

“Basic Policy on Corporate Governance”

This Basic Policy sets out guidelines for fundamental perspectives regarding corporate governance of Sumitomo Mitsui Trust Holdings Inc. (“SuMi TRUST Holdings”), aiming to contribute to sustainable growth and medium- to long-term enhancement of the corporate value of Sumitomo Mitsui Trust Group (“the SuMi TRUST Group”).

Chapter 1 General Provisions

Article 1 (Fundamental Perspectives Regarding Corporate Governance)

1. In order to adhere to the principles of sound management based on a high degree of self-discipline with the background of fiduciary spirit and establish strong credibility from society, SuMi TRUST Holdings shall commit itself to enhancing its corporate governance system in line with the following fundamental perspectives, with the objective of supporting sustainable growth and medium- to long-term enhancement of the corporate value of the SuMi TRUST Group:
 - (i) SuMi TRUST Holdings shall respect shareholder rights, and endeavor to develop an environment in which shareholders can exercise their rights appropriately and effectively, and to secure effective equal treatment of shareholders;
 - (ii) By recognizing the importance of its social responsibilities and public mission, SuMi TRUST Holdings shall endeavor to appropriately cooperate with its stakeholders such as shareholders, clients, employees, business partners, and local communities, and to establish a corporate culture where it conducts sound business operations based on a high degree of self-discipline;
 - (iii) In order to establish the basis for constructive dialogue with its stakeholders, SuMi TRUST Holdings shall separately set out its Disclosure Policy, and endeavor to appropriately disclose corporate information, including non-financial information, and ensure the transparency of its corporate management.
 - (iv) As a financial holding company with the function of managing the business administration of the SuMi TRUST Group, SuMi TRUST Holdings shall adopt the institutional design of the Company with Nominating Committee, etc. and, by separating execution and supervision of business, shall endeavor to ensure the Board of Directors’ role of effective oversight; and
 - (v) SuMi TRUST Holdings shall engage in constructive dialogue with its stakeholders in order to contribute to sustainable growth and medium- to long-term enhancement of the corporate value of SuMi TRUST Holdings.
2. SuMi TRUST Holdings shall set out the SuMi TRUST Group’s reason for existence (“Purpose”) and identify its high priority issues (materiality), such as Japan’s declining birthrate and aging population, climate change, and digitalization. While recognizing that the mission of solving social issues is also a growth opportunity for the Group, the Company shall place at the core of its management philosophy the notion of “balanced creation of both social value and economic value.”
3. The Board of Directors shall set out the SuMi TRUST Group’s management principles (“Mission”), ideal model (“Vision”), and codes of conduct (“Value”) as the anchor to all activities, which shall be shared by all the officers and employees of the SuMi TRUST Group.

Chapter 2 SuMi TRUST Holdings’ Corporate Governance System

Article 2 (Perspectives Regarding SuMi TRUST Holdings’ Corporate Governance System)

1. The Company is a financial holding company with group companies such as of Sumitomo Mitsui Trust Bank, Limited (“SuMi TRUST Bank”), Sumitomo Mitsui Trust Asset Management Co., Ltd., Nikko Asset Management Co., Ltd., Sumitomo Mitsui Trust Research Institute Co., Ltd., Mutual Fund & Insurance Research Institute, and JTC Holdings, Ltd., etc. and shall aim to be “client’s best partner” that provides a “Total Solution” that combines banking business, asset management business and real estate business, based on the fiduciary spirit of trust business and by making full use of its significant expertise and creativity.
2. In order to fulfill the principles set forth in paragraph 1 above and to meet the expectations of stakeholders, SuMi TRUST Holdings shall endeavor to ensure the soundness and reliability of the business model and the transparency of its management of the SuMi TRUST Group and shall further enhance the SuMi TRUST Group’s corporate governance.

Article 3 (Roles of the Board of Directors)

1. The Board of Directors shall ensure fairness and transparency of the SuMi TRUST Group's corporate management by setting out the basic policy of managing the SuMi TRUST Group and overseeing overall management of it.
2. Except for matters which are required to be decided by the Board of Directors, the Board of Directors shall, in principle, delegate decisions on the execution of business to executive officers, and shall supervise the execution of business by executive officers, etc. as its central role.
3. The Board of Directors shall provide and improve the environment where external directors may properly oversee the execution of business by the Board of Directors and the top management, and any conflicts of interest that may arise between SuMi TRUST Holdings and the management team, etc., from the standpoint of stakeholders, in order to support sustainable growth and medium- to long-term enhancement of the corporate value of the SuMi TRUST Group.
4. In light of the importance of environmental and social issues over the sustainability, the Board of Directors shall prescribe basic policy regarding the social responsibility to be implemented by each group company (the "Sustainability Policy"). With the Sustainability Policy, the Board of Directors shall enhance awareness of its officers and employees, and promote positive efforts to resolve these issues by considering its stakeholders, aiming to support the sustainable growth of society and increase the corporate value of the SuMi TRUST Group.
5. The Board of Directors shall set out the policy on the provision of products and services suitable for the true benefit of clients (Policies regarding the Fiduciary Duties), and shall act to ensure clients' comfort and satisfaction by sharing the Company's "client-orientation" policy within the SuMi TRUST Group, and shall promote the practice of fiduciary duty in the SuMi TRUST Group by supervising each Group company's commitment to its fiduciary duty.

