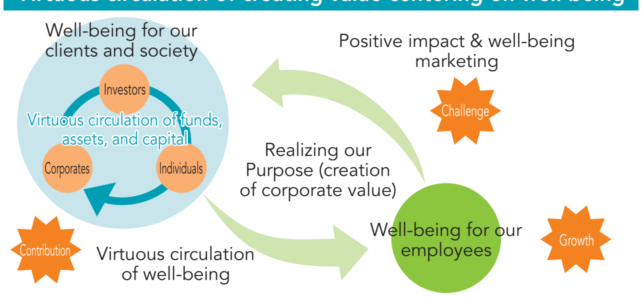
Human Capital

Human capital strategy and enhancing well-being

Non-financial capital, particularly 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. Employees are an important source of value creation (as human capital), and play an essential role in creating both social value and economic value. By investing in human capital and enhancing well-being of our employees, we are able to create value for our clients and society, which leads to improved well-being for every member of society. This results in societal growth and improved corporate value for our Group, and we believe that this allows us to build a "virtuous circulation" that raises well-being for every employee through improved motivation, pride, and sense of fulfillment.

The starting point of value creation is employee well-being, and SuMi TRUST Group has defined well-being as the condition in which employees: 1. are of healthy mind and body; 2. identify with our Purpose; 3. build healthy relationships that respect diversity; and 4. pursue wellness in their own work by utilizing their own values and strengths. We will enhance the value of our human capital by pursuing 1 through 4 that are elements for better employee well-being. In FY2024, we will deepen our human capital strategy to improve human capital, thereby enhancing our organizational strength. Specifically, we will implement additional measures aimed at enhancing the capabilities of each individual employee. By becoming an organization chosen by a diverse range of individuals, we will enhance our organizational strength. As a result, we will be able to achieve more, which in turn will improve well-being for our employees. By establishing such a relationship between individuals and the organization, we aim to realize our management strategies. Furthermore, we are considering adopting a new personnel system from FY2025 onwards to further accelerate SuMi TRUST Group's human capital strategy.

Virtuous circulation of creating value centering on well-being



1 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 and focusing on promoting physical and mental health for all of them to enhance their vitality levels. These initiatives have been highly evaluated, and the Group has been certified as "Health & Productivity Management Outstanding Organizations – White 500" for seven consecutive years since 2018.

1. Promoting health management

In July 2024, the Group reviewed its "declaration on work style reform" and established a "declaration on health management" to accelerate investment in the physical and mental health of our employees. Aiming to promote physical and mental health, we conduct awareness activities through training and have appointed occupational physicians and other health professionals at our business sites to provide detailed health management and guidance. In FY2023, we held several seminars for executives, including those from affiliated companies, to promote the importance of health investment in management. At SuMi TRUST Bank, in addition to annual health checkups, we have implemented a health management system to provide individual guidance to employees, resulting in an increased follow-up examination rate. For mental health, we conduct stress checks and measure presenteeism and absenteeism to understand employees' conditions while working to improve the workplace environment. Additionally, we have established an in-house counseling room to maintain their mental health. Moving forward, we will continue to focus on maintaining and improving employees' health and promote health management suitable for the age of 100-year life.

■ Presenteeism (SuMi TRUST Bank)

	FY2022	FY2023
Presenteeism[*1]	79%	79%

*1 It refers to the state of working despite having some health issues and is an indicator of whether one can perform adequately at work; the higher the measure, the better.

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 "Open up the entrusted 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)

	FY2021	FY2022	FY2023
Overall Health Risk[*2]	95	93	90
Percentage of Employees with High Stress	10.5%	10.3%	10.1%

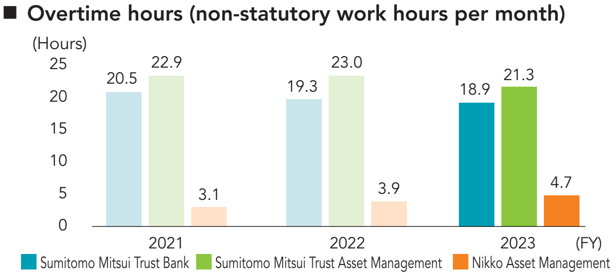
*2 The average of the standard population is 100, and the lower the value, the better.

2. Optimizing work styles

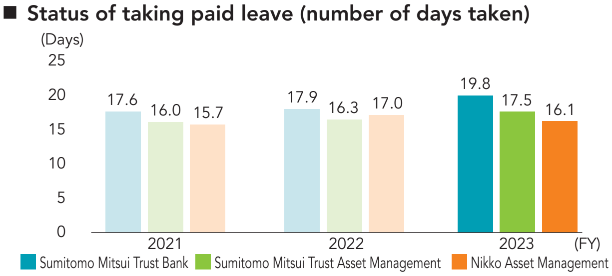
SuMi TRUST Group is enhancing IT investments and transforming business processes to improve productivity, reduce overtime work, and promote flexible work styles such as staggered working hours and telecommuting. Through these initiatives, we aim to enhance employees' health, achieve work-life balance, and provide growth opportunities for them.

