



AB JAPAN'S STATEMENT ON REVISED JAPAN STEWARDSHIP CODE

AB is a leading global investment-management and research firm. We bring together a wide range of insights, expertise and innovations to advance the interests of our clients around the world. Our clients entrust us to manage their investments in alignment with their investment objectives. Part of our responsibility is to be diligent stewards of their investments, and we take an active approach to implementing our stewardship duties throughout our investment process. We have robust corporate governance practices and an integrated approach to evaluating and monitoring our investments, and we are active owners and shareholder advocates.

This statement sets out how AB seeks to implement our stewardship responsibilities. It conveys how we evaluate issuers for initial investment, how we monitor issuers in which we have invested, our strategy on engagement, and our policy on how we exercise our voting rights and other ownership and economic rights on behalf of our clients. Our stewardship practices are applicable across our investment platform and align to each of the principles of the Japan Stewardship Code published by the Financial Services Agency in 2014 (which was updated most recently in 2020). It can be found on our public webpage.

PRINCIPLE 1

Institutional investors should have a clear policy on how they fulfill their stewardship responsibilities, and publicly disclose it.

At AllianceBernstein (AB¹), research is our backbone, and we approach our stewardship responsibilities with the same commitment to rigorous research and engagement that we apply to all our investment activities. AB is committed to responsible investment and active ownership. We disclose our Global Stewardship Statement on our public webpage, have signed the Principles for Responsible Investment (PRI) and the Principles for Financial Action for the 21st Century, and comply with the UK Stewardship Code. AllianceBernstein Japan Ltd. works together with other AB affiliates and plays a role in implementing the commitment.

Our analysts have deep knowledge of the industries and companies that they cover, and they conduct many meetings with management and other stakeholders during the initial assessment and conduct

ongoing monitoring of the investment. As part of the research review process, the portfolio managers review all aspects of the investment. In addition, our ESG (environmental, social and governance) analysts and Responsible Investing (RI) team engage with issuers on ESG concerns, often in partnership with the analysts.

We have long recognized that sustainability issues, including ESG, over the medium to long term can affect the performance of investment portfolios. We believe that bottom-up ESG integration is essential to identify investment risks as well as opportunities. Active ownership, through both direct engagement with issuers during the research process and proxy voting, is a fundamental part of our approach to research and ESG integration. This applies across asset classes and products, as far as permitted by investment strategies.

Our Statement of Responsible Investment, proxy-voting policies, votes and related documents are available on our public webpage.

¹ AllianceBernstein and AB stand for AllianceBernstein L.P. and its affiliates. AllianceBernstein Japan Ltd. is an affiliate of AB in Japan.

PRINCIPLE 2

Institutional investors should have a clear policy on how they manage conflicts of interest in fulfilling their stewardship responsibilities and publicly disclose it.

When acting as a fiduciary, AB owes its investment advisory clients a duty of loyalty. This includes the duty to address or, at a minimum, disclose conflicts of interest that may exist between clients, between the firm and clients, or between our employees and our clients. Where potential conflicts arise from our fiduciary activities, we take steps to mitigate or, at least, disclose them. Accordingly, we have developed conflict-of-interest policies to help guide us wherever a conflict might arise in our business. These policies are outlined in AB's Form ADV Part 2A1, Code of Business Conduct and Ethics, and Proxy Voting and Governance Policy, among other internal policies.

We always seek to place the interests of our clients first and to avoid conflicts of interest, including those that arise from voting, engagement or other issues where we play an active governance role. Conflicts arising from fiduciary activities that we cannot avoid (or choose not to avoid) are mitigated through written policies that we believe protect the interests of our clients. In these cases—which include issues such as personal trading and client relationships—regulators have generally prescribed detailed rules or principles for investment firms to follow. By complying with these rules, using robust compliance practices and processes, we believe that we manage these conflicts effectively.

Some potential conflicts are outside the scope of compliance monitoring. Identifying these conflicts requires careful and continual consideration of the interaction of different products, business lines, operational processes and incentive structures. These interactions are not static; changes in the firm's activities can lead to new potential conflicts. Potential conflicts may also arise from new products or services, operational changes, new reporting lines and market developments.

To address these issues, AB has appointed a Conflicts Committee, which is chaired by the firm's Conflicts Officer, who reports to the Chief Compliance Officer. The committee comprises compliance directors, firm counsel and experienced business leaders, who review areas of change and assess the adequacy of controls. The committee is responsible for the effective identification and mitigation of conflicts. The work of the Conflicts Committee is overseen by the Code of Ethics Oversight Committee.

