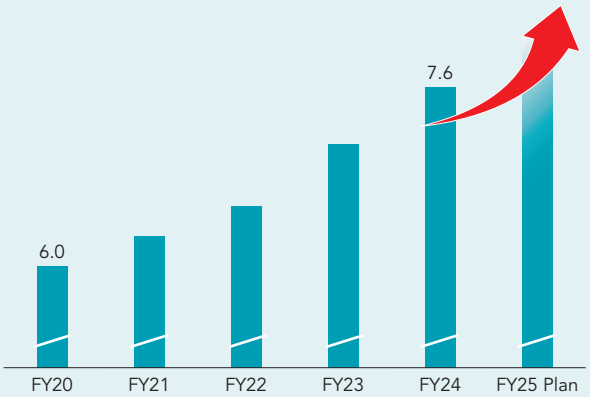
■ Changes in equity AUA balance (billion yen)



Strengthening resilience and optimizing fees: Securitized real estate and REIT-related services

In light of the expansion of the real estate investment market and the increase in private REIT formations, client expectations for our real estate business are rising. The real estate industry serves as social infrastructure in the form of securitized real estate and investment corporation businesses. In order to respond to such expectations fully and continuously, we are transforming our business processes through digital transformation (DX) and other initiatives and optimizing the level of fees in line with providing high added value. Our objective is to increase recurring income by cultivating a reputation as the preferred partner among clients. We plan to accomplish this by improving the quality of our administrative work, establishing a continuous and stable framework for entrustment, and positioning ourselves as an essential presence in the real estate investment market.

■ Changes in stock income (billion yen)



Global Markets Business

Key Clients/Markets
• Individuals, Corporations, Investors
• Interbank market, foreign exchange, bonds, derivatives, etc.

Competitors
• Mega-banks, Major securities companies
• Overseas financial institutions

1. Main Business

By combining client service, market functions, and administrative functions, we will provide optimal solutions as a group of experts in market volatility management.

Major subsidiaries and affiliated companies
• SuMi TRUST Bank

2. Aspiration

We aim to maximize the corporate value of our Group by combining our proprietary investment expertise (strategic diversification, three-dimensional diversification, and ALM expertise) and fiduciary spirit. At the same time, we contrib-

ute to the realization of a virtuous circulation of funds, assets and capital by expanding the market-oriented client business that meets all client needs, from asset management and risk hedging to decision-making support.

3. Environmental Awareness

- The “economy with positive interest rates” due to the Bank of Japan’s policy rate hike, and differences in monetary policy cycles among countries
- The weak yen and rising wages and prices have resulted in increased costs
- Geopolitical and political events have been shown to have a significant impact on economic activity
- There is an increasing demand for the provision of solutions that will serve as the starting point for a “virtuous circulation of funds, assets and capital” to solve societal challenges
- Tightening of global financial regulations and increased scrutiny of fiduciary duty (FD), compliance and conduct risk management

Opportunities

Changes in the financing and investment needs of our clients, including individuals, corporates, and investors. Medium- to long-term investment strategy in a non-deflationary environment with high market volatility

Threats

Rapid changes of the market environment and structure in response to external factors, including geopolitical events and political issues. Decline in solution offering capabilities and operational quality due to delays in responding to accelerating IT, digitalization, and DX

4. Our Strengths (Winning formula)

- Strong risk control capabilities which have been cultivated through proactive efforts to predict constantly changing markets and analyze market structures
- Outstanding proposal capabilities that connect our unique investment and asset-liability management (ALM) expertise to address client challenges
- Our capacity of IT and digital technology to visualize and simulate the market risks our clients hold and to provide market-based transactions and services, such as foreign exchange and foreign currency deposits

5. Challenges and Action Plans

Challenges

- Marketing that is both efficient and problem-solving amidst diversifying client needs
- Controlling interest rate risk and improving the profitability of investment operations in an economy with positive interest rates and a non-deflationary environment

Action Plans

- Provide solutions that integrate investment and ALM expertise and IT and digital technology
- Continuously take risks and stabilize periodic profit and loss in the investment business through long-term portfolio management

6. Initiatives to Strengthen Our Business Portfolio

We will generate capital by streamlining existing operations through IT, digital transformation, and AI. We will also consolidate rare products and services that focus on profitability, such as expense ratios and capital efficiency, as well as various risks. We will use the generated capital to strengthen our market sales structure in order to respond to changes

in the market environment and client needs. We will also strengthen financing in order to support a virtuous circulation of funds, assets and capital. Finally, we will invest in markets and quantitative analysis that will contribute to long-term portfolio investment.

7. KPI

	FY23	FY24	FY25 Plan	FY30 Aspiration
Balance of Individual Foreign Currency Deposits (Index)	108	121	126	175
Global Markets Business ROE (%)	14	12	17	17

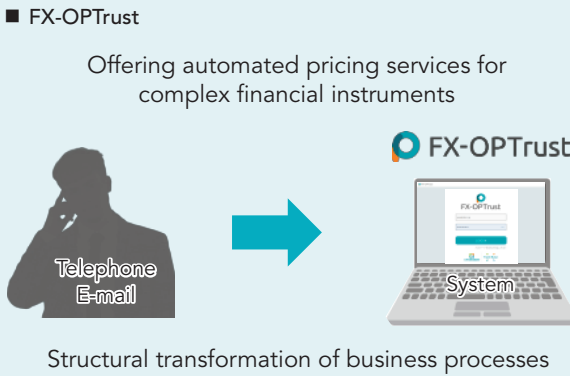
Strengthen client business

In providing marketable products to our clients, we will further strengthen cooperation with the three client businesses and offer products that are tailored to clients’ suitability and risk tolerance.

Corporations: We will propose products that meet our clients’ actual and potential needs, including foreign exchange forward contracts, fixed interest rates, and inflation hedging.

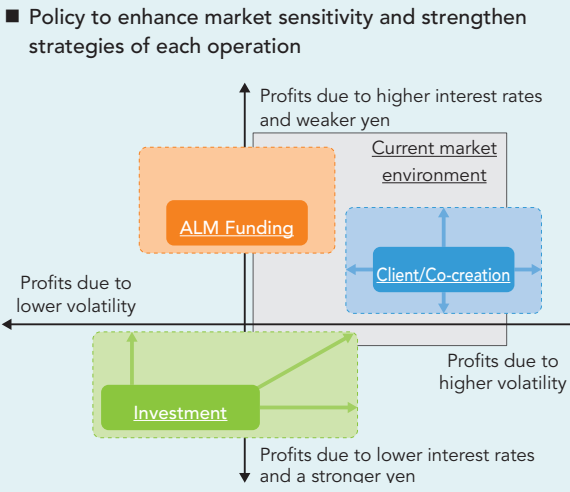
Investors: We offer a suite of products and services for our clients, including automatic pricing and risk visualization tools focused on balance sheets, leveraging digital technology.

Individuals: We will expand our foreign currency-denominated products, such as foreign currency deposits, to meet the medium- to long-term asset-building needs of clients, e.g., accumulation-type products, currency additions, etc., and improve and strengthen our transaction base.



Stabilization of earnings through investment portfolio management

Assuming a shift from a global deflationary trend to a non-deflationary environment and a high market volatility environment associated with changes in political and geopolitical risks, we will strengthen long-term portfolio management based on diversification of investment targets and by taking a long position. By investing primarily in highly liquid assets, we will also take liquidity risk into account in our operations, and by strengthening our long-term portfolio management, we aim to stabilize periodic profit and loss. We will then serve a supplementary role for our clients, other business areas and companywide businesses.



Sustainability Promotion System

1. Basic Understanding

The world faces a wide range of environmental and social problems, including global warming, biodiversity loss, poverty, human rights violations, and growing health hazards. For companies, the decline in social sustainability that results from the intensification of these problems will lead to deterioration of business foundations in the long term. Therefore, in order for companies to sustain growth towards the future, they must proactively contribute to the creation of a sustainable society by engaging with a sense of ownership in solving problems.

2. Governance System

With the recognition that it is our social responsibility to proactively contribute to creating a sustainable society, SuMi TRUST Group's Board of Directors has established the "Basic Policy on the Social Responsibility of Sumitomo Mitsui Trust Group (Sustainability Policy)" (hereinafter, "Sustainability Policy").

In SuMiTG, the Executive Committee, which is an executive body, discusses and decides policies and strategies for promoting sustainability, and the Board of Directors supervises this process, in accordance with the Sustainability Policy.

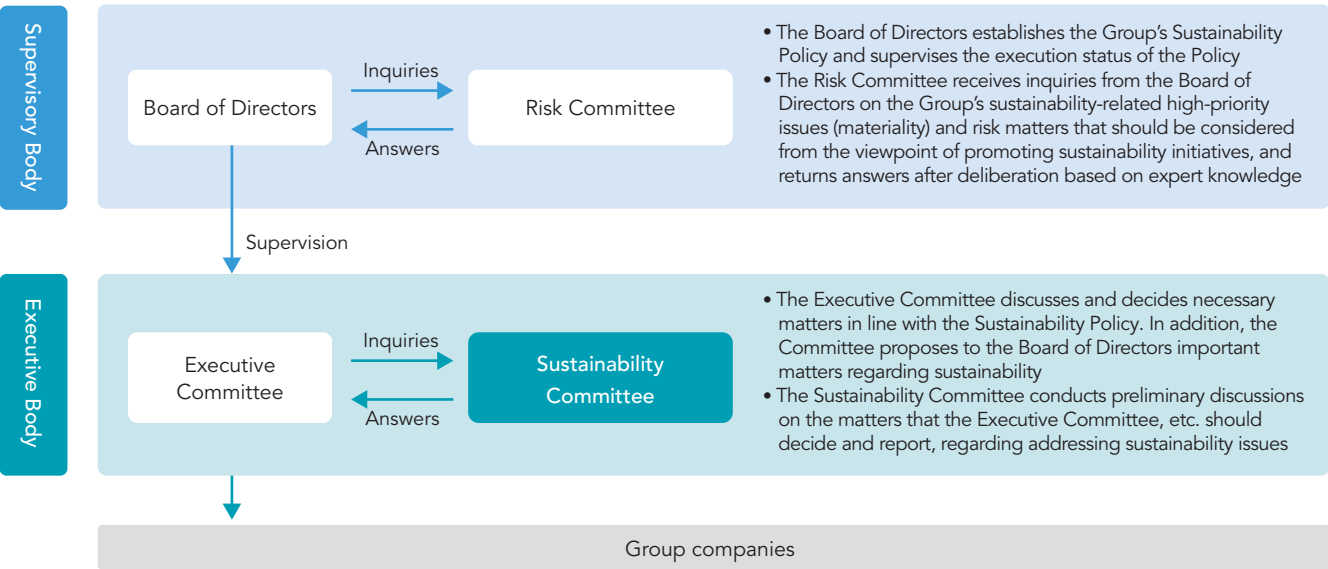
The Board of Directors, as a supervisory body, has established a Risk Committee as an advisory body to review and supervise the SuMi TRUST Group's sustainability initiatives.

In fiscal 2023, the Executive Committee established the Sustainability Committee as an advisory body with the aim of organizationally discussing issues with responsible departments to address sustainability issues, and reporting the

In accordance with Reason for Existence ("Purpose"), Management Principles ("Mission"), Ideal Model ("Vision") and Codes of Conduct ("Value"), the SuMi TRUST Group respects dialogue with all stakeholders, including its clients, shareholders and investors, employees, business partners, local communities, NPOs, government agencies, and international organizations, while playing a positive role in contributing to creating a sustainable society. Through fulfilling our social responsibility, we aim to improve our own sustainability and enhance our corporate value together with society.

progress. The Committee is comprised of the officer in charge of the Sustainability Management Department (CSuO*1 from fiscal 2024) as the chairperson and certain of the officers in charge of the corporate management departments. It checks the progress of the sustainability initiatives in the Group and deliberates various measures to promote sustainability. In fiscal 2024, the officer in charge of the Risk Management Department (CRO*2 from fiscal 2024) was added to members of the Committee, in response to the growing attention to sustainability-related risks. Through deliberation at the Committee and submission of reports to the Executive Committee, we clarify the scope of sustainability issues, and establish a structure to systematically carry out a series of initiatives, including policy planning, response implementation, and disclosure.

*1 Chief Sustainability Officer
*2 Chief Risk Officer

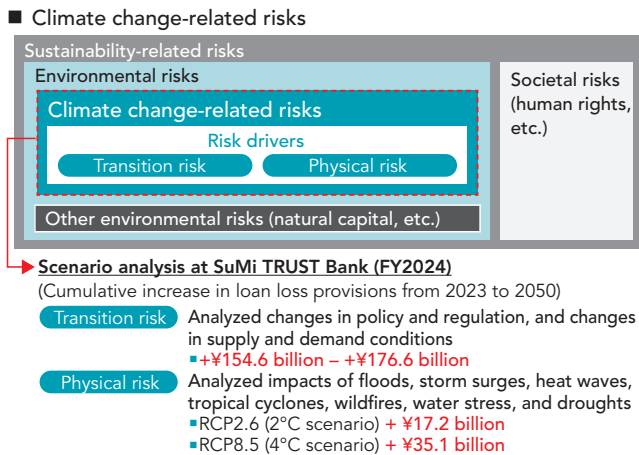


3. Framework for Sustainability-related Risk Management

The SuMi TRUST Group has established its approach to risk management and a basic management system under its Management Policy of Sustainability-related Risks in order to appropriately identify and mitigate sustainability-related risks.

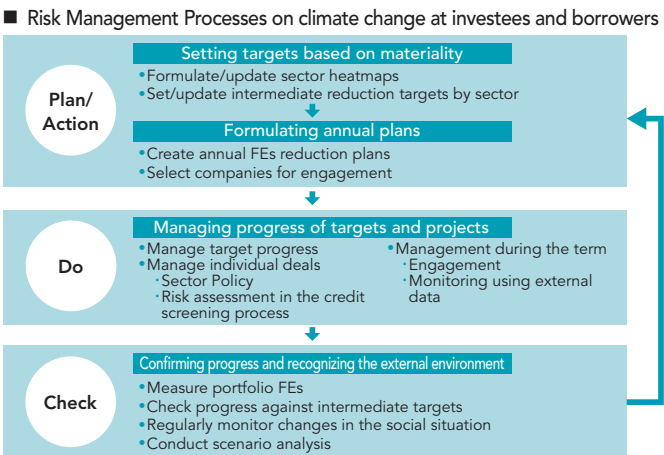
Our Group recognizes that the Group's business activities may adversely affect the building of a sustainable society if we don't sufficiently consider the influence of our activities. In addition, it may impact our Group's performance, financial condition, business continuity, brand value, growth potential, and other factors. We recognize that such impacts are risk drivers that may arise not only within our Group but also within the value chain, and that they may affect all risk categories.

Based on the above risk recognition, our Group is working to identify and mitigate the negative impacts on societal and environmental issues in order to build a sustainable society.



At the same time, we are continuously strengthening our sustainability risk management processes and systems.

In fiscal 2024, SuMi TRUST Bank established a process to identify and assess negative impacts arising from our business operations, including finance. In this process, we examine preventive and mitigation measures to appropriately address societal demands for climate change, biodiversity, and respect for human rights. We are implementing mitigation measures commensurate with the severity and likelihood of identified adverse impacts, and are establishing a system to further reduce risks through continuous monitoring and engagement (dialogue) with stakeholders and other concerned parties. Furthermore, we have established a sector policy for wood biomass power generation for our Group's credit services after taking into consideration their environmental and societal impacts.



< Sector Policy for Wood Biomass Power Generation >

Risks to be aware of

There is a possibility that wood biomass power generation will have a negative impact on the environment and society in terms of the following:

- Environmental destruction such as logging of virgin forests in the process of procuring wood (including unused wood and sawmill residues) and other materials used as raw materials for fuels
- Greenhouse gas emissions throughout the project life cycle
- Health and safety hazards and impacts on the living areas of original inhabitants and local residents in the procurement of raw materials, fuel production, and power generation, as well as human rights violations such as child labor

Policy

We will actively consider initiatives aimed at transitioning to

a decarbonized society, including biomass power generation projects.

On the other hand, before financing a wood biomass power generation project, we will review the above "Risks to be aware of" and make a decision on the project after appropriately evaluating the implementation status of environmental and social considerations. If a business counterparty does not suitably address these considerations, we will request corrective actions for improvement. If the improvement measures are insufficient, we will not participate.

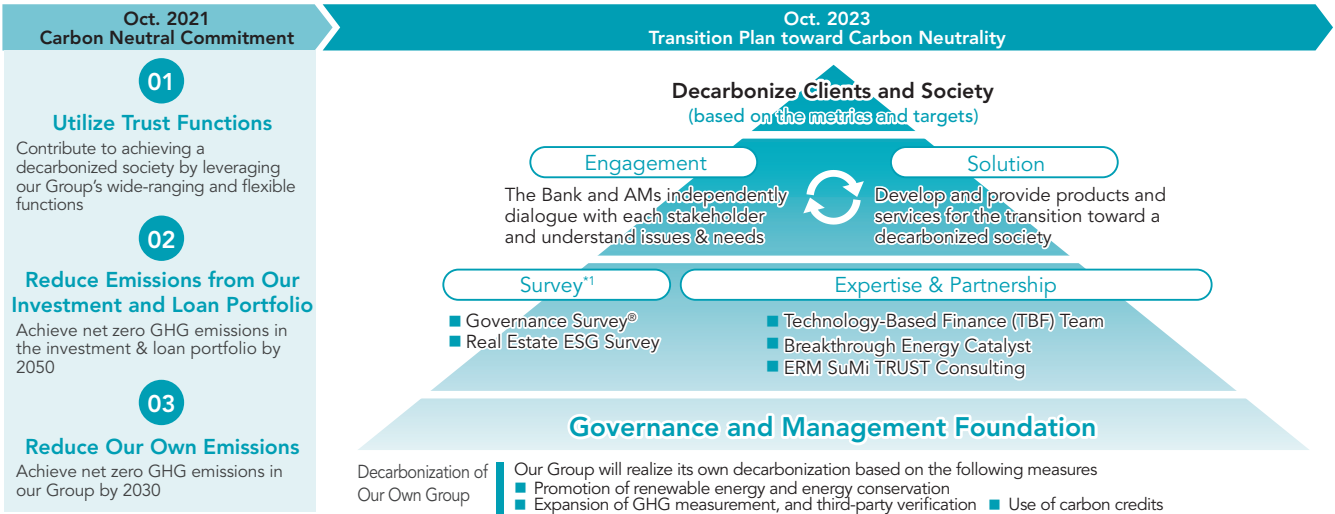
In the case of coal-fired power generation projects that we are already involved in financing, if the business counterparty seeks to transition towards decarbonization, for example, by converting to wood biomass co-firing, we will provide support after appropriately evaluating the project's environmental and social considerations in light of the known risks.

Response to Climate Change

1. Transition Plan toward Carbon Neutrality

The SuMi TRUST Group formulated its Transition Plan toward Carbon Neutrality to steadily fulfill its “Carbon Neutral Commitment”. In fiscal 2024, we strengthened our solution capabilities through providing support by ERM SuMi TRUST Consulting and Japan Forest Asset, and

launching “New Trust Funds <Future Trust>”. We will continue to tackle the issues of climate change, and will contribute to the decarbonization of our clients and society by leveraging our unique advisory, asset management, and asset administration functions.



^{*1} SuMi TRUST Bank carried out fact-finding surveys on various corporate efforts.
“Governance Survey[®]” is one of the largest fact-finding surveys on corporate governance of domestic listed companies in Japan. (Conducted annually since 2017)
“Real Estate ESG Survey” is a fact-finding survey on real estate owners’ ESG efforts through investment and management. (Conducted annually since 2022)

Major Decarbonization-related Initiatives		
ERM SuMi TRUST Consulting	Impact Finance for Nature	Transition Plans by Sector
Japan Forest Asset	Launch of “New Trust Funds <Future Trust>”	

2. Roadmap and Progress Toward Carbon Neutrality

		Baseline	2023	...	2030	2040	2050
		Red: Baseline		Green: Targets			
(i) Net zero GHG emissions in investment & loan portfolio							
Established sectoral strategies	Power generation (intensity, g-CO ₂ e/kWh)	249	219		138~173		Net Zero
	Oil & Gas (reduction rate, Mt-CO ₂ e)	3.6	(38.9)%		(13)%~(31)%		
	Real estate (intensity, kg-CO ₂ e/m ²)	66	58		34~41		
	Shipping (Portfolio Climate Alignment)		New (striving) +19.7% New (min) +14.2%		≤0%		
	Iron & Steel (reduction rate, Mt-CO ₂ e)	4.3	(30.2)%		(22)%~(27)%		
	Automotive				(47)%		
	Products (intensity, g-CO ₂ e/vkm)	202	184		106~128		
(ii) Net zero GHG emissions in Asset Management portfolio							
SuMiTAM		Compared with Jun. 2021 (21.1)%			Halve intensity of 50% of assets under management ^{*2} from 2019		Net Zero
Nikko AM		(23.0)%			Halve intensity of 43% of assets under management ^{*3} from 2019		
(iii) Net zero GHG emissions from Our Own Group Scope1, 2 (t-CO ₂ e)			8,840		Net Zero		

^{*2} The target is 43 trillion yen, which is 50% of 85 trillion yen in assets under management as of the end of June 2021.
^{*3} The target is approximately 13 trillion yen, which is 43% of 31 trillion yen in assets under management as of the end of December 2021.

Providing Solutions to Clients

Amid growing concern over sustainability-related societal issues, expectations for and demands on companies are increasing year by year. For this reason, companies are required to formulate strategies and plans, comply with regulations, take actions at the implementation stage, and evaluate them. SuMi TRUST Bank supports its clients’ initiatives not only through financing but also through the TBF Team, which has expertise in technology and policy; the Sustainability Strategy and Solutions Department, which specializes in sustainability;

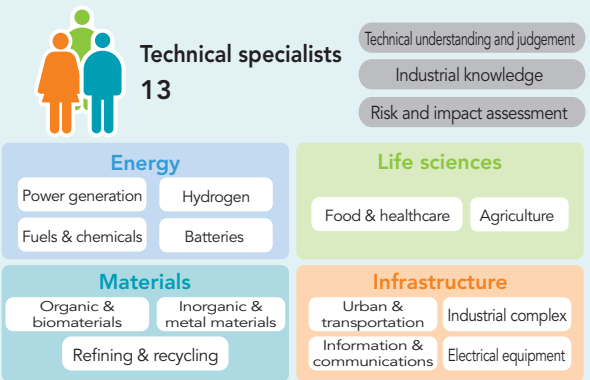
ERM SuMi TRUST Consulting, a joint venture with the ERM group, the world’s largest sustainability consulting firms; and Japan Forest Asset, which aims to regenerate forests through reforestation of abandoned forests and logged areas, thereby strengthening the solution capabilities unique to a trust group. All of our Group companies continuously strengthen our client support system as one team, contributing to sustainable initiatives.



Technology-Based Finance (TBF) Team Initiatives

In 2021, SuMi TRUST Bank established the Technology-Based Finance (TBF) Team, centered on engineers to engage in financing based on technological perspective. The TBF Team was launched with five technical specialists, but has now 13 members as of the end of May 2025, who are targeting four societal issues: (1) decarbonization, (2) circular economy, (3) natural capital, and (4) healthy aging, and taking advantage of their expert knowledge in various fields. One of the TBF Team’s main activities is a verification work aimed at the social implementation of technology. For example, their six demonstration projects have been adopted by Japan’s Ministry of the Environment and Ministry of Land, Infrastructure, Transport and Tourism, as the ministries’ projects. They also engage in 13 collaborative research projects with 10 universities. The TBF Team will continue to combine technology, pol-

icy, and finance to address societal issues (See also pages 31 and 32 of the “Climate Change Report 2024/2025” for details of the TBF Team’s initiatives).



