

Japan Perspective from SuMi TRUST

Naoya Oshikubo, Senior Economist



The Wave of Greening is coming to Japan

The wave of greening is rushing into Japan as the country rapidly catches up with rest of the world. In its latest green growth strategy and goals towards carbon neutrality by 2050, the Government of Japan has set a target of reducing greenhouse gas emissions by 46% by 2030 (as compared to 2013 levels). The Government has stated that it would promote corporate environmental investments by using its 2 trillion yen through Green Innovation Fund and raise the share of renewable energy to 36-38% by 2030, and to 50-60% by 2050 (As of 2019, it was 18%). Going forward, the government, the Bank of Japan, and corporations will need to work more closely toward their carbon-neutral goals. Companies that respond proactively to climate change, leveraging the supporting measures from the government and the Bank of Japan, should be evaluated positively in the market.

In Europe, "Fit for 55," a policy package to achieve at least 55% reduction in greenhouse gas emission by 2030 compared to 1990 levels, was announced. In the U.S., a large climate change budget is expected to be announced by the Biden Administration to promote electric vehicles (EVs), renewable energy and cutting-edge clean energy technologies. And now, in keeping with global trends, the wave of greening has reached Japan. In this paper, we will describe the implications for Japanese corporations and markets based on the climate change countermeasures by the Japanese government and the Bank of Japan.

1. Japanese government's Green Growth Strategy

Japan has lagged the world in its efforts to tackle climate change. However, to keep up with the global trend towards greening, in December 2020, the Japanese government, under the Suga Administration, launched a green growth strategy aimed at carbon neutrality by 2050. In April 2021, a new initiative was announced to reduce greenhouse emissions by 46% in 2030 (as compared to 2013 levels) and furthermore, to challenge the 50% reduction mark. And in June, the "Green Growth Strategy through Achieving Carbon Neutrality in 2050" was announced. This is a revised version of the initial release in December 2020, and provides a more detailed path to carbon neutrality by 2050.

As part of its green growth strategy and goal to achieve carbon neutrality by 2050, Japan has set a reduction target of greenhouse gas emissions in 2030 to 46% of 2013 levels. The electric power sector has begun decarbonization and the non-power sector has called for electrification, hydrogenation and energy conservation (CO2 emissions as of 2019: 440 million tons by the electric power sector, 280 million tons by industries, 200 million tons by the transportation sector, 110 million tons by households). In order to achieve carbon neutrality in 2050, Japan must pursue all options for decarbonization including the introduction of hydrogen/ammonia, CCUS/carbon recycling, nuclear power and other forms of renewable energy as demand for electricity will increase by 30 to 40% due to the decarbonization process.

As for the power source composition, thermal power will be significantly reduced from 76% (2019) to 41% (2030), while renewable energy will be raised from 18% (2019) to 36-38% (2030) and to 50-60% in 2050. Hydrogen and ammonia will be increased to 1% (2030) and 10% (2050). Furthermore, nuclear power will be increased from 6% (FY 2019) to 20-22% (FY2030) as shown in Figure 1. Considering that it was at 25% in 2010 before the Great Eastern Japan Earthquake, this is an achievable goal as some plants can be restarted, but public opinion must be carefully monitored.

Fig.1. Power supply configuration

| | FY2019 Current | FY2030 Target | FY2050 Goal |
|-------------------------------------|-------------------|------------------|----------------|
| Renewable energy | 18% | 36~38% | 50~60% |
| Hydrogen/Ammonia | - | 1% | 10% |
| Nuclear power/Co2 capture Firepower | - | - | 30~40% |
| Nuclear power | 6% | 20~22% | - |
| Firepower | 76% | 41% | - |

