

Information Disclosure System and Internal Auditing

Information Disclosure System

1. Basic Initiative Policy

Adopting observance standards that all executives and employees must uphold to ensure the transparency of corporate management through appropriate and fair disclosure of corporate information, Sumitomo Mitsui Trust Group (the "Group") has set out Information Disclosure Rules and Information Disclosure Guidelines, and has established an internal control system to ensure that disclosures are made in accordance with relevant laws, regulations and rules, including the Companies Act, the Banking Act, and the Financial Instruments and Exchange Act.

Based on this philosophy, Sumitomo Mitsui Trust Holdings ("SMTH") has established a disclosure policy* in order to clarify its basic policy on disclosure both internally and externally, thereby ensuring appropriate disclosure. In this way, it is working to ensure the transparency of corporate management through appropriate disclosure of corporate information.

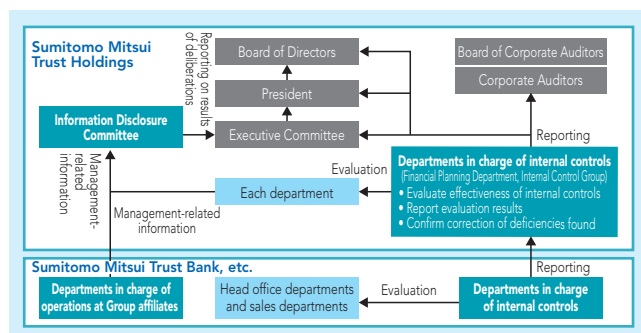
* Please refer to page 526.

2. Outline of Initiatives

In order to ensure timely, accurate, and fair disclosure of management-related information, the Group has established the Information Disclosure Committee, which deliberates the necessity and appropriateness of disclosure of management-related information and information that could be management related. It also considers the appropriateness of information disclosure system, particularly its establishment and management.

Furthermore, in order to adapt to the Internal Control Report System, each fiscal year, SMTH evaluates the effectiveness of internal control concerning financial reporting. The results of the evaluation and status of corrective measures for deficiencies found are reported to the President and the Board of Directors. Based on this report, the President makes an "Internal Control Report," which evaluates the effectiveness of internal control concerning financial reporting, and submits it to the relevant financial authority along with the Securities Report.

• Information Disclosure System



Internal Auditing

1. Basic Initiative Policy

The Group considers that establishing an efficient and effective internal auditing system commensurate with the size and nature of its business, the content of laws and regulations that apply to operations, and the type of risks is indispensable to appropriate legal compliance, client protection, and risk management, etc. Therefore, SMTH has established an Internal Audit Department in charge of internal audits, independent of departments involved in the execution of operations. It has also established an Internal Audit Committee as a consultative body to deliberate on policies and measures to strengthen its internal auditing system. The Internal Audit Department has the role of sufficiently fulfilling its internal audit supervisory functions, and providing guidance, management and supervision for subsidiaries in which SMTH directly invests capital.

2. Outline of Initiatives

In accordance with the Group's policy on the development of internal auditing system and its plans for internal auditing set out by the Board of Directors after prior deliberations by the Internal Audit Committee, the Internal Audit Department develops internal auditing system and verifies from an independent standpoint the appropriateness and effectiveness of internal auditing system for all operations undertaken by SMTH departments. It also conducts the auditing of Sumitomo Mitsui Trust Bank and Group affiliates, directly or jointly with the internal audit units of Sumitomo Mitsui Trust Bank or Group affiliates, as needed, to an extent that does not violate any laws and regulations.

The results of internal auditing are reported without delay to the President and the officers in charge, along with timely and appropriate reporting to the Board of Directors and the Internal Audit Committee.

• Internal Auditing Implementation System

