

Management Structure:

CSR (Corporate Social Responsibility)

1. Creating Shared Value through Strategic CSR

“Creating Shared Value” is the concept of companies creating social value by addressing society’s needs and challenges while simultaneously creating their own economic value, as advocated by Professor Michael E. Porter of Harvard Business School.

Sumitomo Mitsui Trust Group (the “Group”) recognizes CSR as constituting not merely activities that benefit society, but also as a strategy that generates value for both society and business. Therefore, we believe we are in a strong position to realize CSV.

2. The Cornerstone of CSV

The Group’s pursuit of CSV is based on its Management Principles (“Mission”), Ideal Model (“Vision”), and Codes of Conduct (“Values”), as well as its Sustainability Policy*¹—its basic policy on social responsibility formulated to reflect the Group’s Mission, Vision, and Values. These policies identify our approach to creating economic value and

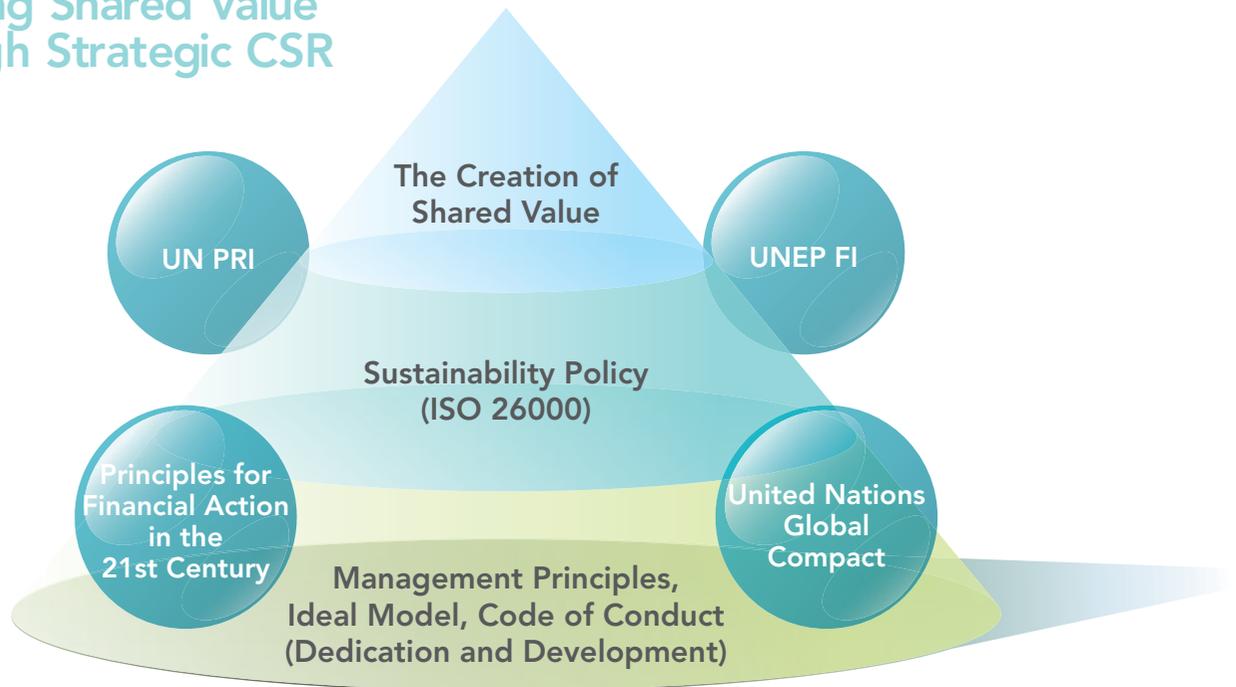
social value. Specifically, the Group’s Codes of Conduct calls for “Contribution to Society—Dedication and Development,” while one of the principles of our Sustainability Policy is to “Contribute to solving social and environmental problems through business.” These concepts are consistent with CSV, which places economic value and social value side by side. The Group is a signatory to the United Nations Global Compact*², a global policy framework for corporate sustainability, and the “Principles for Financial Action towards a Sustainable Society” (Principles for Financial Action in the 21st Century)*³, a set of voluntary guidelines established by Japan’s major financial institutions. The Group aims to create shared value while respecting a wide range of domestic and international principles and guidelines related to social responsibility.

*1 The Group’s Sustainability Policy adopts the principles of ISO 26000 on social responsibility, promulgated in November 2010.

*2 A code of conduct consisting of ten principles regarding human rights, labor, environment and anti-corruption, which is the basis for corporate voluntary initiatives aimed at achieving sustainable growth.

