

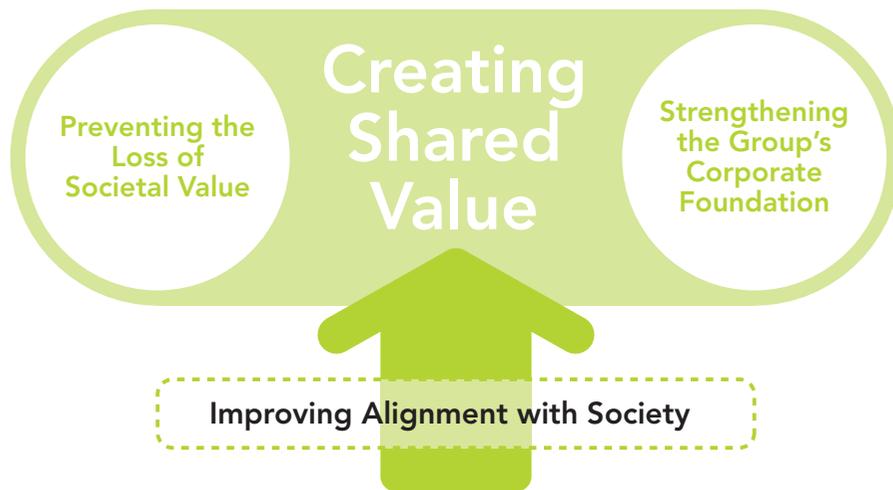
Materiality 2

CSR Activities for Improving the Alignment of Our Business Activities with Society

When we carry out our Group business activities, we must give consideration not only to a possible loss of faith in the Group that might occur from eroded functionality of our governance and compliance systems and risk management systems, but also to the negative effect this could have on the economy as a whole. Thought must also be given to human rights issues as they relate to our employees and all Group stakeholders, and the environmental burdens of our business activities. Our fundamental philosophy is based on aligning our business activities with society so that we can head off any problem that might occur with our activities in the course of our business management, and which might harm our social value. We engage in our various activities based on this fundamental philosophy.

Creating Shared Value

Among our Group business activities, the need for alignment with society is the strongest for our financial functions. In order to ensure the safety and reliability of these financial functions, we are working to further advance our governance, compliance, and risk management. We are dedicated to creating a corporate culture of respect for human rights, and wish to contribute to the realization of a fair and just society in which human rights are respected. We also dedicate our efforts to reducing the environmental burden of our business activities, and are working to help resolve the problem of climate change and contribute to recycling, through energy conservation and waste reduction in our business activities. These initiatives will help the Group to strengthen its corporate foundation and contribute to increased long-term economic value.



Customer-Related Activities

Sales Activities

Sales Promotion Activities

Proposal Creation

Customer Support

Complaint Handling

Sumitomo Mitsui Trust Group Business Activities

Internal Activities

Governance/ Compliance

Risk Management

CS Activities

Human Resources Management

CO₂ Reduction and Other Environment-Conscious Activities

Conducting Financial Seminars

Corporate Governance, Internal Control

The Group has created a management structure befitting a trust bank group that boasts the largest scale and highest status in Japan, combining the banking, asset management, administration, and real estate businesses. We are striving to ensure management transparency and soundness, while speeding up our decision-making in order to respond with flexibility to changes in the environment.

Outline of Corporate Governance System

(1) Functions and Roles of the Group Holding Company

The Group has a management structure that allows each subsidiary trust bank (The Chuo Mitsui Trust and Banking Company, Limited, Chuo Mitsui Asset Trust and Banking Company, Limited, and The Sumitomo Trust and Banking Co., Ltd.) and each subsidiary asset management company (Chuo Mitsui Asset Management Company, Limited and Chuo Mitsui Capital Company, Limited) to pursue their respective business activities in an independent manner. As a holding company, Sumitomo Mitsui Trust Holdings, Inc. (hereinafter "SMTH") focuses on the management of business operations, taking responsibility for the following functions:

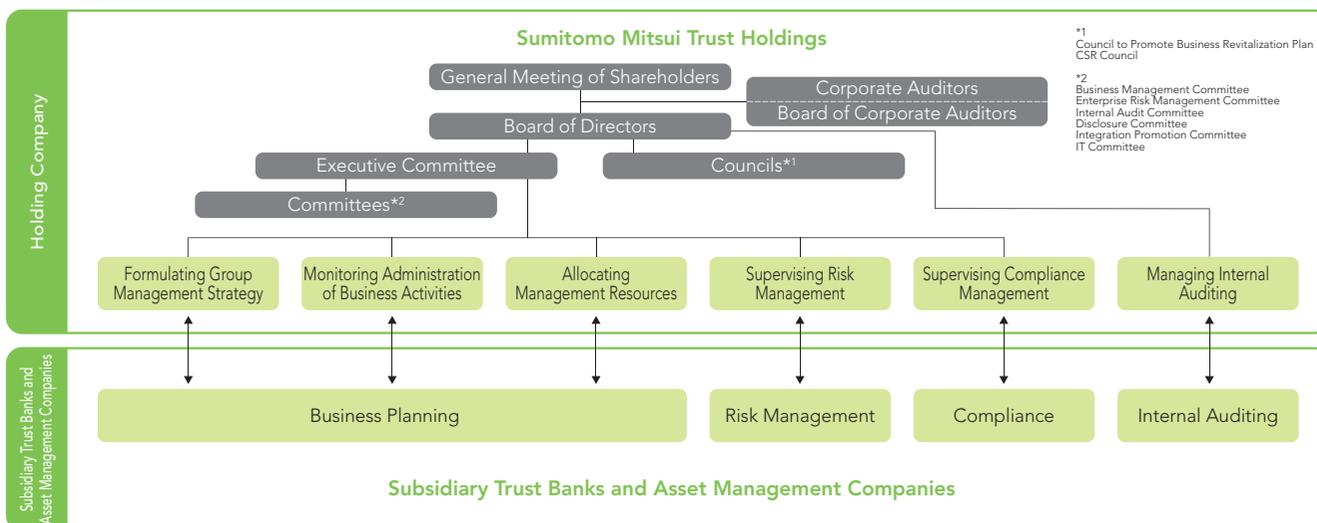
- Formulating group management strategy,
- Allocating management resources,
- Monitoring the administration of business activities,
- Supervising risk management,
- Supervising compliance management and
- Managing internal auditing.

(2) Business Execution and Supervision System

Some SMTH directors in the Group are concurrently directors at subsidiary trust banks and responsible for ensuring effective implementation of business strategies within the Group. The director of SMTH, who does not hold concurrent positions at subsidiaries, supervises internal auditing and maintains the checking function for subsidiaries. SMTH directors are appointed for single-year terms, and their management responsibilities are clearly defined. In addition, some of the corporate auditors hold concurrent positions as auditors at subsidiary trust banks. This contributes to a system that audits the management of subsidiaries and contributes to the audits of SMTH. The majority of our corporate auditors come from outside the Group to ensure the independence of the audit function.