Source: METI, SuMi TRUST

Among renewable energy sources, Japan plans to focus on offshore wind power. The potential for offshore wind power in Japan is high as it is an island country surrounded by the ocean, and is a trump card for renewable energy as a main power source. As offshore wind power will cost hundreds of billions of yen and require tens of thousands of parts, it will have a huge ripple effect not only on wind power generator-related manufacturers, but also on related industries such as general contractors, electric power companies, and trading companies. The global offshore wind power market is a growing industry that is expected to generate 562 GW of electricity (24 times the current level) and will lead to over 120 trillion yen in investments worldwide by 2040. Although Asia including Japan has fallen behind in this field, it is expected that Asia will comprise more than 40% of the world's market share by 2030. Thus, rapid growth is expected in the future. The Japanese government aims to: (1) generate 10 GW by 2030 and 30-45 GW by 2040 from the current creation stage, and (2) to form a strong supply chain in Japan by increasing the domestic procurement ratio to 60% by 2040 through an industry-government-academia collaboration, and (3) reduce power generation costs to 8-9 yen/kWh by 2030-35 (It is about 30 yen/kWh as of 2021).

Furthermore, Japan has defined hydrogen as a key carbon-neutral technology that is expected to be used in a wide range of fields such as power generation (fuel cells), transportation (automobiles, ships) and industry (steel, chemicals). Japan formulated the world's first hydrogen strategy in 2017 and is technologically ahead in multiple fields. Thus, the transition to a hydrogen-based society will ultimately lead to the creation of a decarbonized society. The Japanese government has set a hydrogen production target of 3 million tons by 2030 reducing the cost to 30 yen/ Nm³ (less than 1/3 of the current selling price) and to 20 million tons by 2050 by further lowering the cost to 20 yen/ Nm³ or less.

Under the green growth strategy, we expect to see growth in certain industries such as offshore wind power, solar power, geothermal power, hydrogen/fuel ammonia, automobiles/storage batteries and housing as we move towards a decarbonized society. The economic effect is expected to be about 140 trillion yen in 2030 and about 290 trillion yen in 2050. Meanwhile, the Japanese government has launched various support measures in anticipation of the large-scale economic effects in the transition to a decarbonized society.

In terms of the budget, the government has announced the creation of an unprecedented 2 trillion yen Green Innovation Fund to support companies involved in green innovation over the next 10 years. The 2 trillion yen will be used to induce R&D and capital investment (of 15 trillion yen) by the private sector. And on taxation, the government will introduce a tax scheme to promote investment for carbon neutrality, expand the scope of the R&D tax, and create a special case by raising the deduction limit of loss carryforwards for companies investing in carbon neutrality, to further encourage private investment. We expect that any short or medium-long term decarbonization investments by companies will be strongly supported by the government. On the financial side, government-affiliated financial institutions will play a key role in the transition and innovation towards decarbonization and will actively supply funds. The government will also focus on creating financial and capital markets conducive to the realization of carbon neutrality, including a market for green bonds. On the regulatory front, the government will not hesitate to introduce carbon pricing market mechanisms contributing to growth and competitiveness of the industry, innovation and further investment. By pricing CO₂ emissions and imposing costs, businesses and individuals will reassess their investment and spending behavior. And should government use the proceeds from the carbon tax to support the development and introduction of innovative technologies, we should see an acceleration of the shift away from existing technologies.

2. The Green Operation announced by the Bank of Japan

At the monetary policy meeting held on July 15-16, 2021, the Bank of Japan issued a draft outline promoting financial institutions to invest in alleviating climate change. It is expected to kick off by the end of 2021 and is continuous until 2030. This new system (hereunder the "Green Operation") will supply funds under favorable terms to financial institutions supporting measures against climate change. The outline is as follows:

- The BOJ will lend yen at zero interest to financial institutions engaged in environmentally friendly investments and loans (e.g. green loans, green bonds)
- As a preferential measure, the BOJ can abolish the application of negative interest rates in certain cases (For example, the BOJ will apply zero interest on double the loan amount that private banks have at the BOJ under the supplementary deposit account.)