*3 A code of conduct for financial institutions such as banks, insurance companies, securities companies and asset management companies to perform the responsibilities and roles necessary for the creation of a sustainable society. The Group has played a central role in setting forth these principles.

Creating Shared Value through Strategic CSR



Basic Policy on the Social Responsibility of Sumitomo Mitsui Trust Group (Sustainability Policy)

At Sumitomo Mitsui Trust Group, based on our Management Principles (“Mission”), our Ideal Model (“Vision”) and our Codes of Conduct (“Value”), we respect dialogue with all stakeholders, such as clients, shareholders, investors, employees, business partners, local communities, NPOs, government authorities and international institutions, and play an active role in building a sustainable society.

1. Contribute to Solving Social and Environmental Problems through Business

- We work to solve social and environmental problems from a global perspective through our core businesses.
- We integrate the diverse functions that are unique to a trust bank group and develop new business models and innovative products and services to help solve social and environmental problems.

2. Serve Clients with Sincerity

- We strive to provide in-depth explanations and proposals so that clients can fully understand the details of our products and services. In addition, we make efforts to quickly meet the demands of clients and link their feedback to business improvements and product and service enhancement.
- We strive to undertake meticulous management of client information.
- We engage in educational and awareness-raising activities by cooperating with educational institutions, government authorities, NPOs, etc., to enable clients to take the lead in rationally selecting financial products and building sound assets.

3. Earn the Trust of Society

- We strictly adhere to all laws, regulations and rules, and conduct our activities in a sincere and fair manner that conforms to societal norms.
- We build sound and proper relationships with stakeholders, and fulfill our responsibilities as a member of society, engaging in fair competition and appropriate disclosure of corporate information, etc.
- We maintain a resolute stance against antisocial forces which threaten public order and safety, and work to prevent improper use of financial functions by organized crime.

4. Address Environmental Issues

- We aim to build a low-carbon society, a natural symbiosis society which fosters biodiversity, and a circulatory society, and will work to solve problems which obstruct these aims through our core businesses by cooperating with various stakeholders.
- We work on energy and resource conservation to reduce the environmental burden caused by our own activities.

5. Respect the Individual

- We respect individual rights and diverse values, rejecting unjustifiable acts of discrimination in all our activities.
- We create a safe and pleasant workplace environment, respect employees’ diverse ways of working, and strive to achieve work-life balance.
- We work to develop the skills of employees and strive to build sound minds and bodies.

6. Participate in and Contribute to the Community

- We aim to revitalize the community and build a rich living environment in cooperation with various partners in all communities where we engage in corporate activities, through our business activities and social contribution such as educational and cultural activities.

3. Structure for Promoting CSR Activities

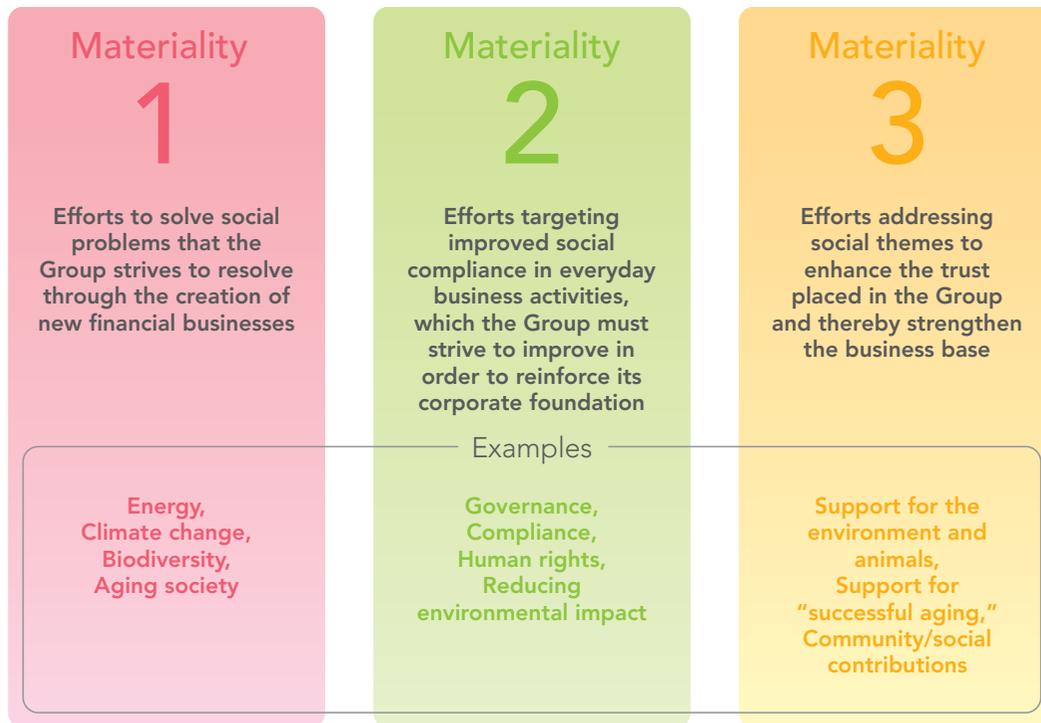
The Group has established a CSR Promotion Committee, chaired by the President of Sumitomo Mitsui Trust Holdings, Inc. as a cross-company management organization to ensure that the entire group maintains a unified direction in the promotion of CSR.

