

SMDAM set its basic policy for human capital management

Sumitomo Mitsui DS Asset Management Company Limited (CEO and President: Takashi Saruta) hereby announces that The company has set its basic policy on human capital management, which will serve as the basis for all its business activities, in order to realize its corporate vision "The Best Asset Management Firm for Your Better Quality of Life" as stated in the Corporate Philosophy

Human Capital Management

Our corporate philosophy clearly states, "We aim for collective growth, based on a respectful understanding of all stakeholders." In that context, we believe that promoting a human capital management will expand the opportunities for each of our executives and employees included in this stakeholder group to play more important roles, which will lead to the company's growth. This will be the path to accomplish our vision of becoming "The Best Asset Management Firm for Your Quality of Life."

Human capital management is a management approach that views human capital as capital and maximizes its value to enhance corporate value over the medium to long term.

We have defined the enhancement of human capital value as a process consisting of three steps: "improvement of each employee's ability," "exercise of each employee's ability," and "exercise of team power by uniting individual employees".

In order to take each of these three steps to a higher level, we will reinforce eight initiatives.

Eight Initiatives to enhance our human capital Value

1. Fostering a learning organizational culture
2. Operation of a personnel system with a sense of conviction
3. Creating a workplace that respects diversity
4. Support for autonomous career development
5. Improvement of Employee Well-Being
6. Instill corporate philosophy and management objectives
7. Core Human Resource Development Program
8. Enhancement of skills of executives and employees in management positions



November 10, 2023

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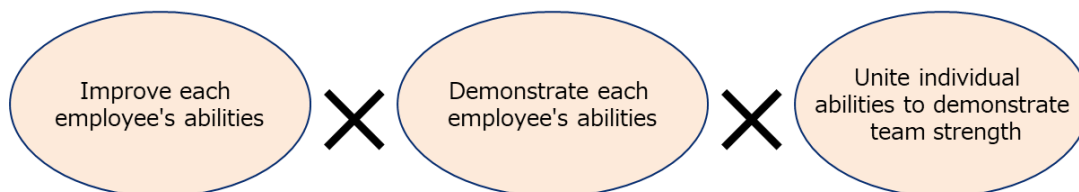
Human Capital Management at Sumitomo Mitsui DS Asset Management

Our corporate philosophy clearly states, "We respect all stakeholders and aim to grow together with them." In that context, we believe that the steady implementation of our human capital management will expand the opportunities for each of our executives and employees included in this stakeholder group to play more important roles, which will lead to the company's growth. This will be the path to accomplish our vision of becoming "The Best Asset Management Firm for Your Quality of Life."

Human capital management

Human capital management is a management approach that views human resources as capital and maximizes their value in order to enhance corporate value over the medium to long term. We have defined the enhancement of human capital value as a process consisting of three steps: "improve each employee's abilities," "demonstrate each employee's abilities," and "unite individual abilities to demonstrate team strength." By investing more than ever in human capital development, improving well-being, and fostering a learning organizational culture, we aim to increase both the engagement of our employees and our corporate value.

<3 steps to enhance human capital value>



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The ideal personnel characteristics at SMDAM

In order to realize our vision to become "The Best Asset Management Firm for Your Quality of Life", we have clarified the personnel characteristics we are looking for. In an era of high uncertainty and rapidly changing environment, we need people who can face their daily work as true professionals with a high sense of ownership and agency.

Corporate Vision

Towards the Best Asset Management Firm for Your Quality of Life.

The Ideal Personnel Characteristics at SMDAM

Persons who:

- don't set limits to their own abilities and who can continue to strive toward their goals.
- have the curiosity to challenge unknown areas and the humility to learn from criticism and failure.
- can consider and make decisions about what to do right now without being mired in precedents, stereotypical views and ideas.
- can set issues on their own and solve them with persistence while involving relevant people inside and outside the company.
- are both tolerant and self-responsible, and who can collaborate with people inside and outside the company.