- As a general rule, the term of the loan is one year and can be rolled over as many times as the borrower desires (This scheme, in effect, is a zero interest rate loan issued to borrowers engaged in environmentally friendly projects, by the BOJ for an unlimited amount.)

Some central banks, such as the ECB and Bank of England, have also imposed measures against climate change risks (such as plans to purchase corporate bonds in consideration of issuers' response to climate change). The BOJ has followed such measures. It is also acting in support of the Japanese government's goal of carbon neutrality.

There is no clear standard for what constitutes a green loan, and the BOJ is aware that such a classification (taxonomy) has not yet been established globally. Each financial institution is required to classify and assess its assets based on its own standards. The Bank of Japan is expected to eventually determine whether financial institutions' investments and loans are green or not, based on the information disclosed in the TCFD framework.

3. Implications for Japanese Corporations and the Markets

Even Japanese companies, which are generally considered to lag its western peers in terms of decarbonization, are gradually accelerating their efforts in response to Prime Minister Suga's "2050 Carbon Neutral Declaration" last fall. There have been declarations of zero CO₂ emissions by companies in the energy and steel industries such as JFE Holdings and JERA, which were often criticized as industries with a large environmental load. The revision of the Corporate Governance Code announced in June 2021 requires listed companies to actively respond to sustainability issues such as climate change, efforts to decarbonize. Thus, we see the movement accelerating going forward.

In addition, at the 2021 shareholders' meetings, there were more proposals for climate change than usual. In March, the NPO Climate Network submitted a shareholder proposal to Mitsubishi UFJ Financial Group (MUFG) requesting the formulation and disclosure of a plan that describes the management strategy for investing and lending in line with the goals of the Paris Agreement. Although it was rejected at the June AGM, it became a hot topic. MUFG made a carbon neutral declaration on May 17, and disclosed that it would participate in the Net-Zero Banking Alliance (NZBA) for the first time as a Japanese bank, and that the group's greenhouse gas emissions would be zero by 2030. As a result, the company presented a strong response to climate change before the June general meeting. Efforts by the Climate Network have helped transform companies. We believe that shareholder proposals will continue to give a boost to corporate transformation.

It will not be easy for most companies, including those in the energy and steel industries, to reduce greenhouse gas emissions to virtually zero by 2050. To achieve such a difficult goal, it would require the concerted effort of the government, the Bank of Japan and companies. ESG-related financial products are gaining popularity not only among institutional investors but also among individual investors in Japan. We believe companies that are steadily advancing climate change goals while making maximum use of supportive measures by the government and the Bank of Japan, are likely to be preferred by the market.



Disclaimer -1-

This document includes information regarding Sumitomo Mitsui Trust Asset Management Co., Ltd. and this document has not been approved by or registered with any regulatory or governmental authority in any jurisdiction.

In Japan, Sumitomo Mitsui Trust Asset Management Co., Ltd. is licensed and registered with the Financial Services Agency of Japan. Outside of Japan, Sumitomo Mitsui Trust Asset Management Co., Ltd. is registered as an Investment Manager in the Republic of Ireland and Grand Duchy of Luxembourg, and as an Investment Advisor in the Republic of Korea.

THIS DOCUMENT IS PRESENTED SOLELY FOR THE PURPOSES OF DISCUSSION AND TO PROVIDE REFERENCE INFORMATION ABOUT SUMITOMO MITSUI TRUST ASSET MANAGEMENT CO., LTD. UNDER NO CIRCUMSTANCE SHOULD THIS DOCUMENT BE USED OR CONSIDERED AS AN OFFER TO SELL, OR A SOLICITATION OF ANY OFFER TO BUY, INTERESTS IN ANY INVESTMENT FUND MANAGED BY SUMITOMO MITSUI TRUST ASSET MANAGEMENT CO., LTD. OR ANY OTHER TYPE OF FINANCIAL SERVICE OR PRODUCT BY SUMITOMO MITSUI TRUST ASSET MANAGEMENT CO., LTD. FURTHERMORE, THE DISTRIBUTION OR COMMUNICATION OF THIS DOCUMENT SHALL NOT FORM THE BASIS, OR BE RELIED ON IN CONNECTION WITH, ANY CONTRACT THEREFOR.

