

“Basic Policy on Corporate Governance”

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

Chapter 1 General Provisions

Article 1 (Fundamental Perspectives Regarding Corporate Governance)

1. In order to implement sound management based on a high degree of self-discipline guided by its fiduciary spirit and to gain the unwavering trust of society, SuMi TRUST Holdings shall commit itself to enhancing its corporate governance along the lines of the following basic philosophy with the objective of improving the SuMi TRUST Group’s sustainable growth and medium- to long-term corporate value:
 - (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 the 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, including shareholders, clients, employees, business partners, and local communities (hereinafter referred to as “Stakeholders”), and to develop a corporate culture and climate in which it conducts sound business operations based on a high degree of self-discipline;
 - (iii) In order to establish a 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 the financial holding company that assumes the corporate management function of the SuMi TRUST Group, SuMi TRUST Holdings shall adopt the institutional design of the Company with a Nominating Committee, etc. and, by separating the execution and monitoring of business, shall endeavor to ensure the Board of Directors’ role of effective monitoring; and
 - (v) SuMi TRUST Holdings shall engage in constructive dialogue with its Stakeholders in order to contribute to sustainable growth, as well as the medium- to long-term enhancement of the corporate value of SuMi TRUST Holdings.
2. Having defined the SuMi TRUST Group’s Reason for Existence (“Purpose”) and identified its high-priority management issues (“Materiality”), such as Japan’s declining birthrate and aging population, climate change, and digitalization, SuMi TRUST Holdings also recognizes that taking on the mission of solving social issues presents the SuMi TRUST Group with growth opportunities, which is why the Company shall place at the core of its management approach the notion of “balanced creation of both social and economic value.”
3. As the foundation for every activity to be shared by all the officers and employees of the SuMi TRUST Group, the Board of Directors shall establish management principles (“Mission”), an ideal model (“Vision”), and codes of conduct (“Value”).

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 (hereinafter referred to as “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 Custody Bank of Japan, Ltd., etc. Guided by its fiduciary spirit, the Company aims to leverage its significant expertise and creativity to combine its banking, asset management and asset administration, and real estate businesses to deliver “Total Solutions” to its clients as their “Best Partner.”
2. In order to fulfill the principles set forth in paragraph 1 above and live up to the expectations of Stakeholders, SuMi TRUST Holdings shall make every effort to ensure the soundness and reliability

of the SuMi TRUST Group's business model, as well as management transparency, and continually strive to enhance the SuMi TRUST Group's corporate governance.

Article 3 (Board of Directors)

1. The Board of Directors shall aim to fulfill the following goals to gain the trust of all of the SuMi TRUST Group's Stakeholders as fiduciary:
 - Reason for Existence ("Purpose");
 - Appropriate capital allocation to the Stakeholders; and
 - Sustainability as a corporation ("Sustainability").
2. Roles and responsibilities of the Board of Directors
 - (i) To fulfill its roles, the Board of Directors shall assume the following responsibilities:
 - To comply with relevant laws, regulations and the framework of the Articles of Incorporation;
 - To develop the corporate governance system of the SuMi TRUST Group;
 - To monitor the execution of business by officers, including Executive Officers (*shikkoyaku*) as defined in the Companies Act (hereinafter referred to as "Executive Officers"), of the SuMi TRUST Group;
 - To establish the internal control system of the SuMi TRUST Group and to monitor its operations.
 - To monitor culture toward the development of a desirable corporate culture in the SuMi TRUST Group;
 - To effectively engage with the Stakeholders; and
 - To conduct, and disclose the results of, the annual Evaluation of the Board of Directors and the committees.