At SuMi TRUST Bank, introducing an 11-hour break between work shifts and encouraging people to take planned leave have proven effective, resulting in reduced overtime hours and increased days of paid leave taken. For further optimization of work styles, we are considering the introduction of an 11-hour break between work shifts across the entire group, as well as setting a target for the rate of paid leave taken and expanding full remote work at SuMi TRUST Bank.

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



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



2 Enhancing Engagement

SuMi TRUST Group aims to enhance its human capital and employee engagement by having employees empathize with our Purpose "Creating new value with the power of trusts and let a prosperous future for our clients and society bloom" and consequently strive to resolve management challenges as well as social missions. Additionally, in preparation for our 100th anniversary, we are working to cultivate a corporate culture of taking on challenges to realize our brand slogan "Open up the entrusted future."

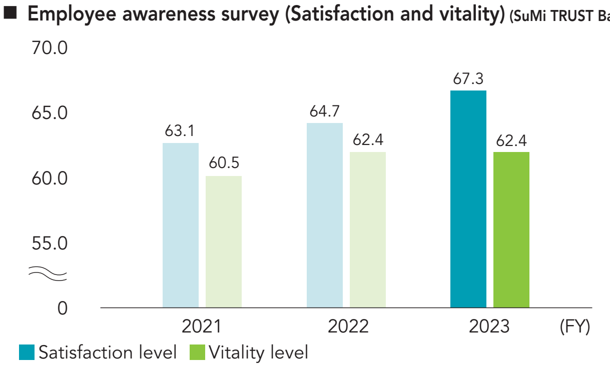
1. Cultivating a culture of generating challenges and innovations

The Group is working to promote the Purpose group-wide and foster a company culture in which all employees are encouraged to pursue their challenges and grow, and encourage two-way communication, in particular between management and employees, so as to provide opportunities to work with a sense of purpose. For the 100th anniversary project, we selected 443 employees (as of March 31, 2024) from 24 affiliated companies as ambassadors with a focus on building a culture of taking on challenges, and letting them lead and drive the project. At SuMi TRUST Bank, during the formulation of our Purpose in 2021, the President himself conducted 26 caravan sessions (with about 12,000 employees participating) to communicate our Purpose to all employees. Since then, we have continued efforts to further instill our Purpose and management strategies through dialogue-based lectures with the President for all section managers and team leaders, as well as trust FR (Future Generations Relations) seminars aimed at developing the next generation. In addition, the Bank has introduced employee awareness surveys and pulse surveys to objectively assess the degree of penetration of company policies, the work environment, and the level of engagement that enables top management and general managers to objectively monitor the latest conditions and take necessary actions. The level of satisfaction and vitality, which function as an indicator to evaluate the quality of employee engagement, exceeded the baseline score of the 60 range. In FY2022, the score reached the highest level since the integration back in 2012 and has been on an upward trend. However, while satisfaction levels have significantly increased, vitality levels have remained stable. Moreover, although the understanding of our Purpose and the degree of actions related to it remain high, they have shown a decline. Our analysis shows that these issues reflect a transitional phase where employees find it challenging to translate their growing understanding of our Purpose into specific actions and practices for their jobs and future. Moving forward, we will focus on creating a transparent, psychologically safe work environment and further strengthening one-on-one interactions to support employees in taking concrete actions to apply and realize our Purpose in their jobs and future and taking on challenges. Additionally, through the 100th anniversary project, we are also considering implementing awards as a way to recognize the attitude to embrace challenges.

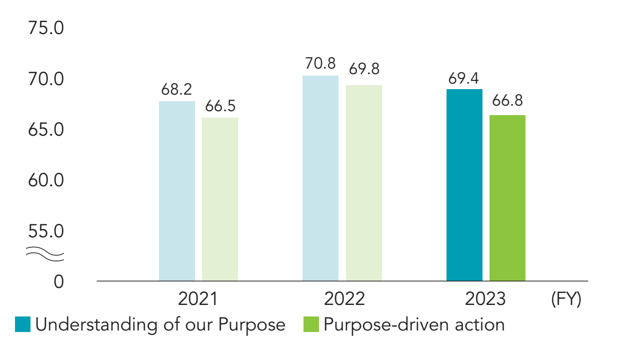
■ Number of voluntary resignations in indefinite-term employees (FY2023)

	Number of voluntary resignations	Turnover rate
Sumitomo Mitsui Trust Bank	347	3.4%
Sumitomo Mitsui Trust Asset Management	21	4.5%
Nikko Asset Management	18	3.0%

■ **Employee awareness survey (Satisfaction and vitality)** (SuMi TRUST Bank)



■ **Employee awareness survey (Sympathy for our Purpose)** (SuMi TRUST Bank)



2. Improving productivity and added value

SuMi TRUST Group monitors employee feedback on issues such as the complexity of internal procedures, inefficiencies in business processes, and outdated practices through employee awareness surveys. We believe that reforming business processes and improving productivity are crucial challenges that will drive individual employees' actions and foster a corporate culture of taking on challenges. Accordingly, 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.

3. Further promoting well-being

In April 2021, our Group has newly appointed an executive officer in charge of 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. Since a series of caravan events that were held in FY2021 (approximately 10,000 total employees participated in total of 34 sessions), we have been aiming to enhance the company's culture of well-being in such a way that the executive officer in charge of well-being directly approaches employees and actively discusses about the importance of well-being. Furthermore, in recent years, we have been focusing not only on company branding but also on enhancing employee engagement via external promotions.

