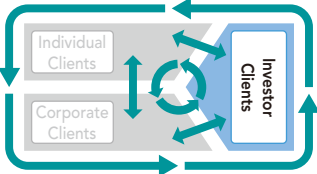




Investor  
Clients

### Initiatives for Investor Clients



Our goal is to create and embody new businesses that will lead to solutions for social issues such as decarbonization, revitalization of regional economies or the age of 100-year life, and thereby offer better investment opportunities for investors. So that we would aim to create a virtuous circulation of funds, assets and capital with both economic and social value.

#### Key Measures

- Offer problem-solving support to investor clients through the development and provision of diverse asset management opportunities and products
- Improve asset administration services and fortify data services to better handle increasingly complex management of investment products
- Provide comprehensive services that include consulting and risk management that can meet expanding investment needs

#### Medium-Term Management Plan in review

We have been striving to improve our ability to develop private asset products as we provide a wide range of investment products that leverage the strengths of the various companies in the Group. In addition, we are improving quality and adding value to our asset administration services in order to meet BPO needs for the increasingly complex management of investment products. We are also responding to expanding needs by offering our consulting abilities honed through pension fund management business for a broad range of investor clients, and by enhancing our comprehensive financial services that include risk management support.

#### SuMi TRUST Vision

We aim to be an investor client-oriented financial intermediary by offering investment product strategies that create a virtuous circulation of funds and total solutions to solve management issues. We are also focused on making products smaller and more versatile, improving asset administration services and fortifying data services through the use of IT and other digital technologies, and developing ESG investing and other investment products that help resolve social issues. We take the perspective of our investor clients to provide integrated services that cover everything including asset management, the middle office, client reporting, and channel strategies.

Environment  
Awareness

#### Environment awareness and issues

- Demand for major funding to solve new social issues (e.g. decarbonization, prosperous 100-year life, revitalization of regional economies, etc.)
- Inflation and market uncertainty due to rising resource prices stemming from the conflict between Russia and Ukraine

#### Opportunities and strengths

- Creating a virtuous circulation of funds through financial intermediation that solves social issues starting with investor clients
- Expanding needs for new investment opportunities that can handle structural changes in markets
- Providing a variety of high-quality reports to investor clients and responding to business processes outsourcing needs

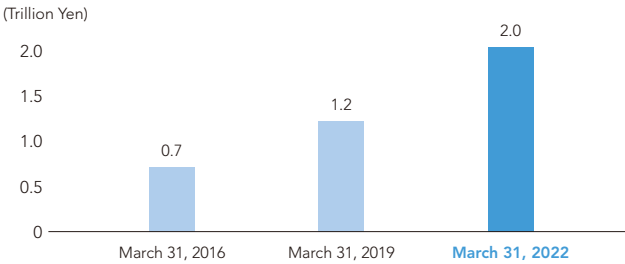
### Specific Initiatives

## 1 Asset Management Business

### (1) Sumitomo Mitsui Trust Asset Management

Sumitomo Mitsui Trust Asset Management (SMTAM) manages one of the largest AUMs in Asia and has cultivated a presence among domestic institutional investors. Adding that, SMTAM is aiming to achieve greater growth in the expanding domestic retail market. In addition to providing clients with the most appropriate asset management solutions, SMTAM will expand the investment products it offers and enhance its support system on the DC market by leveraging its solid client base, and contribute to finding solutions to social issues through ESG engagement initiatives for investees.

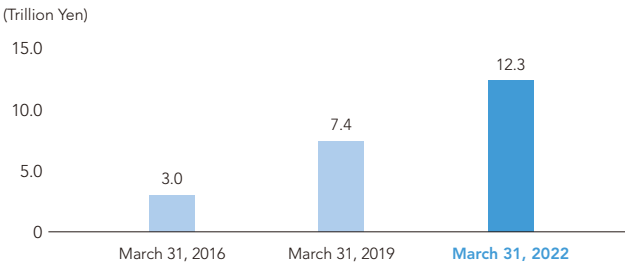
#### DC investment trusts



### (2) Nikko Asset Management

Nikko Asset Management (NAM) provides clients with innovative products and services that harness its various strengths, from a network of corporate hubs (including joint ventures) spanning 11 countries, to the support for sales companies and the unique product development that actively utilizes this network. In addition, NAM aims to strengthen overseas distribution and expand investment areas – including non-liquid assets – in order to achieve sustainable growth. Moreover, NAM aims to lead the ETF business in the Asia-centered global market.