The information and opinions contained in this document do not purport to be full or complete and do not constitute investment advice. No reliance should be placed, for any purpose, on the information or opinions contained in this document or their accuracy or completeness. No representation, warranty or undertaking, express or implied, is given as to the accuracy or completeness of the information or opinions contained in this document by the Sumitomo Mitsui Trust Asset Management Co., Ltd. or by its directors, officers, partners, shareholders, employees or affiliates and no liability is accepted by any of the foregoing for the accuracy or completeness of any such information or opinions. Sumitomo Mitsui Trust Asset Management Co., Ltd. undertakes no obligation to update the information set forth herein.

This document is confidential and shall not be reproduced or redistributed in whole or in part for any purpose, and shall not be disclosed, directly or indirectly, to any party other than the recipient. This document may include information not allowed to present in the regions other than those the recipient receives this document. We are not responsible for the usage of this document in the regions excluding those where the recipient obtains this document. By accepting this document, the recipient agrees to be bound by all limitations and conditions stated herein.

All copyrights regarding this material, other than the parts quoted from other companies' materials, belong to Sumitomo Mitsui Trust Asset Management Co., Ltd. This material may not be used or reproduced in part or in whole for any purpose without our express permission. Should you have any questions as to this material, please address them to our marketing department.

Disclaimer -2-

Based on its obligations set forth under Article 37 of the Financial Instruments and Exchange Law of Japan and Act on Regulation of Business Pertaining to Commodity Investment of Japan, Sumitomo Mitsui Trust Asset Management Co., Ltd. hereby makes the following disclosures in relation to entering into any investment management agreement with Sumitomo Mitsui Trust Asset Management Co., Ltd. Notwithstanding the foregoing or the disclosures set forth below, under no circumstance should this document be used or considered as an offer to sell, or a solicitation of any offer to buy, interests in any investment fund managed by Sumitomo Mitsui Trust Asset Management Co., Ltd. or any other type of financial services or products by Sumitomo Mitsui Trust Asset Management Co., Ltd.

<Points to Consider>

■ Risk of Loss

Under an investment management agreement, based on the investment guideline provided by the client and discussion between the parties regarding the manner of the investment management, securities and other instruments which are subject to price fluctuations, including, without limitation, Japanese equity and fixed income, foreign currency denominated equity and fixed income, investment trusts, shares of collective investment schemes, loans, futures transactions, option transactions, swap transactions and foreign currency transactions, may be included in the investment portfolio. Price fluctuations in such investment assets may result in a loss in principal of the assets under management.

■ Price Fluctuations

Assets which are managed by Sumitomo Mitsui Trust Asset Management Co., Ltd. pursuant to an investment management agreement are subject to various risks, including, without limitation:

(1) Market Risk

Risk of the price movements in the managed assets due to fluctuations in financial markets and other indices, including (but not limited to) fluctuations in equity markets, interest rate markets, foreign currency markets and financial indices.

(2) Credit Risk

Risk of the price movements in the managed assets due to changes in the financial and/or business conditions of issuers, counterparties to a transaction or the counterparties of the issuers.



(3)Liquidity Risk

Risk of the trading of the any interests within the managed assets being restricted due to the market environment or the lack of trading volume. Similarly, there is a risk that the value of the managed assets being volatile due to the lack of market liquidity of such assets.

Furthermore, investments of the managed assets into hedge funds and securitized products may contain various risks related to investment approach and structure in of such investment in addition to the any of the risks mentioned above. For further information, please refer to the explanatory documents for each product.

