

*Explanatory Material*

*3rd Quarter of Fiscal Year 2004  
ended on Dec. 31, 2004*

*The Sumitomo Trust and Banking Co., Ltd.*

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### Legal Disclaimer

#### Regarding forward-looking Statements contained in this material

This presentation material contains information that constitutes forward-looking statements. Such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and actual results may differ from those in the forward-looking statements as a result of various factors including but not limited to changes in managerial circumstances. By virtue of the aforementioned reasons, The Sumitomo Trust & Banking Co., Ltd. hereby cautions against sole reliance on such forward-looking statements in making investment decisions.

**1. Summary of the financial results for the 3rd quarter of FY2004**

(Consolidated)

		Millions of Yen			
		3Q			Full FY2003
		FY2004	FY2003	Change	
Gross profits(*1)	1	<b>197,244</b>	187,640	9,604	279,911
Net trust fees	2	<b>46,982</b>	41,787	5,195	76,401
Principal guaranteed trust a/c credit costs	3	<b>4,850</b>	3,687	1,162	4,678
Net interest income	4	<b>108,308</b>	81,405	26,903	119,709
Net fees and commissions	5	<b>44,275</b>	36,804	7,471	52,827
Net gains on trading	6	<b>2,363</b>	2,692	-329	3,760
Others	7	<b>-4,685</b>	24,950	-29,635	27,212
General & administrative expenses	8	<b>102,160</b>	97,937	4,223	132,716
Net transfer to general reserves	9	-	-	-	-
Banking a/c credit costs	10	<b>3,559</b>	12,752	-9,192	19,256
Net gains on stocks	11	<b>12,041</b>	9,042	2,999	25,723
Net income from affiliates by equity method	12	<b>1,193</b>	-1,840	3,033	99
Others	13	<b>-5,840</b>	-11,637	5,796	-18,070
<b>Net operating income</b>	14	<b>98,917</b>	<b>72,514</b>	<b>26,403</b>	<b>135,690</b>
Extraordinary income(*2)	15	<b>21,066</b>	7,229	13,836	2,965
Reversal of reserves(*3)	16	<b>16,971</b>	4,722	12,249	1,157
Net income before income taxes	17	<b>119,983</b>	79,743	40,240	138,656
Income taxes	18	<b>1,244</b>	729	514	1,201
Deferred income taxes	19	<b>41,630</b>	30,776	10,854	54,025
Minority interest	20	<b>2,658</b>	2,854	-195	3,798
<b>Net income</b>	21	<b>74,450</b>	<b>45,383</b>	<b>29,066</b>	<b>79,629</b>

(\*1) Starting from 1HY2004, trust fee accounting rule is changed from cash basis to accrual basis.

Effect of the change is 6,204 million yen.

(\*2) Profit from change in equity, 5,476 million yen, is included in the extraordinary income for the 3rd quarter.

(\*3) Due to the reversal of reserves, the amount is included in the extraordinary income.

Total credit costs (3 + 9 +10 - 16)	22	<b>-8,561</b>	11,717	-20,279	22,777
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Net business profit before credit costs	23	<b>102,510</b>	90,704	11,805	153,619
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&lt;Number of subsidiaries/ affiliates&gt;

	Dec. 2004	Mar. 2004	Change	Sep. 2004
Consolidated subsidiaries	<b>19</b>	18	1	18
Affiliates (subject to the equity method)	<b>9</b>	5	4	5

(Non-consolidated)

