

Corporate Social Responsibility

Pursuing Sustainable Growth through CSR Management

Back in 1900, Teigo Iba, Second Director General of the Sumitomo Family Enterprise, made the following commitment: “Sumitomo’s business must benefit not only Sumitomo itself but also the nation and society in general.” The modern concept of corporate social responsibility (CSR) is fully embodied in this commitment. And in fact, we have compiled an impressive CSR track record without even being fully aware of the concept. In other words, our initiatives have not been intentional but based on Sumitomo’s inherent DNA.

While reaffirming our responsibility to society in the 21st century, we have identified CSR management as a key medium-to-long-term growth strategy. CSR management means much more than simply “acting ethically.” It means pursuing sustainable growth in harmony with the economy, the environment, and society by meeting our social responsibilities and implementing our business model in a unified, compatible manner.

By properly performing our financial intermediary and trust banking functions, we will work more actively to fulfill our responsibilities in our quest to serve as a financial institution that has a significant presence in society and generates sustained earnings.

CSR – Strategy and Promotion System

In June 2003, Sumitomo Trust became one of the first members of the Japanese banking community to begin CSR initiatives. Our efforts since then have steadfastly deepened and enhanced these initiatives.

For us, CSR is far more than merely a corporate buzz-word. We seek to ensure that our actions speak louder than words in contributing to society primarily through our core financial products and services. Toward this objective, we have established the Corporate Social Responsibility Office as a central coordinating body to promote CSR and a CSR officer has been appointed to each Sumitomo Trust business group and branch to strengthen our efforts in achieving CSR in our everyday operations.

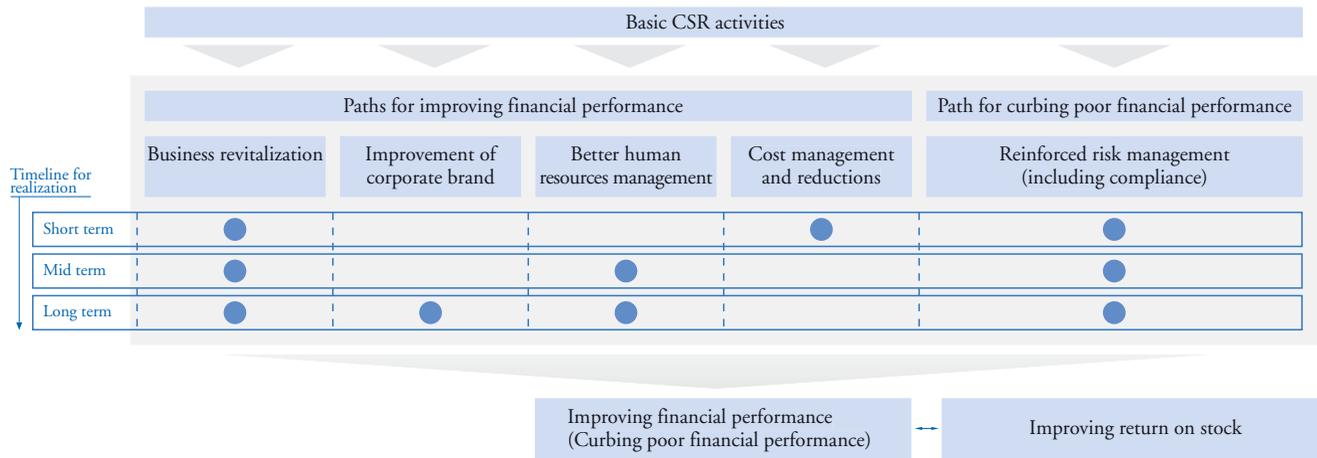
In these efforts, from fiscal year 2004 we have sought to link CSR objectives with strategies and evaluation criteria of our business groups, and have launched trial evaluations of each group's performance.

We also believe it is essential for each and every employee to understand the significance of CSR and take cooperative steps for initiatives to work. In fiscal year 2004, our employees' union initiated activities based on the idea that “maintaining the balance between work and private life leads to higher individual capabilities, which in turn strengthen the organization and ultimately ensure the stable and sustainable development of Sumitomo Trust as a corporation trusted by the commu-

Management System

quality

Five Paths for Improving Corporate Value and “Portfolio of CSR Efforts”



nity.” The Bank intends to support proactively such activities.

CSR Activities in FY2004

Sumitomo Trust has continued to make good use of our banking and trust functions in its CSR efforts. In particular, we have made social contributions through charitable trusts and financed projects for environment-friendly businesses such as wind power generation.

Our socially responsible investment (SRI) funds, nicknamed "Good Company," have proven popular with investors. In addition to two types of funds aimed at institutional and retail investors, we now offer a third type for defined-contribution pension plans. At the close of FY2004, total assets invested in our SRI funds amounted to ¥28,814 million, with increased growth especially in the retail field.

Also, our individual branch offices have been devising their own unique CSR activities, many of which are

being undertaken in close contact with local communities and their members. For example, some branches are conducting seminars on asset management, wills (trusts), and inheritance-related matters—organized by civic centers as a community-based public service.

Our extensive CSR activities and firm policy on CSR have become widely recognized. In fiscal 2004, Sumitomo Trust was selected one of the stocks that comprise MS-SRI Index by Morningstar Japan K.K., which offers comprehensive financial information centering on evaluation of mutual funds.

CSR Activities Policy for

Fiscal Year 2005 and Beyond

Sumitomo Trust selects companies for its SRI funds by evaluating them from four perspectives: social responsibility, legal responsibility, environmental responsibility, and economic responsibility. Since fiscal year 2005, we have reevaluated our own company’s opera-

tions based on these four perspectives in an effort to improve our own corporate value through enhanced CSR activities.

Specifically, we intend to advance our CSR efforts by implementing measures along five paths, improving our financial performance along the way. These paths consist of: (1) business revitalization through new products and services that incorporate environmental and social concepts; (2) better human resources management through the appointment of more women, human rights education, and the employment of elderly and disabled persons; (3) cost management and cost reductions to combat global warming through actions such as energy conservation and reduced paper usage; and (4) reinforced risk management that includes compliance. At the same time, we will (5) hold stakeholder dialogue and actively manage our reputation to improve Sumitomo Trust’s corporate brand, seeking to become a financial institution with broad community and customer support.