While we do not believe that there are any conflicts that pose material risks to our clients' interests, the following potential conflicts are inherent in our structure and activities: acting for more than one client, active management, allocation of investment opportunities, capacity, employee investments, errors, fees, gifts and entertainment, guideline interpretation, investing in new securities, investments in the same issuer or a related issuer, relationships with influential clients, proxy voting, securities valuation, and selecting execution brokers.

Proxy-voting conflicts of interest are covered under the policy outlined in our Proxy Voting and Governance Policy. We recognize that there may be a potential material conflict of interest when we vote a proxy solicited by an issuer that sponsors a retirement plan we manage (or administer), that distributes AB-sponsored mutual funds, or with which AB or one or more of our employees have another business or personal relationship that may affect how we vote on the issuer's proxy. Similarly, we may have a potential material conflict of interest when deciding how to vote on a proposal sponsored or supported by a shareholder group that is a client. The procedures set forth in our Proxy Voting and Governance Policy have been established for use when we encounter a potential conflict in order to avoid any perceived or actual conflict of interest, to ensure that our voting decisions are based on our clients' best interests, and to ensure they are not the product of a conflict. The policy describes how we identify, monitor and manage these situations. At least annually, a list of companies and organizations whose proxies may pose potential conflicts of interest is compiled by the Legal and Compliance Department. When we encounter a potential conflict of interest, we review our proposed vote, using the analysis set out in the policy to ensure that our voting decision does not generate a conflict of interest. We consider the research of proxy advisors such as Institutional Shareholder Services, so the Proxy Voting and Governance Committee takes reasonable steps to verify that proxy advisors are in fact independent, based on all the relevant facts and circumstances. This includes reviewing proxy advisors' conflict-management procedures on an annual basis.

We also regularly receive guidance related to terms of engagement with fellow shareholders and issuers.

PRINCIPLE 3

Institutional investors should monitor investee companies so that they can appropriately fulfill their stewardship with an orientation towards the sustainable growth of the companies.

AB's approach to active ownership and stewardship responsibilities, which includes monitoring the companies they invest in, is twofold: through direct engagement with issuers as part of our distinct research process and through proxy voting or ESG-focused engagements.

First, our analysts are expected to have a solid grasp of the industries and companies that they cover as well as ESG issues. They assess an issuer's corporate governance practices, and identify and analyze potentially material factors in their fundamental research. Analysts are expected to address all material findings—from their own proprietary firsthand research to findings provided by third-party ESG research or governance providers, as well as findings obtained from other sources during research review meetings. At those meetings, portfolio managers actively engage with the analyst, seeking to understand the drivers of issues and how those factors affected the analyst's investment thesis.

Therefore, monitoring companies and issuers in which we have invested and intend to invest is an important part of our research process. Our experienced professionals conduct the initial research that leads to an investment in an issuer. This research might include meetings with management and other stakeholders such as suppliers and customers. Once we have made an investment, analysts continue to monitor each issuer we own to understand developments that are likely to affect the value of our clients' holdings. As part of this process, our analysts regularly meet management and other stakeholders to discuss topics such as strategy, operations and ESG. Our ESG analyst and/or investment governance analyst may join these meetings. Outcomes are discussed with portfolio managers and/or chief investment officers.

Second, AB has a long-standing and well-developed in-house proxy-voting policy and process. As part of this process, we may engage with issuers before proxy voting to get further insight on ballot items that are of concern, and we engage with companies in the off-season, allowing issuers to incorporate our feedback in the next proxy.

These meetings are often a collaborative effort between the Investment Professionals, who are best positioned to comment on issuer-specific details, and the proxy-voting manager(s), who offer a more holistic view of governance.

We do not normally attend annual or extraordinary general meetings of companies in which we invest; this is not practically possible, given the sheer number of stocks we hold and the concentrated period during which such meetings are held. We believe that it is more constructive to engage directly with companies.

PRINCIPLE 4

Institutional investors should seek to arrive at an understanding in common with investee companies and work to solve problems through constructive engagement with those companies.

We take a holistic approach to evaluating and monitoring the issuers in which we invest, including an assessment of the financial performance, strategy, management performance and initiatives to enhance corporate value and sustainable growth over the medium to long term. Situations occur in which we have reservations about an issuer's approach to protecting shareholders' interests. We believe that each case must be judged on its merits, which is why we have not adopted rigid guidelines on when and how such escalation should take place.