The monitoring of a matter by the Board of Directors shall mean to monitor such matter to be operated in a sufficient manner.
 - (ii) Except for matters which are required by laws 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 monitor the execution of business by Executive Officers, etc. in order to fulfill flexible corporate management and strengthen the monitoring of Executive Officers, etc.
3. To fulfill its roles, the Board of Directors shall have the following authorities:
 - (i) To decide the basic management policies of the SuMi TRUST Group;

The basic management policies include the following:

 - Reason for Existence ("Purpose"), high-priority management issues ("Materiality"), and value creation process;
 - Policy on establishing desirable stakeholder relationships (the "Sustainability Policy," the "Policies regarding the Fiduciary Duties", etc.);
 - Medium- to long-term management strategies; and
 - Policies on internal control.
 - (ii) To decide on the execution of important operations including important investments and disposal of investments, etc.;
 - (iii) To establish and abolish non-mandatory committees under the Board of Directors;
 - (iv) To appoint and dismiss a member and chair of committees under the Board of Directors;
 - (v) To elect and dismiss Executive Officers;
 - (vi) To request Executive Officers to make reporting as required for the execution of business of the Board of Directors; and
 - (vii) To invite outside experts, etc. related to agenda of the Board of Directors meetings, as necessary.

Article 4 (Directors)

1. The roles, responsibilities, and authorities of Directors, as members of the Board of Directors, shall be as follows.
2. Directors shall fulfill the following roles and assume the following responsibilities:
 - (i) To discharge duty of loyalty and duty of due care of a prudent manager as a fiduciary of management;
 - (ii) To attend at shareholders meetings and meetings of the Board of Directors;
 - (iii) To execute voting rights at meetings of the Board of Directors; and
 - (iv) To keep confidentiality concerning information learned as a director.

- 3 Directors shall have the following authorities:
- (i) To call meetings of the Board of Directors;
 - (ii) To submit proposals to meetings of the Board of Directors; and
 - (iii) To request Executive Officers to make reporting as required for the execution of business of directors.

Article 5 (Independent External Directors)

1. In addition to the roles and responsibilities of the directors as set forth in Article 4, Paragraph 2, independent external directors are expected to fulfill the following roles:
 - (i) To make advice and decisions from the perspective of the external Stakeholders;
 - (ii) To monitor conflicts of interest between SuMi TRUST Holdings and the Management and the Stakeholders, etc.; and
 - (iii) To engage in dialogue with the Stakeholders from an independent position.In this policy, the “Management” shall mean collectively the Executive Officers and executive officers as defined in our internal policy of SuMi TRUST Holdings and the directors and executive officers as defined in our internal policy of the group companies, who are responsible for the management of the SuMi TRUST Group.
2. In addition to the authorities of the directors as set forth in Article 4, Paragraph 3, independent external directors shall have the authorities to call a meeting of independent external directors, as necessary, to perform their functions from an independent position.

Article 6 (Executive Officers)

1. Executive officers shall make decisions on the execution of business delegated by the Board of Directors.
2. Executive officers shall assume the following responsibilities:
 - (i) To execute business of SuMi TRUST Holdings;
 - (ii) To discharge duty of loyalty and duty of due care of a prudent manager as a fiduciary of management;
 - (iii) To guarantee accountability to the Board of Directors regarding the status of their execution of duties; and
 - (iv) To provide sufficient information with directors for their execution of duties.

Article 7 (Chair of the Board)

1. The Chair of the Board shall take the lead as a chief of the Board of Directors of SuMi TRUST Holdings. The Chair of the Board shall, in principle, be a non-executive director in light of the Board of Directors’ role to monitor the management.
2. The Chair of the Board shall fulfill the following roles:
 - (i) To exercise leadership at meetings of the Board of Directors;
 - (ii) To maintain and develop a corporate culture that encourages a relationship of trust and sound argument among directors;
 - (iii) To maintain and establish a relationship of trust with the Management;
 - (iv) To engage in dialogue with the Stakeholders as a representative of the Board of Directors;
 - (v) To develop the foundation and environment related to the operation of the Board of Directors; and
 - (vi) To preside over the Evaluation of the Board of Directors.
3. The Chair of the Board shall have the following authorities:
 - (i) To call meetings of the Board of Directors; and
 - (ii) To organize the proceedings of meetings of the Board of Directors.