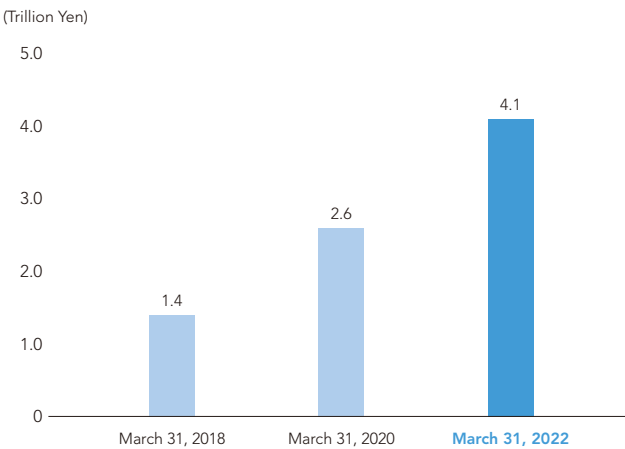
#### Balance of domestic ETFs



## 2 Responding to the Financial Demand for a Decarbonized Society

The world is witnessing an increased need for the decarbonization of society and other social initiatives, and there is predicted to be an enormous demand for funding of such efforts. Meanwhile, with Japan's low interest rates circumstance and increasing volatility in the stock market, there is also increased interest in private assets such as unlisted stocks or real assets including real estate. We offer financial intermediation that can resolve an array of social issues by harnessing the consulting capabilities and extensive investment and lending knowledge we have as a trust bank group, and by consolidating our know-how and expertise of asset management and asset administration through organizational restructuring. In doing so, we aim to provide investment information and other support to our investor clients and offer them the opportunity to invest in a variety of private assets through an expanded product line-up. Simultaneously, we aim to solve social issues by creating a virtuous circulation of funds, assets and capital.

#### Private Assets\* AUM



\* Private assets: Primarily assets such as private equity, real estate, infrastructure, credit products, etc.

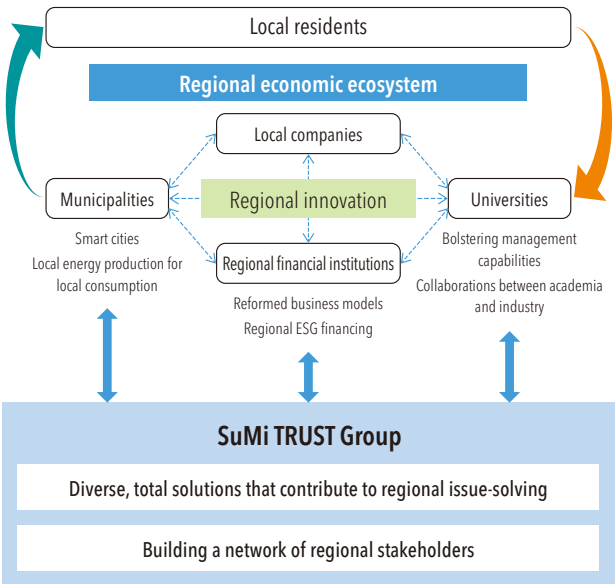
Specific Initiatives

3 Revitalization of Regional Economies

Each region faces its own unique issues, from declining birthrates and aging population to ESG/SDGs response, so it is necessary to build innovative regional economic ecosystems tailored to the characteristics of each region.

Thus far, we have promoted cooperative activities with local businesses, universities, governments, regional financial institutions and more. We were able to cultivate a relationship of confidence through such works, and we will utilize that as the foundation for helping to revitalize regional economies through collaborations that build regional economic ecosystems and create a circulation of industrial, academic, governmental, and financial institutions.

We are also involved in a variety of other efforts, including increased networking with regional financial institutions by spreading the idea of regional ESG financing, participating in the development of smart cities and super cities, and cooperating with local governments in areas where the energy produced there are consumed locally. We will continue to further strengthen regional information distribution and development at the same time as we offer more advanced solutions.



4 Asset Formation Support in the Age of 100-year Life

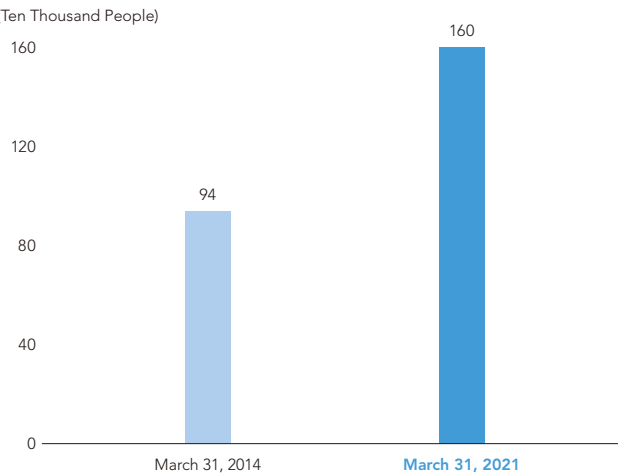
We are developing corporate pension plans and general benefit and welfare services to help improve the well-being of our clients.

Recent years have seen an increased interest in corporate “human capital” management with the trends in emphasis on ESG and revisions to the Corporate Governance Code in Japan. Combined with legal changes that have expanded the scope of usage for individual DC (iDeCo), we may say that 2022 is the year in which each and every citizen should be thinking about asset formation in the age of 100-year life.

