

Control of Information Disclosure

1. Basic Philosophy

Under the basic conduct guidelines set out by Sumitomo Trust in its Ethics Charter, all executives and employees must endeavor to ensure the transparency of corporate management through appropriate disclosure of corporate information, among other measures. In addition, based on this philosophy we have published our “disclosure policy” in order to clarify our principles on disclosure both internally and externally, thereby ensuring appropriate disclosure.

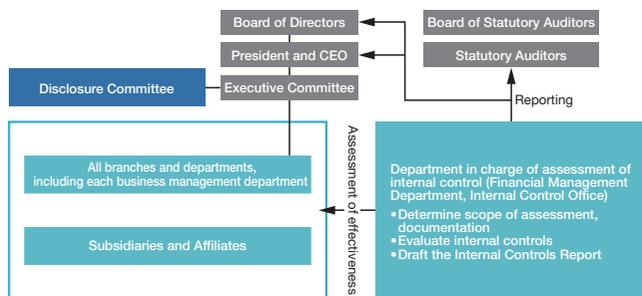
Moreover, we have set a basic policy for internal control concerning the disclosure of our corporate information in general, and based thereon, established an internal control system that ensures that we make disclosures in accordance with relevant laws, regulations and rules, including the Companies Act, the Banking Law and the Financial Instruments and Exchange Act. Thus, we make fair, appropriate disclosures in a timely manner.

2. Putting This Philosophy into Practice

In order to ensure fair, appropriate and timely information disclosures, Sumitomo Trust has established the Disclosure Committee, which deliberates specific measures necessary for properly establishing and managing an internal control system concerning information disclosure and provides opinions on the deliberation results to the Executive Committee. Furthermore, in order to adapt to the Internal Control Report System, each fiscal year, we evaluate the effectiveness of internal controls concerning financial reporting, and the results of the assessment. Matters concerning corrective measures for deficiencies that are found are periodically reported to the President and CEO, the Board of Directors, etc.

Based on this report, the President and CEO 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.

• Control of Information Disclosure



Internal Auditing

1. Basic Philosophy

Sumitomo Trust considers that establishing an effective internal auditing system commensurate with the scale and characteristics of its operations, laws applicable to its operations, and types of risk involved is indispensable to achieving Sumitomo Trust’s management targets, as well as to compliance, client protection, and risk management. Based on this recognition, we have established an Internal Audit Department in charge of internal audits, independent from departments involved in executing operations, headed by the President and CEO himself.

2. Putting This Philosophy into Practice

The Internal Audit Department is engaged in domestic and overseas auditing by dividing its employees (about 100) into several groups, with each in charge of domestic sales branches or head office departments, overseas offices, affiliated companies (subsidiaries, etc.) and the IT system. The Internal Audit Department verifies the appropriateness and effectiveness of our internal management system (including risk management system) in light of laws, our Articles of Incorporation, management policy and various regulations. The Internal Audit Department is fulfilling its responsibilities with regard to strengthening the internal management system of the group as a whole, reengineering business processes, increasing efficiency, and rationalizing management through recommendations, guidance, advice and proposals based on the audit results.

The results of audits are reported each month to the President and CEO as well as to the Statutory Auditors, and periodically reported to the Board of Directors in a timely and appropriate manner.

The effectiveness of auditing is ensured by the Internal Audit Department, which manages the improvement of problem points that are identified in the course of internal auditing.

In addition, we engage in evaluation and improvement activities periodically or as necessary in order to establish an appropriate internal auditing system.

• The Internal Auditing Implementation System