■ Restrictions on Purchase and Redemption

To the extent permitted under the investment strategy as set forth in the investment management agreement, the managed assets may invest in other types of investment funds or financial products. Due to factors such as the nature of the target investments and/or investment structure, various restrictions, including, without limitation, restrictions on purchase and redemption, may be imposed in connection with certain investment products such as investments in hedge funds and/or securitized products. In particular, redemption of such investment product may require several months. For further information, please refer to the explanatory documents for each product. In addition, due to such factors as market liquidity, size of the purchase or redemption or other unavoidable reasons, redemptions of investment assets from such target investment funds may take some time, and the timing of the purchase of such investment assets may be limited.

■ Restrictions on Business Pertaining to Commodity Investment

In our commodity investment advisory business, we can not conduct transactions related to product investment with customers as opponents (excluding qualified institutional investors' customers). In addition, we and our affiliated companies (except Mitsui Sumitomo Trust and Banking Co., Ltd. which conducts banking business and trust business) cannot receive deposits of money or securities from customers in regard to the commodity investment advisory business, regardless of the nominal item.

■ Company Name and Other Information

Company Name: Sumitomo Mitsui Trust Asset Management Co., Ltd.

Financial Institution Registration Number: No.347 Kanto Finance Bureau of the Ministry of Finance

Commodity Trading Advisor License Number: #(1) No.25, the Minister of Economy, Trade and Industry

Participating Associations: The Investment Trusts Association, Japan, Japan Investment Advisers Association

■ Fees and Costs

(Management fees)

In principle, management fees are calculated on the basis of assets under management. However, the specific method of calculation for each transaction cannot be expressed in advance, as such method is determined through discussions and in consideration of the contents of the investment guidelines and the investment discussions between the parties. When entering into an investment management agreement, please be sure to confirm with our sales representatives the applicable calculation method of the management fee.

(Trading Costs)

A commission incurred through a trade of securities, overseas custody fees and other costs will be deducted from the entrusted assets under management. When investing in investment trust products organized and managed by other institutions, fees may be charged by the institutions concerned. Specific amounts and/or upper limits of costs cannot be expressed in advance, as such costs are determined, along with calculation methodology, based on type and volume of the assets under management.

(Securities Lending)

When entering into a security-lending agreement, a fee will be charged. This fee cannot be expressed in advance, as such fee will be determined based on separate discussion between the parties.

(Termination Fees)

When terminating an investment management agreement, a termination fee may be charged based on the terms and conditions set forth in such agreement.

(Other Expenses)

In addition to the above costs, other costs related to investment products, such as tax, levy, and/or operational costs may be deducted from the assets under management or be charged directly to the client.

(Cooling off Period)

A cooling off period, stipulated in Article 37-6 of the Financial Instruments and Exchange Act, does not apply to an investment management agreement.



Disclaimer -3-

■ Index

• **FTSE Fixed Income LLC:** FTSE Fixed Income Index is an index managed by FTSE Fixed Income LLC. FTSE Fixed Income LLC is not a sponsor for any of the funds in the materials and do not recommend, distribute and promote any of the products in the materials. FTSE Fixed Income LLC provides index data only for providing information. It does not guarantee accuracy and integrity nor does it have any liability for any errors, omissions and delays of the index. All rights including intellectual property, such as copy right of this index, belong to FTSE Fixed Income LLC.

• **BLOOMBERG** is a trademark and service mark of Bloomberg Finance L.P. BARCLAYS is a trademark and service mark of Barclays Bank Plc, used under license. Bloomberg Finance L.P. and its affiliates (collectively, "Bloomberg") or Bloomberg's licensors own all proprietary rights in the BLOOMBERG BARCLAYS INDICES.