Under the Board of Directors is an Executive Committee, headed by the President. This body deliberates on important items regarding the conduct of business activities in accordance with the policies defined by the Board of Directors. The Council to Promote the Business Revitalization Plan and CSR Council are established as bodies at the same level as the Executive Committee. Other bodies such as the Business Management Committee have also been established.

Corporate Governance System



(3) Internal Control

In order for SMTH to achieve the following four objectives: (1) effectiveness and efficiency of operations; (2) reliability of financial reporting; (3) compliance with laws and ordinances concerning business activities; and (4) safeguarding of assets, the Board of Directors has set out a Basic Policy on Internal Controls, and SMTH has developed and operates an internal control system.

Basic Policy on Internal Control System Structure



(4) Audit

(a) Auditing System

SMTH has adopted a corporate auditor system, with a Board of Corporate Auditors comprised of two full-time auditors and four part-time auditors (external auditors), for a total of six corporate auditors. The full-time corporate auditors work to share information with part-time corporate auditors at the Board of Corporate Auditors and liaison meetings by giving them reports on audit information collected during daily audit activities. These include information on proposals at important meetings such as the Executive Committee, and the content of investigations of SMTH and subsidiaries. Part-time corporate auditors perform auditing from multi-faceted perspectives, such as legal and corporate management ones, in addition to stating their opinions at the meetings of the Board of Directors and Board of Corporate Auditors, etc.

(b) Internal Auditing

SMTH has established an internal audit unit that is independent of other units engaged in business execution. The unit performs internal auditing for each business execution unit, issues recommendations and proposals for improvement, and periodically and appropriately reports to the Board of Directors on internal auditing results and the status of progress and achievement of internal auditing plans.

Control of Information Disclosure

The Group has adopted compliance standards that all executives and employees must uphold to ensure the transparency of corporate management through appropriate and fair disclosure of corporate information, and it has established an internal control system to ensure that disclosures are made in accordance with relevant laws, regulations and rules. Based on this philosophy, the Group has established a Disclosure Policy in order to clarify its basic policy on disclosure, internally and externally, thereby ensuring appropriate disclosure.

Executive Remuneration and Other Contents

Basic salaries for holding company executives (for the April 1, 2010 to March 31, 2011 period) are decided by the Board of Directors for company directors and by deliberations by auditors for company auditors. The decisions are within the total executive remuneration limits approved at the General Meeting of Shareholders.

Executive Remuneration

(For current fiscal year, April 1, 2010 to March 31, 2011)

Category	Number of Persons	Remuneration (Million Yen)
Director	9	130
Corporate Auditor	5	35
Total	14	166

- (Notes)
1. Amounts shown have been rounded down.
 2. Remuneration amounts include the 34 million yen in provisions for directors' retirement benefit allotted for directors, and the 6 million yen in provisions for directors' retirement benefit allotted for corporate auditors, for the current fiscal year.
 3. The remuneration limit decided on at the General Meeting of Shareholders was 30 million yen per month for directors and 9 million yen per month for corporate auditors.
 4. The figures above include 3 directors who left their positions during the course of the current fiscal year.
 5. The figures above do not include remuneration from bank subsidiaries at which executives concurrently hold posts.

Compliance

The Group regards thorough compliance one of its most important management issues.

Compliance refers not only to compliance with laws, market rules, and internal regulations, but also to societal mores and norms.

The Group has established a checking system and promotion system to ensure legal, regulatory and other forms of compliance by all executives and employees, and to ensure that business activities are fair and just. The Group promotes various initiatives to address issues and problem areas and to enable appropriate action based on self-discipline.

1 Main Compliance Policies and Rules

In addition to the Group's defining of a Code of Conduct ("Value"), the holding company, subsidiary trust banks and others have defined internal compliance regulations.

Sumitomo Mitsui Trust Group Code of Conduct ("Value")

The six-part Code of Conduct ("Value") for carrying out the Group's Management Principles ("Mission") define strict regulatory compliance and a resolute stance against antisocial forces.

Compliance Rules

The Compliance Rules define the basic approach to compliance, executive and employee compliance standards, and the organizational structure of compliance.

Compliance Manual

The Compliance Manual explains the laws and regulations with which executives and employees must comply, and specifically details regarding what should be done in the event that a compliance infraction is discovered.

2 Group Compliance System

The Group considers the supervision of the entire group's compliance structure as one of its most important functions as a holding company, and has established a Compliance Department within the holding company. This department is responsible for creating basic compliance policies and monitoring their management and operation.

The head of this department has been designated as Control Department Manager. The department maintains overall compliance control for the Group by creating the required regulations, implementing initiatives and giving instruction, handling compliance issues, enriching the training system, etc.

3 Monitoring Compliance and Addressing Violations

Every fiscal year, a Compliance Program regarding plans for the implementation of specific compliance initiatives is drawn up, and progress is periodically assessed.

The subsidiary trust banks and other subsidiaries develop appropriate compliance systems that suit their own operations' characteristics, based on the compliance policy established by the holding company.

In addition, in order to promptly and appropriately cope with any violation, the Group has established a compliance hotline, in addition to regular reporting channels. All executives and employees can directly report violations to the Compliance Department and an external attorney's office via the hotline. Under this system, information management and privacy protection are thoroughly implemented in order to protect the privacy of those reporting violations, and retaliatory actions against those issuing well-founded reports of violations are strictly prohibited.

4 Outline of Initiatives

(1) Prevention of Money Laundering*

Criminals and terrorists employ skillful methods to create false identities. Personal authentication is used to prevent

this and to prevent the unauthorized use of financial services. Because criminals and terrorists disguise their actions to make them appear as normal transactions, we have prepared a system to report any suspicious transactions to facilitate detection of the ones that are illicit.

Within the Group, we have adopted various measures to ensure proper personal authentication and prompt reporting of suspicious transactions. For example, training is carried out for employees at subsidiary trust bank branches and governing head office employees. We are working to constantly maintain and improve employees' knowledge of this subject on an ongoing basis.

* Money laundering is the act of hiding the source of money obtained illegally (for example, through the sale of illegal drugs) by routing such money through multiple banks or bank accounts. Terrorists and perpetrators of remittance scams are examples of people abusing the accounts of financial institutions. It is the responsibility of financial institutions to prevent the misuse of financial services. Such efforts are commonly referred to as "Money Laundering Prevention Countermeasures."

(2) Insider Trading Prevention

Insider trading is when an insider performs a transaction using information unknown to outside parties, inflicting unexpected damage upon ordinary investors, and creating a loss of trust in the securities market. To prevent insider trading, Sumitomo Mitsui Trust Holdings, Inc., and subsidiary trust banks have developed internal rules such as information management and self-trading rules, and provides training to all employees annually in order to make these rules widely known. In addition, every year all employees and executives must submit a written vow to comply with in-house rules and not to engage in unfair transactions such as insider trading.