Our Values

Sincerity

Agility

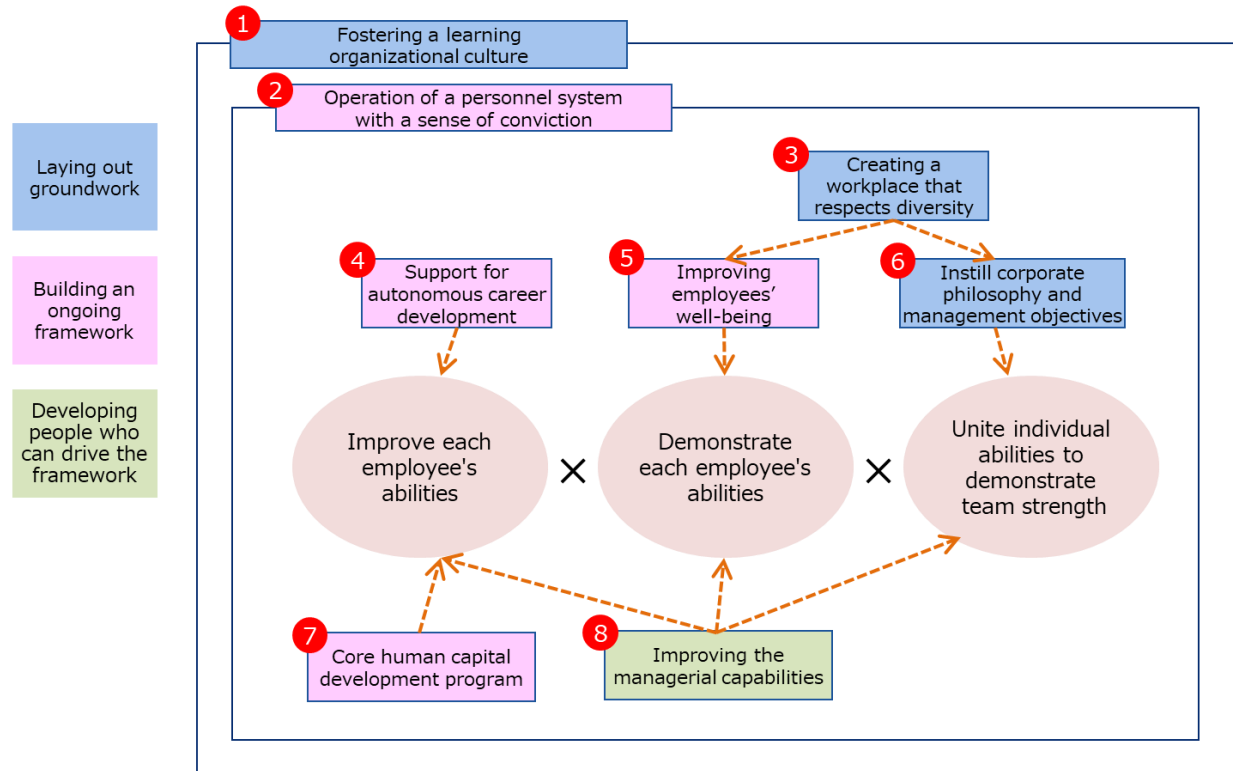
Challenge

Passion

Teamwork

Eight initiatives to enhance our human capital value

In order to improve and demonstrate the abilities of each individual employee and to unite them into a team, we will reinforce eight initiatives in the areas of "laying out groundwork" to nurture human capital, "building an ongoing framework" and "developing people who can drive the framework."



i) Fostering a learning organizational culture

In order to continuously provide high-quality asset management services into the future, in addition to each employee work on developing his or her own abilities, we also encourage employees to learn from each other so that their individual performance can be linked to the performance of the organization. We will strive to improve productivity and create innovation by fostering a learning culture.

ii) Operation of a personnel system with a sense of conviction

In order to ensure that each employee is treated appropriately according to the nature of their work, regardless of their age or past experience, we have revised our human resources system, including the abolition of general positions and job grades. We will strive to maintain and attract talented human resources by increasing employees' satisfaction with their treatment by thoroughly conducting merit-based evaluations.

iii) Creating a workplace that respects diversity

We believe that ensuring diversity among executive officers and employees of different ages, genders, nationalities, and backgrounds has a significant impact on a company's

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competitiveness. We will strive to create a workplace with a high level of psychological safety, where executives and employees can express their opinions without hesitation, regardless of position.

iv) Support for autonomous career development

In an era called the '100-year lifespan', everyone working is required to take responsibility for their own career and make efforts to increase their market value. We will provide opportunities for skill development to all executives and employees who are willing to learn, and actively supports autonomous career development.

v) Improvement of employee well-being

To date, we have taken measures such as correcting long working hours and reviewing rules to enable flexible working styles, in order to ensure a work-life balance for employees. We will take these initiatives one step further and strive to improve employee well-being by creating a workplace where employees can experience personal growth and job satisfaction through their work.

vi) Instill corporate philosophy and management objectives

It is said that there is a risk of staff becoming disengaged in a workplace that has wrongly handled "diversity". To avoid falling into such a "psychological safety trap," we ask our executives and employees as professional exchange opinions with each other in order to put our corporate philosophy into practice and achieve our management goals.