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Providing employees with "FINANCIAL WELL-BEING"

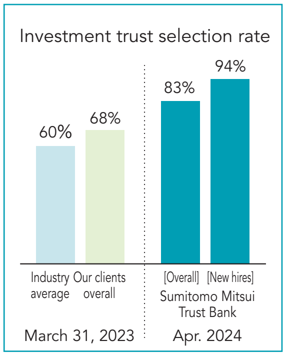
SuMi TRUST Group is striving to contribute to FINANCIAL WELL-BEING*1, one of the ways in which we are working to build a prosperous future that is the goal of our Purpose, and aim to become the best partner in the age of 100-year life. As we strive towards achieving our Purpose, we consider FINANCIAL WELL-BEING to be a part of value creation ultimately contributing to the well-being of our clients as well as society and we offer every client appropriate options that is tailored to realize happiness over the time horizon of a 100-year lifetime. SuMi TRUST Bank assists employees' asset formation by providing them with knowhow that SuMi TRUST Bank has accumulated through its businesses to help them gain their own FINANCIAL WELL-BEING, so that employees may concentrate on value creation. 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. New employees who joined SuMi TRUST Bank in 2022 were offered the opportunity to take part in educational programs that harnessed the knowhow of the Sumitomo Mitsui Trust Financial Education Institute, the Pension Division, and Sumitomo Mitsui Trust Life Partners (a Group company), which resulted in more than 90% of them choosing investment trusts as their investment and utilizing matching a contribution system in the defined pension plan. The educational programs have now been made available to Group companies and employees' families.

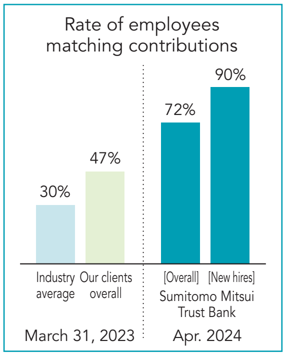
In addition, in FY2022, the RS Trust*2 was introduced for all employees as a new equity incentive plan in order to help employees align their interest with the company and pursue medium- to long-term growth together. In April 2023 and April 2024, more than 10,000 employees received shares. Moreover, the financial incentive of the Shareholding Association was increased to 20% from 8% in FY2022, and the annual contribution to the program increased 2.5 times*3 as a result.

By age group, the growth rate of young and mid-level 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. Additionally, we provide asset-building education for all employees based on the investment education program that we have accumulated through our pension business and workplace businesses. We are constantly striving to expand the content and receiving positive feedback from many employees, such as "I feel a little less anxious about the future." We will continue to promote continuous improvement of financial literacy and autonomous asset formation.

*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 A stock compensation plan for employees that combines the advantages of share delivery trust and restricted stocks (RS: Restricted Stock)
*3 Comparison of the amount of annual reserves between FY2021 and FY2023

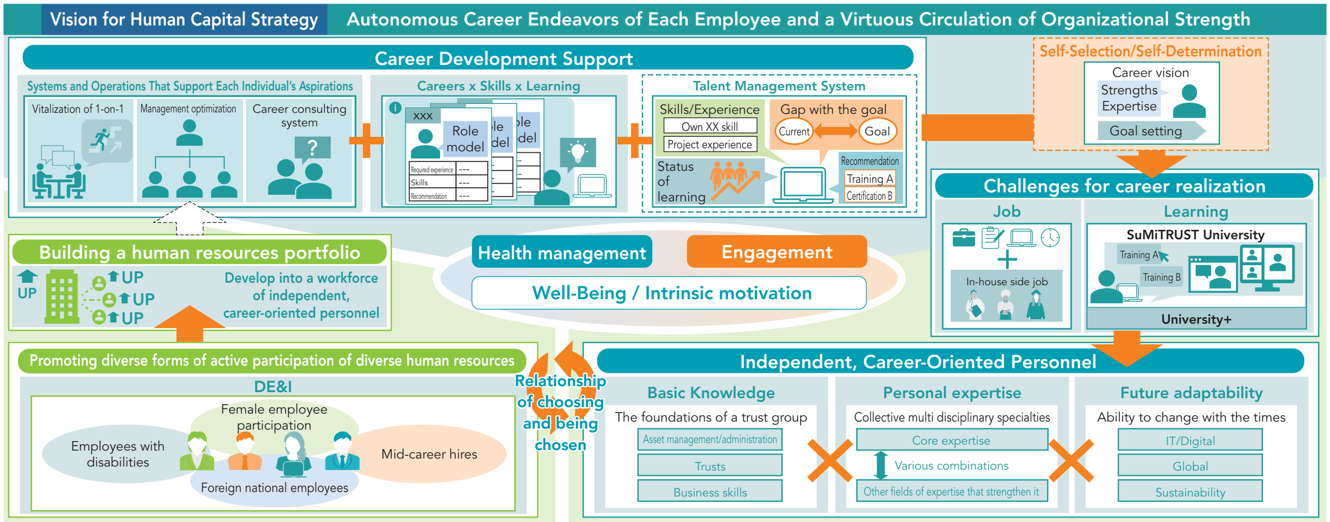
■ Utilization of corporate defined contribution pension trusts (SuMi TRUST Bank)