		Millions of Yen			
		3Q			Full FY2003
		FY2004	FY2003	Change	
Gross profits(*1)	1	<b>173,475</b>	166,157	7,317	252,327
excluding Net gains on bonds (1-6-12)	2	<b>155,449</b>	158,656	-3,206	224,296
Net trust fees	3	<b>46,982</b>	41,787	5,195	76,401
Principal guaranteed trust a/c credit costs	4	<b>4,850</b>	3,687	1,162	4,678
Trust fees from principal guaranteed trust a/c	5	<b>20,475</b>	24,160	-3,684	33,742
Net capital gains on sale of securities	6	-	-501	501	-472
Other trust fees	7	<b>31,357</b>	21,314	10,042	47,338
Net interest income	8	<b>106,045</b>	78,616	27,429	117,448
Net fees and commissions	9	<b>22,756</b>	18,128	4,628	27,531
Net gains on trading	10	<b>2,363</b>	2,692	-329	3,760
Others	11	<b>-4,672</b>	24,932	-29,604	27,186
Net capital gains on bonds	12	<b>18,025</b>	8,002	10,022	28,503
Net gains on financial derivatives	13	<b>-24,616</b>	14,831	-39,447	-5,044
General and administrative expenses	14	<b>83,978</b>	82,315	1,662	111,974
<b>Net business profit before credit costs (1+4-14)</b>	15	<b>94,347</b>	<b>87,529</b>	<b>6,817</b>	<b>145,031</b>
excluding Net capital gains on bonds (15-6-12)	16	<b>76,321</b>	80,028	-3,706	117,000
Net transfer to general reserves	17	-	-	-	-
Net business profit	18	<b>89,496</b>	83,841	5,654	140,352
Net non-recurring profit	19	<b>-1,115</b>	-17,945	16,830	-18,241
Net gains on stocks	20	<b>11,676</b>	8,959	2,717	25,640
Banking a/c net credit costs	21	<b>3,528</b>	12,702	-9,174	19,141
Others	22	<b>-9,263</b>	-14,202	4,938	-24,740
<b>Net operating income</b>	23	<b>88,381</b>	<b>65,896</b>	<b>22,485</b>	<b>122,110</b>
Extraordinary income	24	<b>15,881</b>	7,946	7,934	3,887
Reversal of reserves(*2)	25	<b>17,207</b>	5,345	11,861	1,986
Net income before income taxes	26	<b>104,263</b>	73,843	30,419	125,998
Income taxes	27	<b>64</b>	68	-3	104
Deferred income taxes	28	<b>40,808</b>	28,934	11,873	51,965
<b>Net income</b>	29	<b>63,390</b>	<b>44,839</b>	<b>18,550</b>	<b>73,928</b>
Total credit costs (4 + 17 + 21 - 25)	30	<b>-8,828</b>	11,044	-19,872	21,833

&lt;For reference&gt; Financial results for FY2003

	Billions of Yen		
	3QFY2003		FY2003
	1HFY2003		
Gross profit before credit costs	132.9	169.8	257.0
Trust fees from principal guaranteed trust a/c, Net gains on trading, and others (5+8+10+11)	102.9	130.4	182.1
Other trust fees and Net fees and commissions (7+9)	29.9	39.4	74.8
General and administrative expenses	55.5	82.3	111.9
Net business profit before credit costs	77.3	87.5	145.0
Net non-recurring profit and Principal guaranteed trust a/c credit costs (19+4)	-15.0	-21.6	-22.9
Net operating income	62.3	65.8	122.1
Net income	40.3	44.8	73.9

(Numbers in parentheses represent line items in the table above)

## 2. Forecast for FY2004

There is no change in the forecast of business performance and dividend for the full FY2004, which we announced on November 24, 2004.

(Consolidated)

	Billions of Yen				
	FY2004			FY2003 (Actual) (B)	Change (A)-(B)
	Full FY2004 (Forecast) (A)	1HFY2004 (Actual)	3QFY2004 (Actual)		
Net operating income	145.0	64.3	98.9	135.6	9.3
Net income	85.0	48.7	74.4	79.6	5.3

(Non-consolidated)

	Billions of Yen				
	FY2004			FY2003 (Actual) (B)	Change (A)-(B)
	Full FY2004 (Forecast) (A)	1HFY2004 (Actual)	3QFY2004 (Actual)		
Net business profits before credit costs	140.0	61.4	94.3	145.0	-5.0
Net business profits	135.0	58.3	89.4	140.3	-5.3
Total credit costs	0.0	-13.1	-8.8	21.8	-21.8
Banking a/c net credit costs	-5.0	-16.2	-13.6	17.1	-22.1
Trust a/c net credit costs	5.0	3.1	4.8	4.6	0.3
Other non-recurring items	-5.0	1.1	2.4	0.8	-5.8
Net operating income	135.0	58.8	88.3	122.1	12.8
Net income	80.0	46.3	63.3	73.9	6.0
Dividend per common stock (Yen)	10.00	-	-	6.00	4.00
Dividend per preferred stock (Yen)	-	-	-	6.08	-6.08

Note: Forecast is subject to change.