(3) Response to Antisocial Forces

Antisocial forces refer not only to organized crime groups and their members, but also to individuals and companies with ties to them, who may threaten public order and the security of civil society. Allowing the unjustified interference of antisocial forces in our business would lead directly to a loss of the public's trust in the Group. Standing up resolutely against such antisocial forces is our corporate social responsibility to ensure sound economic and social development, and is requested by the Japanese government in the form of the guidelines of the Cabinet Meeting on Anti-Crime Measures. The Group has declared, both internally and externally, its resolute stance against antisocial forces in its

Code of Conduct ("Value") and various other codes. We have established a system for investigating and conducting systematic checks in all types of transactions in order to prevent transactions by antisocial forces. We have also incorporated a clause to exclude organized crime in the provision of our loan and money transfer contracts. This clause deters antisocial forces from initiating transactions with us. The measure gives us the legal grounds to dissolve contracts, once the presence of antisocial forces is detected, after the commencement of transactions.

Basic Policy on Financial Facilitation and Outline of the System

In light of the enforcement of the Act Concerning Temporary Measures to Facilitate Financing for Small and Medium-Sized Enterprises (SMEs), etc., by subsidiary trust banks, the Group has established a basic policy on the facilitation of financing to SMEs, and has developed a related system.

Basic policy

When we receive applications for new loans or for alteration of conditions from clients, we will study them and respond promptly after examining individual cases in detail. We will conduct appropriate screening and, if necessary, closely cooperate with other financial institutions. We also intend to provide counsel to clients and deal with their complaints appropriately. When we have no choice but to decline an application, we will strive to provide specific and detailed explanations to obtain the client's understanding and consent.

Outline of the system

In order to ensure appropriate management and operation based on the basic policy, the Group has assigned officers in charge of the management of financial facilitation. These employees are in charge of establishing various facilitation rules, creating plans, and keeping branch offices abreast of the rules.

Client Protection Management

1 Basic Policy

Amid the growing number of financial products with ever more complex mechanisms and unique characteristics, there is a pressing need for financial institutions to properly and fully explain to clients the products' mechanisms and risks and to gain their understanding. It is also increasingly important that financial institutions appropriately respond to complaints and requests from clients and properly manage client information.

Given these conditions, the Group regards client protection as one of its most important management issues. To meet the expectations and trust clients place in the Group, SMTH has established the basic policy in its Client Protection Management Rules to enable each group company to enhance client protection and convenience.

Checking and promotion systems have also been developed, so the Group complies with these and carries out business activities in a fair and just manner. By developing these systems, the Group is promoting various initiatives to address issues and problem areas, and enabling appropriate action based on self-discipline.

The subsidiary trust banks and other subsidiaries develop appropriate client protection management systems in accordance with the characteristics of their own operations, based on the basic policy established by SMTH.

2 Outline of Initiatives

(1) Providing Appropriate Information to Clients

In providing financial products and services to clients, the Group takes into account the client's knowledge, experience, asset situation, and purpose of transactions, and provides appropriate and sufficient explanations to obtain the client's understanding and consent.

Our policy for the solicitation and sales of financial instruments is available for clients to see at subsidiary trust banks and on our website. We also ensure that the aforementioned actions are appropriately taken from the clients' standpoint by ensuring compliance with the suitability rule* and establishing company regulations through the compilation of a client manual regarding the provision of adequate explanations, etc., as well as through the thorough training we give to our employees.

* The suitability rule prohibits financial institutions from soliciting clients in ways that are inadequate in light of the client's knowledge, experience, and asset status and the purpose of the conclusion of the financial transaction contract.

(2) Client Information Management

The Group manages client information appropriately, and when using client information jointly in the Group, each company complies with laws on personal information protection, guidelines on personal information protection in the financial industry, and other related laws and regulations so as to ensure appropriate use of such information.

(3) Client Support Management

We quickly respond to inquiries and complaints from clients in a sincere manner, aiming to resolve them with the understanding and consent of clients to the greatest degree possible. We also work to assess and analyze the causes of such inquiries and complaints as well as making efforts to improve operations in order to enhance client convenience.

(4) Outsourcing Management

When outsourcing its operations, the Group carries out appropriate management, such as the selection and monitoring of outsourced contractors, to ensure proper performance of operations as well as the appropriate handling of clients, including the appropriate management of client information.

(5) Efforts to Manage Conflicts of Interest*

In order to avoid unfairly impairing the interests of clients, the Group manages and carries out operations properly in accordance with laws and regulations as well as the Group's Management Policy concerning Conflicts of Interest. Thus, the Group is working to gain greater trust from clients and society.

In order to properly manage conflicts of interest, we have established a department that is responsible for such management, independent from the sales department, and have assigned a supervisor in charge of such management to develop a system to properly perform the management of conflicts of interest for the whole Group.

The department and the supervisor examine and evaluate the effectiveness of the Group's management of conflicts of interest on a regular basis in order to make continual improvements. We also provide regular training and education and keep executives and employees informed on such matters.

* "Conflicts of interest" refers to cases in which the interests of the Group and those of clients or interests among clients contradict.

(6) Initiatives to Facilitate Financing

Please see page 45.

Efforts to Enhance Customer Satisfaction (CS)

Regardless of the business category, gaining the trust of clients is the foundation of business activity. We listen closely to our clients. We hope our clients put their trust in us as a result of the continual improvements we make to our products and services.

1 Basic Policy

One item of the Group's Code of Conduct ("Value") covering the conduct of all executives and employees is: "Completely Client-Oriented—Truthfulness and Loyalty." We will adhere to the highest degree of "Truthfulness and Loyalty" as well as credibility and sound management, and will carry out all our responsibilities with our clients' peace of mind and satisfaction as our top priorities.

2 Outline of Initiatives

(1) Our System for Reflecting Client Feedback

The Group receives much feedback from clients and many requests at branches throughout Japan, through telephone centers and the Group's website, as well as through "Voice of Customers" postcards, which are available at every office, as well as through questionnaires sent out to clients by mail.

We analyze such feedback and requests to provide better products and services.



Examples of Improvements

Improved Waiting Time Displays

Client Feedback

It's difficult to tell how long the lineup at the counter will take.

Improvement Contents

We have introduced a system that displays the number of people in line. This helps create an environment at bank branches that makes it easier for clients to judge for themselves whether or not to wait. Some of our branch offices have also been equipped with crowd forecast calendars that predict congestion times. Others provide service announcements regarding waiting time. The devices and services are tailored to each individual branch office's environment.

Installation of

"Paving Blocks for the Visually Impaired"

Client Feedback

There should be textured paving blocks for the visually impaired, directing them to branch ATM corners.

Improvement Contents

We have installed textured "paving blocks for the visually impaired," guiding them to ATM corners in branches that have received this feedback. In response to our clients' comments, we are planning to eventually install paving blocks for the visually impaired at all branches, to improve the ease of use.

(2) Activities to Raise Employees' CS Awareness

We are dedicated to training and education to ensure that each and every Group employee always takes a client-oriented approach.

