

# 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, the SuMi TRUST 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, SuMi TRUST Holdings 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.

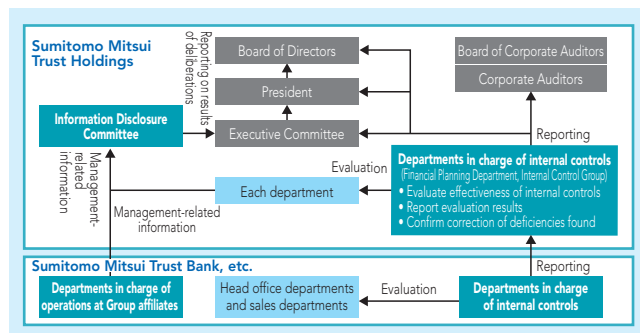
\* Please refer to page 428.

### 2. Outline of Initiatives

In order to ensure timely, accurate, and fair disclosure of management-related information, the SuMi TRUST 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, SuMi TRUST Holdings 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 SuMi TRUST Group believes 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 are indispensable to appropriate legal compliance, client protection, risk management, etc. Therefore, SuMi TRUST Holdings has established an Internal Audit Department in charge of internal audits and is independent of departments involved in the execution of operations. 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 SuMi TRUST Holdings directly invests capital.

Furthermore, Audit Committee was established on June 26, 2015, to ensure management transparency and that processes are carried out appropriately. It serves as an advisory body to the Board of Directors with majority of committee members represented by external directors. The committee is responsible for conducting preliminary reviews of important matters concerning internal audits, as well as making reports thereon to the Board of Directors.

### 2. Outline of Initiatives

In accordance with SuMi TRUST 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 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 SuMi TRUST Holdings departments. It also conducts the auditing of SuMi TRUST Bank and Group affiliates, directly or jointly with the internal audit units of SuMi 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 other bodies.

#### • Internal Auditing Implementation System