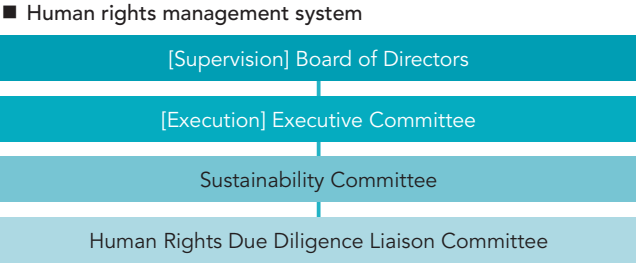
Progress of Our Approach to Carbon Neutrality
https://www.smtg.jp/english/-/media/tg/english/news/202506/Project_English_NetZero.pdf

Climate Change Report 2024/2025
https://www.smtg.jp/english/-/media/tg/english/sustainability/report/2024/climate_all.pdf

Respect for Human Rights

1. Human Rights Management in the SuMi TRUST Group

In accordance with our Human Rights Policy, our Group identifies and assesses negative impacts on human rights and promotes initiatives to prevent and mitigate such impacts. As part of our human capital management, we continue to implement measures such as fair evaluation and treatment, maintaining the workplace environment, promotion of health management, and promotion of diversity, equity, and inclusion.



2. Human Rights Policy and Risk Awareness

(i) Human Rights Policy

We formulated our Human Rights Policy based on the “Guiding Principles on Business and Human Rights” adopted by the United Nations Human Rights Council in 2011. In light of the increased importance of respecting human rights, as well as the expanded human rights issues required of financial institutions, we revised our human rights policy in

February 2023.

Human Rights Policy
https://www.smtg.jp/english/sustainability/management/human_rights_policy

(ii) Identification of material human rights risks

In conjunction with the revision of our Human Rights Policy, we confirmed risks that our business activities could have on human rights to identify the following three as material human rights risks from the perspectives of the “scope of impact” and “severity.”

- Prejudice and discriminatory views, including the Dowa issue (discrimination against a certain group of domestic Japanese)
- Forced labor, child labor, and human trafficking
- Involvement in conflicts and inhumane acts

3. Human Rights Due Diligence

(i) Survey of Group companies

In order to understand our Group's human rights issues, each Group company strives to identify human rights issues concerning its directors and executive officers, employees, and business partners and suppliers, and take improvement measures, if necessary, once a year, utilizing the “Human Rights Due Diligence Checklist.” In fiscal 2024, the number of cases with problems reported in detail is shown in the table on the right. Based on these results, the Human Rights Due Diligence Liaison Committee has deliberated and reflected the findings in improving the system and the themes

of human rights enlightening training.

Category	FY2023	FY2024
Violation of workers' rights (mainly the right to fair and impartial evaluation)	7	16
Occupational health and safety	68	31
Discrimination/harassment	91	56
Infringement on the lives and culture of local residents	0	1
Invasion of privacy	1	1
Human rights risk in investees, borrowers, suppliers, etc.	1	4

(ii) Survey of external stakeholders

In order to conduct responsible corporate behavior, SuMi TRUST Bank introduced business flows utilizing external data in November 2023 for risks mainly related to environmental and societal issues. SuMiTB conducts fact-finding surveys in cases where it is deemed necessary to prevent or mitigate negative impacts.

Based on the results of these surveys, SuMiTB determines whether monitoring is necessary, and continues dialogue

with the companies subject to monitoring to prevent or mitigate negative impacts. In addition, through dialogue with NGOs and other stakeholders, we have identified and evaluated negative impacts and we are promoting efforts to reduce them. In the future, we will work to expand the scope of target operations and instill the significance of such efforts in its employees.

(iii) Human rights training

Our Group recognizes that it is important for our directors, executive officers, and employees to enhance their understanding of human rights issues and work with a sense of ownership, and that continuing efforts are necessary.

Since fiscal 2023, SuMi TRUST Bank has clarified the role expected for each position. Additionally, SuMiTB has introduced new training aimed at raising the awareness of human rights issues among the top management and managers based on the existing training by position, promoting more effective initiatives.

In fiscal 2024, SuMiTB conducted training aimed at raising awareness of and establishing our Human Rights Policy and

material human rights risks.

■ FY2024 Human rights training

Training for executives	Prohibition of discrimination against persons with disabilities Neurodiversity
Training for general managers and deputy general managers	The Dowa issue in light of the Human Rights Policy and material human rights risks
Employee training	The Dowa issue in light of the Human Rights Policy and material human rights risks

(iv) Human Rights Due Diligence Liaison Committee

The Human Rights Due Diligence Liaison Committee fully discusses issues identified through the above process, leading to the formulation and implementation of concrete improvement measures.

Based on the Human Rights Policy, the committee investigates each Group company's human rights related responses, identifies issues which need a response, and discusses improvement measures with the aim of promoting efforts to respect human rights.

■ Major deliberations in the Human Rights Due Diligence Liaison Committee during FY2024

July 2024	• Fact-finding survey of human rights issues at Group companies, and responses of the personnel consultation desk • Fact-finding survey of external stakeholders, and responses of the grievance consultation desk • Monitoring results of the UK's Modern Slavery Act in FY2023
January 2025	• Fact-finding survey of human rights issues at Group companies, and responses of the personnel consultation desk • Fact-finding survey of external stakeholders, and responses of the grievance consultation desk

4. Grievance Mechanism

(i) Details of the grievance mechanism

SuMi TRUST Bank has a personnel consultation desk (LGBTQ Consultation Desk) and a compliance hotline in place to provide consultation on various human rights issues. Anyone can consult anonymously using these measures. In addition to protecting the privacy of those seeking consultation, if any negative impact on human rights becomes clear in a consultation or report, necessary measures will be taken promptly in cooperation with the relevant departments.

(ii) Compliance Hotline

Our Group's Compliance Hotline enables directors, executive officers, and employees to directly report legal violations to the FD and Compliance Department or external law firms. The system ensures protection of whistleblowers, and simple means of reporting (the web system and telephone calls to external law firms) have been established. We cooperate with the personnel consultation desk to respond to reports of harassment and other human rights issues.

■ Number of consultations received at the personnel consultation desk in FY2024

	Number of consultations	Number of outstanding consultations
Total	103	20
Harassment concerns	40	16
Power harassment	36	15
Sexual harassment	3	1
Maternity harassment, Care harassment	1	0
Human resources (including employment)	15	1
Organizational operation	18	1
Human relationships (including health-related)	13	2
General inquiry (System, etc.)	17	0

■ Number of consultations reported to the compliance hotline in FY2024

40 (the number of consultations related to human rights reported to the compliance hotline, including those from the Group companies)

Please refer to **(Q.P.95)** for details of the compliance hotline system.



Message

Message from the Chief Human Resource Officer (CHRO)

Takumi Fujisawa
Managing Executive Officer CHRO
SuMi TRUST Group

The Group has established a virtuous circulation that “realizes well-being for all stakeholders” and “enhances corporate value.” This circulation is designed to address the evolving needs of customers and address pressing social issues by leveraging the Power of Trust.

We firmly believe that human capital is the most important foundation for management that supports this “virtuous circulation.” In today’s rapidly globalizing and technologically innovating world, our competitiveness and sustainable growth stem from the autonomous behavior of each employee as they strive to create new value based on our Purpose, “Trust for a flourishing future.”

To continuously strengthen our human capital, we launched a new personnel system at our core subsidiary, SuMi TRUST Bank, in fiscal 2025. The new system will empower employees to shape their careers and foster an environment where diverse talent, regardless of gender or age, can embrace challenges and contribute based on their wills and skills. This system is designed to enhance the professional growth of each individual and ensure optimal placement within the organization.

Moving forward, we will continue to advance our human capital strategy further to ensure that diverse, specialized talent continues to deliver new value to our customers and society by leveraging their strengths and mutually enhancing one another.

1. Human Capital Strategy to “Trust for a flourishing future”

Human capital is an important part of realizing SuMi TRUST Group’s Purpose, promoting a virtuous circulation of funds, assets, and capital through initiatives that address social issues, and achieving growth through creation of new markets.

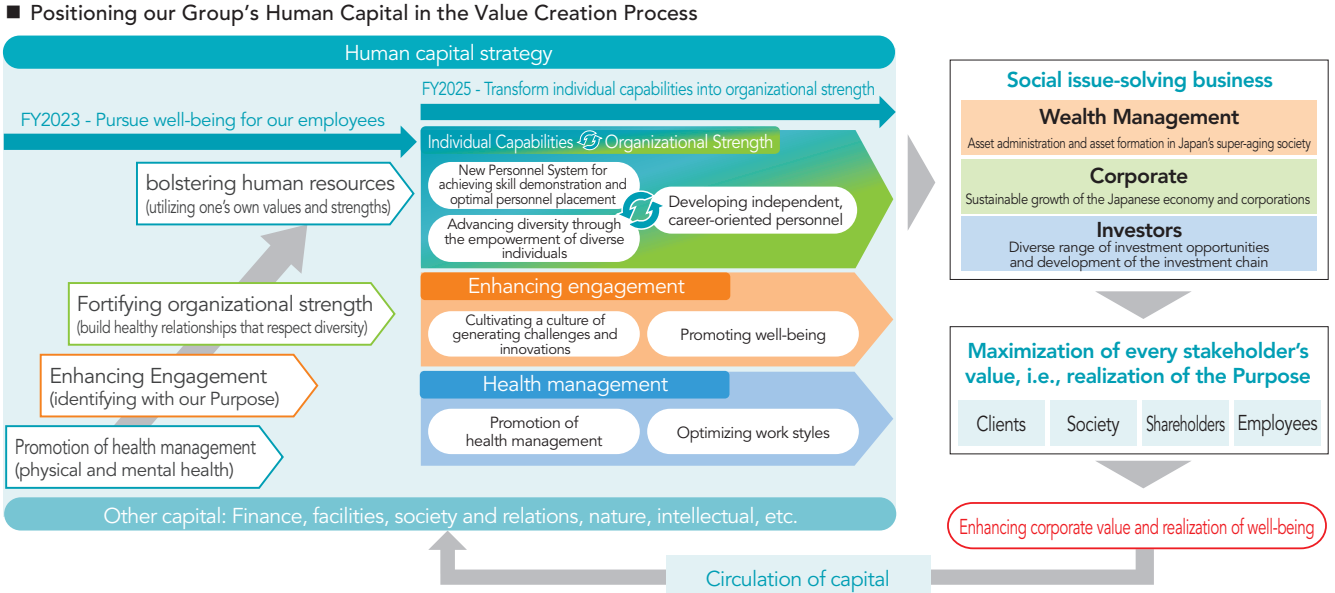
The Group’s human capital strategy is to create an environment where each employee can act autonomously, as they aspire to “Trust for a flourishing future,” take on the challenge of creating new value, and play an active role. This approach enables them to showcase their unique skill sets and contribute to the organization’s overall strength.

The Group has defined “Well-being for our employees” as a key objective in its Medium-Term Management Plan, which began in fiscal 2023. To that end, the Group has initiated a series of initiatives aimed at expanding the professional competencies of each employee. In fiscal 2025, the final year of the Medium-Term Management Plan, we will “Transform individual capabilities into organizational strength.” We will implement a new personnel system at SuMi TRUST Bank and promote a culture of challenge and innovation. We will accomplish this by focusing on our purpose and values and updating our communication methods. The objective is to enhance employee engagement.

Additionally, in fiscal 2025, the Group established a Human Capital Committee, chaired by the CHRO, as an advisory body to the Executive Committee. The committee reviews and oversees human capital initiatives across the entire Group, thereby enhancing the effectiveness of human capital strategies.

Well-being for our employees

Be of healthy mind and body, identify with our Purpose, build healthy relationships that respect diversity, and feel and pursue wellness in their own work by utilizing their own values and strengths.

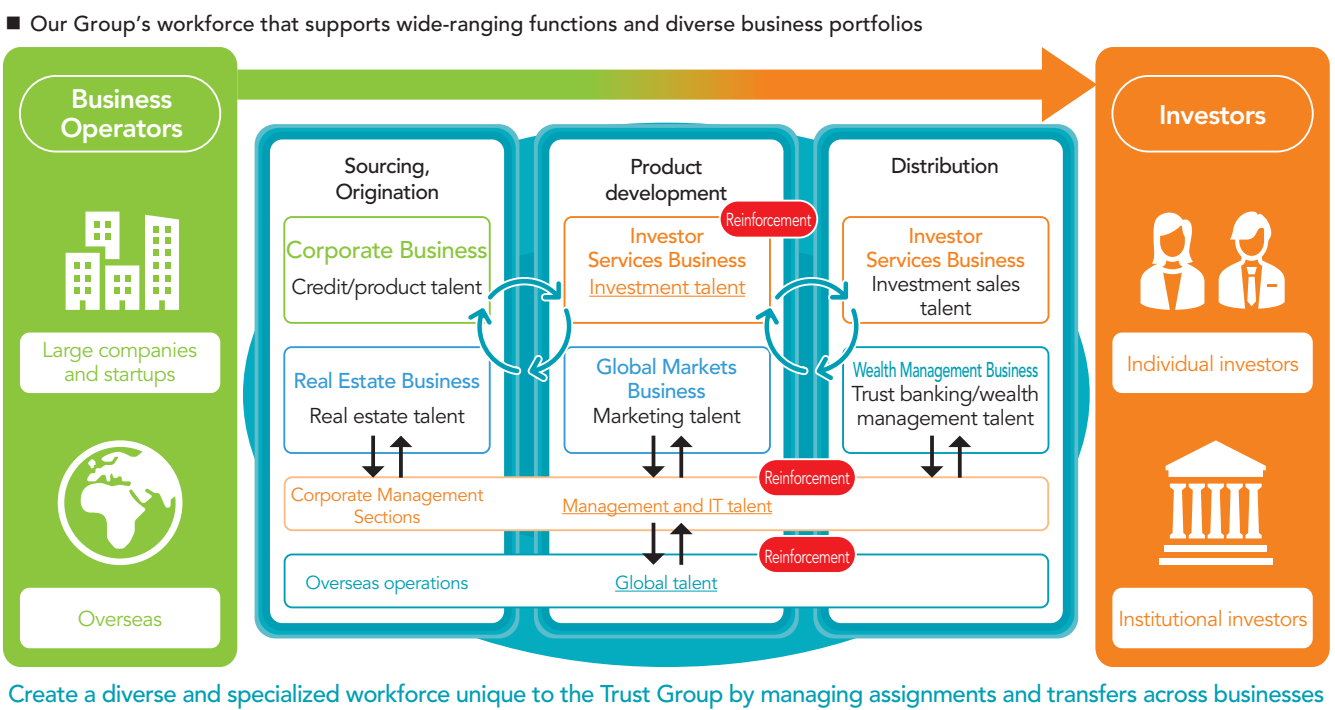


2. Developing a Workforce Portfolio to Execute Management Strategies: Transform Individual Capabilities into Organizational Strength

To sustainably maintain and strengthen our human capital in order to realize our management strategy, the Group is building a diverse, specialized workforce to support our extensive range of functions and business portfolio.

Our focus is on human resource development and providing career development support, with the objective of enabling each employee to evolve into an “autonomous career-oriented person” who considers their future aspirations and takes action to achieve them.

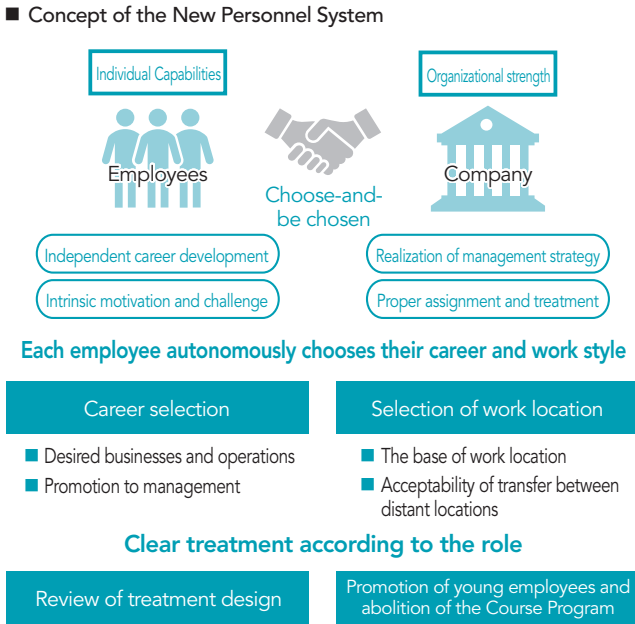
We will enhance our personnel system, evaluation processes, placement procedures, promotion management, and human resource development programs in a flexible manner. Our objective is to establish a work environment in which each employee can contribute meaningfully. This environment will provide fair and equitable support based on career stage and life events, thereby maximizing each individual’s capabilities to contribute to the organization.



(i) The new personnel system designed to effectively demonstrate employees’ skills and ensure optimal placement

The personnel evaluation system of SuMi TRUST Group is “self-participatory.” Employees discuss with their supervisors to set specific task objectives, and at the end of the fiscal year, they review the outcome and the process for achieving them, to ensure a high level of satisfaction regarding their appraisal.

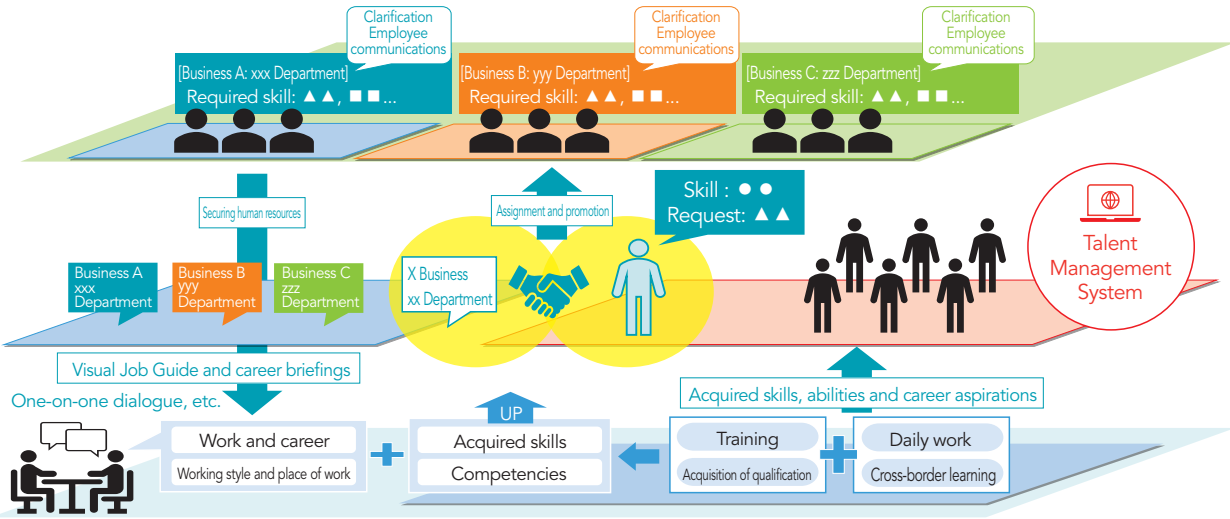
SuMi TRUST Bank has implemented a new personnel system in fiscal 2025 in response to recent changes in the human capital environment, including a declining labor force, intensifying competition for human resources, and diversifying work styles. Employees and the company build an equitable relationship through a “choose-and-be chosen” approach, fostering shared growth and development. Employees are empowered to make independent career and work style choices, while the company assigns and promotes employees based on their “will” and “skills.” The company offers a clear treatment system according to the roles employees play, thereby maximizing each employee’s abilities, optimizing the allocation of human resources, and enhancing the “Organizational Strength.”



“Choose-and-be chosen” relationship between employees and the company

In the “choose-and-be chosen” relationship between employees and the company, employees are expected to embody their aspirations and form of working, and to acquire and improve their skills and abilities (competencies) to realize them. At the same time, the company is developing an environment in which diverse employees can play an active role and take on various roles through one-on-one dialogue. The company is also disseminating information, such as the “Visual Job Guide” and the “Skill Map,” to help employees understand their desired jobs and the necessary skills. The company recognizes that managers are often occupied with daily tasks and guiding their staff members through the measurement of presenteeism. To support employees’ career development, the company is implementing several initiatives. These include optimizing the scale of organizations and increasing the number of managers. The company is also placing in-house career consultants.

In addition, our new Talent Management System to be introduced will enable employees to recognize their skills and work experience, understand the gap between their current situation and their career goals, and identify the learning and work experience needed to achieve those goals, fostering autonomous career development. The company will also use the system to identify the workforce needed to achieve its management strategies, optimize personnel placement for growth, and improve assignment management.



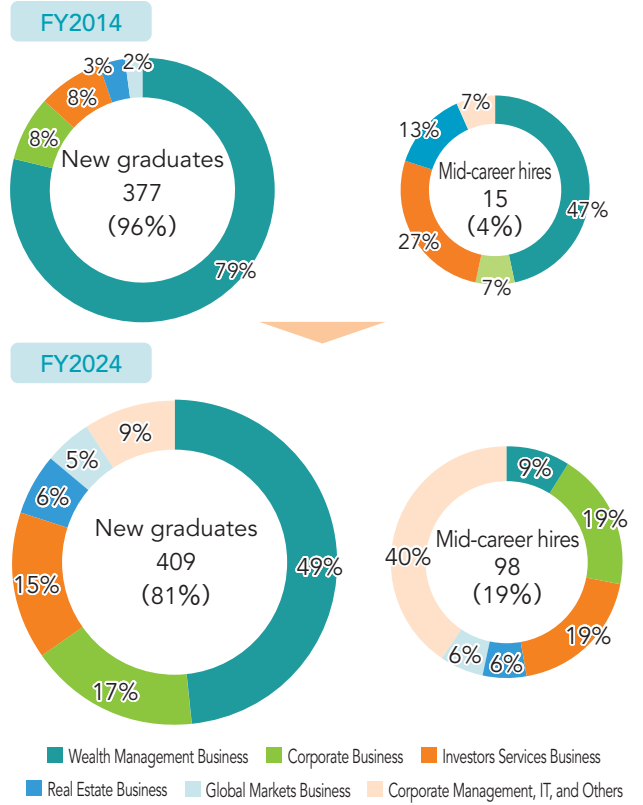
(ii) Developing independent, career-oriented personnel

Self-selection and self-determination of employees are important for developing independent, career-oriented personnel. To this end, the Group will support the efforts and challenges of each and every employee to realize their “Aspiration” through the expansion of options as well as the development of systems and environments that enable employees to make their own choices and self-determination.

(1) Strategic human resource assignment and multiple specialties across businesses

Our Group aims to maximize the potential of employees through strategic personnel placement. SuMi TRUST Bank has established a development program for young employees, in which employees gain experience in multiple businesses within five years of joining the company, so that they can determine their own aptitude for the business through their work experience, and a work challenge system (applicants assigned to specific business areas based on their application) for new graduate hires with the aim of promoting the autonomous career of employees. In addition, the Bank holds in-house business briefings (1,106 participants in FY2024) as an opportunity for employees to learn more about each business area and have an opportunity to consider their own future career development, after which job openings are posted. Approximately one-third of applicants is engaged in a business or department of their choice.

■ Changes in initial assignments of new graduates and mid-career employees (SuMi TRUST Bank)



■ Progress in job postings (SuMi TRUST Bank)

	FY2022	FY2023	FY2024
Number of internal job posting system applicants	377	425	415
Percentage of employees who qualified through the job posting system	33%	32%	33%
Average age of applicants for job postings	31.6	32.6	30.8

■ Examples of in-house side job projects (SuMi TRUST Bank)

Project	Details
Well-being promoter	Plans internal and external promotion of well-being (event planning, internal and external social activities and information dissemination)
Life plan consulting	Offers life plan consulting services for occupational clients (an online portal, strategic planning for the asset formation generation)
My Future Project	Administrative staff at Corporate Business to tackle challenges at other departments in their own area of business
Robotic Process Automation builder	Builds Robotic Process Automation and promotes automation of the affiliated business
Sustainability	Planning and developing measures for sustainability work at Group companies
University of Tokyo Joint Research Dispatch (Zero Carbon)	Participation in joint research with the University of Tokyo (examination of supply of funds and investment that contribute to solving social issues)
Digital Marketing	Examining the enhancement of marketing by advanced technology-enabled analytics in collaboration with major tech companies

(2) Expanding HR development content

In addition to group training aimed at improving employees’ skills and abilities (competencies), our internal university, TRUST University, provides employees with opportunities to study liberal arts and learn about globalization, sustainability, and other topics. Our Group is committed to fostering independent professional growth for all employees. In FY2022, we launched a learning management system called “University+,” which aims to create new value through seminars in which employees who have no interaction in the ordinary course of business gather for discussions and studies and also have opportunities to exchange opinions and see things from each other’s perspective.

