

To whom it may concern

Sumitomo Mitsui Trust Holdings, Inc.

**Revisions to SuMi TRUST Holdings' Basic Policy on Corporate Governance basic policy
and establishment of voting rights guidelines at SuMi TRUST Bank**

On May 13, 2021, Sumitomo Mitsui Trust Holdings, Inc. (Director, President: Toru Takakura, hereinafter "SuMi TRUST Holdings") released "Notice regarding the Sumitomo Mitsui Trust Group's Vision under the New Management and Important Business Initiatives for FY2021". In particular, we outlined our vision to contribute to "creating a virtuous circulation from increased enterprise value leading to increase in household savings, assets and capital". To that end, we announced that we intend to improve our bi-functional expertise as a trust bank group that assumes the position of an investor as well as an advisor offering solutions to enhance enterprise value, and re-align our policy so that, in principle, we shall not hold any "strategic shareholdings as a conventional stable shareholder". We also informed that even for the interim policy transition period, we shall strive to fulfill our role as an advisor that "offers solutions to issues to enable sustainable increase in enterprise value through extensive dialogue with our clients".

In light of these intentions, we hereby announce the revision to our policy on strategic shareholdings within our Basic Policy on Corporate Governance. In addition, we have established new guidelines at Sumitomo Mitsui Trust Bank, Limited (Director, President: Kazuya Oyama, hereinafter "SuMi TRUST Bank") for the exercise of voting rights during the interim policy transition period.

1. Revisions to Basic Policy on Corporate Governance

(1) Policy on strategic shareholdings

- (i) The SuMi TRUST Group shall, in principle, not hold any shares etc. ("strategic shareholdings") of corporate clients as a conventional stable shareholder where it is unfitting for materializing one of our goals which is "creating a virtuous circulation from increased enterprise value leading to increase in household savings, assets and capital".
- (ii) During the remaining period that strategic shareholdings set forth in the preceding paragraph are still held, the Board of Directors shall carefully examine and verify the relationship between the benefits/risks and the cost of capital associated with holding the strategic shareholdings.
- (iii) The SuMi TRUST Group shall separately establish and disclose a policy on exercising of voting rights for strategic shareholdings.

(2) Policy on exercising voting rights for strategic shareholdings

SuMi TRUST Holdings and SuMi TRUST Bank aim to enhance the medium- to long-term enterprise value of corporate clients that issue strategic shareholdings (hereinafter "issuing companies") and will therefore exercise voting rights for shares held whilst also taking into account the improvement in medium- to long-

term value for the SuMi TRUST Group's shareholders, depositors, and other various stakeholders.

Through sufficient dialogue with issuing companies, we will take into consideration the business environment and other factors that each issuing company faces and exercise voting rights while respecting its management identity and course of action.

In exercising voting rights, we will make our decision to vote for, or against by each agenda item based on the separately established guidelines for the exercise of voting rights as well as take into account the following perspectives.

- (i) Our decisions will take heed of not only ostensible or formal criteria, but also the characteristics of the issuing company and the attributes peculiar to its industry and business operating environment.
- (ii) Our decisions will be based on not only the given fiscal year, but also longer time span and future outlook.
- (iii) Our decisions will account for not just financial data, but also non-financial factors, such as corporate governance and how the issuing company creates social value.

If there is a possibility of a conflict of interest in the exercise of voting rights for strategic shareholdings, we will take appropriate action in accordance with our separately established Management Policy Concerning Conflicts of Interest.

(3) Effective date of revisions

April 1, 2022

2. SuMi TRUST Bank's voting rights guidelines (Japanese listed stocks)

Based on the aforementioned points, we have established standards for each of the following proposal categories at SuMi TRUST Bank for the exercise of voting rights during the transition period: (1) appointment of directors; (2) appointment of corporate auditors; (3) compensation for officers, bonuses for officers, and retirement benefits; (4) performance-based payment, stock compensation, and stock options; (5) disposition of surplus; (6) prior warning-type anti takeover measures; (7) capital policies and organizational restructuring; (8) amendments to articles of incorporation and other proposals; and (9) shareholder proposals. For more details of guidelines, please follow the link below.

https://www.smth.jp/-/media/th/about_us/management/governance/voting_guideline.pdf(Japanese text only)

Please note that these standards are slated to be adopted for shareholders' general meetings held on or after June 1, 2022.