Article 4 (Composition of the Board of Directors)

1. The Board of Directors of SuMi TRUST Holdings shall have no more than 20 directors, which is the number of directors prescribed in the Articles of Incorporation, and it shall comprise such number of directors as shall be necessary and appropriate to provide an effective supervising system, required of a financial holding company managing the business administration of the SuMi TRUST Group. However, due consideration shall also be given to securing diversity and professionalism at the Board of Directors in deciding such number.
2. In light of the importance of external directors' functions in the corporate governance, SuMi TRUST Holdings shall operate the Board of Directors with at least one-third of directors being independent external directors, in principle.
3. The Board of Directors shall establish and disclose Independence Standards of Independent Directors (the "Independence Standards").
4. In deciding the candidates for directors, SuMi TRUST Holdings shall base its decisions on the SuMi TRUST Group's reason for existence ("Purpose") and secure a board of diverse and balanced composition that is appropriate to properly supervise the wide range of business areas as a trust bank group.

Article 5 (Policies Regarding Nomination and Dismissal of Directors and Executive Officers)

1. As for SuMi TRUST Holdings' candidates for directors and executive officers, they shall be selected from among those who can address SuMi TRUST Holdings' high priority issues (materiality) with deep insight and extensive experience in corporate management, finance and accounting, or the areas of legal, risk management, and compliance, or in creation areas, including skills specific to the trust business, sustainability, digitalization, and IT, which lead to the creation of new value. They shall also exhibit the following qualities:
 - (i) Candidates for internal director/executive officer
 - (a) A person with abundant knowledge and experience regarding the management administration and business operation of a trust bank group.
 - (b) A person who fully understands the social responsibility and mission of banking business and fiduciary spirit of trust business, and who is able to fairly and appropriately implement the management administration and business operation based on a high degree of self-discipline.
 - (ii) Candidates for external director
 - (a) A person who satisfies the Independence Standards of SuMi TRUST Holdings, and who is deemed unlikely to give rise to conflicts of interest with general shareholders of SuMi TRUST Holdings.

- (b) A person who fully understands SuMi TRUST Holdings' management principles and the social responsibilities and roles as a trust bank group, and who can supervise the management of SuMi TRUST Holdings and give accurate and appropriate opinions and advice. 2. As for the directors and executive officers, if they fall under the following items, the Nominating Committee shall deliberate their dismissals them:
- (i) If it is found that they have material breach of a law, Article of Incorporation, Directors Policy, or Executive Officers Policy, etc, or commit a serious violation of public order and morality, or have relations with antisocial forces.
 - (ii) If it is found that they are no longer capable of executing their duties due to health problems or other reasons.
 - (iii) If it is found that they do not meet qualities in the preceding paragraph, excluding (ii) (a) .

Article 6 (Policies Regarding Training of Directors)

1. SuMi TRUST Holdings shall collect and provide information regarding economic conditions, industry movement, compliance with laws, corporate governance, finance & accounting, and any other matters, which is required by directors in order to perform their roles and functions, and it shall thereby support directors' execution of duties.
2. SuMi TRUST Holdings shall enable external directors of SuMi TRUST Holdings to receive explanations from governing sections or responsible officers, etc., and acquire a sufficient understanding regarding such matters as the SuMi TRUST Group's management strategy, management plan, status of various business, management environment, and management issues, in order to perform their roles and functions in a timely manner after the assumption of office of the external directors.

Article 7 (Establishment of Committees)

In order to ensure the effectiveness of its corporate governance system and further enhance the soundness and reliability of the business model and the transparency of its management of the SuMi TRUST Group, SuMi TRUST Holdings shall establish a Risk Committee and a Conflicts of Interest Committee, in which independent external directors or external specialists shall participate, as advisory bodies to the Board of Directors, in addition to the Nominating Committee, the Compensation Committee and the Audit Committee, which are required to be established under the Companies Act.