■ Investment in HR development (Training cost per person, FY2024)

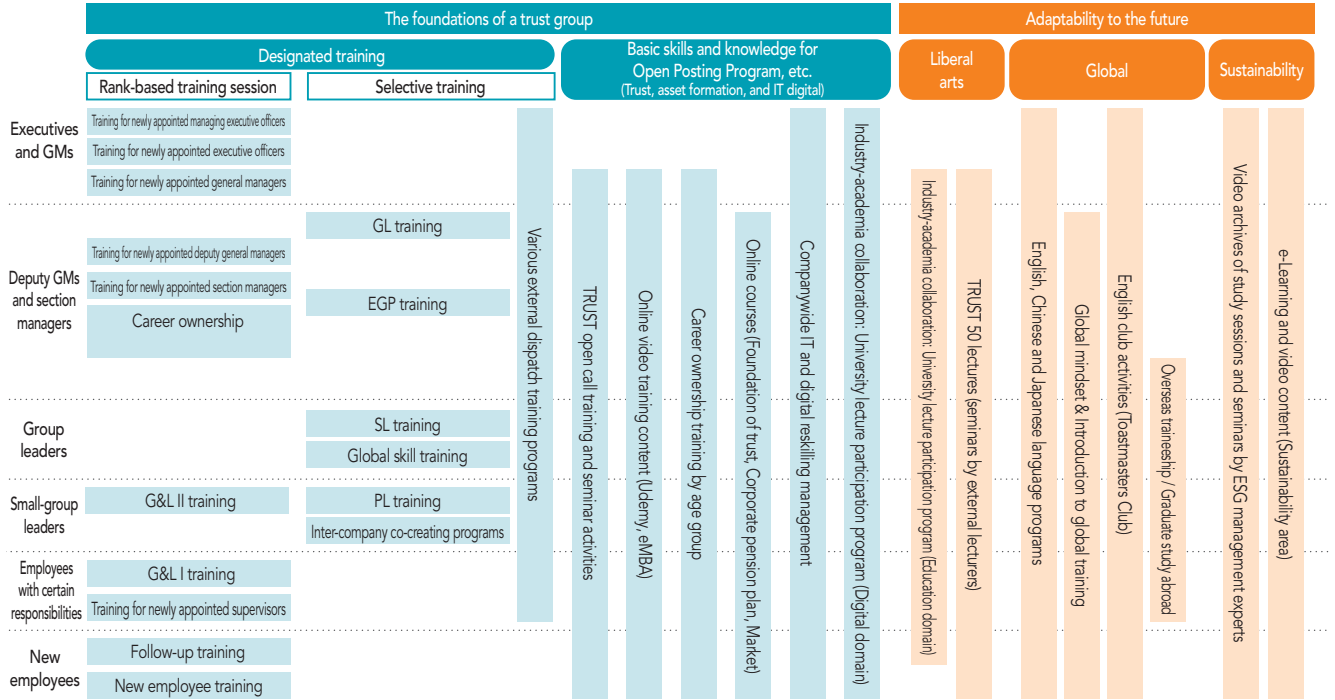
SuMi TRUST Bank	SuMiTAM	Nikko AM
JPY 140 thousand	JPY 72 thousand	JPY 124 thousand

■ Transition of training activities (SuMi TRUST Bank)

	FY2022	FY2023	FY2024
Total number of trainees	16,781	49,444	54,674
Group training hours	6,759	5,769	5,275

Since FY2023, we have expanded online content that can be learned through personal choice, such as IT and digital topics, and streamlined overlapping content from group training with a focus on internal knowledge. Consequently, while the total number of training participants has significantly increased, the time allocated for group training has decreased.

■ TRUST University, our internal university, fosters independent career development



(3) The foundations of a trust group

Many SuMi TRUST Bank employees have qualifications, such as real estate transaction agents, securities analysts and other certifications that are closely related to trust businesses. The employees enhance their expertise and comprehensive capabilities unique to a trust bank by gaining practical experience through their job assignments. In addition, the Bank has highly specialized employees with qualifications, such as pension actuaries, real estate appraisers, and other specialized qualifications, all of whom contribute to increasing the number of professionals in the Group.

■ Number of personnel with certain qualifications (SuMi TRUST Bank, as of the end of March 2025)

Real estate transaction agent	6,541
Securities analyst	763
Real estate transaction agent & securities analyst	554
Financial planner - 1st grade	765
Pension actuary	46
Personnel who passed the real estate appraiser examination	173
In-house lawyer	35
Certified public accountant	15
Licensed tax accountant	13

(4) Ability to change with the times

Since April 2023, SuMi TRUST Bank has established concrete key performance indicators (KPIs) for its IT and digital human resources development that are essential to promoting the trust business. The company has also conducted training and strengthened support for obtaining qualifications. In addition to expanding the pool of global human resource candidates by acquiring foreign language skills through language training, etc., employees with no overseas work experience are dispatched to work abroad and systematically assigned to global operations in Japan.

■ Current human resource portfolio (SuMi TRUST Bank)

	FY2022	FY2023	FY2024
Core IT proficient human resources*	—	245	854
Global talent	650	739	753

* Core IT proficient human resources is a newly established metric aligned with the Medium-Term Management Plan (FY2023–FY2025), and there are no actual figures for FY2022.



Selective training for Group employees (dispatched to overseas business schools)

(5) Senior management personnel (next-generation leaders)

Our Group is committed to identifying critical positions that significantly impact management continuity and to systematically cultivating and managing successors. In partnership with universities in Japan and overseas, we hold training for selected personnel each year, such as GL training (Global & General Leader training: For deputy general managers) and SL training (Strategic Leader training: For section managers). For the participants of these programs, we promote the development of the next generation of leaders and secure a pool of necessary management personnel by offering opportunities to put their learning into practice through promotion, reassignment, and other means. In addition, we are supported by management personnel unique to a trust bank, who possess a diverse range of business experience and are capable of cross-sectional value creation, which is attainable by cross-business personnel assignments unique to a trust bank.

(iii) Advancing diversity through the empowerment of diverse individuals

Our Group implements a variety of initiatives, driven by the conviction that cultivating a diverse pool of human resources, boasting a range of experience and competencies, is pivotal to the long-term growth and success of specialized, professional businesses within a trust group.

(1) Women’s active participation promotion / Work-life balance support

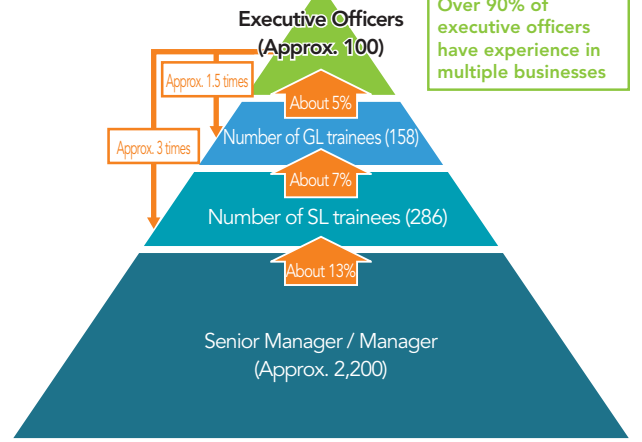
Our Group has established key performance indicators (KPIs) in alignment with the Keidanren’s “#HereWeGo203030” initiative, with the objective of enhancing the percentage of women in section manager or above positions to a minimum of 26% by the end of March 2028. The long-term goal is to achieve a minimum of 30% representation of women officers by 2030.

In accordance with the Act on the Promotion of Women’s Active Engagement in Professional Life, SuMi TRUST Bank has formulated a general business owner action plan. The plan aims to increase the number of women in management positions to 30% or more by 2030. It establishes KPIs of 26% or higher for the ratio of women section managers and 34% or higher for women in management roles by the end of March 2028. This will strengthen the pipeline for women’s advancement and accelerate the appointment of women to higher decision-making positions. As part of these efforts, we are actively supporting the career development of women by implementing two programs: “Executive Support” is a program in which directors are responsible for fostering female employees; and “Women Leadership

■ Pool of necessary management personnel (SuMi TRUST Bank)

	FY2022	FY2023	FY2024
Number of participants in selective training (cumulative)	419	497	574

■ Progress in securing management personnel (SuMi TRUST Bank, as of the end of March 2025)



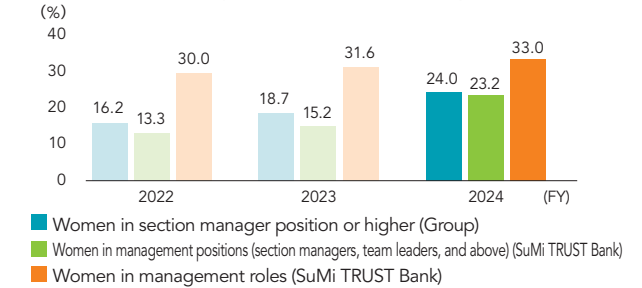
The numbers in parentheses in the chart represent the number of employees with the position as of March 31, 2025. GL and SL training participants are the cumulative total of employees with the position and the training experience.

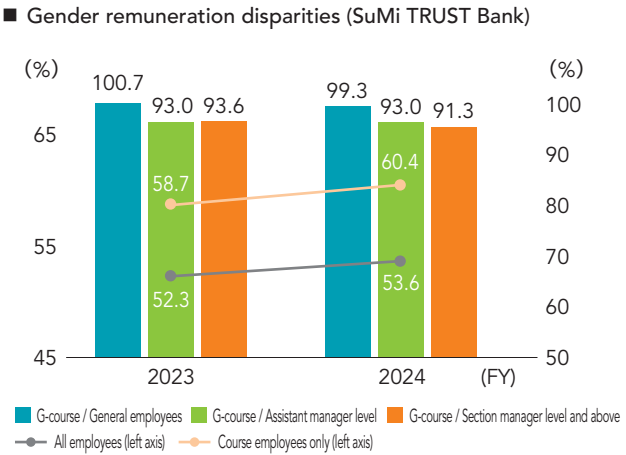
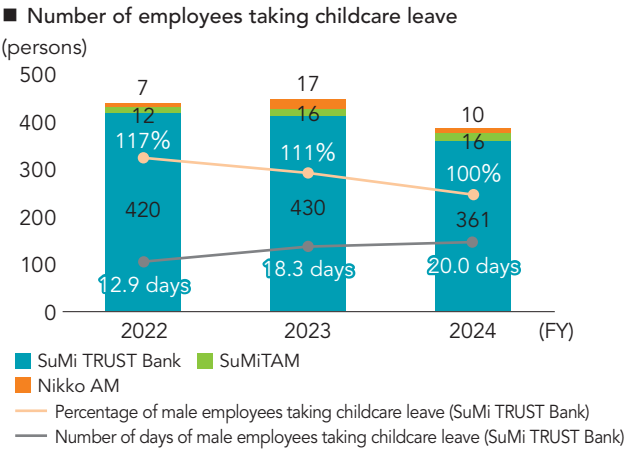
Training” is a training program designed for candidates for management positions.

In recognition of these initiatives, SuMi TRUST Bank has made the promotion of diversity, equity, and inclusion (DE&I) one of its management strategies. The company was honored with the grand prize in the J-Win Diversity Award 2025- Advanced Category, recognizing companies that consistently produce women leaders.

In addition, we are focusing on enhancing our work-life balance support program and cultivating a workplace culture that enables flexible working styles tailored to each employee’s lifestyle. We also aim to provide career development support that is not influenced by life events. SuMi TRUST Bank actively encourages male employees to take childcare leave, and the average number of days taken has increased to over 20. Furthermore, we encourage male employees to participate in childcare by offering them “baby care leave,” which allows them to take an extended leave for childcare purposes.

■ Status of female employees in management positions





Gender remuneration disparities among all employees and course employees (about 75% of all employees) are influenced by factors such as the higher concentration of men in managerial roles in higher-paying G-course positions. In G-course, gender remuneration disparities for each position exceed 90%. However, as the remuneration gap tends to widen at the level of managers and above where women's life events occur, we are promoting women to managerial positions, and simultaneously implementing measures to minimize women's career breaks, such as support for their early return to work.

■ Expanding systems to support work-life balance (SuMi TRUST Bank)

FY	Issue	Action
FY2017	Accompanying spouse on overseas transfer	Established new system for employees to take leave to accompany spouses on overseas transfers
FY2019	Balancing cancer treatment and work	Established cancer treatment leave
FY2021	Balancing between fertility treatments and work	Established the Fertility Counselling Office
FY2022	Commencing childcare leave for male employees	Established new childcare leave
FY2023	Support for early return to work	Increased the number of affiliated childcare facilities and introduced a work-life balance support system including household assistance services
FY2024	Further promoting childcare leave for male employees	Reinforce initiatives designed to motivate male employees to take a month of childcare leave

■ Number of employees using systems to optimize work-life balance

	FY2022	FY2023	FY2024
Number of employees taking nursing care leave	284	320	367
Number of employees taking cancer treatment leave	50	40	56
Number of employees taking leave of absence to accompany family members overseas	17	22	45



2025 J-Win Diversity Award Commendation Ceremony

(2) Promoting the success of persons with disability

SuMi TRUST Group aims to create a working environment where all employees, regardless of their disability, can work with sense of fulfilment as members of the workplace. At SuMi TRUST Bank, employees with disabilities work at 118 departments (as of March 31, 2025) where they have contact with clients at the sales branch departments or perform administrative tasks at the head office. In FY2022, we established the “DE&I Lab” within the Human Resources Dept. dedicated to promoting the active participation of employees with intellectual and mental (developmental) disabilities, and this initiative has now been adopted in Osaka as well. The employment rate for persons with disabilities as of April 2025 is 2.52%.

(3) Empowerment of employees of many nationalities

Employees of many nationalities play active roles in our Group, and the number in management positions is increasing every year. SuMi TRUST Bank conducts training aimed at giving a better understanding of our Group and its operations and strengthening our human network. The Bank also promotes personnel exchanges through long-term overseas business trips and posting.

■ Status of foreign national employees (as of March 31, 2025)

	Number of foreign national employees (Japan)	Number of local employees hired at overseas offices	Percentage of management positions at overseas offices filled by local staff
SuMi TRUST Bank	96	826	59%
SuMiTAM	7	13	50%
Nikko AM	60	294	97%

3. Enhancing Engagement

Our Group is committed to strengthening employee engagement to ensure that all employees are aligned with our corporate purpose of “Trust for a flourishing future.” This initiative fosters intrinsic motivation, enabling employees to tackle management issues and social missions with a shared sense of purpose. We are also focusing on creating

(i) Cultivating a culture of generating challenges and innovations

In aiming to communicate our corporate Purpose and provide opportunities so that all employees can play an active role and grow with motivation, we are committed to cultivating a culture that encourages employees to take on challenges and pursue growth opportunities, while also enhancing communication effectiveness. The level of satisfaction and vitality in the employee awareness survey has remained at a high level, exceeding the passing mark of 60 points. However, it is important to note that the level of activity is not growing in proportion to the level of satisfaction. Additionally, while there is a high level of understanding and action related to the Purpose, these metrics are showing a slight downward trend. We have observed that many employees are at a stage where they are becoming more and more aware of the concept of the Purpose, but are facing difficulties in realizing it in their daily work and actions.

In light of these circumstances, our Group is promoting the development of a culture that ensures psychological safety and encourages employees to take on new challenges. This initiative is designed to instill this Purpose in each employee and lead to concrete actions to achieve this goal.

In 2024, our Group celebrated 100 years since its founding, and 443 employees (as of the end of March 2025) from 23 affiliated companies were selected as ambassadors to mark the 100th anniversary of the company's founding. These employees proactively promoted the company's business, contributing to the cultivation of a rewarding workplace culture. In fiscal 2025, as the culmination of our 100th anniversary activities, we held the “Action Challenge Award,” a company-wide, employee-participatory event in which each employee presented his or her own challenging ideas and was awarded for their efforts. Group employees have declared over 10,000 “challenging ideas,” and we are currently developing an action plan to implement these ideas.

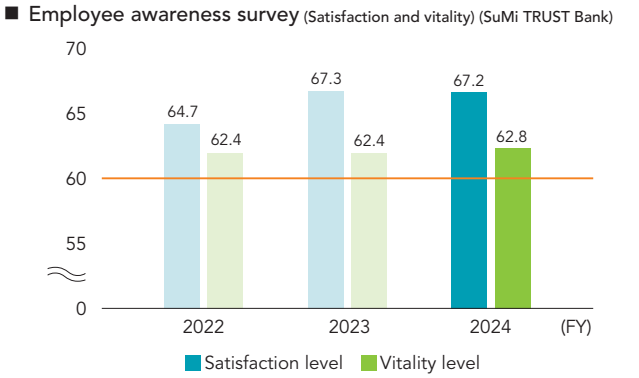
In addition, to encourage behavioral changes among employees, SuMi TRUST Bank introduced a new system for evaluating individual goals in fiscal 2025. This evaluation system prioritizes employees’ adherence to the “Group's Values (Code of Conduct).” Additionally, the Management School and Dojo have been held on a continuous basis by

an environment that fosters challenge and innovation. Our Group is also committed to fostering collaboration between industry, government, and academia. Our objectives are to promote well-being, facilitate effective internal and external communication, and enhance branding.

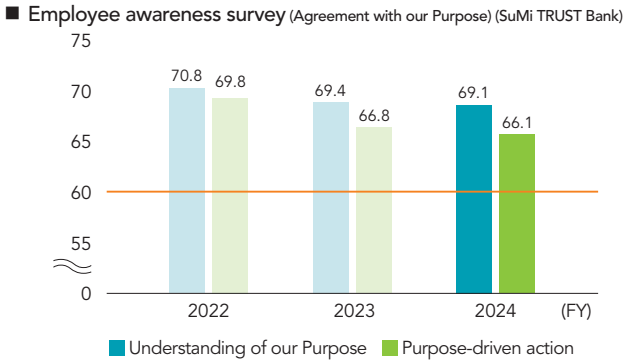
branch and department managers to share their experiences and lessons learned.

■ Number of voluntary resignations and turnover rate (FY2024)

	Number of voluntary resignations	Turnover rate
SuMi TRUST Bank	487	4.6%
SuMiTAM	31	6.4%
Nikko AM	22	3.6%



* Any score over 60 is assessed as generally positive



* Any score over 60 is assessed as generally positive

Creating a culture that embraces challenges (Action Challenge Award)

The “Action Challenge Award” is a company-wide event commemorating 100 years of the company’s business. During this event, each employee announces their personal challenge and recognizes their achievements. In addition to self-contained actions such as the acquisition of qualifications and volunteer activities, various challenges contributing to organizational change have been declared. These include the use of AI in business operations, the review of business processes, the development of new products, and the launch of new businesses. The World Café event held in June 2025 and workshops conducted within each affiliated department are instrumental in developing action plans and providing organizational support, ultimately leading to the successful resolution of challenges faced by each employee.

In fiscal 2025, we initiated the “Officers’ Commitment,” in

which officers declare their challenges. We will accelerate the development of a “corporate culture that embraces challenges” by demonstrating that management takes the initiative in taking on challenges.



(ii) Promoting well-being

The Group administers employee awareness surveys to understand employee opinions on complex internal operations and procedures, inefficient work, and formalized operations without substance. We believe that business process reform and productivity improvement are material issues for promoting the behavior of each employee and fostering a corporate culture that encourages people to take on challenges.

SuMi TRUST Bank has launched “Future X” in FY2024 and has been initiating a company-wide business process reform.

Going forward, we will continue to enhance human capital by creating time for each employee’s value creation.

In addition, our Group has newly appointed an executive officer in charge of promoting well-being. We have been promoting in-house and external well-being activities through participation in several collaborative industry-government-academia sessions such as the “Well-being Initiative” hosted by Nikkei Inc. Furthermore, in recent years, we have been focusing not only on external branding but also on enhancing employee engagement via external promotions.

Realizing employees’ “FINANCIAL WELL-BEING”

SuMi TRUST Group is striving to contribute to FINANCIAL WELL-BEING^{*1}, one of the ways in which we are working to build a prosperous future that is the goal of our Purpose, and aim to become the best partner in the age of 100-year life. SuMi TRUST Bank is committed to strengthening support for its employees, who play a critical role in our customers’ value creation, in achieving their own FINANCIAL WELL-BEING.

Regarding defined contribution pension trusts, more than 80% of employees selected investment trusts, and approximately 70% of employees also have access to a matching contribution scheme.

In addition, in FY2022, the RS Trust^{*2} was introduced for all employees as a new equity incentive plan. This initiative was implemented to help employees align their interests with the company’s goals and pursue medium- to long-term growth together. More than 10,000 employees received shares. Furthermore, the financial incentive offered by the Shareholding Association was increased to 20% from 8%, and the annual contribution to the program increased 2.25 times^{*3} as a result. By age group, the growth rate of young and midlevel employees in their 20s and 30s stands out. The purpose of this system is to share the management philosophy of our Purpose with employees and to

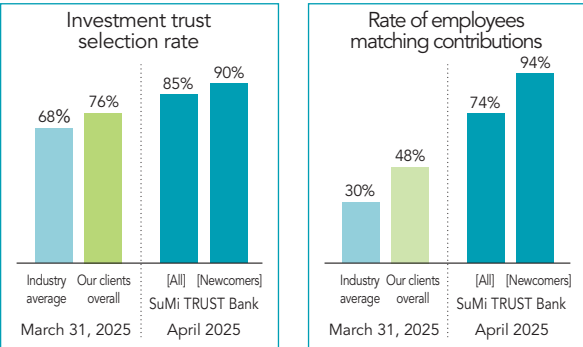
promote awareness of medium- to long-term growth. We believe that this system will lead to resolving social issues and pave the way for the growth of our Group.

^{*1} FINANCIAL WELL-BEING refers to “when an individual has prepared the money and assets they may need for contingencies and for the future, allowing them to have peace of mind”

^{*2} Employees’ stock-based compensation plan that combines the advantages of an Employee Stock Ownership Plan (ESOP) and restricted stock (RS) (RS: Restricted Stock)

^{*3} Comparison of the amount of annual reserves between FY2021 and FY2024

■ Utilization of corporate defined contribution pension trusts (SuMi TRUST Bank)



4. Health Management

Physical and mental health is the foundation of well-being for our employees and the driving force behind added value creation. At SuMi TRUST Group, we are promoting various initiatives to create an organization where employees can feel healthy and happy and work with vitality. Since FY2022, we have been measuring presenteeism among employees

(i) Promoting health management

In July 2024, the Group established a “declaration on health management” to accelerate investment in the physical and mental health of our employees. For the promotion of physical and mental health, we conduct awareness activities through training and have assigned occupational physicians at our business sites to provide detailed health management and guidance.

At SuMi TRUST Bank, in addition to annual health check-ups, we have implemented a health management system to provide individual guidance to employees, resulting in an increased follow-up examination rate. Furthermore, we implement stress checks and assess presenteeism and absenteeism to evaluate employees’ well-being. We have established an in-house counseling room and organized various seminars to support our employees’ mental health. Moving forward, we will continue to prioritize the maintenance and enhancement of our employees’ well-being, promoting health management strategies that are tailored to the age of 100-year life.

Declaration on health management

SuMi TRUST Group believes that the well-being of our employees is of the utmost importance in order to realize our mission of “Trust for a flourishing future.”

The vision for health management is for each employee’s healthy and vibrant work to create value for our clients and society through our services, which in turn fosters employee engagement and results in a virtuous circulation.

We will continue to execute health management while sustaining work style reforms from the following perspectives.