3 Human Resource Strength (Individual Capabilities) ⇔ Organizational Strength (Organizational Capabilities)

As a trust group with the strengths of its wide array of functions and diversified business portfolio, our Group has placed emphasis on "utilizing the diversity and creativity of each employee for company management." The concept of diversity, equity, and inclusion under the doctrine of fair and equitable treatment is enshrined in our management principles (mission) so that employees with diverse attributes and backgrounds can add value to the organization. We will implement various measures to help each employee achieve their aspirations. Additionally, by becoming an organization chosen by diverse human resources, we will build the workforce necessary to achieve our management strategies.



1. Developing independent, career-oriented personnel

In its human resource development efforts, our Group has defined independent, career-oriented personnel as "personnel with fundamental knowledge of trust who can combine multiple areas of expertise, independently assess their area of focus and integrate their specialty as they shape their own careers." Our Group is committed to nurturing such personnel through our career development efforts. Today, social systems have further expanded and become complex, requiring multifaceted responses to solve problems for clients and society. We will produce human resources that can adapt to the future with comprehensive capabilities that integrate the fundamental skills each individual possesses with the expertise accumulated through their career.

① A fair personnel evaluation system involving participation of the appraisee

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 with their supervisors the outcome of the tasks and the process for achieving them, to ensure a high level of satisfaction regarding their appraisal. At SuMi TRUST Bank, in order to support autonomous career development, we have established a system whereby the organization and employees define medium- to long-term aspirations, based on which they set medium- to long-term and annual goals and challenges.

② The foundations of a trust group

Many SuMi TRUST Bank employees have qualifications 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 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 2024)

Real estate transaction agent	6,549
Securities analyst	807
Real estate transaction agent & securities analyst	570
Financial planner - 1st grade	748
Pension actuary	46
Personnel who passed the real estate appraiser examination	186
In-house lawyer	36
Certified public accountant	14
Licensed tax accountant	10
Labor and social security attorney	43
PhD	14

③ Strategic human resource assignment and multiple specialties

Our Group aims to maximize the potential of employees through strategic job positioning. 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 to promote the autonomous career development of employees. In addition, the Bank holds business briefing sessions (762 participants in FY2023) 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. The Bank launched its in-house side job system in fiscal 2021, with the aim of integrating human resources and knowhow in a way that transcends traditional operational boundaries, promoting skill development and innovation through having employees engage in the work of their choosing once a week. The system's menus have now grown to 30 varieties. We have also started inter-group side jobs, and are working on facilitating human resource exchange as well as knowledge sharing within the group.

■ Career development support (SuMi TRUST Bank)

	FY2021	FY2022	FY2023
Number of internal job posting system applicants	359	377	425
Percentage of employees who qualified through the job posting system	27%	33%	32%
Average age of applicants	30.8	31.6	32.6

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

Project	Details
Well-being promotion	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 challenge other departments in their own area of business
RPA building	Produces RPA (UiPath) and promotes automation
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

④ Ability to change with the times

SuMi TRUST Bank has focused on re-skilling by training and expanding its support for obtaining essential qualifications to strengthen its employees' skillset of IT/digital-related technologies required to bolster the trust businesses. In April 2023, we set specific KPIs for IT/digital talent development and implemented proactive measures such as enhancing training content. As a result, HR development is progressing as planned. Moreover, as part of our initiatives to develop talent that can lead global business, we are expanding the pool of potential global business personnel by enhancing foreign language proficiency through language training. We are also providing practical experience to those without prior overseas experience by dispatching them abroad and strategically placing them in global roles domestically. Furthermore, we are implementing EGP training (Enhancing Global Perspective), which involves selecting next-generation management personnel who have primarily built their careers domestically and sending them to top overseas business schools for short-term programs to foster a global management perspective. We are also promoting education on sustainability with the aim of creating future-appropriate human resources who can change in accordance with evolving trends.

■ Current human resource portfolio (SuMi TRUST Bank)

	FY2021	FY2022	FY2023
Core IT proficient human resources*	—	—	245
Core IT proficient human resources* (Junior)	—	—	1,118
Globally capable personnel	610	650	739

* Core IT proficient human resources is a newly established metric aligned with the Medium-Term Management Plan (FY2023-2025), and there are no actual figures for FY2021 and FY2022.

2. Career development support / Challenge

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 Connecting careers, skills, and learning

SuMi TRUST Bank defines and visualizes the necessary skills and career paths for each of the broad-ranging operations of a trust bank. By communicating these role models and learning menus, we support the voluntary endeavors of our employees. Furthermore, in the future, we plan to combine these elements into our talent management system, which is currently under preparation. This will enable employees to recognize their own skills and work experiences, understand the gap to their career visions, and identify the learning and work experiences needed to achieve them, fostering autonomous career development. The Company will also utilize this system to identify the personnel needed to achieve its management strategies, optimize personnel deployment aimed at their growth, and enhance relocation management.