• **S&P:** The rights of the index belong to product of S&P Dow Jones Indices LLC ("SPDJI"), and has been licensed for use by Sumitomo Mitsui Trust Asset Management Co., Ltd. Standard & Poor's® and S&P® are registered trademarks of Standard & Poor's Financial Services LLC ("S&P"); Dow Jones® is a registered trademark of Dow Jones Trademark Holdings LLC ("Dow Jones"); and these trademarks have been licensed for use by SPDJI and sublicensed for certain purposes by Sumitomo Mitsui Trust Asset Management Co., Ltd. Sumitomo Mitsui Trust Asset Management Co., Ltd.'s financial products on the materials are not sponsored, endorsed, sold or promoted by SPDJI, Dow Jones, S&P, their respective affiliates and none of such parties make any representation regarding the advisability of investing in such product(s) nor do they have any liability for any errors, omissions, or interruptions of the Index.

• **MSCI:** Copyright MSCI2018. Unpublished. All Rights Reserved.

This information may only be used for your internal use, may not be reproduced or disseminated in any form and may not be used to create any financial instruments or products or any indices. None of this information is intended to constitute investment advice or a recommendation to make (or refrain from making) any kind of investment decision and may not be relied on as such. Historical data and analysis should not be taken as an indication or guarantee of any future performance, analysis, forecast or prediction. This information is provided on an "as is" basis and the user of this information assumes the entire risk of any use it may make or permit to be made of this information. Neither MSCI, any or its affiliates or any other person involved in or related to compiling, computing or creating this information makes any express or implied warranties or representations with respect to such information or the results to be obtained by the use thereof, and MSCI, its affiliates and each such other person hereby expressly disclaim all warranties (including, without limitation, all warranties of originality, accuracy, completeness, timeliness, non-infringement, merchantability and fitness for a particular purpose) with respect to this information. Without limiting any of the foregoing, in no event shall MSCI, any of its affiliates or any other person involved in or related to compiling, computing or creating this information have any liability for any direct, indirect, special, incidental, punitive, consequential or any other damages (including, without limitation, lost profits) even if notified of, or if it might otherwise have anticipated, the possibility of such damages.

• **FTSE:** The financial products on the materials are not in any way sponsored, endorsed, sold or promoted by FTSE International Limited ("FTSE"), by the London Stock Exchange Group companies ("LSEG") or by Global Wealth Allocation Limited ("GWA") (together the "Licensor Parties"), and none of the Licensor Parties make any warranty or representation whatsoever, expressly or impliedly, either as to the results to be obtained from the use of "FTSE GWA Japan Index", "FTSE GWA Developed ex Japan Index (FTSE GWA Kaigai Index)" the "Index" and/or the figure at which the said Index stands at any particular time on any particular day or otherwise. The Index is compiled and calculated by FTSE using the wealth allocation weightings provided by GWA or by Research Affiliates LLC ("RA") (collectively the "Licensor Parties"), and none of the Licensor Parties make any warranty or representation whatsoever, expressly or impliedly, either as to the results to be obtained from the use of the "FTSE RAFI Kaigai 1000 Index" (the "Index") and/or the figure at which the said Index stands at any particular time on any particular day or otherwise. The Index is compiled and calculated by FTSE in conjunction with RA. None of the Licensor Parties shall be liable (whether in negligence or otherwise) to any person for any error in the Index and none of the Licensor Parties shall be under any obligation to advise any person of any error therein. "FTSE®" is a trade mark of LSEG and is used by FTSE under licence. All Russell indices and related services are the property of FTSE Russell.

• **Tokyo Stock Exchange, Inc. (TSE):** The intellectual property rights associated with "Tokyo Stock Price Index (TOPIX)", "Tokyo Stock Exchange Second Section Stock Price Index", "Tokyo Stock Exchange Mothers Index", "JASDAQ INDEX", "Tokyo Stock Exchange REIT Index" including sub indices belong to the Tokyo Stock Exchange, Inc. (TSE) All products described in the materials are not provided, guaranteed or distributed by the TSE. The TSE is not liable for any losses or damages incurred by any of the products in the materials.