- Supporting health promotion through health investment initiatives
- Achieving diverse work styles and work-life balance
- Providing opportunities for employees to thrive and grow with a sense of purpose

■ Stress check (SuMi TRUST Group)

	FY2022	FY2023	FY2024
Overall Health Risk*	93	90	89
Percentage of Employees with High Stress	10.3%	10.1%	9.9%

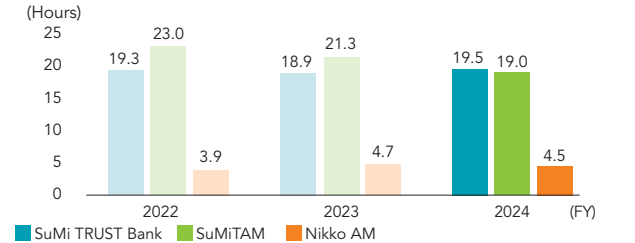
* The average of the standard population is 100, and the lower the value, the better.

(ii) Optimizing work styles

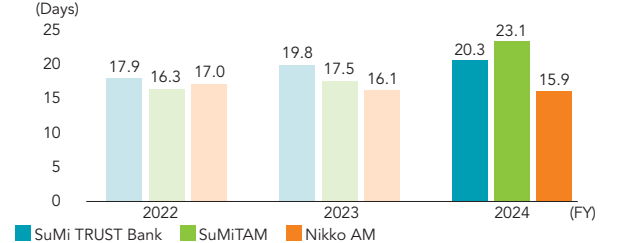
With the aim of “achieving diverse work styles and work-life balance,” SuMi TRUST Group is implementing initiatives to enhance productivity through strategic IT investments and process transformation, reducing overtime work, and promoting flexible work styles such as staggered working hours and telecommuting.

SuMi TRUST Bank has introduced an 11-hour break between work shifts and is encouraging employees to take planned leave. As a result, the number and percentage of paid leave days taken are both increasing. To further optimize our work styles, we will consider the implementation of an 11-hour break between work shifts across the entire Group. Additionally, we will be establishing a target for the percentage of paid leave to be acquired.

■ Overtime hours (non-statutory work hours per month)



■ Status of taking paid leave (number of days taken)



Cultivating assets

Theme. 3

Foundation Supporting Value Creation

External Directors Panel Discussion
Corporate Governance
Our Directors and Executive Officers
Risk Management
Security
Compliance and Fiduciary Spirit
Internal Auditing

External Directors Panel Discussion

Dialogue with investors through a panel discussion with External Directors

To remain a company that can meet the expectations of stakeholders



External Director,
Member of the Audit Committee

Tomonori Ito

External Director
Chairperson of the Compensation
Committee, Member of the
Nominating Committee

Hiroko Kawamoto

External Director
Member of the Nominating Committee,
Member of the Compensation Committee,
Member of the Risk Committee

Hajime Watanabe

On March 4, 2025, a “Panel Discussion with External Directors” was held at the head office of Sumitomo Mitsui Trust Group, to which approximately 60 institutional investors were invited. Three external directors took the stage to discuss enhancing corporate value, corporate governance, and questions raised by investors.

Please tell us about changes and recent initiatives that have been implemented to enhance corporate governance.

Kawamoto First, the Board of Directors at SuMiTG has continued discussions based on the underlying principle of enhancing corporate value and fulfilling the expectations of our stakeholders. In that sense, defining the Purpose of SuMi TRUST Group was a significant milestone in the overall process. Defining our starting point enabled us to clarify the basis for our decision-making regarding where to invest, including our human and IT capital.

As the expectations surrounding corporate governance continue to rise each year, our Group, which provides governance consulting services as a business, has long argued that its own board structure should serve as a model for others. I believe that our ongoing, in-depth discussions about becoming a leader in corporate governance, particularly within committees such as the Nominating Committee and the Compensation Committee, are properly reflected in the current composition of our Board of Directors and

its committees. In addition, we have actively utilized an improvement cycle based on the evaluations of the effectiveness of the Board of Directors, with the aim of further enhancing the Group management. In this context, we have recently discussed the roles of the Group and its subsidi-



ary SuMiTB. Previously, the Board of Directors faced issues in meeting operations, including excessive meeting documents and prolonged sessions. However, the content and quality of deliberations have improved each year to become more appropriate for a monitoring board. Furthermore, Japan is making a nationwide effort to become an Asset

Management Nation. SuMi TRUST Group, together with its asset management companies, is also striving to transform its business model to focus on asset management, and we are continuously discussing how to seize opportunities in this area.

What are the key areas of focus and concern for the Board of Directors regarding the Group's business model?

Ito My primary interest lies in the transformation of our current business portfolio. I have frequently commented at Board of Directors' meetings, “Perhaps we should no longer be in the banking business.” We would not actually exit the business, but I feel it is necessary to further clarify the focus of our Group. Lending business is important, but it should not be lending for its own sake, but rather lending to support the businesses we want to grow, such as investment advisory, pensions, and asset administration. I used to work at a bank and have experience in lending business, so I understand its importance very well. The problem is that profitability of lending business in Japanese banking industry is low. In my opinion, the returns are insufficient in relation to the risks because tough price competition is occurring due to oversupply, and plain vanilla lending business alone is a low value-added endeavor, unfortunately. In the case of SuMi TRUST Group, it is essential to conduct high value-added lending business and that contribute to areas that we want to strengthen. I am afraid that this point has not been sufficiently conveyed to investors. SuMi TRUST Group has a different business model from other large Japanese banking groups, and a comparison with companies like Bank of New York Mellon, a leading U.S. trust bank, and Pictet, a major Swiss private bank, should be appropriate. The business model we aspire to build is one that is stable and centered on fees and commissions should generate a higher PER and ROE. Although the management has clearly stated this, it seems that it is not fully understood by investors, so I would like to focus on highlighting the business model this year.

Watanabe I am largely of the same opinion as Mr. Ito. SuMiTG has introduced the concept of Assets Under Fiduciary (AUF), which I consider to be an excellent concept.

SuMi TRUST Group currently holds AUF worth 600 trillion yen and plans to expand that to 800 trillion yen in the future. It is not appropriate to compare that directly, but in terms of figures, SuMi TRUST Group is involved in one-fifth of Japan's national wealth, which stands at 4,000 trillion yen. This is unique to our Group, which has an unrivaled network and overwhelming market share in the stock transfer agency services and pension business fields, as demonstrated by the number of shareholders under administration and the balance of corporate pension funds.

From the perspective of improving ROE, general lending business requires a large amount of capital but is suffering from declining profitability. Therefore, it is pivotal to perform high value-added operations. There are still no major investors in the mezzanine or equity markets in Japan, so it would be effective to seek profits in these areas. In my view, SuMiTG's low PER reflects an insufficient explanation of our future prospects, and I believe it is important to enhance the dialogue with investors to gain their understanding. Finally, regarding the overhead ratio (OHR), our Group has a very wide business scope and handles a large number of small-lot products, which tends to result in a high OHR.

SuMiTB is working to streamline administrative processes and reassess inefficient operations under a project named “Future X,” and at the recent Board of Directors' meeting, it was pointed out that such progress has been slow thus far. I believe that one of the roles of an external director is to support the management team and encourage bold transformations, because an organization may become filled with operations that are difficult to discontinue if specific details about them are known.

Please share your expectations and challenges regarding management strategies, such as capital allocation and business portfolio management.

Watanabe We are aiming to make impact equity investments totaling 500 billion yen by FY2030. High-



risk investments can boost returns, but simply taking risks requires more capital and does not enhance ROE. We aim to attract other investors with a focus on impact equity, which has high social significance. While the upfront investment is significant, our view is that by gradually syndicating our stakes to investors and capturing asset management fees, we can achieve profits that outweigh the risks. One of our strengths is our ability to utilize trust functions as a mechanism for raising funds from investors, and we plan to continue engaging in a myriad of asset management activities in the future.

Additionally, we have set an investment budget of 500 billion yen for strategic investment facility for asset management business by FY2030. The funds are used for strategic alliances necessary for inorganic growth, but the investment itself is not a quota, and the Board of Directors is closely monitoring what kinds of alliances are required.

Ito Although impact equity investment initiatives got started in earnest in April 2022, I felt that the Group was moving very quickly when viewed from the outside. The same is true of our own investment in the alternative asset portfolio managed by U.S.-based Apollo Group and developing investors based on an understanding of the risks involved. I believe that these new initiatives will generate significant businesses in the future. The main difference between our Group and other major financial groups in Japan is that we do not have a securities company. Although this may be seen as a weakness, I consider it a strength, as the absence of securities functions allows us to develop a business model that is entirely focused on investors, creating superior products and investment methods for their benefit. Currently, this business model is still a work in progress, and we are unable to provide clear figures at this time. However, we expect to see results in the future. As an external director, I believe it is important to monitor business execution and change direction accordingly.

Watanabe I believe that one of the challenges in real-

izing our strategy is that it will be extremely difficult for employees who were responsible for lending business to take on equity investment roles, as this would require a complete change in values. While loans are granted after a thorough screening process that includes collateral and income assessment, equity investments involve taking risks and reaping upsides when things go well. Therefore, the method of evaluating investments must be modified. We are also moving forward with external recruitment, but it will take a certain amount of time for new hires to become familiar with our Group's compliance and values. The role of the external directors is to provide encouragement while business model is being transformed and has not yet produced clear financial results. I also believe it is essential for the executive and supervisory teams to engage in thorough discussions about the challenges ahead.

Ito While SuMiTB's launch of the "Future X" initiative to streamline administrative processes and eliminate unnecessary work is praiseworthy, concrete progress is taking time and I feel it is necessary to improve management speed. Of course, some areas cannot easily be moved forward, but proceeding with urgency is an important factor in determining the quality of management. I would also like to note that I explain to investors that rebalancing a business portfolio generally takes time. For example, in 2014, I wrote a business school case study about Fujifilm and Kodak. Although they were both major players in the camera film industry, Kodak filed for bankruptcy in 2012, whereas Fujifilm continues to thrive. As of 2014, Fujifilm was still in the process of creating new businesses, and no concrete figures were available at that time. However, results have begun to emerge in recent years, and its share price is now seven times what it was then. Hitachi is a similar case. After posting substantial losses in 2009, the company's impressive leaders have been transforming its business portfolios. Although it took over 10 years to see results, Hitachi's share price is experiencing significant growth. Therefore, I believe that it will take time for



the current initiatives of the SuMi TRUST Group to bear fruit, while we request patience from our investors. At the same

time, I feel it is important to continue working on initiatives that will yield immediate results.



How do you rate the initiatives to invest in human capital, such as diversity and utilization of specialized professionals?

Kawamoto Fostering human resources takes a lot of time in any company. Our Group invests intensively in people and has abundant education programs, providing not only the curriculum necessary for promoting DX, but also numerous messages that encourage learning, including from top management that demonstrate their commitment. In terms of fostering an organizational culture, the Board of Directors also discusses the need to create mechanisms that enable employees to feel that initiatives are progressing. In an environment where SuMi TRUST Group's business model is changing, it is essential to engage all employees in building the Company together. This is why we also encourage

top management to engage in dialogue that resonates with employees. In recent years, numerous initiatives have been implemented to promote women's active participation, and changes have been made to the composition of the Board of Directors and executive officers throughout the Group. From the perspective of specialized professionals, initiatives to recruit and develop human resources with Ph.D.s in science and engineering have been successful in fields requiring advanced expertise, such as the Technology-based Finance Team. I would like to see these initiatives strengthened and continued, including capital investment.



Please share your thoughts on investments in future growth, including in asset management and asset administration.

Ito It is important that we have two asset management companies within our group: Nikko Asset Management and Sumitomo Mitsui Trust Asset Management. These group companies are experiencing significant global expansion, and we have articulated our commitment to pursuing both organic growth opportunities and inorganic investments. In

this regard, it is important to carefully consider M&A opportunities, as the key to success lies in acquiring a good partner at a good price. Currently, our Group is diligently pursuing this strategy and has decided to withdraw from unfavorable deals. I believe this will be one of the drivers of our Group's growth.

After the Panel Discussion with Investors

The Board of Directors is discussing plans to further strengthen our unique business model, which integrates banking businesses with asset management and asset administration businesses, with the aim of achieving ROE of 10% or above by FY2030 and PBR of at least 1.0x at an early stage. We are also discussing the need to deepen dialogue with investors regarding our business model. During the discussion, we shared the details of the Board of Directors' deliberations and the challenges we have identified with many investors. Through the many questions we received, we realized once again investors' high level of interest and expectations for SuMiTG. It was also a meaningful opportunity, as I was encouraged by the positive evaluation of SuMiTG's strategic direction. I would

like to express my sincere appreciation for this opportunity. Going forward, each external director will contribute to enhancing the corporate value and the sustainable growth of the SuMi TRUST Group by fulfilling their expected roles. This includes providing opinions and support to the executive teams when necessary. Continuously, I would like to increase opportunities for dialogue with our stakeholders, including investors, on a variety of topics.

Hajime Watanabe
External Director

FY2025
Member of the Nominating Committee
Member of the Compensation Committee
Member of the Risk Committee



In order to uphold a robust management foundation based on a high degree of self-discipline guided by our fiduciary spirit and to gain the unwavering trust from society, our Board of Directors continued to work on enhancing and refining corporate governance, with the objectives of improving SuMi TRUST Group's sustainable growth and increasing our corporate value over the medium- to long-term.



For the basic policy and approach to corporate governance, please refer to the following link:
https://www.smtg.jp/english/about_us/management/governance





Isao Matsushita
External Director, Chairperson of the Board of Directors,
Chairperson of the Nominating Committee

Message from the Chairperson of the Board of Directors

1. Board of Directors in FY2024

Looking back at the external environment during FY2024, the Japanese market returned to a “world with positive interest rates”, supporting the banking business in terms of interest income. Moreover, trust-related businesses, such as asset management and asset administration, performed well on the back of AUF of approximately 640 trillion yen. While our recent performance has been favorable, we believe that expectations from our shareholders and other stakeholders for medium- to long-term growth in the Group are even higher, reflecting the improved business performance of the entire financial industry in response to the rise in domestic interest rates and other factors.

Based on this recognition, the Board of Directors has adopted a policy of intensively discussing topics of high importance for the Group, which is engaged in business model reforms, in terms of establishing a sustainable competitive advantage in the new environment. Specifically, in order to enhance the resolution of medium- to long-term growth that our new business model aims to achieve, and to ensure its steady realization, we conducted a comprehensive review of our management policies including strategic investments and resource allocation which need to be reliably implemented. As part of this process, to have deepened our deliberations, we set the Group's asset management business strategy and the business portfolio as “Management theme”.

With respect to the asset management business, while the executive side is advancing growth initiatives under the leadership of the responsible executive officers, the Board of Directors has engaged in strategic deliberations about our future growth paths and deliberated from the perspective of how to firmly establish a sustainable competitive advantage by organically combining and integrating the asset management functions of our asset management subsidiaries with the asset sourcing functions of business corporations, and our advisory functions for investors, including wealthy individuals, which are strengths of a trust bank.

In the business portfolio, we confirmed that we have performed at a certain level from the perspective of capital generation. In order to realize a business model that links the Group's strengths in banking, trusts, asset management, and asset administration, we focused our deliberations on the direction of capital utilization, held lively discussions on the strategic importance of each business as a platform, and evaluated the effects of inter-segmental synergies.

2. Sophistication of corporate governance

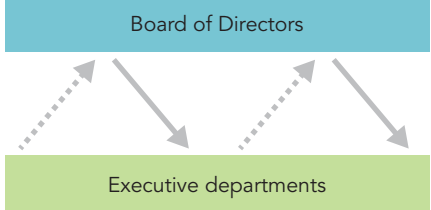
Since our transition to a company with a Nominating Committee, etc., in 2017, when I assumed the role of Chairperson of the Group's Board of Directors, the Board of Directors has been progressing toward becoming a monitoring board. With a shared recognition of this direction and status, the Board of Directors has defined its Future vision, and formulated a roadmap for the transition. Both oversight and execution have been preparing accordingly. Having made the necessary preparations, the Board shared the view – based on the Evaluation of the effectiveness of the Board of Directors in FY2023 – that the governance framework required for a monitoring board is now in its final stage of development.

In FY2024, based on this self-awareness and understanding, the Board of Directors engaged in further deliberations on the ideal form it should pursue as a monitoring board. Given the Group's position – providing governance consulting services and owning one of Japan's largest asset management subsidiaries actively engaged in stewardship activities, including broad based engagement with investee companies, the Board of Directors confirmed its commitment to becoming a leading company in corporate governance that we aim to become a model of a leading company in corporate governance. In line with this vision, we revised the Basic Policy on Corporate Governance to clarify the roles and responsibilities that the Board of Directors should assume.

In cooperation with the Nominating Committee, we held discussions on the composition of the Board of Directors and statutory committees toward realizing the new Future vision of the Board of Directors. The size of the Board of Directors reduced in this year and which now be composed of a majority of External Directors. In addition, we have adopted a system that is better suited to a monitoring board. For example, composition of the Nominating Committee and the Compensation Committee changed to be composed only of External Directors, and the ratio of External Directors at the Audit Committee has increased.

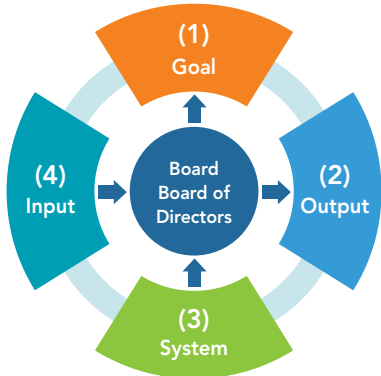
As Chairperson of the Board of Directors, I will continue striving toward our aim of become a leading company in corporate governance that can serve as a model for others and gain the trust of all stakeholders as a fiduciary.

Deliberations of the Board of Directors on the business portfolio, the Group's asset management business, etc.

Month and year		Main discussion themes	Rallying process of developing strategy		
2024	Jul.	● Corporate profitability analysis	Dialogue over strategies	Strategy development	
	Oct.	● Group asset management business strategy (direction) Management Theme			
2025	Jan.	● FY2025 Group Management Plan (direction) ● Key management issues for each business at Sumitomo Mitsui Trust Bank (competitor analysis) TB Management Theme			
	Feb.	● Group asset management business strategy (competitor analysis) Management Theme			
	mid-Mar.	● Strengthening our business portfolio Management Theme			
	Mar. 27	● FY2025 Group Management Plan ● FY2025 Group Asset Management Business Strategy Plan			

*The external directors of Sumitomo Mitsui Trust Bank also participate in discussions on “Management Themes” as Board meeting observers, not for the purpose of reaching conclusions, but rather to discuss important management issues and themes from a medium- to long-term perspective freely and openly, so that their viewpoints and opinions can be capitalized on for management. In addition, the agenda on important management issues of the Board of Directors of Sumitomo Mitsui Trust Bank, which are deliberated together with SuMi TRUST Group's external directors, is set as “TB Management Themes”.

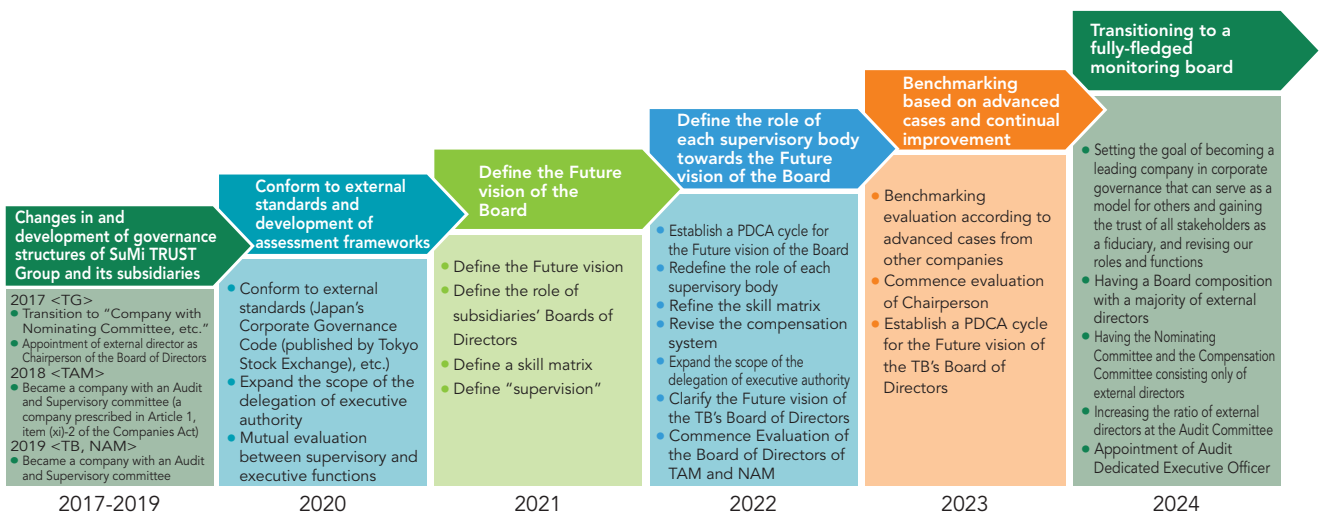
The Board of Directors of Stakeholderism



Effective Board of Directors
= “Board of Directors that strives for sustainable improvement to realize its vision”

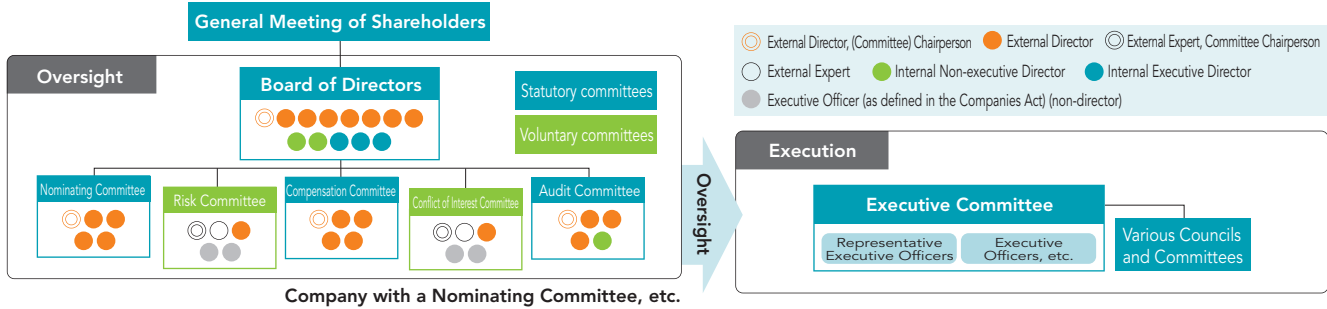
Category		Future vision of SuMi Trust Group's Board of Directors “the Board of Directors of Stakeholderism”	
(1)	Goals	Realizing “Purpose” Contributing to enhancing the well-being of all stakeholders Sustainability and growth as a corporation ⇒ Becoming a leading company in corporate governance that can serve as a model for others and gaining the trust of all stakeholders as a fiduciary	
(2)	Output	Improving the quality of important decision-making Supervision of execution that has a significant impact on the Group evaluation by stakeholders and shareholder value Stakeholders accountability	Important decision-making (determining basic management policies) Mission, management strategy and capital allocation Financial goals, shareholder value, and stakeholder evaluation Policy on establishing relationships with stakeholders Business portfolio and allocation of management resources Risk appetite Development of internal control systems Talent development Maintenance of ethics and integrity Fostering a corporate culture
(3)	System	Organizational structure to enhance the quality of important decision-making and monitoring function Stakeholder-oriented mindset and skills for addressing issues of materiality Establishing board succession	
(4)	Input (Executive departments)	Autonomous management Accountability for the Board	Accountability Status of business activities and value creation Status of business portfolios and capital distribution Status of internal control Status of the establishment of desirable stakeholder relationships

Progress in improving the effectiveness of the Board of Directors



1. Composition and Roles of the Board of Directors and Committees

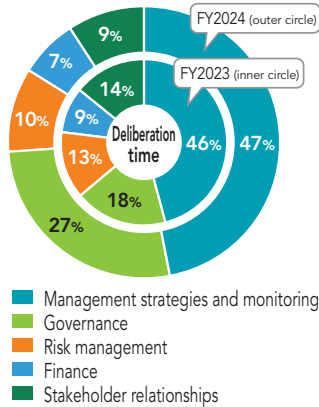
■ Oversight structure (as of June 30, 2025)



■ Main themes for deliberations and topics of the Board of Directors during FY2024 (met 15 times)

Theme category	Main topics
Purpose/materiality/value creation process	Pervasion of Purpose throughout the Group
Policy on establishing desirable stakeholder relationships	Evaluation by stakeholders and Dialogue policy with stakeholder (clients, shareholders, employees, etc.), Strategic shareholdings, Promotion of sustainability
Medium- to long-term management strategies	Management plans, business portfolio, group asset management business
Discipline in capital allocation	Capital policy, human capital, and IT investments
Basic policy on internal controls	Group governance, internal control systems, risk management, cybersecurity, and compliance

■ Deliberations by the Board of Directors



■ Overview of the committees

	FY2024 main matters for deliberation, etc.*
Nominating Committee (16 meetings)	● Election and dismissal of Executive Officers including the President ● Determine the content of proposals regarding the election and dismissal of directors to be submitted to a shareholders meeting ● Further refinement of Succession plans ● Appointment and dismissal of directors at Sumitomo Mitsui Trust Bank, Limited and Sumitomo Mitsui Trust Asset Management Co., Ltd., etc.
Compensation Committee (13 meetings)	● Policy for determining the compensation of directors and executive officers and the amount of compensation for each individual ● Policy for determining the details of individual compensation of directors at Sumitomo Mitsui Trust Bank, Limited and Sumitomo Mitsui Trust Asset Management Co., Ltd., etc.
Audit Committee (21 meetings)	● Status of measures realizing business model reforms ● Status of measures for enhancing the Group's internal control system ● Status of control over appropriate and accurate financial reporting and disclosure ● Status of measures for fostering a healthy corporate culture, etc.
Risk Committee (7 meetings)	● Appropriateness of the Group's risk management initiatives ● Development and instillation of risk culture ● Status of risk management initiatives in light of the recent external environment ● Status of initiatives related to sustainability and cyber security, etc.
Conflict of Interest Committee (7 meetings)	● The best interests of clients as a trust group ● Strengthening the Group's conflict of interest management framework and risk control in its trust business (including concurrent operations), etc.