② Systems and operations that support each employee's aspirations

To increase the vitality level, which is an indicator of employee engagement, and to translate this into specific actions based on employees' purposes, it is crucial for the management to provide career support tailored to the characteristics and career aspirations of each subordinate through efforts including 1-on-1 meetings. Meanwhile, SuMi TRUST Bank recognizes, through the measurement of presenteeism, that section managers are particularly busy with daily tasks and guiding subordinates. Therefore, the Bank aims to support employees' career development by not only optimizing the scale of sections and increasing the number of section managers but also by placing in-house career consultants.

③ Expanding HR development content

In order to realize the career aspirations of each employee, SuMi TRUST Group provides opportunities for employees to choose and learn according to their career aspirations at SuMiTRUST University (in-house college) in addition to group training to improve their operational and other skills. 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 with an aim to stimulate each other's perspective.

■ Investment in HR development (Training cost per person, FY2023)

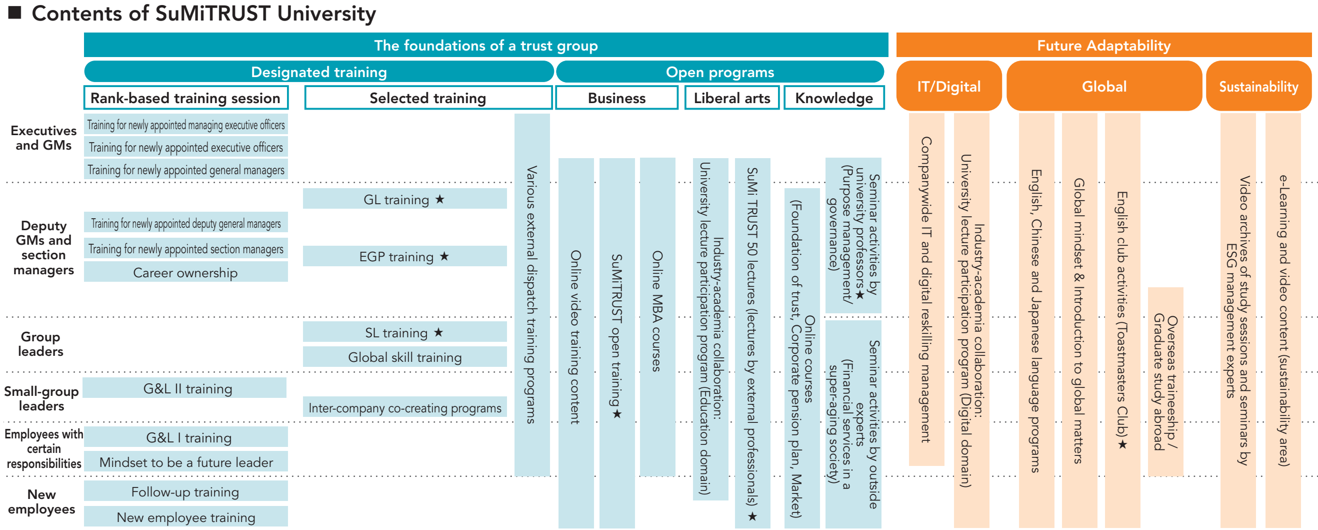
Sumitomo Mitsui Trust Bank	Sumitomo Mitsui Trust Asset Management	Nikko Asset Management
142,000 yen	94,000 yen	101,000 yen

■ Transition of training activities (SuMi TRUST Bank)

	FY2021	FY2022	FY2023
Total number of trainees	14,050	16,781	49,444
Group training hours	6,680	6,759	5,769

In FY2023, we 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.

■ Contents of SuMiTRUST University



★: Training developed by the Group, including affiliated companies (unmarked is SuMi TRUST Bank)

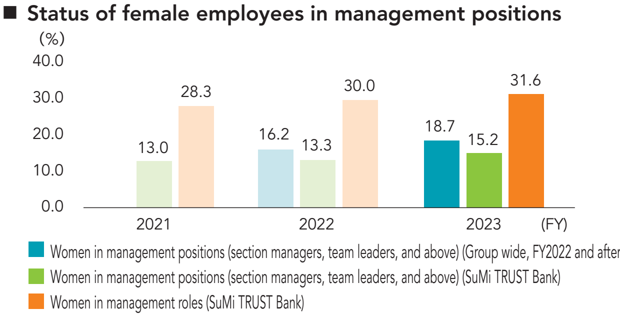
3. Promoting diverse active participation of diverse human resources

Our Group believes that securing human resources with diverse experience and skills is essential for maintaining and developing the broad and deep business unique to a trust group and is promoting various measures to achieve this objective.