Main Education and Training Content

(a) CS Lectures



We invite speakers from various industries, such as theme parks and aeronautics, to give lectures and lead study sessions for employees in order to improve service quality and client treatment.

(b) New Employee Training

Our training for new employees is not limited to general business manners such as the proper way to greet clients or exchange business cards, but includes discussions about what a client-oriented approach entails. The goal is to raise employee awareness and assist them to naturally acquire the skills to satisfy clients.



(c) Client Service Training—Role-Playing

Our client service training includes role-playing. Employees play the roles of clients, and then evaluate each other's performance. These role-playing exercises are videotaped and reviewed by the employees themselves so that they can improve their skills.



We also hold a "Seminar Providing a Simulated Experience as an Elderly Person." Employees wear special glasses and attach weights to their bodies to experience what

life is like for elderly clients. The employees use this experience to improve their service from the perspective of elderly customers.

(d) CS Information Sharing

Information regarding CS activities and success stories from branch offices, praise from clients, and other CS information is shared via the intranet in order to improve the CS awareness of all of our employees.

(3) Barrier-Free, Accessible Sites Improving Environments at Branches

The Group is implementing a variety of physical and systemic initiatives in order to ensure that its branches are accessible to all.



For example, we are installing ATMs for the visually impaired, as well as textured paving blocks, to allow them to carry out their transactions smoothly. We

have also defined internal procedures for writing and reading proxies for deposits, withdrawals, and the like.

To make our branch facilities easier to use for those with hearing difficulties or impairment to their hearing, speaking, or reading, we have posted "Ear Mark" signs and "Assistance Dog" stickers, and are equipping branches with writing boards, hearing aids, and communication boards.



Risk Management

The Group must be prepared for the emergence of new risks which also affect financial markets, such as the recent Great East Japan Earthquake and subsequent nuclear problems, Europe's fiscal deficit problems, and growing tension in the Middle East. We are more dedicated than ever to advanced risk management and strengthened preventive action.

Basic Policy and Outline of Initiatives

(1) Basic Policy

The Group regards as one of its most important management issues the establishment of a risk management system suited to the characteristics of its operations and environmental changes. Accordingly, we are making constant efforts to improve and advance our risk management, which forms the basis for the sound operation of business to support the expansion of business scope and the sustainable growth of the Group.

In fiscal year 2011, we flexibly and accurately responded to changes in the risk structure resulting from changes in the external environmental and management integration, and developed practical and efficient risk management systems.

(2) Outline of Initiatives

(a) Types of Risk

SMTH classifies risk categories by the cause of risks faced by the whole Group in business operations into "credit risk," "market risk," "funding risk," "operational risk," and "other risks." It manages these risks in a manner suited to their respective characteristics.

(b) Risk Management Methods

SMTH has established a department to supervise overall group risk management and monitor the risk status of the whole Group, as well as to supervise and provide guidance to its subsidiary trust banks and subsidiary asset management companies as needed.

We have also established an organizational structure that appropriately performs activities ranging from risk identification to control and reduction. In addition, we formulate annual risk management policies and plans.

Risk Categories

Risk Category	Definition
Credit Risk	Risk that the Group incurs losses due to the value of an asset (including off-balance sheet assets) decreasing or impairing owing to such reasons as deterioration in the financial condition of an obligor. Of this, "country risk" in particular means risk that the Group incurs losses on credit provided overseas, due to foreign exchange, political and economic conditions of the country of the obligor.
Market Risk	Risk that the Group incurs losses due to fluctuations in the value of assets/liabilities (including off-balance sheet assets/liabilities), due to fluctuations in various market risk factors such as interest rates, securities prices, foreign exchange rates. Of this, "market liquidity risk" in particular means risk that the Group incurs losses caused in a situation where it becomes impossible to conduct transactions in the market or becomes obliged to trade at prices significantly more disadvantageous than usual due to market turmoil.
Funding Risk	Risk that the Group incurs losses in a situation where it becomes impossible to secure necessary funds or becomes obligatory to raise funds at interest rates significantly higher than usual.
Operational Risk (Below are "risk sub-categories")	Risk that the Group incurs losses resulting from inadequate or failed internal processes, people and systems or from external events.
Business Processing Risk	Risk that the Group incurs losses arising from executives or employees neglecting to engage in proper business activities, or other incidents such as accident or fraud.
Information Security Risk	Risk that the Group incurs losses for such reasons as loss of confidentiality of information belonging to the Group, owing to such factors as improper management of information (including client information management).
System Risk	Risk that the Group incurs losses due to such reasons as computer system failure, malfunction, defect, and misuse.
Legal & Compliance Risk	Risk that the Group incurs losses due to uncertain legal aspects of transactions, or due to insufficient compliance with laws, regulations, etc.
Human Resource Risk	Risk that the Group incurs losses due to such issues as unequal or unfair management of personnel and harassment.
Tangible Asset Risk	Risk that the Group incurs losses due to loss or damage to tangible assets (movables, real estate, facilities, fixtures, etc.), resulting from such factors as disaster, war, crime, flawed asset management.
Other risks	Risk that the Group incurs losses due to risks other than credit risk, market risk, liquidity risk or operational risk. Includes reputational risk.
Reputational Risk	Risk that the Group incurs losses due to a (possible) major impact on business as a result of deterioration in reputation for SMTH or its subsidiaries, owing to such reasons as mass media reports, rumors or speculation.

(3) Risk Management Structure

The roles and responsibilities of the management structure and principal departments related to risk management are as follows:

(a) Board of Directors

The Board of Directors formulates the Group's risk management policy based on its management policy and strategic goals, supervises the development of appropriate risk management systems, and implements appropriate measures to raise awareness of the policy throughout the Group.

(b) Directors, Officers in Charge

Directors and officers are fully aware of the importance of risk management, and consider policies and specific measures for developing and establishing proper risk management systems.

(c) Risk Management-related Departments

These departments accurately recognize risk status and conduct appropriate management and operations regarding risks, through a series of activities that include risk identification, assessment, monitoring, control, and reduction.