*July 2024 to June 2025
Please refer to (Q.P.83) for details on each committee's composition, etc.

Please see below for details of the roles, overview and objectives of each committee.

Basic Policy on Corporate Governance

https://www.smtg.jp/english/-/media/tg/english/about_us/management/governance/policy.pdf

[Reference] External Directors' Meeting: Voluntary meetings organized by external directors.

The External Directors' Meeting is a meeting body intended to foster trust among external directors through frank exchanges of opinions and shared recognition from an independent and objective standpoint and to utilize the opinions expressed at the meeting to fulfill their roles as external directors by channeling them to the executive level as necessary. Two meetings were held during FY2024 and the following themes were discussed:

- Future vision of the Board of Directors to serve as a monitoring board composed of a majority of External Directors, and the composition of the Board of Directors to achieve the goals
- Subjects that should be deliberated by the Board of Directors

2. Evaluation of the Effectiveness of the Board of Directors in FY2024

Every year we conduct an evaluation of the Board of Directors in an effort to enhance its effectiveness by putting the PDCA cycle into action to implement improvement measures for issues recognized in the assessment.

(i) Initiatives to address issues identified through the evaluation of the Board of Directors in FY2023

■ Issues and initiatives recognized

Issue-1	Expand initiatives and deliberations to improve accountability to stakeholders
Initiatives	As part of the dialogue between our External Directors and stakeholders, we have expanded opportunities to listen directly to the voices of stakeholders, including roundtable discussions with investors on IR Day, on-site visits and employee dialogues at Sumitomo Mitsui Trust Bank branches, and dialogues with female employees held through the Executive support program. In addition, the Board of Directors held deliberations concerning each stakeholder on efforts to secure clients' best interests, customer satisfaction, IR/SR activity reports, employee awareness surveys, and ESG evaluations, etc. We further expanded the perspective of deliberations, covering topics such as how to reach the appropriate balance in corporate communications in a way that takes a bird's-eye view of all stakeholders.
Issue-2	Enhance deliberations on business portfolio, management strategy, resource allocation, etc.
Initiatives	In deliberations on the business portfolio, we examined the status of the Group's capital creation and investment from the perspective of medium- to long-term ROE from a bird's-eye perspective. We also furthered deliberations on the impact and appropriateness of the Group's medium- to long-term direction amid significant changes in our business environment, which now has positive interest rates. With regard to management strategy, our Group is expected to achieve the profit target in the current Medium-Term Management Plan one year ahead of schedule. Accordingly, the Board of Directors has deepened discussions on strategies to ensure growth toward the Future vision in 2030, as well as the topic of resource allocation to support such growth.
Issue-3	Enhance deliberations on the composition of the Board of Directors
Initiatives	In light of the steady progress in establishing a framework for the governance system of the Board of Directors as parts of its efforts to realize their Future vision, the Board of Directors and the Nominating Committee cooperated on further deliberations on the appropriate size and ideal composition of the Board of Directors and committees. As a result, SuMi TRUST Group reduced the size of the Board of Directors, introduced a majority of External Directors, and reviewed the composition of our statutory committees. This helped us to establish composition and selection of candidates at the Board of Directors and statutory committees to ensure greater effectiveness.

(ii) Results of the evaluation of the Board of Directors in FY2024 and initiatives going forward

In FY2024, the Board of Directors confirmed steady improvements in its effectiveness through a series of initiatives and deliberations to realize the Future vision of the Board of Directors. These included efforts to enhance accountability to a diverse range of stakeholders – such as expanding opportunities for dialogue –, and deeper deliberations on the business portfolio with a focus on medium- to long-term ROE and other performance indicators, and furthermore discussions on the optimal composition of the Board of Directors and each committee. The results of the FY2024 Evaluation of the Board of Directors indicated that the Board and each committee are aware of their respective objectives and are endeavoring to invigorate discussions and improve their supervisory functions.

As a result, we believe that an adequate degree of effectiveness is sustained. At the same time, we also identified the issues to be improved and enhanced as below, which will strive to work on in order to realize the Board's Future vision.

According to the recognition of the following issues, in FY2025 we will deepen our deliberations on themes that will have a significant impact on the formulation of the new Medium-Term Management Plan and on strengthening our business portfolio. At the same time, we will select themes and conduct repeated deliberations in order to focus on topics that are appropriate for a Board of Directors as a monitoring board with a majority of External Directors.

Issues identified in FY2024 Evaluation of the Board of Directors

- (i) Ongoing improvement in accountability to stakeholders
- (ii) Deepening deliberations toward the formulation of the Medium-Term Management Plan through a rallying process with the executives
- (iii) Sophisticating the management framework of the Board of Directors as a monitoring board and the statutory committees

For the Results (Outline) of the Evaluation of the Board of Directors in FY2024, please see the link below.

https://www.smtg.jp/english/-/media/tg/english/about_us/management/governance/pdf/e_evaluation.pdf

3. Foundations to Support the Board of Directors

(i) Basic principles regarding the composition of the board of directors

The Board of Directors at SuMi TRUST Group has appointed a sufficient number of directors considered necessary and appropriate for the Board to demonstrate an effective supervisory function as required of a financial holding company tasked with the corporate administration of SuMi TRUST Group. In determining the number of directors, due consideration is also given to ensuring diversity and expertise among directors. In light of the importance of the role

played by independent External Directors in corporate governance, we have established a principle that at least one-third of directors on the Board of Directors should be independent External Directors. Our Group has also established and disclosed the Independence Standards of Independent Directors. In principle, all statutory committees are to be chaired by independent External Directors.



Isao Matsushita
External Director, Chairperson of the Board of Directors
Chairperson of the Nominating Committee

Message from the Chairperson of the Nominating Committee

In FY2024, the Nominating Committee conducted ongoing deliberations in cooperation with the Board of Directors. Steady progress was made to increase the sophistication of governance and management and improving the effectiveness of operations by reducing the size of the Board of Directors, increasing the number of External Directors to a majority, appointing only External Directors as members of the Nominating Committee and the Compensation Committee, and ensuring diversity, all of which were the objectives of the previous fiscal year.

Having defined SuMi TRUST Group’s Reason for Existence (“Purpose”) and identified the high-priority issues (materiality), we also recognize that the mission of resolving social issues presents us with growth opportunities. This is why we have placed at the core of our management approach the notion of “balanced creation of both social and economic value”.

Looking ahead to FY2026, SuMi TRUST Group will continue to make efforts to further increase sophistication of our governance structure. The Group will also continue to appoint candidates equipped with the expertise and experience (skills) needed to address the Group’s materiality and who are capable of running an effective Board of Directors at the Group, which covers a wide range of business domains.

(ii) Succession plan

In order to achieve sustainable growth for the Group and enhance its corporate value, we have formulated a succession plan for the top management of SuMi TRUST Group, SuMi Trust Bank and Sumitomo Mitsui Trust Asset Management. We have also created a management personnel succession and development plan for those in charge of man-

aging each business and those engaged in corporate administration. We have defined the ideal qualities and requirements for the nominees to serve as directors or officers, and we have systematically managed and cultivated groups of candidates.

<Training and appointment process>

The Nominating Committee selects a pool of top management candidates each year based on the proposals and opinions presented by the executives. Based on the current and future business environment, the Nominating Committee deliberates on future development policies, assignments for candidates, and other matters based on performance, achievements, evaluations, expertise, and experience (skills). It reflects such matters when deciding placements at different departments from the next fiscal year onward, giving candidates an opportunity to develop and to overcome challenges. We also continue to track the

status of candidates’ development. While continuing this cycle, when the Group actually appoints new top management members, the Nominating Committee deliberates on the candidates’ performance, achievements, evaluations, expertise, and experience (skills) in a multifaceted manner, with a focus on candidates who have been trained during the cycle, and ultimately reports to the Board of Directors. Progress with succession plans and development plans are periodically reported to the Board of Directors.

(iii) Skills required of directors

With the theme of “Purpose” and “Fiduciary” as its starting points, the current Medium-Term Management Plan identifies and works to address high-priority issues (materiality) in areas of value creation, such as “The age of 100-year life,” “ESG/sustainable management,” and “Regional ecosystems and the global investment chain”, with the objective of establishing the virtuous circulation of funds, assets and capital. After first holding discussions at the Nominating Committee, the Board of Directors identified skills used to address the materiality from the viewpoint of enabling effective supervision by the Board of Directors.

Please see here for the reasons for the selection of each skill item.

Convocation Notice of Ordinary General Meeting of Shareholders for the Fourteenth Fiscal Period of SuMi TRUST Group

<https://www.smtg.jp/english/-/media/tg/english/stock/meeting/E250522-1.pdf>



■ Relationship between the skills required of directors and the high-priority issues (materiality) at SuMi TRUST Group

Required skills	Related main high-priority issues (materiality)
Corporate management	Corporate governance and human capital
Financial and accounting	Financial strength expected by stakeholders
Legal affairs, risk management, and compliance	Risk management and resilience, compliance and conduct, and security
Trust, asset management, and asset administration	Trust × DX, fiduciary spirit, ESG/sustainable management, age of 100-year life, and regional ecosystems and global investment chain
Digital, IT, and technology	Trust × DX
Environment	ESG/sustainable management, and regional ecosystems and global investment chain
Sustainability Society	ESG/sustainable management, age of 100-year life, and regional ecosystems and global investment chain
DE&I	ESG/sustainable management and human capital
Internationality	Regional ecosystems and global investment chain, and risk management and resilience

Effective supervisory framework - Skills matrix and composition of committees - (◎ = Chairperson)

Name		Gender	Expertise and experience (skills) of Directors									Statutory committees				Voluntary committees
			Corporate management	Financial and accounting	Legal affairs, risk management, and compliance	Trust, asset management, and asset administration	Digital, IT, and technology	Sustainability			Internationality ²	Nominating	Compensation	Audit	Risk ³	Conflicts of Interest ⁴
								Environment	Society	DE&I						
Isao Matsushita	Director (External) ¹ Chairperson of the Board of Directors	Male	●	●				●	●		●	◎	○			
Hiroko Kawamoto	Director (External) ¹	Female	●		●						●	○	◎			
Nobuaki Kato	Director (External) ¹	Male	●				●	●	●		●	○	○			○
Kaoru Kashima	Director (External) ¹	Female	●	●	●					●		○	○	◎		
Tomonori Ito	Director (External) ¹	Male				●		●			●			○		
Hajime Watanabe	Director (External) ¹	Male	●	●	●	●		●	●		●	○	○		○	
Hirokazu Fujita	Director (External) ¹	Male	●	●	●	●		●			●			○		
Kazuo Sakakibara	Director (External) ¹	Male			●				●					○		
Toru Takakura	Director, President (Representative Executive Officer) (CEO)	Male	●		●	●		●	●	●						
Masakatsu Sato	Director, Senior Managing Executive Officer (Representative Executive Officer) (CFO)	Male	●	●	●	●										
Chikako Matsumoto	Director, Managing Executive Officer (CSuO)	Female	●	●	●	●		●	●	●	●					
Tetsuo Ohkubo	Director (Kaicho)	Male	●	●	●	●		●	●	●						
Kouichi Kato	Director (Member of Audit Committee)	Male	●			●								○		

¹ External Director as prescribed under Article 2, item 15 of the Companies Act. The overall balance, including the areas of expertise and experience (skills) listed above, is taken into consideration when External Directors are selected.

² Judged based on whether or not the person has overseas work experience, etc.

³ The Risk Committee is composed of two external experts, Mr. Kenji Fujii (former Managing Executive Officer of Mizuho Securities and former Managing Executive Officer of Mizuho Financial Group) and Mr. Haruyuki Toyama (former Head of International Department, Bank of Japan), as well as Ms. Yuki Takada (Managing Executive Officer (CCO) of SuMi TRUST Group) and Mr. Takahiro Yoshida (Managing Executive Officer (CRO) of SuMi TRUST Group). The Risk Committee is chaired by Mr. Fujii.

⁴ The Conflicts of Interest Committee is composed of two external experts, Mr. Hideki Kanda (Emeritus Professor of the University of Tokyo) and Ms. Akiko Hosokawa (Partner at Atsumi Sakai Law Office, Foreign Law Joint Enterprise), as well as Ms. Yuki Takada (Managing Executive Officer (CCO) of SuMi TRUST Group) and Mr. Takahiro Yoshida (Managing Executive Officer (CRO) of SuMi TRUST Group). The Conflicts of Interest Committee is chaired by Mr. Hideki Kanda. Mr. Kanda is an External Director of SuMi Trust Bank.

(Topics) Training for Directors

SuMi TRUST Group holds training sessions for directors throughout the year, inviting external lecturers to explain important topics that contribute to understanding of the business environment, including economic trends, as well as information about SuMi TRUST Group’s business, as needed.

<Examples of training topics in FY2024 (★: Internal officers at the level of managing director and above also participated)>

- ▶ **Technology**

 - Cybersecurity trends (★)

▶ **ESG**

 - Recent trends in corporate governance
 - Crisis management and public relations (★)
 - Guidelines for Mergers and Acquisitions (★)
- ▶ **Finance and economy**

 - Global trends in the asset management business
 - Financial and macroeconomic trends

▶ **Human rights • Compliance**

 - Human rights awareness raising and compliance (★)

▶ **Other matters related to SuMi TRUST Group business**

 - Business strategies for each Group company and business, etc.
- 82 Sumitomo Mitsui Trust Group, Inc. 2025 Integrated Report
- Sumitomo Mitsui Trust Group, Inc. 2025 Integrated Report 83
- Value Creation Story
- Management Strategies
- Foundation Supporting Value Creation
- Data Section

(iv) Compensation system for directors and executive officers

Compensation for directors and executive officers is intended to function effectively as an incentive to improve corporate performance and increase corporate value. Rather than focusing excessively on a single-year performance evaluation, which emphasizes short-term revenue contributions, we are building a compensation system with a balance of short-term incentives and medium- to long-term incentives. In principle, the compensation system consists of a combination of a basic salary as fixed compensation, and

performance-linked compensation in the form of bonuses and stock compensation (RS Trust). For performance-linked bonuses and stock compensation (RS Trust), we have established a system in which the items shown in the table below are set as indicators (KPIs) and reflected in the amount of compensation. The compensation system for directors and executive officers was reviewed in FY2025. For details, please see “Message from the Chairperson of the Compensation Committee”.



Hiroko Kawamoto
External Director
Chairperson of the Compensation Committee

Message from the Chairperson of the Compensation Committee

The Compensation Committee has held a series of discussions on “ESG Overall Assessment” for stock compensation and decided to make the following revisions. Under the ESG Overall Assessment, activities were previously evaluated in terms of both quantitative and qualitative aspects for the five key items selected based on the materiality. Under this revision, KPIs have been clarified for each item, and assessment is now centered on quantitative assessment. The name of this assessment has also been changed to “Sustainability Activity Assessment”. With the aim of realizing our aspiration, with regard to KPIs we have selected “four indicators of risk culture in the employee awareness survey”, which indicate the state of our fiduciary spirit, upon which a foundation of long-term relationships of trust is built with clients, and the “ratio of female employees in management positions”, which is one of the indicators of diversity essential to building innovation. We will continue to examine the Group’s compensation system in light of changes in the external environment and management strategies.

Indicator type	Indicators (KPIs) for performance-linked compensation	Weighting	Calculation method	
■ Bonuses for directors and executive officers (short-term incentive)				
Short-term performance indicator	(1) Consolidated net business profit	66.7%	Calculated based on a 2:1 weighting of the achievement levels for (1) and (2), respectively	
	(2) Net income attributable to owners of the parent	33.3%		
■ Stock compensation (medium- to long-term incentive)				
Performance indicator	(1) Consolidated net business profit	30%	20%	(1) and (2) are calculated based on a 1:1 weighting of the target achievement rate for the fiscal year and a comparison of the actual results with the final year of the previous Medium-Term Management Plan period, respectively.
	(2) Net income attributable to owners of the parent			
Stock price indicator	(3) Relative Total Shareholder Return (TSR) ^{*1}	10%	10%	Calculated based on the relative evaluation of SuMi TRUST Group's TSR for the period covered by the Medium-Term Management Plan. However, if the Group's TSR is less than 100%, the maximum shall be 100%.
Financial indicators	(4) Consolidated shareholders' equity and ROE	30%	10%	Assessment score calculated based on qualitative assessment of progress with achieving Medium-Term Management Plan targets
	(5) Consolidated CET1 ratio (common equity tier 1 capital ratio)		10%	
Non-financial indicators	(6) Consolidated overhead ratio (OHR)	30%	10%	Assessment score calculated based on overall assessment comprising both quantitative and qualitative evaluations of activities in each assessment category
	(7) Sustainability Activity Assessment (categories: climate change, FD&CS, employee engagement, diversity (promotion of women's active participation, etc.), assessments by external assessment organizations) ^{*2}			

*1 The comparative index for relative TSR is the average relative TSR calculated using the rate of change of the TOPIX Industry (Banking) (inclusive of dividends) and the rate of change of the JPX Nikkei Index 400 (inclusive of dividends).
*2 The five key items and KPIs for the Sustainability Activity Assessment are as follows.

Five key items	KPI
1. Climate change	Cumulative amount of sustainable finance initiatives*3
2. Fiduciary Duties (FD) and Customer Satisfaction (CS)	Employee awareness survey “Four indicators of risk culture”*3 Customer Satisfaction Rating*3
3. Employee engagement	Employee awareness survey “Vitality level”*3
4. Diversity (promotion of women's active participation, etc.)	Ratio of female employees in management positions*4 Number of paid leave days taken*3
5. Assessments by external assessment organizations	Relative evaluations in assessments by external assessment organizations*5

*3 Evaluated based on SuMi TRUST Bank's internal target achievement rate, etc.
*4 Evaluated based on the Group's internal target achievement rate, etc.
*5 Evaluated based on the relative rankings compared with competitors' scores from three external assessment organizations: MSCI, Sustainalytics, and FTSE.

(v) The Audit Committee

(1) Basic policy on auditing by the Audit Committee

The Audit Committee, which plays a part in the supervisory function of the Board of Directors, audits the status of the Group’s business execution with the aim of resolving management issues, with an emphasis on ensuring optimal conditions across the Group as a whole. The basic policy taken

by the Audit Committee in its audit activities is to verify the efficiency and effectiveness of business execution, and to develop and improve sound and fair values and corporate culture through the examination of internal controls throughout the Group.



Kaoru Kashima
External Director
Chairperson of the Audit Committee

Message from the Chairperson of the Audit Committee

In the previous audit year, the Audit Committee conducted audits focusing on priority audit items based on audit instructions* from the Board of Directors and the issues recognized by the Audit Committee. Against this backdrop, an incident of insider trading involving a former employee of SuMi TRUST Bank was identified, resulting in a regrettable loss of public trust. The Audit Committee takes this matter with the utmost seriousness. In addition to the implemented and planned recurrence prevention measures that have already taken or are planned, we will audit and verify the implementation of new measures based on the recommendations of the Investigation Committee, as well as the ongoing enhancement of the internal control systems. Furthermore, from the current audit year, the number of internal audit committee members decreased by one through a reduction in the number of internal directors. Taking this opportunity, we newly appointed an Audit Dedicated Executive Officer to assist with the duties of the Audit Committee. Through this organizational change, in addition to activities listed under “Major audit activities in the previous audit year”, we aim to strengthen our information gathering and issue identification capabilities by expanding attendance at key meetings of major Group companies and enhancing collaboration with their respective Audit and Supervisory Committees. Furthermore, we are reviewing the operations of the Audit Committee to facilitate deeper deliberations and provide more effective recommendations. In the current audit year, we will contribute to enhancing corporate value of the Group by conducting more effective auditing activities under the new system.

*“Audits on the status of measures to address new risks in business model reforms” and “Audits on the status of measures for enhancing the Group’s internal control system”

(2) Major activities in the previous audit year

In the previous audit year, the Audit Committee focused on the priority audit items: (1) Status of measures realizing business model reforms, (2) Status of measures for enhancing the Group’s internal control system, (3) Status of control over appropriate and accurate financial reporting and disclosure, and (4) Status of measures for fostering a healthy corporate culture. The commit-

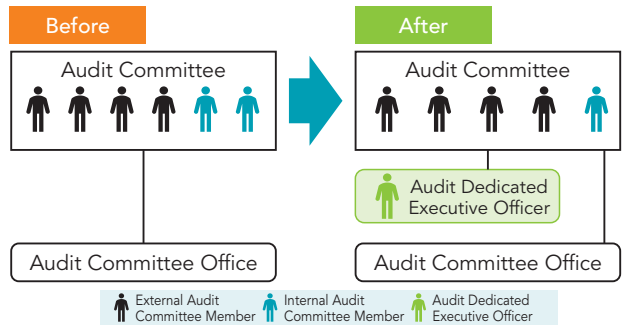
tee exchanged opinions with executive officers and others, co-operated with the Internal Audit Department and the Accounting Auditor, exchanged opinions with the representatives and audit and supervisory committees of major Group companies, visited their domestic and overseas offices and overseas subsidiaries, and inspected important internal documents, etc.

(3) Composition of the Audit Committee

The Audit Committee consists of five members, four of whom are external directors and one of whom is an internal director, thereby ensuring the independence of the Audit Committee. From this fiscal year, to further improve the effectiveness of the Board of Directors, the Group reduced the size of the Board of Directors by reducing the number of internal directors, had a majority of external directors on the Board, and increased the ratio of external directors at the statutory committees. As part of efforts to maintain and improve the effectiveness of audit activities by the Audit Committee while transitioning to a system that will allow the full demonstration of the supervisory function, the number of Audit Committee members was reduced from six (four external and two internal) to five (four external and one internal), and one additional Audit Dedicated

Executive Officer was appointed to assist the Audit Committee. In order to assist our duties, the Audit Committee established an Audit Committee Office that conducts operations under the direction of the Audit Committee.