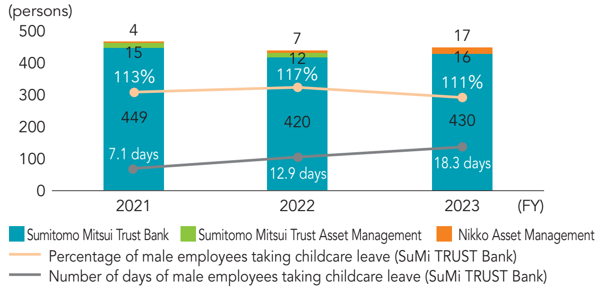
① Women's active participation promotion / Work-life balance support

SuMi TRUST Group has set KPIs in favor of the Keidanren "Here We Go Year 2030 30%," project, under which companies aim to have women account for 30% or more in management roles by the year 2030, and we have established KPIs that will increase the ratio of women in management positions (section managers, team leaders and above) to 20% or more by the end of March 2025. In addition, as a part of its general business owner action plan to promote the active participation and advancement of women, SuMi TRUST Bank has formulated a plan which aims to have 20% or more of women in management positions (section managers, team leaders, and above) (and 30% by 2030), and 30% or more of women in management roles (and 34% by 2030) by the end of October 2024, thereby accelerating the planned initiatives. In addition to rank-based training sessions and for all employees and female leaders, in FY2021 we introduced an Executive support program, in which company's executives directly support the career development of female employees who are responsible for management duties. As of FY2023, a total of 160 female employees have participated. Through the analysis of gender remuneration disparities, we came to recognize the importance of initiatives that help achieve careers regardless of life events, such as promoting female employees to management positions, reducing overtime hours, creating a system that offers career options and enables early return to work according to life events, and enhancing flexible working systems. Going forward, we will continue to expand our work-life balance support system and foster a supportive corporate culture.

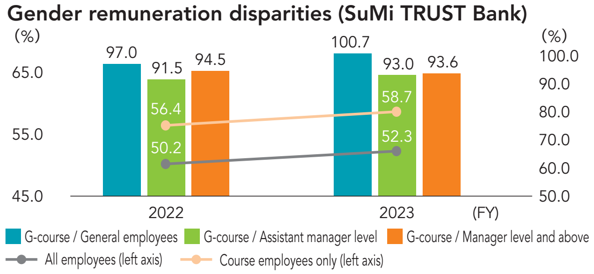
■ Status of female employees in management positions



■ Number of employees taking childcare leave



■ Gender remuneration disparities (SuMi TRUST Bank)



Gender remuneration disparities among all employees and course employees (about 76% 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)

Fiscal Year	Issue	Measure
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

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

	FY2021	FY2022	FY2023
Number of employees taking nursing care leave	244	284	320
Number of employees taking cancer treatment leave	50	50	40
Number of employees taking leave of absence to accompany family members overseas	21	17	22

②Empowering mid-career hires

Our Group actively hires mid-career employees. At SuMi TRUST Bank, 22% of all employees and 24% of those above the management level (as of March 31, 2024) are mid-career hires. In recent years, to establish growth areas, the Bank has adopted unique strategies such as recruiting PhDs in science and engineering to establish technology-based finance teams with the aim to solve social issues.

■ Number of mid-career hires in each fiscal year

	FY2021	FY2022	FY2023	
				*
Sumitomo Mitsui Trust Bank	139	247	179	22%
Sumitomo Mitsui Trust Asset Management	56	45	42	9%
Nikko Asset Management	24	30	38	90%

* The percentage of mid-career hires to all employees at the end of the fiscal year

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 strengthen its 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, 2024)

	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
Sumitomo Mitsui Trust Bank	87	774	74%
Sumitomo Mitsui Trust Asset Management	3	13	50%
Nikko Asset Management	55	313	97%

④ 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 109 departments (as of March 31, 2024) where they have contact with clients or perform administrative tasks at the head office. In FY2022, we established an organization 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 June 2024 is 2.33%.

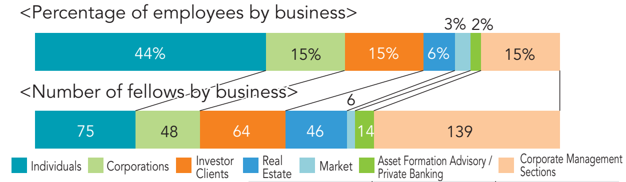
4. Talent identification and optimal placement

SuMi TRUST Group identifies critical talent groups who are essential to advance the Group's business model through assessments related to the visualization of our human resource portfolio. By the combination of investment in human resource development, strategic human resource assignment, and new graduate and career hiring, we are strengthening the human capital and organizational strength that are necessary to achieve our management strategy. We are also advancing initiatives to manage successors by identifying critical posts essential for the continuity of the Group's management. We aim to further enhance our human capital from both offensive and defensive perspectives.

① Specialized professionals (number of certified fellows)

At SuMi TRUST Bank, we certify employees as fellows by their capabilities to contribute to revenue generation and generate added value through their advanced expertise as fellows across a wide range of business areas and generations, and we are committed to expanding our specialized personnel.

■ Percentage of employees and number of fellows by business (SuMi TRUST Bank, as of March 31, 2024)



	FY2021	FY2022	FY2023
Specialized professionals (number of certified fellows)	172	320	392

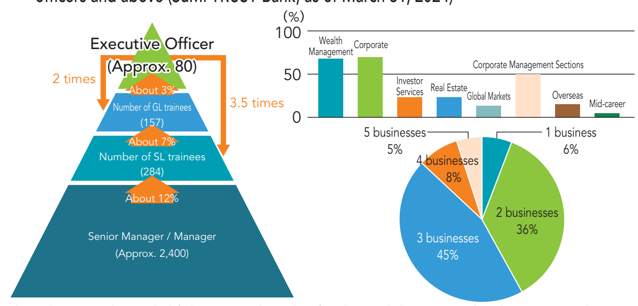
② Senior management personnel (next-generation leaders)

In collaboration 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 senior 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 diverse business experiences and is capable of cross-sectional value creation, which is attainable by cross-business personnel assignments unique to a trust bank.