Article 8 (Nominating Committee)

1. The Nominating Committee shall play the role listed in the following items based on policies regarding nomination and dismissal in Article 5:
 - (i) The Nominating Committee shall determine the content of proposals regarding the election and dismissal of directors to be submitted to a shareholders meeting;
 - (ii) The Nominating Committee shall receive requests for consultation on the election and dismissal of executive officers including President from the Board of Directors, and shall deliberate and make reports on these;
 - (iii) The Nominating Committee shall receive requests for consultation on the election and dismissal of directors from the Board of Directors of SuMi TRUST Bank and Sumitomo Mitsui Trust Asset Management Co., Ltd., and shall deliberate and make reports on these; and
 - (iv) The Nominating Committee shall receive requests for consultation on revision of the succession plan of management of SuMi TRUST Holdings, SuMi TRUST Bank, and Sumitomo Mitsui Trust Asset Management Co., Ltd. from the Board of Directors, and shall deliberate and make reports on these;
2. The Nominating Committee shall consist of three or more directors, and a majority of the members shall be independent external directors.
3. The chairperson of the Nominating Committee shall be selected from among members who are independent external directors.

Article 9 (Compensation Committee)

1. The Compensation Committee shall play the role listed in the following items:
 - (i) The Compensation Committee shall prescribe policy on decisions on the content of remuneration for individual executive officers and directors;

- (ii) The Compensation Committee shall decide the content of remuneration for individual executive officers and directors in accordance with the policy stated in item (i) above; and
 - (iii) The Compensation Committee shall receive requests for consultation on policy on decisions on the content of remuneration for directors, etc., from the Board of Directors of SuMi TRUST Bank and Sumitomo Mitsui Trust Asset Management Co., Ltd., and shall deliberate and make reports on these.
2. The Compensation Committee shall consist of three or more directors, and a majority of the members shall be independent external directors.
 3. The chairperson of the Compensation Committee shall be selected from among members who are independent external directors.

Article 10 (Audit Committee)

1. The Audit Committee shall play the role listed in the following items:
 - (i) The Audit Committee shall audit the execution of duties by executive officers and directors and shall prepare audit reports;
 - (ii) The Audit Committee shall determine the content of proposals regarding the election and dismissal of a financial auditor, and the refusal to reelect a financial auditor, to be submitted to a shareholders meeting; and
 - (iii) The Audit Committee shall appropriately exercise consent rights regarding decisions on remuneration of the financial auditor.
2. In order to fulfill its role and responsibility, the Audit Committee shall appropriately exercise its authority to investigate the status of business and the assets of companies belonging to the SuMi TRUST Group.
3. The Audit Committee shall appropriately utilize the internal control system of the SuMi TRUST Group and shall systematically and efficiently conduct audits through hearing reports from executive officers, directors and a financial auditor, and shall communicate with these persons.
4. The Audit Committee shall consist of three or more directors who do not concurrently serve as executive officers, and a majority of members shall be independent external directors.
5. The Board of Directors shall appoint a person as an Audit Committee Member who is able to audit the execution of duties by executive officers and directors from a fair and objective standpoint and contribute to enhancing the soundness and transparency of management of the SuMi TRUST Group.
6. The chairperson of the Audit Committee shall, in principle, be selected from among members who are independent external directors.
7. The Audit Committee shall appoint internal director(s) as full-time Audit Committee Member(s) in order to enable effective audits by making full use of knowledge of the contents of trust business and financial business, and regulation by laws concerning such business.
8. In order to assist Audit Committee's duties, the Audit Committee shall establish an Audit Committee Office that conducts operations under the direction of the Audit Committee.

Article 11 (Risk Committee)

1. The Risk Committee shall receive requests for consultation on the following items from the Board of Directors, and shall review the appropriateness, etc. of them, and shall make reports:
 - (i) Matters concerning the business environment surrounding the SuMi TRUST Group, top risks, and materiality;
 - (ii) Matters concerning the management of risk appetite framework, risk management, and monitoring the effectiveness of the internal control system related to compliance management of the SuMi TRUST Group; and
 - (iii) Other matters to be deemed necessary by the Board of Directors.
2. In principle, a majority of the members of the Risk Committee shall be independent external directors and independent outside experts.
3. The chairperson of the Risk Committee shall be selected from among members who are directors or external specialists who have professional knowledge and expertise in the field concerned.

Article 12 (Conflicts of Interest Committee)

1. The Conflicts of Interest Committee shall receive requests for consultation on the following items from the Board of Directors, and shall review the appropriateness, etc. of them, and shall make reports;
 - (i) Matters concerning the validity of systems for management of conflicts of interest of the SuMi TRUST Group;

- (ii) Matters concerning the effectiveness of management of conflicts of interest, management of client explanation, and management of client support of the SuMi TRUST Group and the enhancement of systems for management of these;
 - (iii) Matters concerning the policy on fiduciary duty of the SuMi TRUST Group and the action plans, etc. of each the SuMi TRUST Group company;
 - (iv) Particularly important matters concerning dissemination of management of conflicts of interest and fiduciary duty in the SuMi TRUST Group; and
 - (v) Other matters to be deemed necessary by the Board of Directors.
2. In principle, a majority of the members of the Conflicts of Interest Committee shall be independent external directors and independent outside experts.
 3. The chairperson of the Conflicts of Interest Committee shall be selected from among members who are independent external directors and who are outside experts with professional knowledge and expertise in the field concerned.