Sumitomo Mitsui Trust Bank, which plays the central role in the Group's CSR activities, has assigned CSR officers and coordinators to all departments and divisions so as to conduct social contribution activities that are specific to the local community as well as activities to promote electricity conservation and reduce the environmental burden. Other companies of the Group have also appointed CSR officers so as to implement various initiatives.

4. Outline of Initiatives

As for our CSR activities, we classify those social problems and themes with a high degree of materiality*4, including the environment, into one of three categories. These are: (1) social problems that the Group strives to resolve through the creation of new financial businesses, (2) social compliance in everyday business activities, which the Group must strive to improve in order to reinforce its corporate foundation, and (3) social themes that need to be addressed in order to enhance the trust placed in the Group and thereby strengthen the business base. The Group engages in CSR activities with the aim of creating shared value.

*4 Materiality refers to important factors that are material to the Group's financial performance.



(1) CSR Activities that Create New Financial Businesses 1) Contribution to Solving Environmental Problems (Promotion of Eco-Trustution)

We have coined the word "Eco-Trustution," which we use to promote environmental initiatives. Under this concept, we provide solutions to ecological issues through the use of our trust function.



(a) Supporting the Introduction of Residential Solar Power Generation Systems

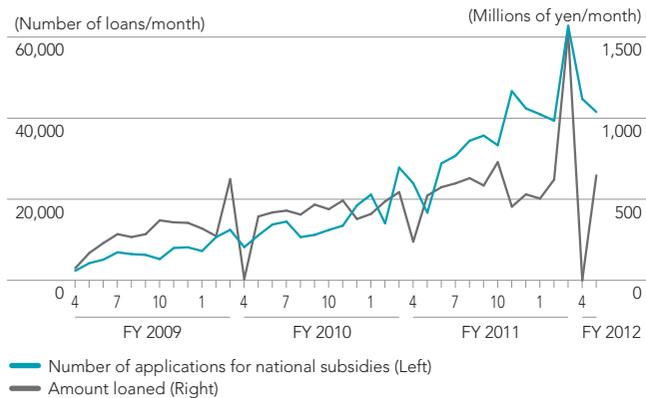
As the housing sector has a significant role to play in promoting renewable energy, the Group has been supporting the introduction of residential solar power generation systems from early on.

Sumitomo Mitsui Trust Bank, together with various companies and local governments, has developed housing

loans for new homes with varied interest rates corresponding to the degree of environmental friendliness as exemplified by the installation of a solar power generation system, thereby expanding its lineup of loans.

Furthermore, in order to promote residential solar power generation systems, it is essential to introduce them in new and existing homes alike. Sumitomo Mitsui Trust Panasonic Finance Co., Ltd. provides "Loans Exclusively for the Installation of Solar Panels." The volume of these loans has grown rapidly since the introduction of a system that allows for the purchase of excess power produced by residential solar power generation systems, in addition to the subsidy programs of the national and local governments. In fiscal year 2011, we provided ¥10.7 billion worth of these loans, up 2.4-fold from the previous year.

Loans Provided Exclusively for the Installation of Solar Panels



(b) Preservation of Biodiversity

The Group has formulated the Action Guidelines for Preserving Biodiversity, based on which we are implementing a comprehensive range of initiatives to preserve biodiversity (biologically rich eco-systems and the natural environment that fosters them).

In particular, Sumitomo Mitsui Trust Asset Management Co., Ltd. has become the world's first company to launch a biodiversity SRI fund, which selects investment targets by evaluating companies from the perspective of biodiversity, drawing attention both in Japan and abroad.