- **JPX Group and Nikkei:** The JPX-Nikkei Index 400 is copyrighted work calculated using an independent methodology developed by the Japan Exchange Group, Inc. and the Tokyo Stock Exchange, Inc. (collectively, “the JPX Group”), and the Nihon Keizai Shimbun, Inc. (hereunder “Nikkei”) The JPX Group and Nikkei own and maintain all intellectual property rights associated with the JPX-Nikkei Index 400 and its calculation methodology. Trademarks and other intellectual property rights associated with the emblems and logos representing the JPX-Nikkei Index 400 belong to the JPX Group and Nikkei. All financial products listed in the materials are managed by pension trust service providers under their own responsibility. The JPX Group and Nikkei are not liable for the investment management and transactions of these products. The JPX Group and Nikkei are under no obligation to provide the JPX-Nikkei Index 400 continually, and are not liable for any errors, delays and interruption in the release of the JPX-Nikkei Index 400. The JPX Group and Nikkei maintain all rights in the selection of composites, calculation methodology, index modification and discontinuance of release. “JPX 日経 400” is an abbreviated form of the “JPX日経インデックス400” (the official Japanese name) and “JPX-Nikkei 400” is an abbreviated form of the “JPX-Nikkei Index 400” (the official English name).
- **Nomura Securities Co., Ltd.:** The intellectual property rights of “NOMURA-BPI”, “NOMURA-BPI/Extended”, “NOMURA-BPI/Ladder”, “NOMURA J-TIPS Index”, “NOMURA-CMT Index”, “NOMURA Par Yield” including sub indices belong to Nomura Securities Co., Ltd. does not guarantee the accuracy, integrity, reliability and utility of the index. Nomura Securities Co., Ltd. is not responsible for the business activities and services associated with the index.
- **Nomura Securities Co., Ltd. and Frank Russell Company:** The intellectual property rights of the “Russell/Nomura Japan Index” belong to Nomura Securities Co., Ltd. and Frank Russell Company. Nomura Securities Co., Ltd. and Frank Russell Company do not guarantee the accuracy, reliability and utility of the index. Nomura Securities Co., Ltd. and Frank Russell Company are not responsible for the business activities and services associated with the index.
- Intellectual property rights of indices provided by firms other than mentioned above in the materials belong to providers that produce those indices. These providers do not guarantee accuracy, completeness, reliability or utility of those indices, nor are responsible for our business activities and services accompanied by those indices.

Disclaimer -4-

■ Sumitomo Mitsui Trust Group's Policy regarding the Use of Client Information

The Sumitomo Mitsui Trust Group is a comprehensive financial services group consisting of numerous financial institutions including a trust bank, an asset management company, etc. By properly leveraging the expertise and specialist knowledge of each of our group companies and by working together, it is our firm belief that we can provide more value added financial products and services to our clients.

We would like to share certain information of our clients (excluding information which is subject to a confidentiality obligation under the agreement) within the Sumitomo Mitsui Trust Group and only to the extent that we believe to be necessary or required for this purpose.

Any client information shared within the Sumitomo Mitsui Trust Group will be used and treated with the utmost care to avoid any inappropriate disclosure.

If you do not wish to have your information shared within our group, please contact us at the e-mail or telephone number provided below. Thank you.

(1) Type of Client Information shared within the Sumitomo Mitsui Trust Group

- Client (company) name, client (company) address, client (company) telephone number, e-mail addresses, transaction records and information, public information and other information about the client.
- Product(s) sold and services rendered, transaction dates, balance of accounts, maturity of products, and general client transaction information.

(2) Common usage

Client information will only be shared amongst Sumitomo Mitsui Trust Holdings, Inc., Sumitomo Mitsui Trust Asset Management Co., Ltd., Sumitomo Mitsui Trust Bank, Ltd. and its subsidiaries.

(3) Purpose

Research and development of various financial products

(4) Contact

Global Business Development Department
Sumitomo Mitsui Trust Asset Management Co., Ltd.
1-1-1 Shibakoen, Minato-ku, Tokyo 105-0011 Japan
Tel: +81-3-6453-3770 e-mail: global_sales@smtam.jp