Initially, the research analyst and/or the RI team will generally communicate our concerns to the issuer's management. When our concerns are not dealt with satisfactorily, we will try to have further engagement with the company's management for better understanding and solutions.

Our analysts, portfolio managers and Chief Investment Officers work together closely and form a case-by-case judgment of how best to protect clients' interests in particular circumstances. Assessment of the outcome of intervention is also conducted, case by case.

In some instances, if we consider proposed executive pay arrangements to be contrary to our clients' interests, for example, or if we do not believe that an issuer's management is giving sufficiently serious consideration to a takeover offer, we will intervene with an issuer's chairman or other board members. When issuer actions are not sufficient to address the concerns, we may vote against the directors and/or relevant ballot items on the proxy.

Similarly, when a fixed-income investor proposes to undertake a strategic action that violates or may impair our legal rights under a covenant or other aspect of the investment, or that jeopardizes the economics of the investment, we will seek to enforce our rights or seek offsetting financial compensation. This can be done in a variety of ways, including, but not limited to, direct action against the issuer, participation in a bondholders' group or relief sought through the applicable insolvency regime.

We recognize the benefit of collaborative engagements on issuer-specific topics and working with industry peers to develop industry best practices.

When assessing concerns for a specific issuer, we strive to gather information from a variety of sources. Part of that process may include engaging with other investors and other interested parties, such as nongovernmental organizations.

We may collaborate when we believe that doing so is likely to advance clients' interests, is consistent with our firm's policies and procedures, and is permissible under applicable laws and regulations.

PRINCIPLE 5

Institutional investors should have a clear policy on voting and disclosure of voting activity. The policy on voting should not be composed only of a mechanical checklist; it should be designed to contribute to the sustainable growth of companies.

AB has a well-developed global in-house Proxy Voting and Governance Policy and process. We use our best efforts to exercise our clients' proxy rights, and we routinely cast all our clients' votes in Japan whenever it is administratively and logistically possible to do so, unless otherwise directed.

AB's policy describes the approach to conflicts of interest, voting transparency, recordkeeping and voting procedures. As an investment advisor, we are shareholder advocates and have a fiduciary duty to make investment decisions that are in our clients' best interests by maximizing the value of their shares.

Proxy voting is an integral part of this process, through which we support strong corporate governance structures, shareholder rights and transparency. We believe that an issuer's ESG practices may have a significant effect on the value of the issuer, and we take these factors into consideration when voting.

Our policy outlines our approach to a wide range of issues that often appear on proxies—for example, whether we generally vote for or against a specific agenda item or approach it on a case-by-case basis. It is intended for use by those involved in the proxy-voting decision-making process and those responsible for the administration of proxy voting, in order to ensure that our proxy-voting policies and procedures are implemented consistently. Our proxy voting guidelines are both principles-based and rules-based. We adhere to a core set of principles and assess each proxy proposal in light of these principles. We thus evaluate each agenda item carefully and have no objection to voting against management. For example, we vote against management if an agenda item violates our minimum required governance standards, if we support a shareholder proposal that is not endorsed by company management, or on a case-by-case basis when company-specific circumstances warrant it (such as remuneration proposals).

When our policy on a particular issue is to evaluate case by case and the vote cannot be clearly decided by an application of our stated policy, a member of the Proxy Voting and Governance Committee, or his/her designee, will make the voting decision in accordance with the basic principle of our policy to vote proxies with the intention of maximizing the value of the securities in our client accounts. In these situations, the voting rationale must be documented on the voting platform of proxy advisors, either by retaining relevant emails or by another appropriate method. All votes cast contrary to our stated

voting policy on specific issues must be documented. On an annual basis, the Proxy Voting and Governance Committee will receive a report of all such votes so as to confirm adherence to the policy.

We may deviate from the guidelines, if warranted by the specific facts and circumstances of the situation (i.e., if, under the circumstances, we believe that deviating from our stated policy is necessary to help maximize long-term shareholder value). These guidelines are not intended to address all issues that may appear on all proxy ballots. We will evaluate on a case-by-case basis any proposal not specifically addressed by these guidelines, whether submitted by management or shareholders, always keeping in mind our fiduciary duty to make voting decisions that, by maximizing long-term shareholder value, are in our clients' best interests.