■ Pool of necessary management personnel (SuMi TRUST Bank)

	FY2021	FY2022	FY2023
Number of participants in selected training (cumulative)	393	419	497

■ Status of securing management personnel, the ratio of each business experienced by executive officers and above, and the number of businesses experienced by executive officers and above (SuMi TRUST Bank, as of March 31, 2024)



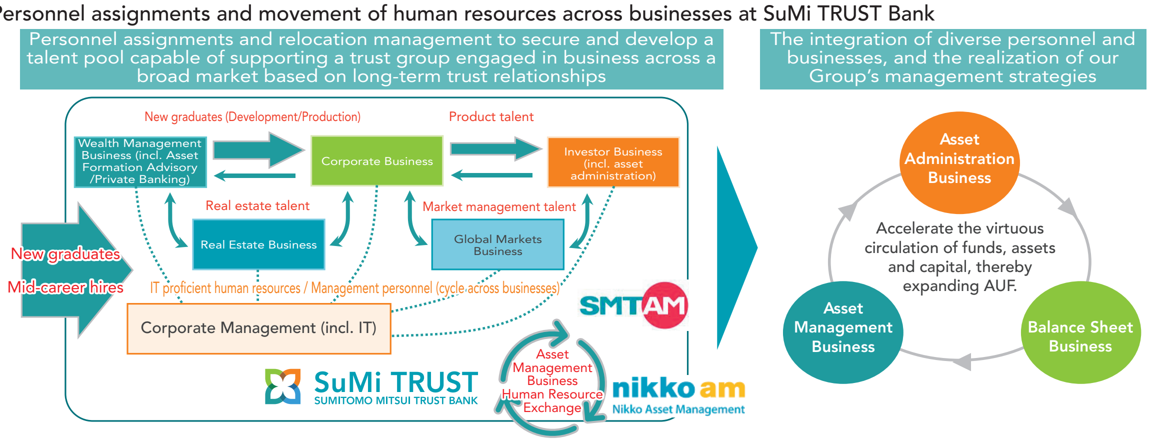
The numbers in parentheses in the left chart represent the number of employees with the position as of March 31, 2024. GL and SL training participants are the cumulative total of employees with the position and the training experience. The upper right shows the percentage of current executive officers and above with experience in each business, while the lower right shows the number of business experiences of executive officers and above. (In addition to overseas experience, the previous job before joining as a mid-career is also counted as one business.)

Aiming to be an organization that is actively participated in by diverse human resources to create new value

Based on a fiduciary spirit, leveraging its significant expertise and comprehensive capabilities, SuMi TRUST Group is a trust group that creates unique value through a new business model that integrates diverse businesses. Our Group's initiatives are the very history of trust in Japan. SuMi TRUST Group has embraced a history of challenge and pioneering, in which it has tackled the challenges faced by clients and society in each era, utilizing the functions of trust, and taking on a series of challenges to provide solutions. With a wide range of business areas, the characteristic that defines our Group is that highly specialized human resources in each business area demonstrate their strengths, enhance each other's abilities, and work together to realize value creation. In respect of the individuality of our diverse human resources and to enable each employee to maximize their abilities, our Group is working to create an organization that creates new value by taking the circumstances of each employee into consideration.

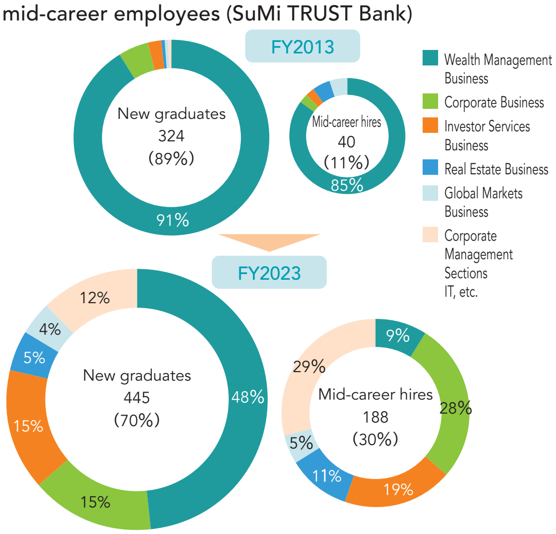
Through strategic human resource assignment and relocation management across various businesses, SuMi TRUST Bank strengthens collaboration across diverse business areas, which is the foundation for its business model unique to a trust bank, and is centered on asset management and asset administration which leverages long-term transactions based on trust relationships with clients. Simultaneously, the Bank is developing and reinforcing diverse human resources unique to a trust bank, which is a source of the Group's competitiveness. Moreover, to transform businesses in line with evolving trends, we are expanding investment in human resource development, such as reskilling, in key areas. Simultaneously, we actively incorporate fields in which it is difficult to gain experience and knowledge internally through mid-career hiring, thereby enhancing organizational strength. Initial assignments after joining are also purposefully aligned with the external environment and management strategy of the time. By strategically combining new graduate and mid-career recruitment, human resource development, and personnel assignments, SuMi TRUST Bank is developing management and specialized personnel to support its future and build a talent pool that helps achieve management strategies.