## 3. BIS capital adequacy ratio forecast (Consolidated)

	Mar. 2005 (Forecast)	Sep. 2004 (Actual)	Mar. 2004 (Actual)
BIS capital ratio	Middle of 12%	13.24%	12.45%
Tier I ratio	7.0 - 7.5%	7.38%	7.07%

Note 1. Forecast is subject to change.

2. The value of stocks used for the forecast is calculated by using the average market price during the last month of the term.

**4. Assets classified under the Financial reconstruction law (After partial direct write-offs)**

Banking a/c and principal guaranteed trust a/c combined (Non-consolidated)

	Millions of Yen				
	Dec. 2004	Sep. 2004	Mar. 2004	Change from Sep. 2004	Change from Mar. 2004
Assets classified under the Financial reconstruction law (a)	<b>215,122</b>	223,001	288,908	-7,879	-73,786
Loans in bankrupt and practically bankrupt	<b>84,142</b>	79,201	18,731	4,941	65,411
Doubtful loans	<b>45,682</b>	47,882	113,101	-2,200	-67,418
Substandard loans (b)	<b>85,297</b>	95,917	157,075	-10,620	-71,778
Ordinary assets	<b>9,932,109</b>	9,931,782	10,121,852	327	-189,742
Loans to substandard debtors (excluding Substandard loans) (c)	<b>22,329</b>	19,350	4,803	2,979	17,525
Loans to special mention debtors (excluding (b) and (c))	<b>430,623</b>	427,094	497,176	3,529	-66,552
Loans to ordinary debtors	<b>9,479,156</b>	9,485,337	9,619,872	-6,181	-140,716
Total loan balance (d)	<b>10,147,232</b>	10,154,783	10,410,761	-7,551	-263,528
Ratio to total loan balance (a) / (d)	<b>2.1%</b>	2.2%	2.8%	-0.1%	-0.7%
Loans to substandard debtors (b)+(c)	<b>107,626</b>	115,267	161,879	-7,640	-54,252

Note: Result of self-assessment as of December 31, 2004 is reflected on the disclosed figures.

**5. Ending balance of domestic loans (Non-consolidated)**

	Millions of Yen				
	Dec. 2004	Sep. 2004	Mar. 2004	Change from Sep. 2004	Change from Mar. 2004
Banking account	<b>8,751,317</b>	8,752,611	8,887,978	-1,294	-136,661
Trust account (Principal guaranteed)	<b>800,401</b>	848,292	1,029,541	-47,890	-229,139
Total	<b>9,551,719</b>	9,600,904	9,917,519	-49,185	-365,800

**6. Ending balance of domestic deposits and principal guaranteed trust (Non-consolidated)**

	Millions of Yen				
	Dec. 2004	Sep. 2004	Mar. 2004	Change from Sep. 2004	Change from Mar. 2004
Banking account	<b>8,040,706</b>	8,177,999	8,045,061	-137,293	-4,355
Individuals	<b>6,158,284</b>	6,085,181	5,856,054	73,103	302,230
Corporations and other organizations	<b>1,882,421</b>	2,092,818	2,189,007	-210,397	-306,585
Trust account (Principal guaranteed)	<b>2,121,943</b>	2,141,232	2,400,866	-19,288	-278,922
Individuals	<b>1,566,636</b>	1,635,067	1,862,507	-68,430	-295,871
Corporations and other organizations	<b>555,307</b>	506,165	538,332	49,142	16,974
Others	-	-	26	-	-26
Total	<b>10,162,650</b>	10,319,232	10,445,928	-156,582	-283,278

Note: Excluding NCDs and offshore accounts.

## 7. Securities (Consolidated)

### (1) Available-for-sale securities with market value

	Millions of Yen							
	Dec. 2004			March. 2004			Change of cost	Change of unrealized gains/losses
	Cost	Book value	Unrealized gains/losses	Cost	Book value	Unrealized gains/losses		
Japanese stocks	<b>431,509</b>	562,555	131,045	450,824	609,902	159,077	-19,314	-28,031
Japanese bonds	<b>1,053,230</b>	1,053,503	273	1,165,292	1,156,378	-8,914	-112,062	9,187
Government bonds	<b>851,818</b>	851,359	-458	933,310	924,240	-9,069	-81,492	8,611
Municipal bonds	<b>48,061</b>	48,116	55	60,228	59,955	-273	-12,167	329
Corporate bonds	<b>153,350</b>	154,027	676	171,753	172,183	429	-18,402	246
Foreign securities and others	<b>1,768,062</b>	1,767,913	-149	1,501,371	1,511,710	10,339	266,691	-10,488
<b>Total</b>	<b>3,252,803</b>	3,383,972	131,169	3,117,489	3,277,991	160,502	135,314	-29,333

Note 1. Most part of securities categorized in "Foreign securities and others" are US Treasuries and German Bunds. The figures in the tables are translated in Japanese Yen. Although the value is shown in Japanese Yen, those bonds are funded by repo transactions. Thus there is not foreign exchange rate risk.