Our RI team is responsible for the implementation of our policy. However, our proxy-voting activities and investment- process implementation are closely aligned and integrated. In evaluating proxy issues and determining how to vote a specific item, the RI team actively seeks and assesses input from the investment teams. This ensures consistent application of our policy and leverages issuer-specific knowledge and insights. For example, the RI team evaluates the structure of a remuneration package, and the investment team evaluates whether the targets set by management are appropriate.

As part of our holistic approach to proxy voting, we may consult issuer management, issuer directors, interest groups, shareholder activists and research providers to get additional insight when needed. Research provided for all our holdings by proxy advisors is available to all analysts through the proxy managers. In addition, we may review the information from our ESG research provider.

AB's proxy policy is annually reviewed, and updated as necessary, by the Proxy Voting and Governance Committee to ensure that it captures our latest thinking and reflects new governance issues. This includes our approach to voting on Japanese equities, while taking into consideration local market standards and best practices. Accordingly, we annually review our proxy policy for Japanese equities, considering both AB's policy and Japan's specific corporate governance situation.

Our proxy-voting results are available and can be found by company and agenda on our website at this link.

<http://vds.issproxy.com/SearchPage.php?CustomerID=447>

In addition, we disclose our voting rationale with respect to either "for" or "against" votes, which is considered important for constructive dialogue with the companies.

PRINCIPLE 6

Institutional investors should report periodically on how they fulfill their stewardship responsibilities, including their voting responsibilities, to their clients and beneficiaries.

We support transparency in issuer disclosure, and we similarly disclose our own voting records. We publicly disclose our full proxy-voting records on our public website.

While our proxy policy is public, we keep our vote confidential until the meeting deadline has passed, in order to prevent issuers from trying to sway our vote or creating unintended consequences. We also work with clients to meet their individual reporting requirements, varying from statistical reports to providing a voting rationale for specific meetings.

Our Proxy-Voting and Governance Policy and proxy-voting results for Japanese equities are available on our website at the links below.

Proxy Voting and Governance Policy:

https://www.alliancebernstein.com/abcom/Our_Firm/Content/CGDocs/AB-Proxy-Voting-and-Governance-Policy.pdf

Full Voting Records:

<http://vds.issproxy.com/SearchPage.php?CustomerID=447>

In addition, we built an internal database to house our engagement examples and to provide examples upon client request. We typically provide formal reports on our engagement activities in response to specific client requests. We also provide updates on our ESG activities to clients, including how we analyzed and engaged with issuers on their portfolios.

PRINCIPLE 7

To contribute positively to the sustainable growth of investee companies, institutional investors should develop skills and resources needed to appropriately engage with the companies and to make proper judgments in fulfilling their stewardship activities based on in-depth knowledge of the companies and their business environment and consideration of sustainability consistent with their investment-management strategies.

AB has developed and maintained a global organization with a research-focused culture for many years. As part of our research efforts, which include consideration of sustainability, we continuously have discussions with the companies we invest in, as well as those we are researching for investment in, with the goal of creating long-term value and sustainable growth. We are able to have meaningful and

constructive discussions with those companies and make good investment decisions because many of AB's analysts and portfolio managers have substantial experience as industry veterans and/or management consultants. These investment teams are supported by a dedicated RI team.

AB created a Responsible Investing Committee in 2011, when we signed the PRI. The RI Committee has a diverse global membership, including senior representatives from our fixed-income and equity investment organizations, our client-facing team, and our Legal and Compliance Department. This committee develops both our ESG strategy and thought leadership in partnership with investment teams, monitors our firm's progress on RI strategy and implementation, and provides advice to our investment and client teams.

In Japan, the RI Committee collects information and enhances activities around the PRI, including the Principles for Financial Action for the 21st Century and Japan's Stewardship Code.

AB completes and discloses the annual PRI Transparency Report, which includes information on responsible investment activities, proxy voting and issuer engagement examples. The PRI Transparency Report and the PRI Assessment Report can be found on our website at the link below:

<https://www.abglobal.com/corporate/our-firm/responsible-investing.htm>

PRINCIPLE 8

Service providers for institutional investors should contribute to the functions of the investment chain by providing services for institutional investors to fulfill their stewardship responsibilities.

Although we recognize that this principle is not directed at us as an institutional investor, we regularly exchange information with service providers for institutional investors, such as proxy advisors and investment consultants for pensions, to enhance the functions of the entire investment chain.

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