■ Old and New images of the organization structure



Our Directors and Executive Officers

For details of their career and other information, please refer to the following link:
Convocation Notice of Ordinary General Meeting of Shareholders for the Fourteenth Fiscal Period of SuMi TRUST Group
<https://www.smtg.jp/english/-/media/tg/english/stock/meeting/E250522-1.pdf>

Directors (external)

External Director (Chairperson of the Board of Directors)

Isao Matsushita

Important Concurrent Positions

Apr. 1970 Joined Nippon Mining Co., Ltd. (currently, ENEOS Corporation ("EC"))
June 2006 Representative Director and President of Japan Energy Corporation (currently, EC)
June 2012 Representative Director and President (President and Executive Officer) of JX Holdings, Inc. ("JXH") (currently, ENEOS Holdings, Inc. ("EH"))
June 2015 Senior Executive Advisor of JXH (currently, EH) (retired from his position in June 2019)
June 2016 External Director of Matsumoto Kiyoshi Holdings Co., Ltd. (currently, MatsukiyoCo-co-kara & Co. ("MCC")) (retired from his position in June 2025)
June 2017 Director of SuMi TRUST Group (current position)

External Director

Nobuaki Kato

Important Concurrent Positions

Apr. 1971 Joined Nippon Electrical Equipment Co., Ltd. (currently, DENSO CORPORATION ("DC"))
June 2005 President & CEO of DENSO INTERNATIONAL EUROPE B. V. (retired from his position in June 2007)
June 2008 President & CEO (torishimariyaku shacho) of DC
June 2015 President & CEO (torishimariyaku kaicho) of DC
June 2018 Advisor of DC (retired from his position in June 2019)
June 2021 Director of SuMi TRUST Group (current position)

External Director

Tomonori Ito

Important Concurrent Positions

External Director of Electric Power Development Co., Ltd.
Professor of the Institute of Business and Finance of Waseda University
Specially Appointed Professor of the Global and Transdisciplinary Studies Graduate School of Business Administration of Kyoto University of Advanced Science
External Director of Mitsui Sumitomo Insurance Company, Limited

Apr. 1979 Joined The Bank of Tokyo, Ltd. (currently, MUFG Bank, Ltd.)
Mar. 1995 Joined Union Bank of Switzerland (currently, UBS)
Apr. 2011 Specially Appointed Professor of the Graduate School of International Corporate Strategy of Hitotsubashi University
June 2016 External Director of Electric Power Development Co., Ltd. (current position)
Apr. 2020 Specially Appointed Professor of the Graduate School of Business Administration of Hitotsubashi University (retired from his position in August 2021)
Sep. 2021 Professor of the Institute of Business and Finance of Waseda University (current position)
Apr. 2022 Specially Appointed Professor of the Graduate School of Business Administration of Kyoto University of Advanced Science (current position)
June 2022 External Director of Mitsui Sumitomo Insurance Company, Limited (current position)
June 2023 Director of SuMi TRUST Group (current position)

External Director

Hirokazu Fujita

Important Concurrent Positions

Apr. 1980 Joined Tokio Marine & Fire Insurance Co., Ltd. (currently, Tokio Marine & Nichido Fire Insurance Co., Ltd. ("TMN"))
Apr. 2017 Senior Managing Director of Tokio Marine Holdings, Inc. ("TMH")
Chief Investment Officer (CIO)
Apr. 2017 Senior Managing Director of TMN (retired from his position in June 2020)
June 2020 Audit & Supervisory Board Member (Full-Time) of TMH (retired from his position in June 2024)
Nov. 2020 Executive Director of The Japan Audit & Supervisory Board Members Association (retired from his position in June 2024)
June 2024 Director of SuMi TRUST Group (current position)

External Director

Hiroko Kawamoto

Important Concurrent Positions

External Director of East Japan Railway Company
External Director of Canon Marketing Japan Inc.

July 1979 Joined All Nippon Airways Co., Ltd. ("ANA")
Apr. 2016 Executive Vice President, Director for Promotion of Diversity of ANA; and Promotion Officer for the Tokyo Olympic and Paralympic Games (retired from her position in March 2017)
June 2016 External Director of SuMi TRUST Bank (retired from her position in June 2017)
June 2017 Director of SuMi TRUST Group (current position)
June 2020 External Director of East Japan Railway Company (current position)
Apr. 2021 Adviser to ANA Strategic Research Institute Co., Ltd. (retired from her position in March 2023)
Mar. 2023 External Director of Canon Marketing Japan Inc. (current position)

External Director

Kaoru Kashima

Important Concurrent Positions

Certified public accountant
External Director of NTT, Inc.
Outside Audit & Supervisory Board Member of Kirin Holdings Company, Limited

Nov. 1981 Joined Showa Audit Corporation (currently, Ernst & Young ShinNihon LLC ("EY"))
Apr. 1985 Registered as certified public accountant
June 2002 Senior Partner of ShinNihon & Co. (currently, EY) (retired from her position in June 2019)
Sep. 2010 Managing Director in charge of Corporate Culture Promotion Office and Public Relations Office of EY
July 2012 Managing Director, General Manager of Knowledge Headquarters of EY (retired from her position in February 2016)
June 2019 Outside Audit & Supervisory Board Member of NIPPON TELEGRAPH AND TELEPHONE CORPORATION (currently, NTT, Inc.) (External Director in June 2025 due to organizational restructuring) (current position)
June 2019 External Director of SuMi TRUST Bank (retired from her position in June 2021)
Mar. 2020 Outside Audit & Supervisory Board Member of Kirin Holdings Company, Limited (current position)
June 2021 Director of SuMi TRUST Group (current position)

External Director

Hajime Watanabe

Important Concurrent Positions

Chairman of Japan Economic Research Institute Inc.
External Corporate Auditor of Japan Freight Railway Company
External Auditor of Tokyu Corporation
External Director of Fukoku Mutual Life Insurance Company

Apr. 1981 Joined The Japan Development Bank (currently, Development Bank of Japan Inc. ("DBJ"))
June 2018 President and CEO of DBJ
June 2022 Adviser to DBJ (retired from his position in June 2023)
Jan. 2023 Adviser to DBJ REAL ESTATE Co., Ltd. (retired from his position in June 2023)
Apr. 2023 Chairman of Japan Economic Research Institute Inc. (current position)
June 2023 External Corporate Auditor of Japan Freight Railway Company (current position)
June 2023 Director of SuMi TRUST Group (current position)
June 2024 External Auditor of Tokyu Corporation (current position)
July 2024 External Director of Fukoku Mutual Life Insurance Company (current position)

External Director

Kazuo Sakakibara

Important Concurrent Positions

Attorney-at-law
Of Counsel at Anderson Mori & Tomotsune
Auditor of Tokyo Dental College
Outside Director of Takasago Thermal Engineering Co., Ltd.
Acting Chairman of the Board of Governors of Japan Broadcasting Corporation ("NHK")

Apr. 1984 Public Prosecutor of Sapporo District Public Prosecutors Office
Jan. 2020 Superintending Prosecutor of Osaka High Public Prosecutors Office (retired from his position in July 2021)
Oct. 2021 Registered as an attorney-at-law
Nov. 2021 Of Counsel at Anderson Mori & Tomotsune (current position)
Apr. 2022 Auditor of Tokyo Dental College (current position)
June 2023 Outside Director of Takasago Thermal Engineering Co., Ltd. (current position)
June 2023 External Director of SuMi TRUST Bank (retired from his position in June 2024)
Mar. 2024 Acting Chairman of the Board of Governors of NHK (current position)
June 2024 Director of SuMi TRUST Group (current position)

Directors (internal)

Director, President and Executive Officer (Representative Executive Officer) (CEO)*

Toru Takakura

Important Concurrent Positions

Director of SuMi TRUST Bank

Director, Managing Executive Officer (CSuO)*

Chikako Matsumoto

Important Concurrent Positions

Managing Executive Officer of SuMi TRUST Bank

Director

Koichi Kato

Important Concurrent Positions

Director, Senior Managing Executive Officer (Representative Executive Officer) (CFO)*

Masakatsu Sato

Important Concurrent Positions

Director, Senior Managing Executive Officer of SuMi TRUST Bank

Director (Kaicho)

Tetsuo Ohkubo

Important Concurrent Positions

Executive Officers

Senior Managing Executive Officer, Executive Officer (CISO)*

Manatomo Yoneyama

Managing Executive Officer

Atsushi Matsumoto

Managing Executive Officer (CHRO)*

Takumi Fujisawa

Managing Executive Officer (CCO)*

Yuki Takada

Managing Executive Officer (CRO)*

Takahiro Yoshida

Managing Executive Officer

Riro Sato

Managing Executive Officer, Executive Officer

Masanori Watanabe

Managing Executive Officer

Naoki Ishibe

Executive Officer

Kazuya Oyama

Executive Officer

Yuko Nishigaya

*CEO=Chief Executive Officer, CFO=Chief Financial Officer, CSuO=Chief Sustainability Officer, CISO=Chief Information Security Officer, CHRO=Chief Human Resource Officer, CCO=Chief Compliance Officer, CRO=Chief Risk Officer

[Reference] Composition of the Board of Directors of Our Group's Core Subsidiaries

Our Group engages in the financial business globally and offers highly specialized products and services such as trust, asset management, and asset administration through the active participation of a diverse range of employees. Therefore, we strive to ensure that the boards of directors of our Group's core subsidiaries are well-balanced with directors who have broad-ranging experience and knowledge in various fields including corporate management, financial and asset management operations and international experience, and also incorporate diverse perspectives through the participation of female and foreign directors, so that the boards fulfill their functions appropriately.

Diversity in the Boards of Directors at major core subsidiaries

SuMi TRUST
SUMITOMO MITSUI TRUST BANK

Participating in a number of global initiatives

Independent external directors: 7/22 directors (32%)

Female directors: 4/22 directors (18%)

Appointed a non-Japanese female as president (11 years of service, internally promoted)

SUMITOMO MITSUI TRUST ASSET MANAGEMENT

Independent external directors: 4/8 directors (50%)

Female directors: 4/8 directors (50%)

Non-Japanese directors: 2/8 directors (25%)

nikko am
Nikko Asset Management

Independent external directors: 9/11 directors (81%)

Female directors: 5/11 directors (45%)

Non-Japanese directors: 5/11 directors (45%)

As of June 30, 2025

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Sumitomo Mitsui Trust Group, Inc. 2025 Integrated Report 87

Value Creation Story

Management Strategies

Foundation Supporting Value Creation

Data Section



Takahiro Yoshida
Managing Executive Officer CRO
SuMi TRUST Group

Message

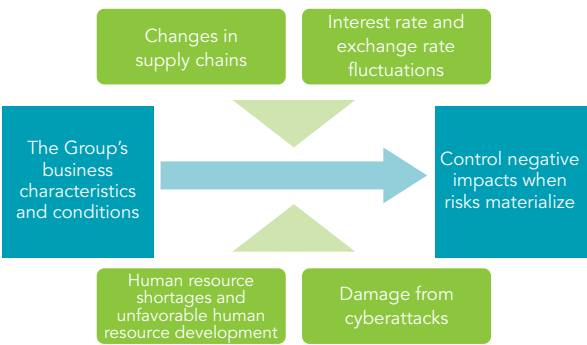
Message from the Chief Risk Officer (CRO)

The Group’s risk management strategy is linked directly to the enhancement of corporate value and the realization of the Group’s Purpose, Mission, Vision, and Values. In recent years, the internal and external environment, including geopolitical risks, has changed significantly and in order to respond, we will strengthen our resilience while striving to identify risk events at an early stage to realize business stability and sustainable growth. In addition, the Group will aim to contribute to enhancing corporate value and stakeholder value by building a sustainable business model, and address the fostering and instilling of a sound risk culture as we regard this as an important management issue. I promise that we will keep advancing the greater sophistication of risk management and continue to be a company trusted by our stakeholders. I will demonstrate leadership at the forefront of risk management aiming for sustainable growth.

Topics

Changes in the External Environment and Proactive Risk Management

In addition to the emergence of geopolitical risks such as the intensification of conflicts in Ukraine and the Middle East, the external environment surrounding the Group has undergone significant changes recently, including changes in supply chains due to the US tariff policy, and instability in interest rates and foreign exchange markets in association with changes in various countries’ monetary policies. By proactively anticipating how these external risk events will affect the Group’s business, we are working to control the negative impacts of these risks when they materialize.



1. Basic Initiative Policy and the Risk Management System

SuMi TRUST Group follows a basic policy of accurately assessing risk conditions and implementing necessary measures through a series of risk management activities, including risk identification, evaluation, response and monitoring,

based on the Group’s management policy and basic policy on the internal control system. Our Group’s risk management framework encompasses the Risk Appetite Framework and is linked to functions organically within the Group.

2. Risk Management System

For the Group-wide risk governance system, the Group has developed a Three Lines of Defense system consisting of risk management by individual Group businesses (first line of defense), risk management by the Risk Management Department and individual risk management-related departments (second line of defense) and validation by the Internal Audit Department (third line of defense).

First line of defense

Each Group business identifies and gains an understanding of the risk characteristics involved in carrying out its own

Second line of defense

In accordance with the Group-wide basic policy on risk management approved by the Board of Directors, as control

departments responsible for the management of each risk category, the Risk Management Department and risk management-related departments perform a check and balance function for the risk taking of the first line of defense, and supervise and provide guidance regarding the risk governance system from an independent standpoint. The Risk Management Department, as an enterprise risk management department, identifies and evaluates Group-wide risks, creates a risk management process and sets risk limits. In addition, it formulates Group-wide recovery strategies, in advance, to prepare for cases when risks materialize. Furthermore, it shares information with risk management-related departments appropriately, monitors the overall status of risks and risk management in an integrated manner, and the CRO reports the status to the Executive Committee and the Board of Directors.

Third line of defense

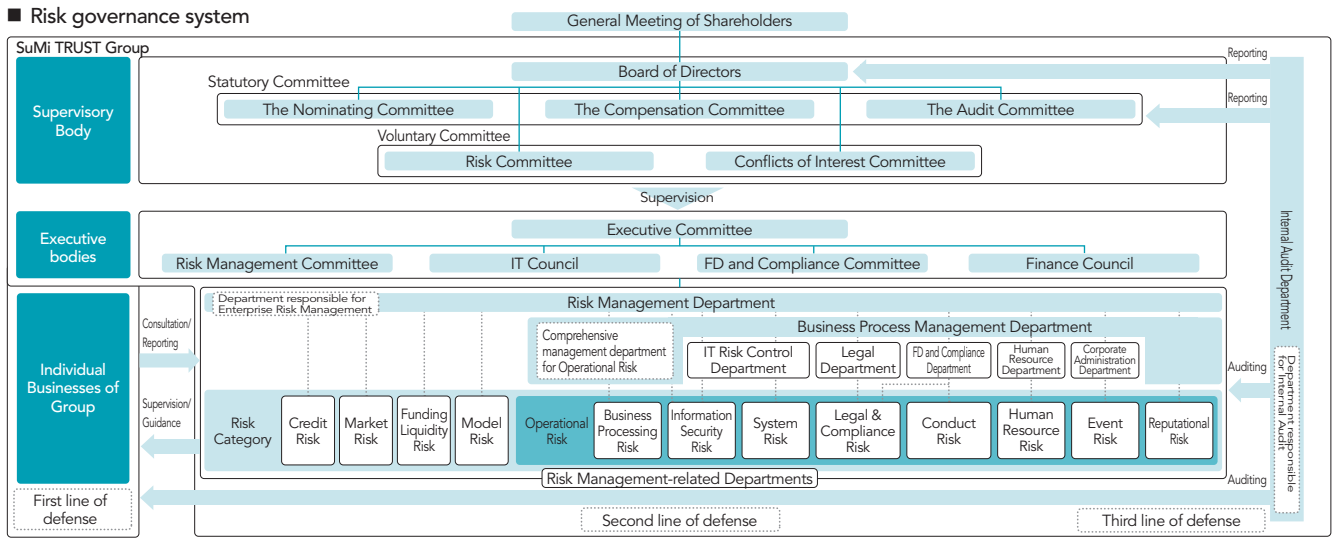
The Internal Audit Department audits the effectiveness and appropriateness of the Group-wide risk governance system and processes from a standpoint independent of the first and second lines of defense.

Executive Committee

The Executive Committee is composed of representative executive officers and other executive officers designated by the President, including the CRO. It makes decisions on matters concerning risk management and undertakes preliminary discussions regarding matters to be resolved by and reported to the Board of Directors.

Board of Directors

The Board of Directors is composed of all of the directors. It decides on the Group’s management policy and strategic goals for risk taking, formulates a risk management policy that reflects these strategic goals based on a solid understanding of where and what risks exist, and develops an appropriate risk governance system and supervises its implementation. The Board of Directors has voluntarily established the Risk Committee and the Conflicts of Interest Committee as advisory bodies based on the business strategies and risk characteristics of the Group.



3. Proactive Management of Top Risks, etc., in the Risk Management Process

Based on the features and risk characteristics of the Group’s business model, we select the top risks (risks that could have a material impact on the Group’s ability to execute business or on results targets within one year and that we should pay attention to in management) and emerging risks (risks that could have a material impact in the medium

to long term beyond one year) and monitor them by setting “risk appetite indicators” for endogenous factor risks and “predictive indicators” for exogenous factor risks. Monitoring results are reported and submitted for proposal to the Board of Directors, the Executive Committee and other bodies regularly or as needed.

For more information on the Group’s initiatives to address climate change-related risks, please see “Sustainability Promotion System” (Q.P.57) in this report and the “Climate Change Report 2024/2025.”
https://www.smtg.jp/english/-/media/tg/english/sustainability/report/2024/climate_all.pdf

■ Main top risks and emerging risks



4. Risk Appetite

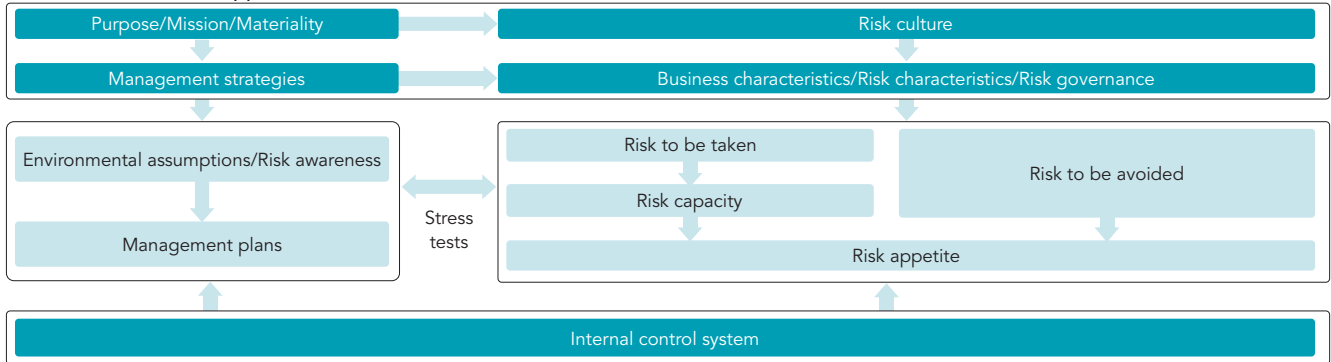
(i) Outline of the Risk Appetite Framework

The Risk Appetite Framework is a Group-wide corporate management framework consisting of the process for determining risk appetite within the Group’s risk capacity, together with an internal control system that monitors the process and ensures its appropriateness and sufficiency, in order to achieve management strategies formulated based on the Group’s Purpose, Mission (management principles), materiality and others.

With the primary objective of balancing improvement in profitability with enhancement of risk management, our Group’s Risk Appetite Framework establishes communica-

tion processes through the setting, propagation, and monitoring of risk appetite and promotes the improvement of transparency in the decision-making process for risk-taking overall, the optimization of the allocation of management resources, and the strengthening of the monitoring system. Through the above, the Group is promoting the enhancement of risk governance, which forms a part of corporate governance, with the aim to achieve sound and sustainable development through the value creation process by implementing and enhancing the Risk Appetite Framework.

■ Outline of the Risk Appetite Framework



(ii) Risk appetite operation

Determining risk appetite target

At the Group, we classify risks into two categories: risks to be taken (risks generated in association with activities that generate returns) and risks to be avoided (risks that are not taken under any circumstances such as compliance risks, and risks that cannot be eliminated completely but are minimized as much as possible in the course of business activities).

Under the Group’s Risk Appetite Framework, the Board of Directors establishes a risk-taking policy, based on Purpose and others, and sets risk appetite indicators taking the results of stress tests into account. In addition, the detailed risk-taking policy is determined by the Executive Committee within the scope of the policy determined by the Board of Directors. The Group maintains the Risk Appetite Statement to clarify the overall picture, policy, and indicators of the Risk Appetite Framework.

The risk-taking policy and risk appetite indicators are determined in a manner consistent with the management plan, and are reviewed at least once a year or when necessary.

Risk appetite monitoring

Our Group sets risk appetite indicators from the three perspectives of return, risk, and cost, and regularly monitors and verifies that risk taking is conducted appropriately.

If the risk appetite indicators deviate from the set levels, the Group analyzes the cause and implements countermeasures or reconsiders the levels of risk taking.

5. Fostering and Instilling a Risk Culture

At the SuMi TRUST Group, we define risk culture as “the mindset and mode of behavior within our corporate culture (the mindset and behavior that underlie the organization and behavior shared within the company) that underlie risk taking and risk management in particular.”

The Group will aim to contribute to enhancing corporate value and stakeholder value by building a sustainable business model, and positions the fostering and instilling of a sound risk culture as an important management issue.

All executives and employees actively identify the inherent risks in their own work, are aware of sound risk-taking and appropriate risk control, and encourage each other to foster a sound risk culture throughout the Group.

To that end, we are building an open and transparent organization and promoting the understanding and penetration of our risk culture through positive messaging by management and the ongoing implementation of e-learning-based and rank-specific training.

6. Enterprise Risk Management

Enterprise risk management system

We manage risks by comprehensively ascertaining the risks faced by the Group, which are evaluated on an individual risk category basis, and comparing and contrasting them against our corporate strength, i.e., capital adequacy (enterprise risk management).

We evaluate the effectiveness of our risk management and risk control annually, and when a need arises due to changes in the business environment or other circumstances, we will consider revisions to our risk category system, risk

management system and other policies.

Among the risks we manage through our enterprise risk management, we aggregate risks that can be quantitatively measured using a single yardstick, such as VaR*, and compare the aggregated risk value against our corporate strength, i.e., capital adequacy, thereby managing risks (integrated risk management).

*VaR: Value at Risk

What are capital allocation operations?

SuMi TRUST Group allocates capital to each Group business for each risk category (credit risk, market risk and operational risk) in consideration of the external environment, risk-return performance status, scenario analysis and the results of assessment of capital adequacy level.

The capital allocation plan is subject to the approval of the Board of Directors. Capital allocation levels are deter-

mined based on the Group’s risk appetite.

Each Group business is operated within both the allocated amount of capital and the risk appetite. The Risk Management Department measures risk amounts on a monthly basis, and reports regularly on the risk status compared to the allocated capital and risk appetite to the Board of Directors and others.

What are stress tests?

The Risk Management Department performs three types of stress tests (hypothetical scenario stress testing, historical scenario stress testing and examination of probability of occurrence) each time a capital allocation plan is formulated

or reviewed, with the aim of ensuring capital adequacy from the standpoint of depositor protection. Based on the results of these stress tests, it assesses the level of capital adequacy, and reports to the Board of Directors and others.

Message



Manatomo Yoneyama
Senior Managing Executive Officer,
Executive Officer CISO
SuMi TRUST Group

Message from the Chief Information Security Officer (CISO)

As a financial institution that plays a critical role in national infrastructure, we place the highest priority on safeguarding our customers’ diverse and sensitive information, including personal data. The cybersecurity landscape is evolving rapidly due to technological advancements in cyber threats and heightened geopolitical tensions. In addition, there has been a notable increase in attacks targeting the supply chains of Group affiliates and key business partners.

Cybersecurity threats are increasingly latent and complex, even within previously trusted perimeter-based defenses. As such, zero-trust security measures—which operate on the principle of “trust nothing” and verify all access—have become essential.

The SuMi TRUST Group has established a Chief Information Security Officer (CISO) and a dedicated CSIRT^{*1} (Computer Security Incident Response Team) to strengthen its cybersecurity posture not only through technical measures, but also through organizational and human resource initiatives. We are committed to continuously enhancing our cyber resilience so that customers can use our services with confidence and trust.