Furthermore, Sumitomo Mitsui Trust Bank provides "Environmental Rating Loans," which specifies the biodiversity efforts of borrower companies as an important assessment item, and offers a construction consulting service that gives consideration to local ecosystems.

Sumitomo Mitsui Trust Holdings is the Only Japanese Financial Institution to Sign the Natural Capital Declaration
 In June 2012, Sumitomo Mitsui Trust Holdings signed the Natural Capital Declaration, which the United Nations Environment Programme Finance Initiative ("UNEP FI") advocates, becoming the only signatory among Japanese financial institutions. The declaration took effect to coincide with the holding of the United Nations Conference on Sustainable Development "Rio+20." It defines the resources that are needed to preserve the earth's ecosystem (natural assets such as soil, air, water, and biodiversity) as "Natural Capital." The declaration states that financial institutions will play an active role in the sustainable use of "Natural Capital."

(c) Promotion of Environmentally Friendly Property

"Environmentally friendly property" is sustainable and has high environmental value, cuts energy costs, enhances workforce productivity, and brings about other positive effects, thereby increasing the value of the property itself. In the belief that it is necessary to establish a system under which environmentally friendly property is fairly evaluated in the real estate market, the Group has set up a study group comprised of real estate experts from industry, government and academia, and has advocated the need to establish a new system.

In July 2011, as a result of the Group's initiative, "CAS-BEE (Comprehensive Assessment System for Built Environment Efficiency)*5 for Market Promotion (tentative edition) was announced, and after a trial period, a formal edition was published in May 2012. The Group will make efforts to promote CASBEE so as to ensure that an environmentally friendly property market will be created under the new system.

*5 A system to conduct comprehensive evaluation of the environmental performance of buildings from the perspective of such factors as energy efficiency and effective use of resources.

(d) Expansion of the Market for Socially Responsible Investment (SRI)

In order to utilize the functions of the capital market to realize a sustainable society, there are growing moves around the world to incorporate into the investment criteria for asset management the perspectives of “ESG” (“E” for the environment, “S” for society and “G” for corporate governance). The Group launched Japan’s first SRI fund in 1999. We began managing SRI funds for corporate pensions in 2003, and we have played a pioneering role in the domestic SRI market.

The lineup of the Group’s SRI funds has expanded to include funds for corporate pensions, individuals, defined contribution pension funds and public pension funds. As of the end of March 2012, the SRI balance for the Group as a whole was ¥114.5 billion, the largest in Japan. The Group will continue to strive to expand the SRI market through such activities as the development of new funds.

2) Contribution to Solving Social Problems

In order to help to solve various social problems, the Group develops and provides new financial products and services, mainly those utilizing its trust function.

(a) Response to the Rapid Aging of Society

Sumitomo Mitsui Trust Bank offers products that meet the various needs arising from the rapid aging of society.

Regarding the growing needs among elderly people for financial management, we offer the Anshin Support Trust, which protects and manages assets through made-to-order, medium- to long-term support service. We also provide the Guardianship System Support Trust, which protects the assets of individuals who receive support under the guardianship system and helps to ensure a stable life into the future.

As to the concerns of people who own a home but lack financial assets to tide them over in their retirement years, a problem which people increasingly face as they grow older, we offer reverse mortgages^{*6}, which allow such people to obtain funds while continuing to live in their own homes so that they can relieve their concerns and live comfortably after retirement.

^{*6} Under the reverse mortgage program, home owners take out loans with their homes as collateral, and the repayment is made with funds obtained through the sale of the home when the owners have passed away or move out, etc.

(b) Finance for Social and Charitable Activities

In recent years, there have been increasing numbers of individuals who offer their own assets for social and charitable activities, and companies which return part of their profits to society. Sumitomo Mitsui Trust Bank provides various products that meet such needs.

Sumitomo Mitsui Trust Bank’s charitable trusts^{*7} are used in a broad range of fields, reflecting the wishes of the fund providers. Uses include the provision of academic scholarships, grants for research in the natural sciences and the humanities, overseas economic and technical aid, community development and environmental protection activities, etc.

Sumitomo Mitsui Trust Bank also offers a social contribution donation trust (also referred to as “Bridge to Tomorrow”), which enables clients wishing to make a social contribution. Donors can make donations over several years to organizations engaging in social contribution activities.

^{*7} A charitable trust is a legally prescribed system whereby an individual or corporation entrusts funds for the public benefit to a recipient who administers and manages the trust funds in accordance with previously determined public interest goals, and subsidizes projects to realize those goals.