(d) Internal Audit Department

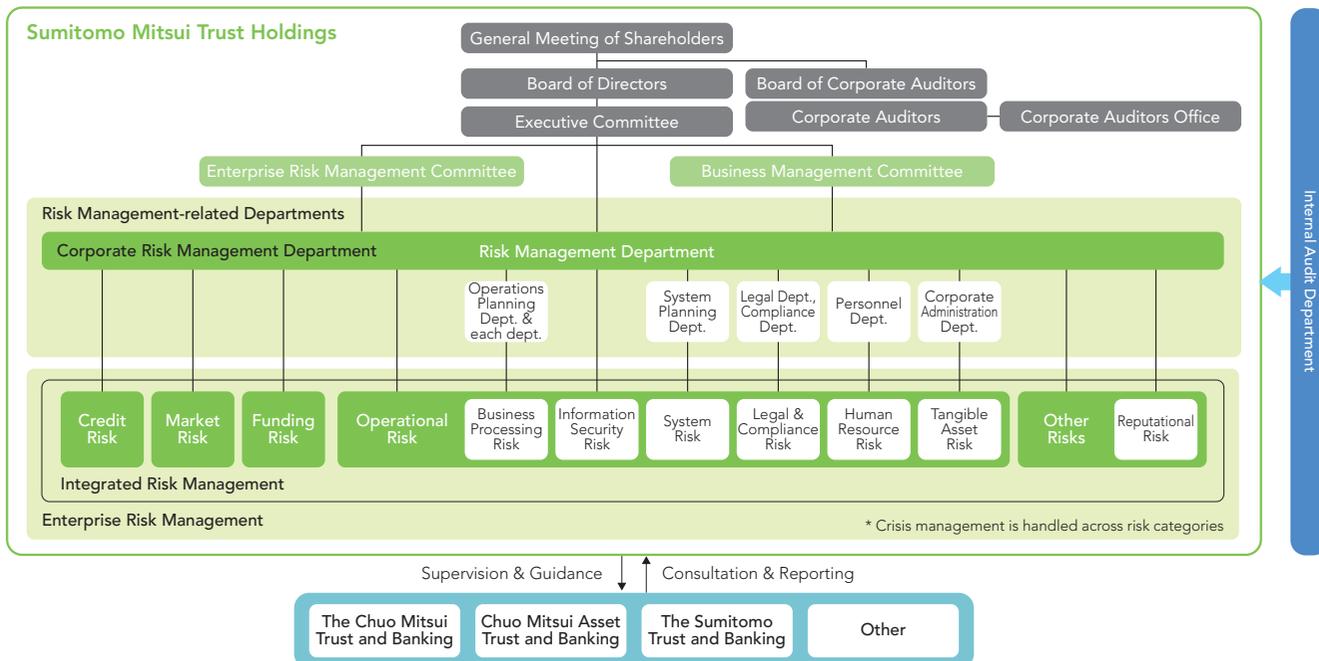
This department, which is independent of business execution, verifies the appropriateness and effectiveness of the risk management system.

(4) Enterprise Risk Management and Integrated Risk Management (Economic Capital Management)

SMTH manages various risks faced by the Group and comprehensively measures risks unique to the Group organization that each group company cannot recognize on its own, such as the spread of risks within the Group. We manage these risks by comparing them with the Group's overall financial strength (Enterprise Risk Management).

In addition, among the risks subject to the Enterprise Risk Management, SMTH combines risks which are quantifiable with a unified criteria such as the integrated VaR*, and manages these risks by comparing them with the Group's overall financial strength (Integrated Risk Management). Aiming to simultaneously secure both capital adequacy and efficiency of capital use, Integrated Risk Management seeks to comply with risk limits set on the basis of risk capital allocated within the financial strength and pursues maximum risk-return.

* Value at Risk (VaR): A risk measurement indicator. VaR indicates the maximum amount of loss anticipated within a certain period (the holding period) within the range of certain probability (the confidence interval). SMTH conducts measurements with a one-tailed confidence interval of 99%.



Employees and Sumitomo Mitsui Trust Group

Human resources are the most valuable resource for financial institutions. The Group endeavors to educate employees in human rights so that their individualities are respected and will not be subjected to discrimination based on their age, gender, nationality, etc. We also promote a personnel training program, and the creation of a working environment that enables a healthy work-life balance. We thereby nurture human resources in such a way that they contribute not only to the development of the Group, but also to the sustainable development of society as a whole.

1 Measures to Educate Employees in Human Rights

(1) Initiatives to Promote Human Rights Education

Centered on the Human Rights Education Committee, chaired by a Personnel Officer, the Group is carrying out wide-ranging activities to train and educate employees about various human rights issues.

In fiscal year 2011, we carried out human rights awareness promotion initiatives, including those listed below.

(Example) Sumitomo Mitsui Trust Holdings Human Rights Education Committee

Chairperson	Personnel Officer
Vice Chairperson	General Manager of the Personnel Department
Committee Member	Compliance Officer of each Department
Secretariat	Personnel Department

(a) New Employee Training Initiatives

New employees are given training regarding the relationships between companies and human rights, and we work to cultivate a common understanding and awareness of individual issues such as discrimination against the Dowa (the Buraku minority) and problems concerning foreign residents.

(b) Human Rights Week

As part of our Human Rights Week activities, we invited submissions of "Human Rights Catch Phrases," with awards for the best suggestions. We also participated in various projects implemented by the government and other organizations in order to maintain and improve awareness of human rights issues among our employees.

Through these activities, the Group is working to help employees respect each other's individuality and foster a

corporate culture that emphasizes human rights as the foundation of business activities.

(2) Prevention of Sexual Harassment and Power Harassment

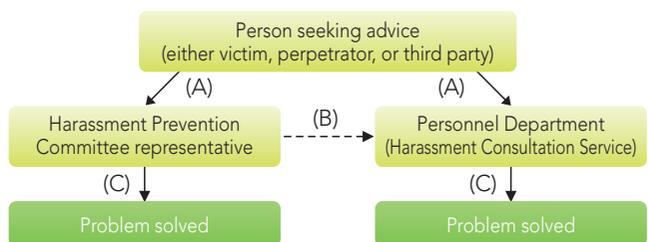
Sexual harassment and power harassment are prohibited. Such behavior can both damage the character of an individual and infringe upon his or her human rights.

We have taken a particularly strict stance prohibiting sexual harassment within the workplace.

In the event that harassment occurs, an overall decision will be reached regarding the specific behavior indicated, the relationship of the people involved, the response of the victim, etc. Either stringent corrective measures or punishment, or both, will be implemented against any person considered to have engaged in harassment.

Furthermore, we discuss harassment in workplace-based training, new employee training, and training implemented for different management levels. We are also committed to ongoing educational activities to ensure that all employees are well acquainted with the principles and issues.

Structure for Advice/Complaints and Response relating to Harassment



- (A) Advice is sought and complaints are registered via the Harassment Prevention Committee representative in each branch or department, or directly by the Harassment Consultation Service within the Personnel Department.
- (B) The Harassment Prevention Committee representative will, where necessary, consult the Harassment Consultation Service within the Personnel Department and request advice or the handling of the case.
- (C) The Harassment Prevention Committee representative or the Harassment Consultation Service within the Personnel Department will, once they understand the details of the complaint being registered by the complainant, interview the party accused of harassment, as well as other related parties as necessary, in order to accurately understand the situation, and attempt to solve the issue via advice or other measures.

Harassment Consultation Service

The Harassment Consultation Service has been set up within the Personnel Department to serve as a contact point for advice and registering complaints regarding harassment, and also to provide a response to such complaints. Advice regarding harassment can be provided via the Harassment Prevention Committee representative in each branch and department. We have established the system so that employees can talk directly with the Harassment Consultation Service within the Personnel Department.