Chapter 3 Measures for Protection of Stakeholders' Interests

Article 13 (Management System of Related Party Transactions)

When each the SuMi TRUST Group company engages in transactions with its officers or major shareholders, etc., the transactions shall be referred to the Board of Directors for prior approval, in order to ensure that such transactions do not harm, among other interests, the interests of the SuMi TRUST Group or the common interests of its shareholders, except where the trading terms are obviously equivalent to those of general transactions.

Article 14 (Management System of Transactions Involving Conflicts of Interest with Clients in the SuMi TRUST Group's Business Operations)

1. The SuMi TRUST Group shall separately prescribe, and disclose an outline of, the Management Policy Concerning Conflicts of Interest (the "Management Policy") pursuant to laws, etc., in order to ensure that none of the various services provided by each group company and its related parties (including bank agents, etc. whose principal bank is SuMi TRUST Holdings' banking subsidiary) unfairly harm the interests of its clients. Pursuant to the Management Policy, the SuMi TRUST Group shall appropriately manage transactions that may give rise to conflicts of interest, and shall properly implement its business operations.
2. As stipulated in Article 12, SuMi TRUST Holdings shall establish the Conflicts of Interest Committee as an advisory body to the Board of Directors and shall develop a system to properly implement its business operations by ensuring the soundness and reliability of the business model and the transparency of its management of the SuMi TRUST Group from the viewpoint of conflicts of interest management.

Article 15 (Policies Regarding Cross-Shareholdings)

1. In keeping with its strategic goal to build a virtuous cycle of funds, assets, and capital, the SuMi TRUST Group shall, in principle, not hold shares, etc. of its business counterparty (the "cross-shareholding shares") as a stable shareholder.
2. During such time as SuMi TRUST Holdings remains in possession of the cross-shareholding shares in accordance with paragraph 1 above, the Board of Directors shall examine and check the correlation between benefits/risks and capital cost of holding the cross-shareholding shares.
3. The SuMi TRUST Group shall separately establish and disclose its policy regarding exercising voting rights pertaining to cross-shareholding shares.

Article 16 (Whistle-blowing System)

The SuMi TRUST Group shall establish the following whistle-blowing systems and operate them in an appropriate manner in order to promote its compliance and exert self-cleansing capabilities of its organization.

- (i) Compliance Hotline System
This is a system where all officers and employees can directly report to the Compliance Department of SuMi TRUST Holdings or external law firms, besides the reporting line based on office organization, in order to promptly and appropriately respond to any violation of laws, etc. by any officer or employee of the Group.
- (ii) Accounting Hotline System

This is a system where anyone who has detected any improper treatment or a risk of such misconduct in relation to the Group's accounting, internal controls involving accounting, and accounting audit can directly report to external law firms, regardless of whether the detector is inside or outside the Company, in order to promptly and appropriately respond to the case.

Chapter 4 Dialogue with Shareholders, etc.

Article 17 (Policy for Constructive Dialogue with Shareholders, etc.)

1. SuMi TRUST Holdings shall emphasize constructive dialogue with its shareholders, etc., and shall endeavor to engage in dialogue with its shareholders, etc. through various opportunities under the initiative of its senior management.
2. Through constructive dialogue, SuMi TRUST Holdings shall endeavor to obtain the understanding of its shareholders, etc. regarding SuMi TRUST Holdings' management policies, and it shall endeavor to supporting sustainable growth and medium- to long-term enhancement of the corporate value of the SuMi TRUST Group, by absorbing and reflecting analyses of management administration and views from the perspective of capital providers, etc. through listening to the voice of the shareholders, etc.

Supplementary Provisions

Article 1 (Enforcement of the Basic Policy)

This Basic Policy shall be enforced from the closing of the Fourth Ordinary General Meeting of Shareholders of SuMi TRUST Holdings to be held on June 26, 2015. However, the Exhibit "Independence Standards of Independent Directors" shall be enforced from May 13, 2015.

Article 2 (Timing of Application of Voting Rights Guidelines)

The separately prescribed guidelines for the exercise of voting rights described in Exhibit 2 "Policy Regarding Exercising Voting Rights Pertaining to Cross-Shareholding Shares" in the revision of April 1, 2022 shall be enforced from the General Meeting of Shareholders held on or after June 1, 2022. This Supplementary Provision shall be deleted on June 1, 2022.