(2) CSR Activities for Improving the Alignment of Our Business Activities with Society

(a) Efforts to Reduce CO₂ Emissions and Conserve Electricity

The Group is reducing CO₂ emissions through the introduction of energy-saving equipment at large business offices and conscientious efforts by each employee. In particular, business offices subject to the revised Tokyo Metropolitan Environmental Security Ordinance, which imposes the obligation to reduce overall CO₂ emissions, are reinforcing measures to reduce CO₂ emissions and conserve electricity. For example, the Chofu System Center has introduced BEMS^{*8} and the Fuchu Building is using an ESCO^{*9}.

As for electricity conservation efforts during the summer of 2011, when there were concerns about electricity shortages, business offices in the service areas of Tokyo Electric Power Company and Tohoku Electric Power Company took conservation measures suited to their respective characteristics. As a result, at all of the five large offices subject to the restriction on electricity consumption, peak power usage was cut by 20% or more.

^{*8} Building Energy Management System: A highly efficient energy management system that reduces the energy consumption of equipment and facilities according to the indoor environment conditions.

^{*9} Energy Service Company: A company which provides a comprehensive range of energy-saving services, including the provision, maintenance and management of energy-saving facilities.

(b) Resource Conservation Activities

As the Group handles a large volume of paper, including printed matter for clients, we believe that it is important to reduce wasteful use and make more effective use of paper. In addition to promoting paper recycling, business offices that have obtained ISO 14001 certification, an international standard for environmental management systems, are promoting resource conservation through the reduction of paper usage and are striving to improve their operational efficiency based on the analysis of business processes.

(c) Adoption of Low-Pollution Vehicles

Sumitomo Mitsui Trust Bank is promoting the introduction of low-pollution vehicles for business activity at business offices. We will continue to maintain a high adoption rate of low-pollution vehicles through such measures as the introduction of hybrid vehicles.

(3) CSR Activities to Enhance Trust and Strengthen the Business Base

The Group engages in a wide range of social contribution activities in order to enhance stakeholders' trust, primarily through the business offices of Sumitomo Mitsui Trust Bank, and to strengthen its business base. The priority themes of these activities are (a) support for living beings, (b) support for "successful aging" and (c) contributions to local communities and society. Under the catchphrase "With You," the Group has been engaging in various activities.



(a) Support for Living Beings

Sumitomo Mitsui Trust Bank is conducting an initiative to raise awareness about biodiversity, which is called "Support for Living Beings," at business offices across Japan. Business offices hold exhibitions in lobbies and seminars to provide information on endangered species living in the local ecosystems.

Furthermore, the Group supports the National Trust movement, which purchases and preserves ecologically rich land and co-organizes various events with the Association of National Trusts in Japan.



(b) Support for Successful Aging

Sumitomo Mitsui Trust Bank is pouring efforts into activities to support clients' "second life" after retirement so as to help them live a physically and mentally healthy and prosperous life. In addition to implementing the "Love Letters at Sixty" program, which solicits letters expressing thanks to spouses and other family members, business offices engage in activities to support elderly people. Such activities include participation in the Workshop on Becoming a Supporter for People with Dementia, which is



intended to help understand dementia properly, the “Wheelchair Workshop,” which provides instructions on how to support people in wheelchairs, and a program that provides the simulated experience of physical constraints faced by elderly people.

(c) Contributions to Local Communities and Society

The Group hopes to contribute to the invigoration of local communities and the creation of a comfortable living environment, thereby building a relationship of mutual trust with local residents. Sumitomo Mitsui Trust Bank’s business offices across Japan are engaging in locally-oriented social activities, including trade fairs related to local industries as well as street clean-up programs, tree-planting, and education support activities which are conducted jointly with NPOs.



5. Enhancement of CSR Communication

The Group strives to enhance CSR communication so as to facilitate clients’ and local communities’ understanding on its activities. In addition to annually publishing the CSR report and the “With You” leaflet, which describes our social contribution activities, we actively provide information via our website. In April 2012, we opened the “With You Branch Blog” site, which provides information on activities of all business offices of Sumitomo Mitsui Trust Bank. Furthermore, we have served as a co-sponsor of Green TV Japan, which has broadcast more than 900 short movies concerning environmental issues for free, since its foundation in November 2007. In October-December 2011, a movie concerning the Group’s environmental activities was broadcast as part of an environmental program the “Green Channel,” with which Green TV Japan has a business partnership. (The Green Channel is a broadcast satellite program.)



With You Branch Blog: <http://branchblog.smtb.jp/>



Green TV Japan: <http://www.japangreen.tv/>