2 Measures to Support Employee Career Formation

(1) Recruiting and Hiring

The recruitment section of our website provides clear explanations of the characteristics of our personnel system, the function of trusts, and their importance, and the business content of each of our divisions. The website also features items such as employee interviews to give visitors a realistic idea of employee life.

More than 53,000 recent graduates applied via the website during the 2011 recruitment period, and the number of entries continues to increase every year.

	FY2009	FY2010	FY2011
Number of new recruits*	537	434	314
Male	204	176	122
Female	333	258	192

* Total for The Chuo Mitsui Trust and Banking Company, Limited, Chuo Mitsui Asset Trust and Banking Company, Limited, and The Sumitomo Trust and Banking Co., Ltd.

(2) Our Personnel System and Personnel Management, Supporting Employee Career Formation

The Sumitomo Mitsui Trust Bank, Limited, to be launched in April 2012, plans to implement a course-based system that promotes employee career formation.

Employees will be streamed into three courses, the G Course, R Course, and A Course, depending on their likelihood of being transferred and the nature of their work duties.

There is also a system, applied to all courses, that places employees into four work groups based on their demonstrated capabilities. By adopting this system, we encourage personnel management based on ability, rather than age or gender.

(3) Internal Job Posting System

We have initiated an internal job posting system to encourage our employees to independently and voluntarily shape their own careers. Under this system, applicants can apply directly to the Personnel Department. If applicants pass the screening, they will be able to transfer to their desired position or division.

(4) Personal Evaluation System

The Group's personnel evaluation system enables individual employees to participate in the evaluation process. Employees consult with their supervisors, setting tasks that they will attempt to tackle at the beginning of the term. They meet again with their supervisor to discuss whether they achieved these goals and to receive feedback.

3 Measures to Support Employees in Improving Their Skills

(1) Level-Based Training

While employee training and skills development in the Group is generally provided on an OJT* basis, group training is also provided, with the objective of improving employees' operational skills and management abilities, many opportunities for self-development are also provided to encourage employees to keep improving their skills. For example, we provide training for young and mid-level employees in order for them to achieve improvements that are appropriate to their respective role expectation.

* OJT = On the Job-Training. OJT is a process whereby workplace supervisors and senior employees teach subordinates the knowledge, skills, and duties required of them via their daily tasks.

(2) In-House Training Programs with Rich and Diverse Curriculums

Our in-house training programs offer an extensive lineup of courses, as well as many opportunities for training, enabling the acquisition of various business skills. Furthermore, in terms of self-development, we guide our employees so that they can broaden their range of professional opportunities by raising their fundamental skills, such as by attaining qualifications outside the company and improving their English abilities.

(3) Human Resources Development that Promotes CSR

CSR is incorporated into the training curriculum for new hires, and we give lectures on the Group's basic CSR philosophy as well as the significance of our efforts.

4 Promoting a More Employee-Friendly Workplace Environment

(1) Measures to Promote the Realization of a Healthy Work-Life Balance

The Group actively works to establish a workplace environment where employees can work with peace of mind, while maintaining a good balance between work and personal life. Specifically, in addition to offering childbirth and childcare leave until children reach the age of 2, we also offer childcare leave for fathers, and up to 10 days per year of additional leave to look after sick children (for employees with two or more children requiring care). Furthermore, we offer a system of shorter working hours and the freedom to choose not to work overtime or at night, creating an environment where parents can raise their children with peace of mind. Moreover, for employees with family members who require nursing care (with two or more family members requiring care), we offer up to 10 days of nursing care leave, a nursing care leave system that provides up to one year's leave, and a shortened workday system.

In addition, we have held "Family Visit Days," when the family members of employees are invited to the workplace in order to deepen the bonds and communication between family members, and to provide an opportunity for families to consider what it means to work as part of society.

Based on Article 13 of the Act on Advancement of Measures to Support Raising Next-Generation Children, the Group has been accredited, through the attainment of certain performance targets, as a regulation-conformant general business, required to receive the "Childrearing Support Approved Business Mark" (also known as the "Kurumin Mark").



(2) Improving the Workplace Environment

The Group is conducting a broad range of initiatives to improve the workplace environment. Specifically, we have been working on reducing the level of overtime work by carrying out thorough work-efficiency and time-management measures. In addition, we have attempted to minimize total working hours by encouraging employees to take long holidays and by conducting promotions such as "Go-Home-Early" month and "Leave-the-Office-on-Time" week.

(3) Employee-Health Management System

In an effort to help our employees manage and improve their health, we have appointed medical and hygiene supervisors

(hygiene promoters) at each of our business locations to provide detailed health management guidance. Moreover, we provide health examinations every year and assistance to employees and their families to enable them to receive comprehensive physical examinations at facilities through our health insurance association.

We offer mental health counseling sessions at clinics within our company, and our health insurance association also provides free health advice to employees by telephone. In addition, we have activities such as training for managers to raise their awareness at recognizing the importance of employee health management.

5 Creating a Workplace Where Employees with Diverse Backgrounds Can Work

(1) Appointing and Supporting Women

At the Group, the right personnel are placed in the right positions based on their capabilities, in order that all of our employees can realize their full potential. We make sure that decisions about managerial promotions are strictly based on merit.

In particular, we proactively appoint female employees to the position of Section Manager or above, and carry out training for female employees who have not yet reached Section Manager level in order to foster proactive career planning and network creation.

We plan to continuously hold information exchange meetings, both for female Section Managers and sub-Section Manager leaders, as a means of promoting personnel exchange inside and outside the company, and the sharing and resolution of issues faced in the carrying out of duties.

Moreover, from the standpoint of supporting the balance between work and private life, we are promoting the development of a variety of systems and a workplace environment in order to make it easier for employees to choose flexible ways of working so that they can cope with major life events such as childbirth, childcare, and nursing care.

(2) Employment of Disabled Persons

We strive to hire disabled persons who wish to work. As of June 1, 2011, our disabled person employment ratio* was 2.03%, exceeding the statutory ratio.

* Total for The Chuo Mitsui Trust and Banking Company, Limited, Chuo Mitsui Asset Trust and Banking Company, Limited, and The Sumitomo Trust and Banking Co., Ltd.

(3) Re-employment of the Elderly

The Group has in place a program that rehires retirees who meet certain criteria, until they reach the age of sixty-five.

Environmental Burden Reduction Initiatives

The Group utilizes an environmental management system framework to reduce the environmental impact of its daily business activities, and is working on initiatives to improve the efficiency of its operations.

• Environmental Policy

1. Provision of Products and Services

We will strive to reduce environmental risks and enhance environmental value for the society as a whole by providing financial products and services that contribute to the preservation of the global environment and the realization of a sustainable society.

2. Environmental Burden Reduction

We will strive to preserve the environment and realize a sustainable society through efforts toward energy conservation, resource conservation, and resource recycling based on the recognition of the burden imposed on the environment by the consumption of resources and the discharge of wastes involved in our business activities.