■ Personnel assignments and movement of human resources across businesses at SuMi TRUST Bank



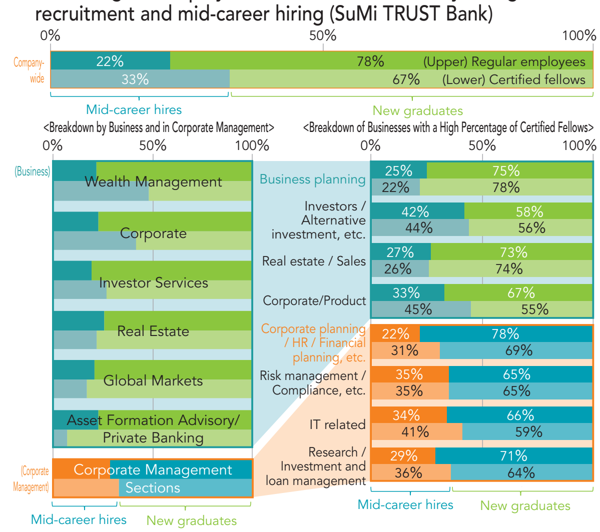
Over the past 10 years, SuMi TRUST Bank has seen significant changes in initial assignments after joining the company. In departments responsible for planning, employees with diverse expertise, gained from experiencing various roles through strategic personnel assignments, coexist. The proportion of these employees and those certified as fellows is close to the company-wide average. Moreover, the combination of experience in planning with experience across multiple businesses contributes to the formation of a talent pool for future management personnel. On the other hand, external talent is actively recruited through mid-career hiring in key areas such as alternative investments and IT, as well as defensive areas such as risk management and compliance. As a result, the proportion of mid-career hires among both regular employees and fellows is high. By integrating various types of talent, including new graduates who have experienced multiple roles through personnel assignments, we create value typical of a trust bank.

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



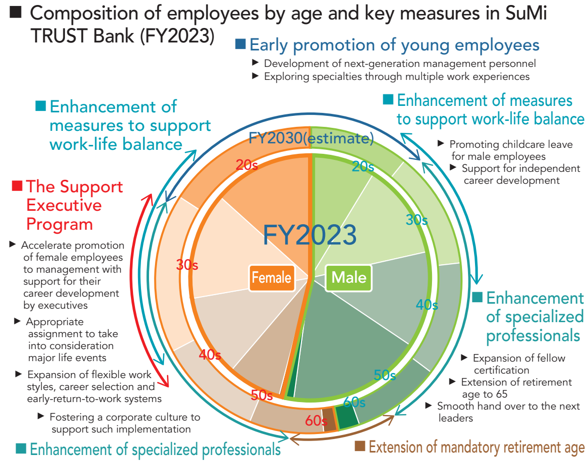
The number of mid-career hires in FY2023 conflicts with the figure on page 77 because it includes rehired employees after retirement.

■ Percentage of employees and certified fellows by new graduate recruitment and mid-career hiring (SuMi TRUST Bank)



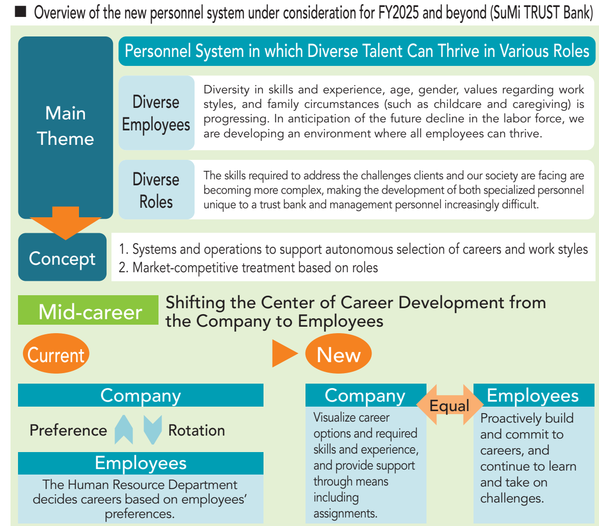
Furthermore, SuMi TRUST Bank is implementing concrete measures, with an eye on future changes in the age distribution of its employees, an increase in the ratio of women and other changes in its talent pool. The Bank is accelerating its efforts to create a rewarding organization in which all employees work actively and create new value. Going forward, we will continue to support the autonomous career choices of each employee under the principle of fair and equitable treatment and placement, and will continue to strengthen its investment in human capital while promoting changes to its personnel system and operations that aligns with the future so that diverse employees can excel in diverse roles.

■ Composition of employees by age and key measures in SuMi TRUST Bank (FY2023)



The composition of employees in fiscal 2030 reflects the retirement projections of employees based on their upcoming retirement and the past turnover rates, as well as plans for new graduates and mid-career hires.

■ Overview of the new personnel system under consideration for FY2025 and beyond (SuMi TRUST Bank)



Impact Materiality
Financial Materiality
Governance and Management Framework Materiality
Data Section