2. Values are calculated by using the average market prices during the last month of the term as for "Japanese stocks", and by using the market prices at the end of the term as for "Japanese bonds" and "Foreign securities and others".

### (2) Held-to-maturity debt securities with market value

	Millions of Yen							
	Dec. 2004			March. 2004			Change of book value	Change of net
	Book value (Cost)	Market value	Net	Book value (Cost)	Market value	Net		
Japanese government bonds	<b>427,638</b>	430,131	2,493	279	278	-1	427,358	2,494
Corporate bonds	<b>368,294</b>	368,877	583	-	-	-	368,294	583
Foreign government bonds and others	<b>7,195</b>	7,416	220	10,110	10,481	370	-2,915	-150
<b>Total</b>	<b>803,127</b>	806,425	3,297	10,390	10,760	369	792,737	2,927

Note: Most part of securities categorized in "Foreign securities and others" are US Treasuries and German Bunds. The figures in the tables are translated in Japanese Yen. Although the value is shown in Japanese Yen, those bonds are funded by repo transactions. Thus there is not foreign exchange rate risk.

### Investments in affiliates

	Millions of Yen							
	Dec. 2004			March. 2004			Change of cost	Change of net
	Cost	Market value	Net	Cost	Market value	Net		
Investments in affiliates	<b>1,096</b>	11,969	10,872	1,096	13,710	12,613	-	-1,741

**8. Trust accounts (Non-consolidated)**

	Millions of Yen				
	Dec. 2004	Sep. 2004	Mar. 2004	Change from Sep. 2004	Change from Mar. 2004
<b>&lt;Assets&gt;</b>					
Loans and bills discounted	<b>974,405</b>	1,001,893	1,132,607	-27,488	-158,202
Investment securities	<b>6,169,393</b>	5,950,395	5,796,846	218,997	372,546
Money held in trust	<b>35,681,959</b>	36,063,837	37,804,184	-381,877	-2,122,225
Securities held in custody accounts	<b>645</b>	645	875	0	-230
Money claims	<b>3,373,228</b>	3,389,575	3,375,654	-16,346	-2,425
Premises and equipment	<b>2,515,073</b>	2,452,159	2,095,424	62,913	419,649
Other claims	<b>118,538</b>	85,390	73,831	33,147	44,706
Loans to banking account	<b>1,437,923</b>	1,409,181	1,425,148	28,742	12,775
Cash and due from banks	<b>239,364</b>	213,256	184,590	26,108	54,774
<b>Total assets</b>	<b>50,510,533</b>	50,566,336	51,889,165	-55,803	-1,378,632
<b>&lt;Liabilities&gt;</b>					
Money trust	<b>17,195,383</b>	16,880,087	18,475,916	315,295	-1,280,532
Pension trust	<b>5,243,121</b>	5,544,434	6,017,425	-301,312	-774,304
Property formation benefit trusts	<b>10,193</b>	9,841	11,256	351	-1,063
Loan trusts	<b>1,074,470</b>	1,128,654	1,362,069	-54,183	-287,598
Securities investment trusts	<b>8,077,936</b>	7,815,287	7,210,767	262,649	867,169
Money entrusted, other than money trusts	<b>1,830,079</b>	2,350,478	2,689,844	-520,398	-859,765
Securities trusts	<b>9,488,424</b>	9,294,997	9,119,565	193,427	368,858
Money claims trusts	<b>3,092,814</b>	3,112,772	3,060,074	-19,957	32,739
Equipment trusts	<b>3,206</b>	3,658	4,123	-452	-917
Land and fixtures trusts	<b>159,942</b>	163,490	176,288	-3,547	-16,345
Other trusts	<b>4,334,960</b>	4,262,634	3,761,832	72,325	573,127
<b>Total liabilities</b>	<b>50,510,533</b>	50,566,336	51,889,165	-55,803	-1,378,632