3. Pollution Prevention

We will strive to ensure continuous verification and improvement of our environmental activities and make efforts to prevent pollution.

4. Regulatory Compliance

We will comply with the laws, regulations, rules, and agreements concerning the preservation of the environment.

5. Monitoring

We will strive to ensure the continuous improvement of our environmental activities by setting and periodically reviewing and revising environmental objectives and targets.

6. Education & Training

We strive to ensure group-wide awareness of compliance with the Environmental Policy and to provide appropriate environmental education.

7. Information Disclosure

We will strive to promote activities to preserve the environment through communications with external organizations by publicly disclosing the Environmental Policy.

* The Action Guidelines for Mitigating Climate Change (see page 14) and the Action Guidelines for Preserving Biodiversity (see page 22) are specific guidelines that were drawn up based on this Environmental Policy.

1 Strengthening Our Environmental Management Structure through the Introduction of ISO 14001

(1) Environmental Management Structure

In March 2009, the South Tower Building, the Fuchu Building, and the Senri Building obtained ISO 14001 certification, the international standard for environmental management systems. By coordinating the processes of our core businesses with environmental management, and incorporating environment-related efforts into our management strategies, we have been able to move forward with more effective measures.

Environmental Management Structure



* Structure of the Sumitomo Trust and Banking Co., Ltd. We are planning to create a similar structure after the April 2012 merger of our subsidiary trust banks.

(2) Operating Conditions of the Environmental Management System

We conduct internal auditing to verify whether the environmental management system is being carried out effectively and efficiently. This auditing is performed by an auditing team made up of internal auditors from our employees and external specialists (NKSJ Risk Management, Inc.). The team's findings are reported to the management and used in implementing further improvements.

In the internal audit conducted in July 2011, our CSR-related product development and promotion and our achievement of both environmental management and profitability received high marks.

In the future, these initiatives will be spread throughout the group, and we will steadily and surely implement improvement measures.

2 Environmental Burden Generated by Business Activities

(1) Major Activities and Targets

We have clearly stated in our Environmental Policy our determination to be conscientious regarding the environmental burdens caused by the resource consumption, waste emissions, and the other effects of our business activities, as well as to work toward achieving environmental preservation and a sustainable society by engaging in energy conservation, resource conservation, and resource recycling efforts. Our three ISO 14001 certified business offices make continuous improvements by establishing and regularly revising environmental targets.

Major Activities and Targets

Activities	Targets	
	FY2010* ¹	FY2011* ²
Paper consumption	5% Reduction	10% Reduction
Electricity consumption	2% Reduction	8% Reduction
Waste discharge	3% Reduction	10% Reduction
Environment-conscious "Green procurement"	90%	91%
Expansion of sales of environment-related financial products		
Environment-conscious activities in office		

Targets for ISO Certified Sites (South Tower Building, Fuchu Building, and Senri Building)

*1 Paper, electricity, and waste discharge figures indicate reductions since FY2008. (Fuchu Building and Senri Building electricity figures are vs. FY2007)

*2 Paper consumption and waste discharge figures indicate reductions since FY2008. Electricity figures indicate reductions since FY2010.

Environmental Performance (Domestic Sites)

Input	FY2009			FY2010		
	Chuo Mitsui Trust Holdings	Sumitomo Trust	Total	Chuo Mitsui Trust Holdings	Sumitomo Trust	Total
Total energy input (GJ)	522,071	600,189	1,122,260	527,817	616,514	1,144,331
Electricity use (MWh)	47,720	51,700	99,420	47,565	52,611	100,176
Gas use (km ³)	690	1,248	1,938	675	1,337	2,012
Gasoline use (kl) * ¹	58	616	674	55	619	674
Paper consumption (t) * ²	432	531	963	377	521	898
Recycled paper (t)	53	332	385	0	338	338
Water use (m ³)	129,709	71,610	201,319	128,274	71,665	199,939

Output	FY2009			FY2010		
	Chuo Mitsui Trust Holdings	Sumitomo Trust	Total	Chuo Mitsui Trust Holdings	Sumitomo Trust	Total
CO ₂ emissions (t) ^{*3}	22,437	25,211	47,648	21,072	25,944	47,016
Total waste disposal (t) ^{*4}	1,265	812	2,077	1,158	724	1,882
Paper disposal (t) * ⁴	1,009	592	1,601	857	503	1,360
Recycled amount (t)	967	592	1,559	831	503	1,334
(% of total)	96	100	97	97	100	98
Other waste disposal (t) * ⁴	1,189	176	1,365	1,091	170	1,261
Recycled amount (t)	1,000	144	1,114	921	143	1,064
(% of total)	84	82	84	84	84	84

• Tabulation Period:
April 1, 2009 - March 31, 2011

*1 Does not include all sites.
*2 Scope includes paper used for copies and computer printouts.

*3 Chart uses actual emission factor. Amounts from previous years have also been recalculated.

*4 Main site buildings

Findings from External Auditors

Findings (positive assessments)	As one of the Group's principal management goals (business objectives), the Group has incorporated the development and dissemination of CSR-related products, a move that expanded its lineup of products reflecting societal conditions and led to greater sales. This has enabled the Group to achieve both environmental management and profitability.
	In setting departmental targets, the Group has not discarded profitable initiatives that fell below impact evaluation standards, but instead instructed departments to set individual voluntary objectives, and respected the autonomy of individual departments.
	The number of monitoring and measurement items is high, so in order to reduce the operation load on staff, the Group promotes data collection mechanization, systematization and automated generation, improving efficiency.
	In order to boost employee awareness, the Group consistently provides rich general education e-learning courses and carries out extensive education activities.
Opportunities for Improvement	On the educational program, internal auditor training is regarded as part of general education, but as this education is provided for specific individuals who will be responsible for internal auditing, the Group should give consideration to the fact that this would normally be treated as special education.

(2) Environmental Performance

The Group has been engaged in the 3Rs (Reduce, Reuse, Recycle) initiative with the objective of reducing both its input of resources and the burden (output) that it places on the environment. In 2010, the volume of CO₂ emissions was 47,016 tons, 1.3% less than that of the year before. For paper usage, we managed to cut the amount by 6.7% versus FY2010. This was accomplished by creating stricter inventory controls for supplies, pamphlets, and the like, as well as thoroughly managing creation and disposal costs, and devising separate, department-specific measures for each of the departments that showed a particularly

high volume of paper consumption. Paper disposal dropped by 15.1% versus the previous year, and our recycling rate rose 1%, from 97% to 98%. The Fuchu Building used an energy service company (ESCO) to carry out extensive energy-conservation measures, such as conversion of its heat source system. But due to an increase in the number of personnel and equipment in the IT Department, electricity consumption rose over last year by a slight 0.8%. Water consumption fell by 0.7%, and gasoline usage remained unchanged.

In the future, through intensive promotion and management by the Secretariat, we aspire to eliminate discrepancies among activities carried out in our various departments and improve our environmental performance throughout the entire group.