Topics

Enhancing Capabilities to Address Increasingly Sophisticated Cyber Threats

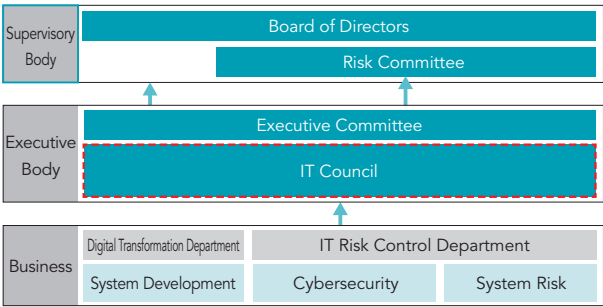
The SuMi TRUST Group has established a management framework within which the CSIRT collects and analyzes internal and external intelligence, formulates and implements countermeasures and introduces various countermeasures, and reports directly to senior management.

We proactively implement countermeasures against DDoS attacks and vulnerability exploitation, and continuously enhance multi-layered defenses, including phishing site detection and blocking.

In preparation for potential incidents, we conduct simulated cyberattack exercises with external experts and actively participate in security community initiatives, such as Financial ISAC², FS-ISAC³, and JC3⁴.

In April 2025, we established IT Risk Control Department,

which is responsible for IT-related risk management functions, and are enhancing our organizational framework and staffing, while advancing our capabilities to address increasingly sophisticated cyber threats.



1. Information Security Risks

Basic Policy on Initiatives and the Risk Management Framework

Based on recognition that information assets are among our most critical management resources, the Group has designated the protection of personal information and client data as a materiality theme. In addition, we have established executive officers and dedicated departments responsible for information security risk management, ensuring the appropriate governance of information assets.

Further, we have publicly issued our “Sumitomo Mitsui Trust Group Privacy Policy” as a statement of our commitment to safeguarding personal data.

We have also established internal rules and a management framework in accordance with relevant laws and regulations, including the “Guidelines for Personal Information Protection in the Financial Field” issued by the Financial Services Agency. In addition, we regularly conduct training sessions for all

employees to raise awareness of key considerations in daily information handling and to promote a principles-based understanding of data protection.

A series of processes, including the establishment of a risk management framework, the formulation of plans, and the identification, assessment, monitoring and control of risks, are comprehensively deliberated by the Risk Management Committee, and policies and plans are finalized by the Board of Directors following deliberation by the Executive Committee. These processes are executed by the Business Process Management Department, IT Risk Control Department, and other relevant departments in accordance with internal rules on authority. The overall risk management framework is overseen by the executive officers responsible for the Business Process Management Department and the IT Risk Control Department.

2. Cybersecurity Measures

(i) Basic policy and framework

The Group has designated cybersecurity as both a materiality theme and a top risk, and has formulated a Cybersecurity Management Declaration to guide the planning and promotion of cybersecurity measures under executive leadership.

Furthermore, through the Security Measures Review Committee and the IT Council, and by leveraging external expertise, we are advancing the enhancement and standardization of our cybersecurity framework. This includes the regular implementation of cybersecurity risk assessments and system vulnerability assessment, as well as the harmonization of related internal regulations across the Group.

(ii) Cybersecurity

(1) Monitoring framework

The Group has established a shared internet communication infrastructure, and the Security Operation Center (SOC) conducts 24/7 monitoring of the network and detects threats through correlation analysis of various data sources. All relevant information is centralized within the CSIRT, which serves as the core of our cybersecurity monitoring framework.

(2) Technical measures

As technical measures against cyberattacks, the Group has implemented a multi-layered defense strategy, including perimeter (entry), outbound (exit), and internal controls. In addition, we continuously strive to collect and analyze threat intelligence, including information on attacker behavior, and to enhance our intelligence capabilities to support advanced vulnerability management across the Group.

(iii) System risk

To minimize the impact of large-scale system failures and natural disasters, and to ensure rapid recovery and business continuity, the Group has clarified its communication and response framework, developed contingency measures and recovery procedures, and conducts operational training and drills to strengthen overall resilience. In addition, for risks such as delays and cost overruns associated with large-scale system development projects, we monitor project progress and quality control, and report and consult with the IT

IT Council

The IT Council serves as an advisory body to the Executive Committee, comprising the Chief Information Security Officer (CISO) as chair, executive officers and general managers from relevant corporate management departments, and external experts with specialized knowledge. It deliberates on critical matters related to system investments and technologies from a multifaceted perspective. From a risk management standpoint, the Council also discusses risks associated with system development, cybersecurity, and system operations, contributing to the enhancement of the Group’s overall governance framework.



Cybersecurity Management Declaration
https://www.smtg.jp/english/-/media/tg/english/about_us/management/risk/pdf/CSMD.pdf



- Main measures
- Detection and blocking of malicious communications
 - Prevention of virus and malware intrusions
 - Regulation of suspicious communications through behavioral analysis
 - Assessment and remediation of internet-facing vulnerabilities via vulnerability assessment
 - Detection of malware behavior at endpoints
 - Integrated analysis of communication logs from firewalls, proxy servers, and other sources to improve detection accuracy
 - Decryption and analysis of encrypted communications to expand detection coverage

(3) Human resource development

To cultivate personnel with advanced cybersecurity expertise, the CSIRT engages in collaborative discussions with external experts, participates in external security communities, and supports external training and professional certification programs. In addition, Sumitomo Mitsui Trust Bank, Limited continuously promotes employee education through information security training, phishing email simulation exercises, and cybersecurity drills conducted in collaboration with external organizations.

Council to ensure the appropriate governance of system development.

^{*1} CSIRT (Computer Security Incident Response Team): Internal team responsible for collecting, analyzing, and responding to early indicators of cyberattacks.
^{*2} Financial ISAC (Information Sharing and Analysis Center): Information-sharing organization for Japanese financial institutions.
^{*3} FS-ISAC (Financial Services Information Sharing and Analysis Center): Global information-sharing organization for financial institutions, primarily based in the United States.
^{*4} JC3 (Japan Cybercrime Control Center): A non-profit organization that facilitates cyber threat information sharing and analysis through collaboration among industry, academia, and government.



Yuki Takada
Managing Executive Officer CCO
SuMi TRUST Group

Message from the Chief Compliance Officer (CCO)

We sincerely apologize for any inconvenience and concern caused to our clients and other stakeholders due to the violation of the Financial Instruments and Exchange Act (specifically, insider trading regulations) by a former employee of SuMi TRUST Bank, a subsidiary of SuMi TRUST Group. As a trust group committed to upholding high ethical and self-disciplinary standards, we recognize that rebuilding trust is a critical undertaking. In response to this incident, we provided training for directors, executive officers, and employees to raise compliance awareness. In addition to the previously announced measures to prevent recurrence, we also plan to further strengthen our compliance framework and information management systems. Since its founding, the Group has remained true to its fiduciary spirit, ensuring a thorough client-oriented approach and establishing a sophisticated conflict of interest management system. Our mission is to safeguard our clients' assets while pursuing their best interests.

We remain committed to delivering services that prioritize our clients' perspectives, with strong emphasis on restoring trust.

Topics

Pursuing the Best Interests of Our Clients Throughout the Entire Investment Chain

Legislation aimed at pursuing clients' best interests

The Act on Provision of Financial Services and the Development of the Accessible Environment Thereto newly stipulates the obligation of financial service providers to conduct their business operations in good faith and fairness, taking into consideration the best interests of clients, etc. (duty of good faith and fair dealing). As a result of this amendment, the scope of the obligation now extends beyond financial instruments business operators and similar entities to include a broad range of business operators. SuMi TRUST Group will pursue the best interests of its clients by further enhancing its systems to ensure the suitability of products and services, while addressing clients' feedback.

Announcement of supplementary principles on product governance

Supplementary principles on product governance have been added to the Principles for Customer-Oriented Business Conduct. This has enhanced the client-oriented focus on the structuring of financial products and strengthened the framework for pursuing the best interests of clients throughout the investment chain, from creation to distribution. SuMi TRUST Group has also established a framework for close cooperation between the originator and distributor. Concurrently, we will continuously evaluate and strengthen our systems for managing conflicts of interest and information to prevent any inappropriate practices such as improper information sharing.

Compliance

(i) Basic policy and compliance framework

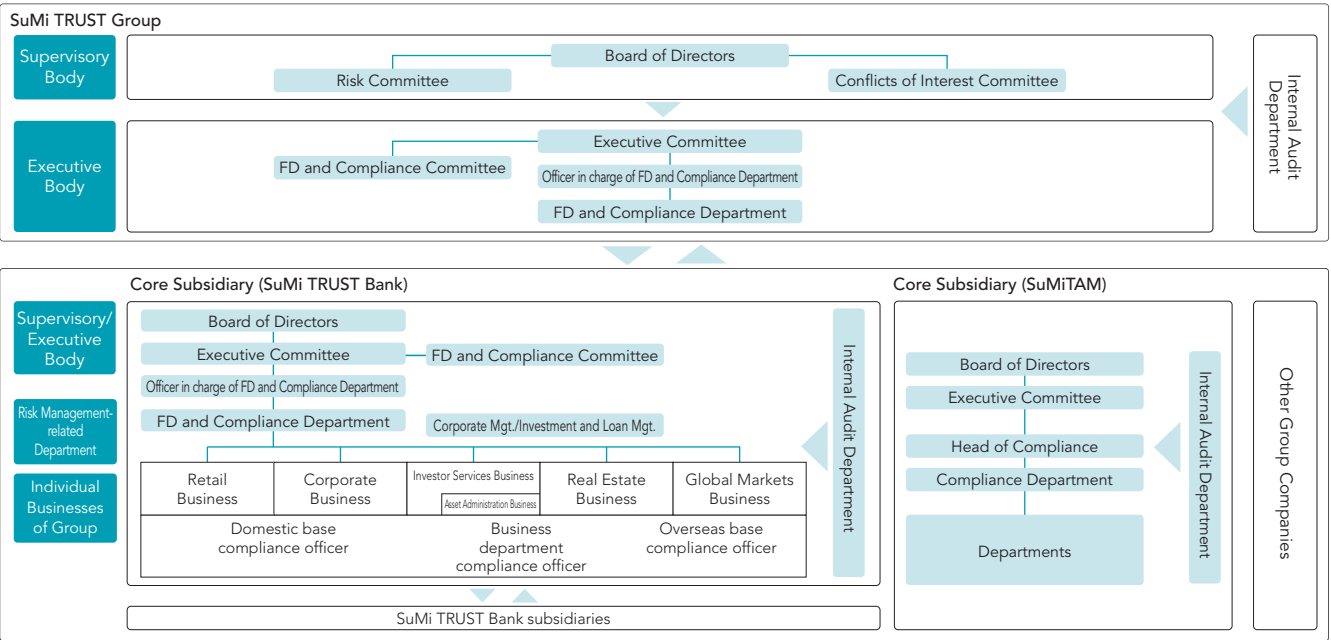
Based on its Reason for Existence ("Purpose") of "Trust for a flourishing future," the Group sets out strict compliance with applicable laws and regulations in the Codes of Conduct ("Value"). Additionally, the Compliance Rules formulated by the Board of Directors define the Group's overall basic policy, the standards that directors, executive officers, and employees must follow, and the Group's organization structure for realizing compliance. The Group also formulates the Compliance Program, which consists of specific operational plans, with the approval of the Board of Directors, and the Board of Directors periodically evaluates the progress.

To manage the compliance framework across the entire

Group and to create an appropriate framework tailored to the operational characteristics of each Group company, SuMi TRUST Group formulates the Compliance Programs for each company and provides guidance and oversight to monitor the progress and achievement of these programs. The CCO oversees compliance within the Group and reports regularly to the Board of Directors.

In April 2025, we integrated the central compliance department with the special office focused on client-oriented business operations to further enhance compliance with laws and regulations and to deepen our commitment to the fiduciary spirit.

Compliance system of SuMi TRUST Group



(ii) Initiatives for through compliance awareness

(1) Initiatives for ensuring compliance awareness

Contents of the Compliance Manual, including explanations of laws and regulations that must be followed and actions to be taken in the event of the discovery of illegal or inappropriate behavior, are thoroughly informed throughout the Group. We are also improving compliance training to maintain a high level of compliance awareness throughout the Group. More specifically, in addition to sharing training materials for e-Learning and discussion-based study sessions, the Group companies provide training and study sessions tailored to their respective businesses and products, as well as e-Learning on specific themes, to foster awareness.

(2) Response to compliance violations

To take appropriate action in the event of a compliance violation by directors, executive officers, or employees, SuMi TRUST Group has specified in its Compliance Manual the measures to be implemented upon discovering any ille-

gal activities and mandates that directors, executive officers, and employees report such incidents to the FD and Compliance Department through the person in charge of compliance. When a violation is reported from the department in which the violation occurred, the FD and Compliance Department, along with the relevant department, investigate the situation, address clients' concerns to resolve the issue, and report findings to internal and regulatory authorities. The department also provides guidance and advice on measures necessary for resolution, including determining whether external disclosure is needed. It assesses whether the actions taken by the affected department and the central business management department are suitable to prevent recurrences (future occurrences). Additionally, the department establishes a reporting and management system designed to prevent and reduce incidents, while also enhancing the quality of administrative work.

Hotline System

The Group has established the Compliance Hotline to enable directors, executive officers, and employees to directly report violations of laws and regulations to the FD and Compliance Department and external law firms. The system ensures protection of whistleblowers, and a simple means of reporting (telephone and web system) has been established. We have also set up an accounting hotline to receive reports of inappropriate accounting practices.

Furthermore, the Global Compliance Hotline was

launched in FY2025 to enhance fraud prevention at overseas offices and foster a culture that encourages everyone to speak up. Employees at our overseas offices can report directly to the Tokyo headquarters of SuMi TRUST Group in multiple languages.

Number of whistle-blowing incidents
https://www.smtg.jp/-/media/tg/sustainability/report/2023/esg_databook.pdf

(iii) Initiatives to prevent financial crime and other unlawful acts

The Group has published an Anti-Money Laundering* Compliance Policy, and continuously works to improve the framework to prevent unauthorized use of the financial services. The efforts include conducting periodic risk assessment of Group companies, including overseas offices, overseeing the development status of the framework, such as risk-based control measures, and providing guidance on improvement.

To prevent transactions that involve anti-social forces, we have introduced an anti-social forces exclusion clause for our

various products and services, and we work closely with the police and other external expert organizations to terminate any transactions if anti-social forces are found to be involved after the commencement of a transaction.

In addition, we have established a system designed to decisively combat financial crimes that exploit the financial services provided by the Group and ensure the successful implementation of increasingly complex economic sanctions.

* Anti-money laundering is defined by the Group as the prevention of unauthorized use of financial services as detailed in the points (i)–(iii) below.
(i) Money laundering: The act of attempting to prevent the discovery or seizure by investigative authorities of funds obtained through fraudulent/illegal means
(ii) Terrorist financing: The act of providing support by collecting or providing funds or real estate that will be used to fund terrorist acts or otherwise fund the activities of terrorist organizations
(iii) Proliferation finance: An act of providing funds or financial services to persons who are subject to measures such as freezing of assets due to their involvement in the development, possession, or export of weapons of mass destruction (nuclear, chemical, or biological weapons). Please refer to the “Sustainability Report,” published separately, for more detailed information on the initiatives aimed at preventing money laundering and excluding anti-social forces.

(iv) Conduct risk management initiatives

SuMi TRUST Group recognizes risk that could have a negative impact on the Group, clients, markets, financial infrastructure, society, or the workplace environment due to directors, executive officers, and employees of a Group company engaging in behavior that violates professional ethics or that otherwise fails to meet the expectations and trust of stakeholders as conduct risk.

We are currently improving our conduct risk management by, for example, verifying certain transactions related to conduct risk according to predefined operational flows.

Our Standards of Conduct consist of 25 items based on the four pillars: our standards for our clients, our standards for our people, our standards for our society, and our stan-

dards for our shareholders. The standards outline the concepts necessary for directors, executive officers, and employees of the Group companies to help them take appropriate action when they are unsure of their decisions in their daily work. In particular, we believe that appropriate behavior extends beyond following rules; it requires a strong commitment to honesty and integrity. We regularly update our standards in a timely and proper manner. Moreover, SuMi TRUST Group is promoting and implementing the “3up” initiative (Listen up, Follow up, Speak up)* to foster a better workplace environment.

* Listen up: managers and colleagues should proactively listen up
Follow up: follow up on any necessary improvements together
Speak up: speak up on any issues and concerns

**SUMITOMO MITSUI TRUST GROUP**
Our Standards of Conduct



You can find them on the website of SuMi TRUST Group.
https://www.smtg.jp/english/about_us/management/standard

(v) Future initiatives in light of the misconduct incident

Following the discovery that a former employee of SuMi TRUST Bank, was suspected of insider trading, we established an Investigation Committee comprising independent external directors and external counsel. The Investigation Committee conducted an investigation into similar transactions, identified and analyzed the underlying causes of such trading activities, and compiled an investigative report that included recommendations on recurrence prevention measures. The report was published in May 2025.

In response to the findings of the investigation report, SuMi TRUST Bank is committed to enhancing its internal

control system. The efforts include reinforcing education for directors, executive officers, and employees, strengthening checks and balances to prevent misconduct, and improving the management of insider information. The bank is committed to rebuilding trust with its clients, shareholders, and all the other stakeholders, as well as the broader society.

**For further details of this issue, please refer to the release below:**
<https://www.smtg.jp/english/-/media/tg/english/news2/2025/E250501.pdf>

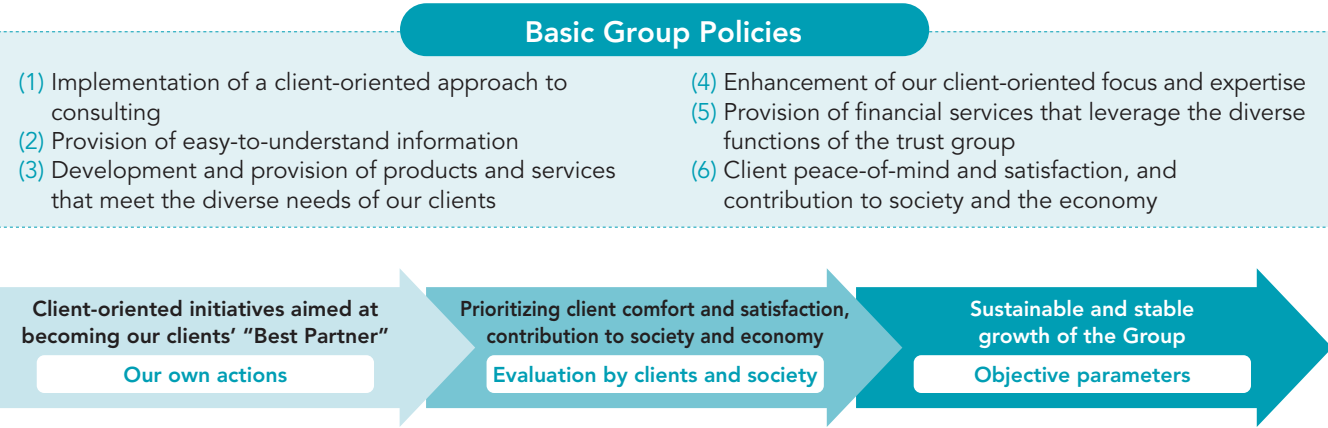


Fiduciary Spirit (Client-Oriented Initiatives)

(i) Client-oriented business operations

Since its founding, SuMi TRUST Group has made every effort to realize client’s expectation entrusted to us. “Be a fiduciary that is trusted by stakeholders” is one of our aspirations for 2030, and we strive to be the “Best Partner” that provides the most significant value to our clients by thoroughly implementing client-oriented business operations.

We have also formulated and published the “Policies regarding the Fiduciary Duties of the Sumitomo Mitsui Trust Group” as a standard guideline for the Group, and are working with the Group companies to thoroughly implement a client-oriented approach.



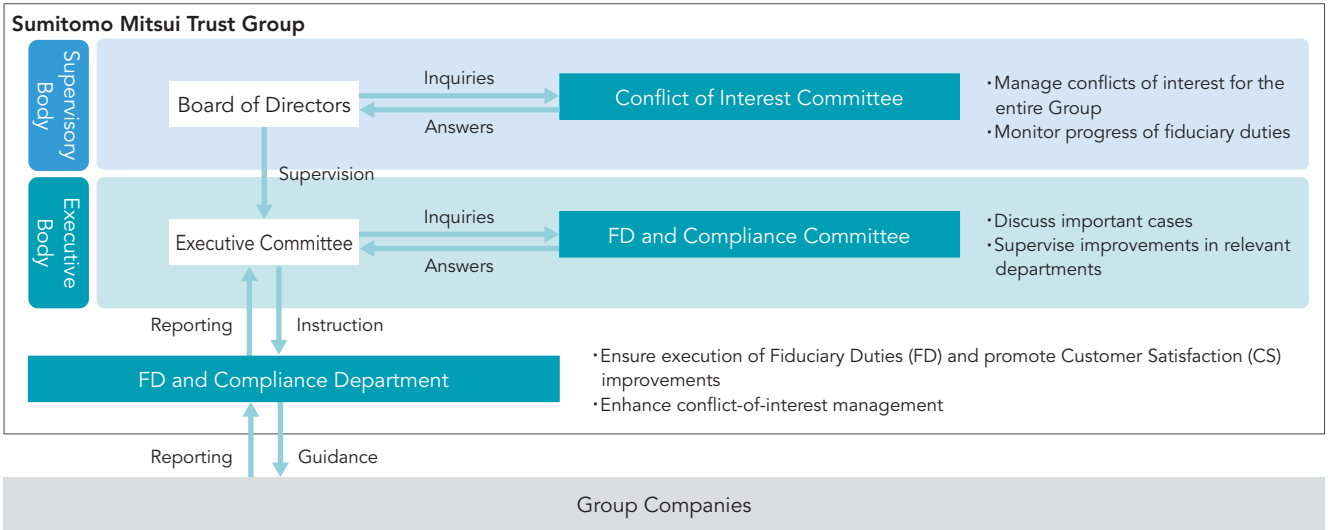
(ii) Management of conflicts of interest

The Summary of the Management Policy Concerning Conflicts of Interest has been announced, in order to protect the interests of our clients from undue harm caused by the provision of various services by SuMi TRUST Group’s 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 FD and Compliance Department, which is the department that oversees management of conflicts of interest independently of sales divisions, 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 a Conflict 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 experts. It serves as an advisory body to the Board of Directors and verifies the appropriateness of the group’s management of conflicts of interest.

■ Client-oriented business operations and conflict-of-interest management framework



(iii) Instilling and solidifying awareness of a client-oriented mindset and improving customer satisfaction

We at SuMi TRUST Bank are taking various initiatives to create new value by leveraging our extensive expertise in response to the trust of our clients, in order to be a trusted “Best Partner” for our clients.



(iv) Initiatives that lead to enhanced customer satisfaction

(1) Clients' feedback

SuMi TRUST Bank 1) receives many valuable opinions and requests from clients and feedback, such as “voice of clients” via branches throughout Japan and through call centers and the website (in fiscal year 2024, SuMi TRUST Bank received 1,623 complaints, up 69 from the previous year); 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.

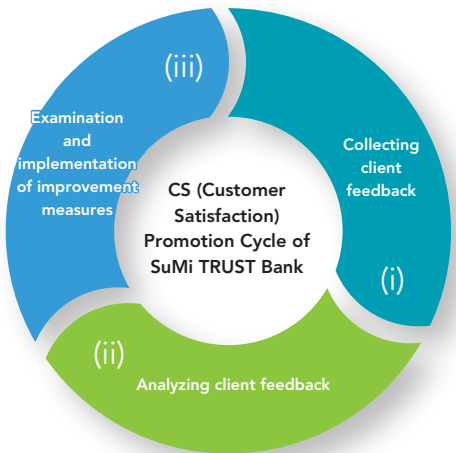
Furthermore, 3) regarding opinions and requests received from clients, branches and head office cooperate to investigate and analyze the reasons and identify problems. Based on the results, we search for necessary improvement measures and strive to provide better products and services.