Article 8 (Lead Independent Director)

1. The lead independent director can be elected from among the independent external directors who have not been elected as the Chair of the Board.
2. In the event no lead independent director is elected in accordance with the preceding paragraph and an independent external director is elected as the Chair of the Board, such Chair of the Board shall be the lead independent director.
3. The lead independent director shall fulfill the following roles:
 - (i) To maintain and establish a relationship of trust between independent external directors and the Management; and

- (ii) To preside over meetings of external directors and meetings of independent external directors.
- 4. If an independent external director other than the Chair of the Board is elected as the lead independent director, the lead independent director shall, in addition to the roles set forth in the preceding paragraph, fulfill the following roles:
 - (i) To provide advice and support to the Chair of the Board as a representative of independent external directors;
 - (ii) To preside over, and to summarize ideas at, meetings of independent external directors except for the Chair of the Board, related to the operation of the Board of Directors, as necessary; and
 - (iii) To engage in dialogue as necessary with the Stakeholders as the representative of independent external directors that differs from Executive Officers or the Chair of the Board, who are in charge of regular dialogue.

Article 9 (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 monitoring function, required of a financial holding company tasked the corporate management function 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 (hereinafter referred to as the "Independence Standards").
4. In deciding the candidates for directors, SuMi TRUST Holdings shall ensure a board of diverse and balanced composition that is appropriate to properly monitor the wide range of business areas as a trust bank group, based on the SuMi TRUST Group's Reason for Existence ("Purpose").

Article 10 (Policies Regarding Nomination and Dismissal of Directors and Executive Officers)

1. SuMi TRUST Holdings' candidates for directors and Executive Officers shall be selected from among those who can address SuMi TRUST Holdings' high-priority management issues (Materiality) with deep insight and extensive experience in corporate management, finance and accounting, the areas of legal, risk management, and compliance, the areas of trust, asset management, and asset administration, digital technology/IT, internationality, or in the areas of sustainability, including knowledge and experience about social issues, environment, and DE&I. They shall also exhibit the following qualities:
 - (i) Candidates for internal directors/Executive Officers
 - (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 directors
 - (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 its social responsibilities and roles as a trust bank group, and who can monitor the management of SuMi TRUST Holdings and give accurate and appropriate opinions and advice.
2. If the directors and Executive Officers fall under the following items, the Nominating Committee shall deliberate on their dismissals:
 - (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 11 (Providing Information with Directors)

1. The Management 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. The Management shall enable external directors of SuMi TRUST Holdings to 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 for external directors to perform their roles and functions by providing them with information regarding such matters at the assumption of office of the external directors and in a timely manner.

Article 12 (Meetings of Independent External Directors)

1. A meeting of independent external directors is an informal meeting organized solely by independent external directors and is designed to promote sharing information and awareness among independent external directors, to foster a relationship of trust among the independent external directors and strengthen the monitoring function of the Board of Directors.
2. In principle, a meeting of independent external directors shall be held at least once a year to discuss management issues, the operation of the Board of Directors and the form of the governance system, etc., and, as necessary, to make recommendations to the Chair of the Board and the President Executive Officer, etc.

Article 13 (Corporate Secretariat)

1. To ensure the effective and smooth operation of the Board of Directors, Corporate Secretariat shall be established as a specialized body responsible for the operations related to the Board of Directors.
2. The responsibilities of Corporate Secretariat shall be as follows:
 - (i) To assist the Chair of the Board;
 - (ii) To assist directors, focusing on independent external directors; and
 - (iii) To ensure the effective and smooth operation of the Board of Directors.

Article 14 (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 15 (Nominating Committee)

1. The Nominating Committee shall play the role listed in the following items based on policies regarding nomination and dismissal in Article 10:
 - (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, 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; 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 chair of the Nominating Committee shall be selected from among members who are independent external directors.

Article 16 (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 chair of the Compensation Committee shall be selected from among members who are independent external directors.

Article 17 (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 chair 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 18 (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 chair 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 19 (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 “Policies regarding the Fiduciary Duties” 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 chair 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 20 (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 21 (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 (hereinafter referred to as 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 19, 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 22 (Policies Regarding Strategic Shareholdings)

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

Article 23 (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 and/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 24 (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.