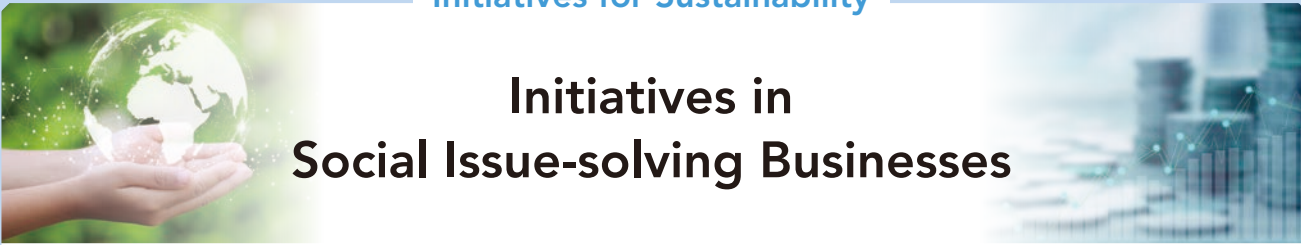
We will actively provide new life plan consulting services and a wide range of financial products and services to our corporate clients’ employees (human capital) who support sustainable growth of their corporate values, based in system consulting in the fields of corporate pensions (DB/DC), where our business foundation stands at the top of the industry.

Through these efforts, we will demonstrate the strengths inherent to a trust bank group capable of providing one-stop benefit and welfare support, become partners in supporting the well-being of both companies and employees, and thereby contribute to clients leading more prosperous lives.

Change in number of DC subscribers



Initiatives for Sustainability

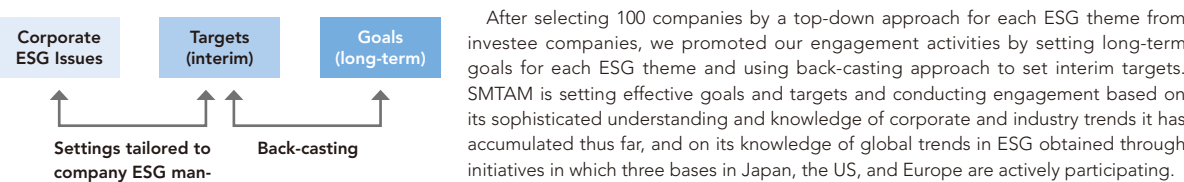


Initiatives in Social Issue-solving Businesses

Sumitomo Mitsui Trust Asset Management’s Top-down Engagement Efforts

Sumitomo Mitsui Trust Asset Management (SMTAM) established an ESG investment policy and specified ESG materiality standards at the Executive Committee in 2019. Based on those standards, discussions in 2020 within the Stewardship Committee resulted in the designation of 12 focused ESG engagement themes selected after consultations with and based on reports by the Stewardship Activities Advisory Committee. In such ways, SMTAM has been promoting top-down engagement.

Selecting Target Companies for Top-down Engagement through ESG Themes and Setting Goals/Targets



Stage Management and Monitoring

The engagement progress is managed in four stages within each ESG theme, and monitoring is conducted from the point measures are implemented until issues are resolved.

Stage management	(1) Identify issues	Major ESG issues at investee companies are identified and set Targets (interim) are set by back-casting from theme goals
	(2) Present issues	Issues are presented during meetings with companies and an ongoing dialogue is established to enable the sharing of issues
	(3) Share issues (company representative)	Progress to the next stage is achieved through sharing issues with the company representative and starting a dialogue with management aimed at implementing measures and resolving issues.
	(4) Share issues (management)	Issues are shared with management, discussions on best practices are begun, and they are encouraged to begin an internal review on how to implement measures and resolve issues.
Monitoring	(5) Implement measures	Confirm how corporate policy is manifested (through corporate actions), and monitor progress.
	(6) Resolve issues	Confirm a completion of the targets and share the information. In case a progress of resolving issues is not sufficient, a reflection in exercise of voting rights would be considered.

Improving Corporate Sustainability and Corporate Value

Nikko Asset Management ESG Investments

As an asset management company, Nikko Asset Management (NAM) has set its fiduciary and ESG principles as guidelines of the utmost importance. In order to clarify the commitment of the Group as a whole, the company formulated “a Code of Conduct for Fiduciary and ESG Principles” in 2016 and established the ESG Global Steering Committee.

The ESG Global Steering Committee supervises the execution of ESG commitments, and it is chaired by the Chief Investment Officer, who is a member of the Global Executive Committee (GEC). The ESG Global Steering Committee reports to the GEC, and reports to the Board of Directors at least once each quarter.

The ESG Global Steering Committee is comprised of both domestic and international investment team leaders, and each leader is required to incorporate ESG issues into their own investment processes. The committee is then required to evaluate the effectiveness of incorporating the ESG issues, and to strengthen further efforts. In addition, NAM is working hard to implement all six of the PRI principles recommended by the United Nations.

In Japan, the two governance systems of stewardship and the exercise of voting rights serve to complement the ESG framework through the Stewardship and Voting Committee (SVC) and the Stewardship and Voting Policy Oversight Committee.

The SVC is working on the development of the guidelines needed to formulate stewardship policies, review guidelines for the exercise of voting rights, and to implement other stewardship activities.

