

Management Structure: Compliance System

1. Basic Initiative Policy

With recent progress in deregulation of the financial industry, financial transactions and services are diversifying, and there is a need to work on various issues by thorough implementation of the self-responsibility principle and self-help efforts in financial institutions. Under these conditions, to maintain and enhance the trust of clients, sound and appropriate management based on strict self-discipline is essential. From this viewpoint, the SuMi TRUST Group positions compliance as one of the most important management issues.

Compliance means adherence to various rules such as laws, regulations, market rules, and internal company rules, in addition to conformity to social norms. Trust is SuMi TRUST Group's greatest asset, and achieving compliance is naturally a basic principle. Executives and each individual employee must solidly practice compliance in our daily operations.

To achieve thorough compliance and an appropriate system which suits "The Trust Bank," the SuMi TRUST Group has established Codes of Conduct ("Value") and specific compliance standards in the Compliance Rules. A checking system and promotion system are also developed, so the SuMi TRUST Group complies with these and carries out sincere and fair company activities. By developing these systems, the SuMi TRUST Group is promoting various initiatives to address issues and problem points and to enable appropriate action based on self-discipline.

Compliance Standards for Executives and Employees

1. Gain the trust of society
2. Respond resolutely to antisocial forces
3. Prevent improper use of financial functions by organized crime
4. Ensure transparency of management
5. Build sound and normal relations with interested parties
6. Thorough implementation of fair activities
7. Thorough control of information
8. Enhance workplace order

2. Outline of Initiatives

(1) Group Compliance System

The SuMi TRUST Group positions supervision of the entire group's compliance structure as one of the most important functions of the holding company. The holding company's Compliance Rules establish standards which executives and employees must follow.

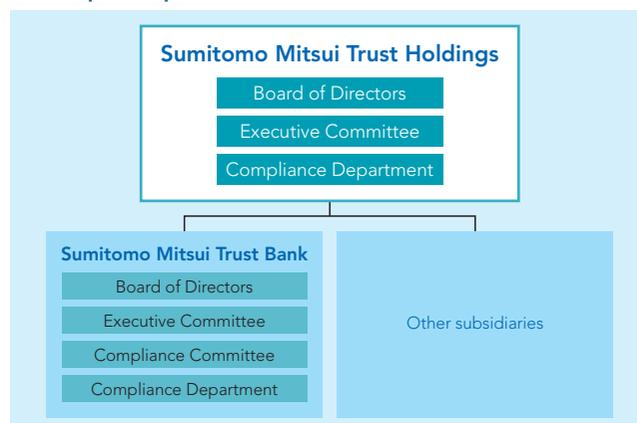
The Compliance Department is established in the holding company as the department to manage compliance for the whole group. This department creates a compliance policy, and monitors the situation of compliance management and execution. The Compliance Department reports to the Executive Committee on its findings regarding the status of compliance management and execution.

For specific practice plans in various measures on compliance, a Compliance Program is made each fiscal year, and progress status is periodically assessed.

SuMi TRUST Bank also established the Compliance Department as a department to manage compliance. Based on the compliance policy established by the holding company, this department creates its compliance policy and Compliance Program, and monitors the situation of compliance management and execution. Also, the Compliance Department reports to the Executive Committee on its findings regarding the status of compliance management and execution after examined by the Compliance Committee, which is chaired by a director who is in charge of the Compliance Department.

Other subsidiaries develop appropriate compliance systems which suit their own operations' characteristics,

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based on the compliance policy established by the holding company.

In addition, in order to promptly and appropriately cope with any violation, SuMi TRUST Holdings has established a compliance hotline through which all executives and employees can directly report violations to the Compliance Department and an external attorney's office, without having to go through regular reporting channels.

(2) Initiatives to Foster Compliance Awareness

In order to foster compliance awareness throughout the SuMi TRUST Group, a Compliance Manual is created for the holding company and each group company, and employees are thoroughly informed about the laws, regu-

lations, various rules and items which must be followed.

The SuMi TRUST Group is also enhancing training courses including a course for the rules to strictly comply with the insider trading regulations, and each company's compliance department has the primary responsibility for providing training as to company-wide compliance themes. Meanwhile, the person in charge of compliance at each company is responsible for enhancing compliance awareness and ensuring thorough compliance with regard to characteristics of business and product and client attributes of the company by implementing training and study in his/her workplace and providing guidance and instructions in daily work processes.

The SuMi TRUST Group Privacy Policy

We at the SuMi TRUST Group, in the utmost effort to protect the personal information of our clients and shareholders, have established the following policies, and we declare to abide by this policy.

1. Compliance with all Applicable Laws and Regulations, etc.

The companies in the SuMi TRUST Group shall comply with the laws pertaining to the protection of personal information and guidelines set forth by government agencies including other standards.

2. Appropriate Acquisition

The companies in the SuMi TRUST Group shall obtain personal information from clients only to the extent necessary for our operations and only through proper and legal means.

3. Purpose of Use

The companies in the SuMi TRUST Group shall notify or announce how the personal information shall be used, and shall only use it within the confines of the prescribed purpose except as otherwise provided by laws and regulations, and shall not use it for any other purpose.

4. Consignment

If the companies in the SuMi TRUST Group consign the handling of the personal information, then the consignee shall be properly supervised to promote the safe management of the personal information.

5. Offering to Third Parties

The companies in the SuMi TRUST Group shall not provide to any third party personal information held for clients without obtaining prior consent from the

client except in cases specified by laws and regulations. However, if the companies in the SuMi TRUST Group provide a client's personal information consequent to the succession of business in a merger or otherwise or if it is shared with a specified party set forth separately, then the personal information held for the client may be provided to the third party without obtaining the client's consent.

6. Responding to Inquiries from Clients, etc.

The companies in the SuMi TRUST Group shall establish the procedures for correcting and disclosing personal information, and any inquiries concerning questions, suggestions or inquiries and corrections of content, etc. related to personal information shall be handled quickly and accurately.

7. Safety Measures

The companies in the SuMi TRUST Group take appropriate safety measures in terms of their organizations, personnel affairs, and systems to manage personal information, and the governance framework necessary to protect personal information has been developed.

8. Continuous Improvement

The companies in the SuMi TRUST Group continually review and strive to improve the compliance program for protecting personal information. All executives and employees are trained to understand the importance of protecting personal information and to appropriately handle personal information.