In addition, the Group has worked in line with the Voluntary Declaration of Consumer-Orientation*, formulated in June 2019, to ensure that our clients and society can always place their trust in us and that we can grow together. As part of our client-oriented management initiative, we compile and share the results of improvements made based on client

feedback every year.

*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 to improve social value by collaborating and engaging in co-creation with consumers.

■ Customer Satisfaction Promotion Cycle



(2) Voice of employees

SuMi TRUST Bank is committed to enhancing the quality of client service by gathering suggestions for improvement from its employees. As part of our daily efforts to maintain a client-oriented approach and to improve customer satisfac-

tion, our employees are encouraged to speak up about areas that require improvement. We also acknowledge and celebrate those who submit outstanding proposals.

Please visit here for the report entitled “Status of implementation and KPIs for initiatives pursuing to be the ‘Best Partner’ for our clients” in fiscal 2024. (Japanese text only)

https://www.smtg.jp/-/media/tg/about_us/management/customer/fiduciaryduty/pdf/fiduciaryduty_kpi_status.pdf

Internal Auditing

1. Initiatives in FY2024

SuMi TRUST Group and its major group company, SuMi TRUST Bank, have shifted to a continuous monitoring system that adds significant value to the organizations by strengthening efforts in thematic audits and off-site monitor-

ing. Furthermore, we have proactively applied technology, utilizing generative AI for interview analysis and enhancing the use of data in our audit processes.

2. Basic Philosophy

SuMi TRUST Group considers it essential to implement an efficient and effective internal audit system to meet its management objectives, ensure compliance with laws and regulations, client protection, and manage risks. To ensure sound management practices, we have established independent

internal auditing units to verify the appropriateness and effectiveness of the business execution and internal management systems, correct problems, and follow up on the status of improvement measures.

3. Internal Auditing System

(i) SuMi TRUST Group

In addition to establishing the Internal Audit Department independent of departments involved in business execution under the Board of Directors, SuMi TRUST Group has strengthened governance, by positioning the Internal Audit Department in a direct instruction and reporting relationship with the Audit Committee.

The Internal Audit Department formulates an internal audit plan that considers the basic policy for SuMi TRUST Group's internal audits and the significant group-wide risks. This plan is then discussed with the Audit Committee for their consent before being approved by the Board of Directors. Internal audit results are reported to the President, as

well as the Audit Committee and the Board of Directors, in a timely and appropriate manner.

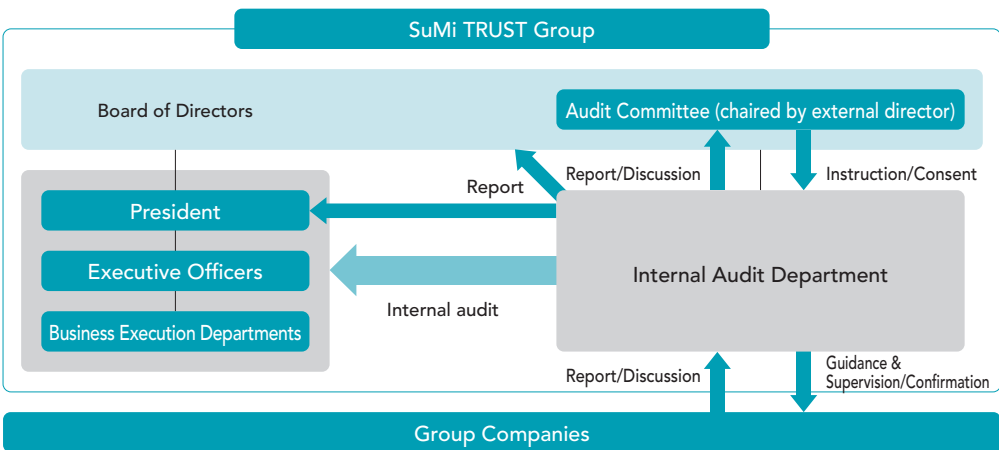
In addition, the Internal Audit Department receives consultation from each group company regarding their internal audit plans and confirms that they are formulated in accordance with the basic policy on internal audits. The Internal Audit Department carries out internal audits in collaboration with the internal auditing unit of each group company, receives reports of internal audit results, monitors the internal auditing system and its audit implementation status at each group company, and provides guidance and supervision.

(ii) Group companies

Internal auditing units that are independent of departments involved in business execution have also been established at the main group companies, including SuMi TRUST Bank, and conduct internal audits. The internal auditing plan of each group company has been formulated

in accordance with the basic policy on internal audits and is approved by the Board of Directors in consultation with SuMi TRUST Group. The results of internal audits are reported to the Board of Directors and the president of each company, as well as to SuMi TRUST Group.

■ Internal auditing structure of SuMi TRUST Group



Nourishing our society

Theme. 4

Data Section

Group Information and External Evaluations of SuMi TRUST Group

Financial Data

Corporate Information

(Billions of yen)

	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016		FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Net Business Profit before Credit Costs	342.2	284.6	285.8	316.7	318.3	232.3		270.5	282.2	289.0	294.7	346.0	324.6	338.6	362.0
Total Credit Costs	(8.9)	6.1	9.1	19.3	(25.9)	(28.5)		2.9	(2.9)	(43.8)	(7.8)	(41.5)	(10.4)	(11.8)	(24.6)
Net Gains on Stocks	(33.9)	(4.2)	(3.7)	(2.1)	29.6	36.4		6.3	13.7	40.1	(43.5)	(38.3)	3.0	(188.5)	81.4
Of which, Amortization of Shares, etc.	(30.3)	(7.7)	(2.3)	(0.3)	(6.3)	(3.8)		(0.0)	(3.4)	(12.4)	(0.8)	(0.9)	(1.6)	(2.0)	(2.4)
Other Net Non-Recurring Profit	(27.2)	(31.4)	(33.2)	(41.4)	(43.9)	(43.9)		(47.2)	(36.5)	(27.6)	(60.2)	(36.4)	(31.4)	(36.9)	(51.1)
Ordinary Profit	272.1	255.0	258.0	292.4	278.0	196.3		232.6	256.4	257.6	183.1	229.7	285.8	101.3	367.6
Extraordinary Profit	22.8	(26.7)	(11.3)	(59.9)	(4.9)	(5.2)		6.1	(15.0)	(16.9)	16.8	(1.7)	(14.4)	(3.3)	(13.2)
Total Income Taxes	(109.3)	(75.1)	(91.6)	(60.1)	(93.9)	(56.9)		(73.0)	(60.5)	(75.6)	(56.0)	(57.7)	(79.3)	(17.6)	(95.2)
Net Income	185.6	153.1	154.9	172.4	179.1	134.2		165.7	180.7	165.0	143.9	170.2	192.0	80.3	259.1
Net Profit Attributable to Non-Controlling Interests	(20.9)	(19.4)	(17.2)	(12.7)	(12.2)	(12.7)		(11.7)	(6.8)	(2.0)	(1.7)	(1.1)	(1.0)	(1.1)	(1.5)
Net Income Attributable to Owners of the Parent	164.6	133.7	137.6	159.6	166.9	121.4		153.9	173.8	163.0	142.1	169.0	191.0	79.1	257.6

Total Assets	34,376.3	37,704.0	41,889.4	46,235.9	58,229.9	65,453.7		68,356.7	57,029.1	56,500.5	63,368.5	64,633.2	69,022.7	75,876.9	78,247.1
Loans and Bills Discounted	20,636.4	22,391.6	23,824.0	25,550.0	27,525.8	28,040.4		28,190.5	29,025.7	29,703.3	30,506.9	30,876.5	31,810.9	33,420.9	32,206.9
Securities	6,795.7	6,346.0	5,764.4	4,813.3	4,926.2	5,127.7		5,537.6	5,759.5	6,437.5	6,983.4	7,879.2	6,933.0	9,938.9	11,496.1
Total Liabilities	32,039.2	35,373.5	39,448.3	43,518.9	55,525.4	62,662.0		65,484.4	54,298.7	53,909.6	60,646.0	61,887.9	66,200.1	72,739.2	75,119.7
Deposits	22,077.8	23,023.8	24,123.3	25,079.7	26,701.9	36,000.8		37,351.8	31,903.5	30,688.9	33,467.6	33,230.1	35,387.2	37,418.2	37,722.9
Negotiable Certificates of Deposit	3,252.8	4,103.5	5,100.1	6,570.5	7,130.6	7,326.6		6,563.3	6,328.6	5,860.2	7,160.5	6,587.9	7,461.0	9,220.9	9,643.0
Total Net Assets	2,337.0	2,330.4	2,441.0	2,716.9	2,704.5	2,791.6		2,872.3	2,730.3	2,590.9	2,722.5	2,745.2	2,822.5	3,137.6	3,127.3
Treasury Stock	1,817.8	1,711.5	1,901.7	1,860.1	1,966.8	2,031.6		2,127.8	2,242.9	2,334.3	2,416.0	2,517.5	2,587.8	2,566.3	2,699.9
Of which, Retained Earnings	696.8	790.1	886.4	970.3	1,087.1	1,159.0		1,263.4	1,387.5	1,495.0	1,581.0	1,682.5	1,803.0	1,802.0	1,968.1
Accumulated Other Comprehensive Income	9.0	134.4	203.5	529.6	410.1	430.9		496.8	410.4	220.8	277.7	198.0	204.2	539.9	396.2
Non-Controlling Interests	510.1	484.4	335.6	326.9	327.1	328.4		246.8	75.8	34.5	27.7	28.7	29.5	30.5	30.3

Consolidated Common Equity Tier 1 Capital Ratio	—	8.30%	9.32%	10.28%	11.36%	11.04%		11.33%	12.18%	12.62%	12.12%	12.31%	10.79%	11.35%	11.52%
Consolidated Tier 1 Capital Ratio	—	9.95%	10.83%	11.45%	13.36%	13.54%		13.74%	14.18%	14.47%	13.51%	13.71%	12.01%	12.55%	12.96%
Consolidated Total Capital Ratio	—	14.10%	14.78%	15.57%	16.75%	16.42%		16.31%	16.77%	17.23%	15.76%	15.61%	13.24%	13.64%	14.34%
Dividend Per Share (Yen)*	42.5	45	50	60	65	65		65	70	75	75	85	105	110	155
Dividend Payout Ratio	30.3%	27.2%	29.3%	29.6%	30.0%	40.9%		32.1%	30.5%	34.5%	39.5%	37.7%	40.2%	100.6%	43.1%
Net Assets Per Common Share (Yen)*	2,065.56	2,353.58	2,555.11	3,093.19	3,090.60	3,218.79		3,448.68	3,504.34	3,411.24	3,596.04	3,624.85	3,843.26	4,316.77	4,354.92
Net Income Per Common Share (Yen)*	192.70	156.38	172.44	201.92	216.65	158.62		201.96	229.46	217.16	189.83	225.70	258.57	109.16	359.57
ROE	9.58%	7.48%	7.13%	7.17%	7.00%	5.01%		6.05%	6.58%	6.25%	5.41%	6.25%	6.93%	2.68%	8.30%

*Value calculated by assuming that the reverse stock split on October 1, 2016, and a stock split on January 1, 2024, were executed in previous years.
● For derivative transactions, the presentation treatment has been changed from net basis to gross basis since the first quarter of FY2021 (general treatment in the Practical Guidelines on Accounting Standards for Financial Instruments). Accordingly, the figures as of March 31, 2021 have been updated.

1. Status of Profit and Loss

Terms marked with an asterisk are explained in the “Glossary” below.

(i) Financial highlights

In fiscal year 2024, continued strong performance in trust-related businesses, including asset management, asset administration, real estate, and stock transfer agency services, led to an increase in Net fees and commissions and related profit. Furthermore, favorable market conditions, such as rising yen interest rates, contributed to growth, resulting in Net business profit before credit costs of 362 billion yen, an increase of 23.3 billion yen year-on-year.

Net income attributable to owners of the parent increased 178.4 billion yen year-on-year, to 257.6 billion yen, mainly due to a significant improvement in Net gains on stocks, despite an increase in total credit costs from the previous fiscal year.

Both figures surpassed the full-year forecast announced in January 2025 and achieved record-high profits.

(ii) Net business profit before credit costs

There was a strong trend in Net fees and commissions and related profit thanks to continuing robust trust-related businesses such as asset management and asset administration and changes in the market environment added further tailwinds, such as an increase in yen interest rates. Accordingly, Net business profit before credit costs increased 23.3 billion yen year-on-year to reach 362 billion yen.

(iii) Effective interest related earnings

Effective interest related earnings increased significantly to 374.9 billion yen, up 84.9 billion yen from the previous fiscal year. This increase was due to higher yen interest rates resulting from the Bank of Japan’s policy interest rate hike, which led to profit improvement mainly from loans and deposits, and decrease of foreign currency funding costs due to lower U.S. interest rates.

(iv) Net fees and commissions and related profit

Net fees and commissions and related profit increased by 29.7 billion yen from the previous fiscal year to 508.5 billion yen, due to continued strong performance of trust-related businesses such as asset management, asset administration, real estate, and stock transfer agency services.

(v) Net income attributable to owners of the parent

While Total credit costs increased mainly due to the revaluation of special loan loss provisions to prepare for future uncertainty, Net gains on stocks improved significantly as a result of the reduction and restructuring of positions in Japan equity bear funds and progress in the sale of strategic shareholdings in the previous fiscal year. As a result, Net income attributable to owners of the parent significantly increased 178.4 billion yen year-on-year to 257.6 billion yen.

Sumitomo Mitsui Trust Group (consolidated)		
	FY2024	Change from FY2023
(Billions of yen)		
Net business profit before credit costs*	362.0	23.3
Effective interest related earnings*	374.9	84.9
Net fees and commissions and related profit*	508.5	29.7
Other profit	50.6	(54.6)
Substantial G&A expenses	(572.1)	(36.6)
Total credit costs*	(24.6)	(12.7)
Net gains on stocks	81.4	269.9
Ordinary profit	367.6	266.3
Net income attributable to owners of the parent	257.6	178.4
Return on equity (ROE)*	8.30%	5.62%
Net assets per share (BPS)	4,354.92	38.15
Earnings per share (EPS)	359	250

* $\frac{\text{Net income attributable to owners of the parent}}{(\text{Beginning balance of shareholders' equity} + \text{Ending balance of shareholders' equity}) \div 2} \times 100$

SuMi TRUST Bank (non-consolidated)		
	FY2024	Change from FY2023
(Billions of yen)		
Net business profit before credit costs*	288.9	12.9
Total credit costs*	(23.1)	(11.5)
Other non-recurring profit	44.9	250.6
Ordinary profit	310.7	252.0
Extraordinary profit	(5.7)	(1.9)
Net income	239.5	181.7

(Note 1) Any loss or decrease in profit is put in parentheses.
(Note 2) Amounts less than 100 million yen are rounded down.

Dividends		
	FY2024	Change from FY2023
Dividend per share on common stock (Yen)	155.00 yen	+ 45.00 yen

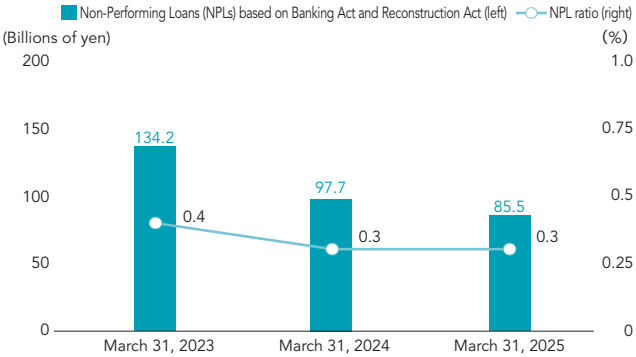
Glossary

Net business profit before credit costs
Substantial profit of a bank's (and the group's) core businesses, calculated by eliminating the effects of non-recurring factors, such as total credit costs and net gains on stock from ordinary profit
Effective interest related earnings
Net interest income and related profit, which are net revenues after subtracting interest paid on deposits, etc., from revenues on loans and securities investment, plus profit attributable to deployment of surplus foreign currency funds which is included in other profit
Net fees and commissions and related profit
Net profit of the sales fees of investment trusts, real estate brokerage fees, and trust fees for assets under management, etc.
Total credit costs
Costs incurred in posting allowances for losses and devaluation of loans

2. Financial Status

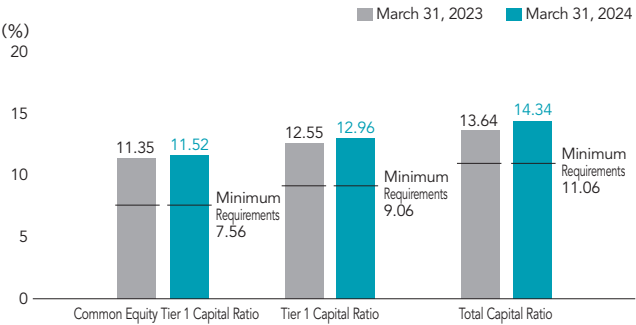
(i) Non-Performing Loans (NPLs) based on Banking Act and Reconstruction Act* (non-consolidated)

The total balance of non-performing loans (NPLs) based on the Banking Act and Reconstruction Act as of the end of March 2025 decreased by 12.2 billion yen from the end of March 2024 to 85.5 billion yen. The NPL ratio remained low at 0.3%, the same level as at the end of March 2024. The percentage of coverage ratio covered by collateral and the allowance for loan losses is also adequate, at 84.0% for doubtful loans and 44.3% for substandard loans.



(ii) Capital adequacy ratio, etc. (consolidated)

Common Equity Tier 1 capital ratio as of the end of March 2025 increased 0.17 percentage points from the end of March 2024 to 11.52%, mainly due to the decrease in credit risk assets. The total capital ratio increased by 0.70 percentage points to 14.34%. Both ratios remained well above the regulatory requirements of 7.56% and 11.06%, respectively.



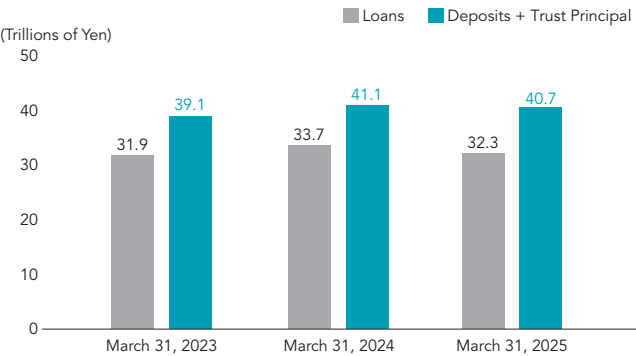
*Implemented finalized Basel III from March 31, 2024

3. Assets and Liabilities

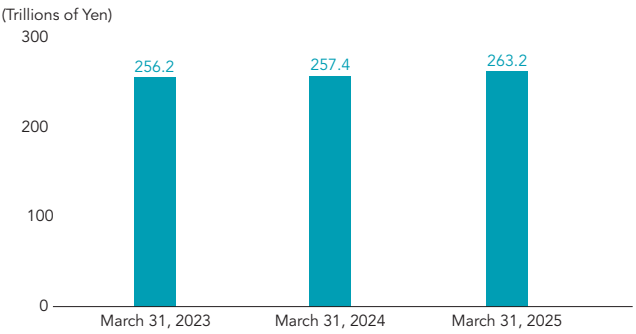
(i) Loans and deposits (non-consolidated)

Loans as of the end of March 2025 decreased by 1.4 trillion yen from the end of March 2024 to 32.3 trillion yen, mainly due to a decrease in the balance of loans to corporate clients. Deposits, etc.* decreased by 0.4 trillion yen to 40.7 trillion yen, mainly due to a decrease in deposits from corporate clients.

*Deposits, etc. include the principal guaranteed trust account (loan trusts and jointly operated money trusts) but exclude negotiable certificates of deposits.



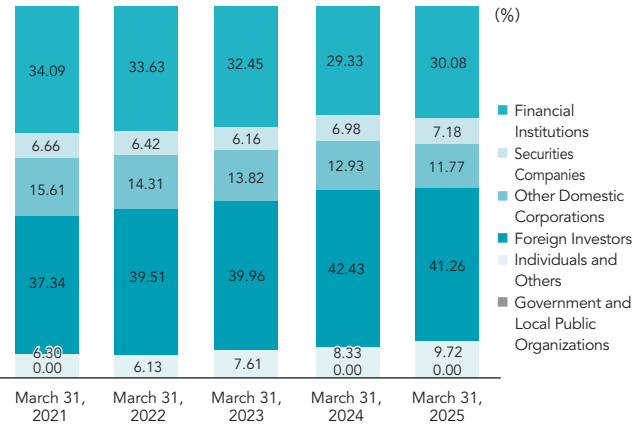
(ii) Balance of trust account (non-consolidated)



4. Corporate Information (as of June 30, 2025)

Registered Trade Name: Sumitomo Mitsui Trust Group, Inc.
Headquarters Location: 1-4-1 Marunouchi, Chiyoda-ku, Tokyo, Japan
Date of Establishment: February 1, 2002 (Change of trade name: October 1, 2024)
Main Business: With trust banking at its core, Sumitomo Mitsui Trust Group, Inc. will focus on the management of business operations, as the holding company of the Sumitomo Mitsui Trust Group, and sets the following (1)–(8) as its key functions:
(1) Supervising management strategies (2) Supervising financial management
(3) Supervising human resource management
(4) Supervising corporate administrative management
(5) Supervising operational process management (6) Supervising risk management
(7) Supervising compliance management (8) Managing internal auditing
Capital: 261,608,725,000 yen
Total number of Outstanding Shares: 713,283,780 shares of common stock
Stock Exchange Listings: Tokyo and Nagoya stock exchanges Tokyo (Prime Market), Nagoya (Premier Market)
Securities Code: 8309

5. Composition of Shareholders (Common Shares) (As of March 31, 2025)



Shareholder type	Number of shareholders (people)	Number of Shares Held (units of shares)	Component Ratio (%)
Financial Institutions	167	2,163,826	30.08
Securities Companies	49	516,312	7.18
Other Domestic Corporations	1,914	846,908	11.77
Foreign Investors	1,145	2,968,219	41.26
Individuals and Others	81,939	699,362	9.72
Government and Local Public Organizations	1	40	0.00
Total	85,215	7,194,667	100.00
Shares constituting less than one unit	—	1,888,680	—

*1 Number of shares per unit: 100
*2 Treasury Stock (8,647,366 shares) is included 86,473 units in “Individuals and Others” and 66 shares in “Shares constituting less than one unit.”
*3 The component ratio is rounded off to two decimal places.

6. Rating Information (as of June 30, 2025)

		Long-term	Short-term
SuMi TRUST Group	JCR	AA	—
	R&I	AA-	—
SuMi TRUST Bank	S&P	A	A-1
	Moody's	A1	P-1
	Fitch	A-	F1
	JCR	AA	—
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Sumitomo Mitsui Trust Group’s 100-Year History website

To celebrate the 100th anniversary of our founding in 2024, we have published the 100-year history of Sumitomo Mitsui Trust Group on our website. This marks our first corporate history compilation since the business integration.



https://www.smtg.jp/about_us/chronicle100
(Japanese text only)



Annual Report

Sumitomo Mitsui Trust Group’s Annual Report (Integrated Report and Financial Data Section) is available on our website.



<https://www.smtg.jp/english/investors/report/disclosure>



Corporate Logo and Corporate Color



Future Bloom, the Group’s logo, embodies our purpose of trust for a flourishing future. The four transparent petals represent the sense of our Mission we bear toward our various stakeholders (clients, society, shareholders, and employees), with the respective colors, a reference to our Values (Code of Conduct): “Trustfulness and Loyalty” (natural green), “Dedication and Development” (golden orange), “Trust and Creativity” (blue green), and “Self-help and Self-discipline” (sky blue).



Our corporate color is “Future Blue,” which fuses the values embodied by the Corporate Logo and evokes a sense of the future while remaining familiar.

● This report contains information that constitutes forward-looking statements. Such forward-looking statements are not guarantees of future performance and involve risks and uncertainties.

Trust for a flourishing future



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