vii) Core human capital development Program

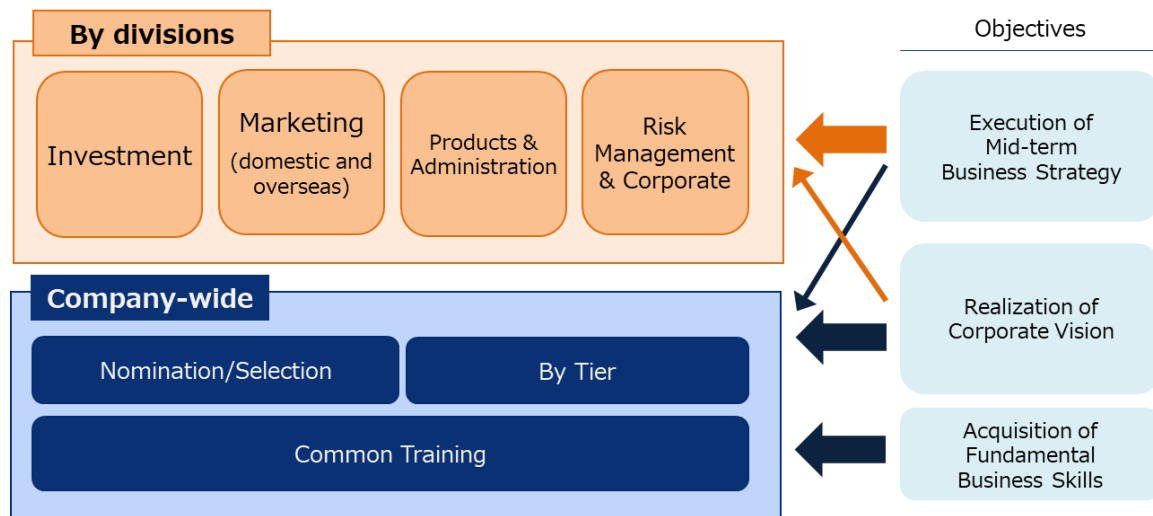
We define "core human capital" as employees who hold general managerial positions or key professional positions, and we will formulate succession plans for these employees and work to develop their successors on a company-wide basis. We also define employees who are candidates for executive officers among "core human capital" as "next generation leaders" and implement training programs to help them acquire the skills and experience necessary to fulfill responsibilities as members of the management team.

viii) Improving the managerial capabilities of officers and employees

Improving the skills of managers, who are the nexus between management and the workplace, and who are the leaders of the workplace, is an urgent issue. To enable our managers to fulfill their roles and responsibilities, we will enhance support by improving their skills in human and organizational management, transferring authority to them, and providing mentoring by senior executive officers.

Human capital development program

Recognizing that the expenditure required to develop human capital is an investment, not a cost, we will actively support employees who are considering their own careers and developing their own skills. Specifically, from the perspective of realizing our corporate vision and implementing its medium-term business strategy, we will provide training programs to contribute to the improvement of the abilities of each player and manager, both a company-wide and by division.



Our Initiatives

We have implemented various measures to improve the value of human capital. Going forward, with the establishment of this basic policy, we will work rapidly towards increasing the synergistic effects of individual measures within the grand design of human capital management.

The progress of our initiatives will be disclosed on our company website and in the Sustainability Report.

i) Policy and organization

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| April 2022 | We announced our materiality. Human capital is identified as the Materiality for Business Operation. |
| April 2023 | We launched a medium-term management plan covering fiscal period 2023 through 2025. We identified DE & I and Sustainability as one of the five pillars, and defined KPIs as Employee Engagement, Female Management Ratio, Gender Pay Gap, and Critical Position Fulfillment Ratio. |
| April 2023 | We reorganized the former Diversity Promotion Meeting into the Human Capital Strategy Meeting to serve as a forum for discussing our company's broader human capital issues, including DE & I. |
| October 2023 | We established a Human Capital Development Department that takes the lead in supporting employees' autonomous career development and providing systematic training programs, with the aim of cultivating an organizational culture of learning. |

ii) Personnel system and workplace environment

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| April 2021 | We abolished the historical core working time (10am to 3pm) policy and introduced a full flextime system in order to enable employees to choose more flexible ways of working. |
| July 2022 | We expanded the scale of internal recruitment in order to support employees' autonomous career development. In FY 2022, 17 employees applied for 24 positions, and 9 employees were transferred. |
| April 2023 | We introduced our revised personnel system which includes an evaluation framework based on ability, role and responsibility, as well as an elimination of general positions and grades. The objective of the revised system is to determine salary levels based on merit regardless of gender, nationality, previous work experience, etc. |



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iii) Corporate culture

- October 2018 Prior to the merger, the former Sumitomo Mitsui Asset Management and the former Daiwa SB Investments conducted an organizational culture survey to deepen mutual understanding. Since then, we have conducted surveys every year to identify changes in the attitudes and behaviors of management and employees.
- October 2022 We started to measure employee engagement scores. In the fiscal 2022 survey, 67.8% of the respondents answered that they were working with a sense of fulfillment and vitality.

Date of enactment: November 8, 2023