3 Countermeasures against Climate Change

(1) Promoting Group-Wide Energy Management

The amendment of the Energy Conservation Act, which came into effect in April 2009, presented an opportunity for the Group to introduce a system, @Energy, to promote comprehensive energy and CO₂ emissions management. Generally, the headquarters and branches of finance companies are located in buildings they do not own, making it difficult to assess energy usage. However, with the cooperation of building owners and other means, we have been able to collect this data at all locations since April 2009.



Energy management system using the @Energy website

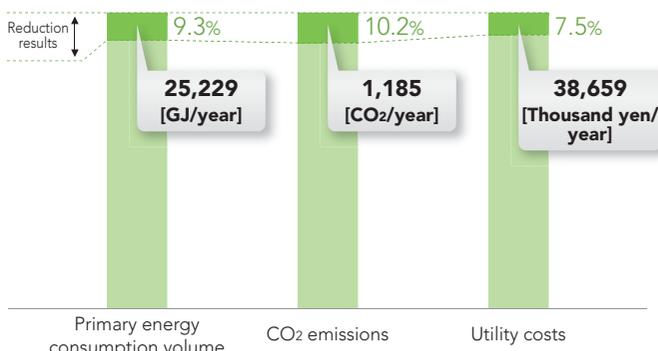
(2) Responding to Metropolitan Tokyo's Total CO₂ Emission Reduction Obligation

The head office building of The Chuo Mitsui Trust and Banking Company, Limited (hereafter referred to as the "Shiba Head Office Building"), the Chofu System Center, the Meguro System Center, and the Fuchu Building are business locations subject to CO₂ emission-reduction obligations. Hence, they have been designated as "Specified Global Warming Countermeasure Business Locations." Third-party verification has set the following reduction baselines: Shiba Head Office Building, 3,132 tons of CO₂; Chofu System Center, 4,715 tons of CO₂; Meguro System Center, 4,255 tons of CO₂; Fuchu Building, 11,570 tons of CO₂. Over the five years from 2010 to 2014, they are obligated in principle to achieve an 8% reduction.

In order to comply with the CO₂ emissions reduction ordinance, various measures have been taken, such as the introduction of a Building Energy Management System (BEMS, which is a high-efficiency energy management system) by the Chofu System Center with the support of the New Energy and Industrial Technology Development Organization (also known as NEDO), and the introduction of an ESCO (the installation of high-efficiency heat source systems, the optimization of air-conditioning operations, etc.) at the Fuchu Building, which has a particularly large emissions volume.

Actual emissions during the FY2002 to FY2010 period were reduced by 12.7% for the Shiba Head Office Building, 29.3% for the Chofu System Center, and 32.6% for the Meguro System Center, already achieving ordinance targets. In order to reduce emissions by the Fuchu Building by approximately 12% by FY2014, various initiatives have been planned, based on the ESCO's measures.

Energy Conservation Results from the ESCO's Introduction



* Reduction percentages are vs. FY2008

4 Sumitomo Mitsui Trust Group Electricity Conservation Measures

Electricity conservation measures that reduce unnecessary electricity consumption are always critical for maintaining environmentally friendly operations. But in 2011, concerns about electrical shortages caused by the Great East Japan Earthquake made electricity conservation more important than ever. The Ministry of Economy, Trade and Industry, under the Electricity Business Act, requested all major facilities that use large amounts of power and that are within the service areas of Tokyo Electric Power Company and Tohoku Electric Power Company to reduce their peak power usage by 15% as a general rule. The Group implemented various responses to comply with this request.

(1) Response by Major Facilities

Within the Group, the Shiba Head Office Building, Chofu System Center, Meguro System Center, Meidaimae Center (main building), and Fuchu Building were categorized as major facilities.

In addition to setting air-conditioner temperatures at each of the facilities to 28°C in the summer as a general rule, we also reduced lighting in common areas and offices, and thoroughly applied energy-saving settings to office equipment. We also implemented initiatives tailored to the characteristics of individual facilities, such as shutting down dining hall kitchens, converting backup heat-storage tanks to air conditioning, and changing machine-room air conditioning energy sources. Peak power usage was cut by at least 15%.

Facility	Reference Power Value*1	Peak Power Usage*2	Reduction Ratio
Shiba Head Office Building	1,358kw	757kw	44.3%
Chofu System Center	1,248kw	984kw	21.2%
Meguro System Center	1,856kw	1,448kw	22.0%
Meidaimae Center (main building)	696kw	528kw	24.1%
Fuchu Building	4,247kw	3,334kw	21.5%

*1 Peak power usage during the previous year (from July 1, 2010 to September 9, 2010)

*2 Peak power usage during the July 1, 2011 to September 9, 2011 period

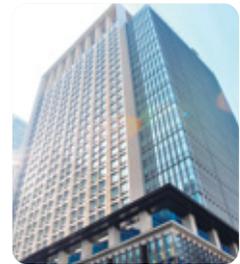
(2) Response by Other Facilities

Even for branch offices and facilities (including buildings owned by other companies) other than the major facilities within the service areas of Tokyo Electric Power Company and Tohoku Electric Power Company, we set air conditioner temperatures to 28°C in the summer as a general rule, reduced lobby and electrical sign lighting, and applied energy-saving settings to ATMs, reducing peak power usage by 15% or

more. Electricity saving measures were also implemented in the area served by Kansai Electric Power Company.

5 Environmental Considerations at Our New Head Office Building

The Group's new head office building was completed in January 2012 in Marunouchi, Chiyoda-ku, Tokyo. The building features environmentally friendly exteriors and highly energy-efficient facilities to reduce CO₂ emissions, and add greenery to the lower levels. We plan to obtain the Comprehensive Assessment System for Built Environment Efficiency (CASBEE) class "S" assessment, the highest class possible. The building has also been selected by the city of Tokyo as one of the "Low Emission Buildings TOP30 in Tokyo."



The building exterior uses low-E double-paned glass in order to reduce its heat impact, horizontal perpendicular louvers for each cardinal direction that take into consideration the position of the sun, automatic-angle adjusting blinds that follow the sun, and other advanced features. It is a cutting-edge, environmentally friendly building with a host of environmentally harmonious technologies and systems, reflecting the Group's efforts to achieve environmental harmony, such as through the installation of ultra-high efficiency transformers and total heat exchangers, air conditioners controlled based on individual thermal measurements, and natural energy use.

6 Initiatives by Related Companies

EcoAction 21 Certification Oriented Initiatives

In May 2011, Sumishin Panasonic Financial Services Co., Ltd., started a new project team as part of its efforts toward receiving the EcoAction 21 certification. In addition to measures such as creating and operating an environmental management system to reduce electricity consumption and waste emissions, it is working to appropriately dispose of equipment for which the lease periods have ended. It is dedicated to carrying out these initiatives through the course of its primary business activities, such as by supporting the installation of environmental devices through eco leases. In doing this, it is aggressively pursuing the advantages of low interest-rate financing through Environmental Rating Loans and "green bidding" by government offices and agencies.