

Explanatory Material

*1st Quarter of Fiscal Year 2005
ended on June 30, 2005*

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 1st quarter of FY2005

(Consolidated)

		Millions of Yen			
		1Q			Full FY2004
		FY2005	FY2004	Change	
Gross profits(*1)	1	82,745	49,068	33,677	287,820
Net trust fees	2	9,140	9,435	-294	71,316
Principal guaranteed trust a/c credit costs	3	810	1,497	-686	6,103
Net interest income	4	33,120	33,254	-134	149,013
Net fees and commissions	5	16,011	13,419	2,591	67,469
Net gains on trading	6	456	359	97	4,166
Others	7	24,016	-7,400	31,416	-4,146
General & administrative expenses	8	41,256	33,552	7,703	138,239
Net transfer to general reserves	9	-	-	-	-
Banking a/c credit costs	10	4,668	306	4,362	11,675
Net gains on stocks	11	5,784	4,980	803	13,965
Net income from affiliates by equity method	12	418	304	114	1,505
Others	13	-3,928	-3,495	-432	-19,214
Net operating income	14	39,094	16,997	22,096	134,161
Extraordinary income	15	4,015	2,105	1,909	23,693
Reversal of reserves(*2)	16	3,723	2,379	1,344	17,849
Net income before income taxes	17	43,109	19,103	24,006	157,854
Income taxes	18	1,542	245	1,297	1,981
Deferred income taxes	19	15,525	6,309	9,215	56,216
Minority interest	20	982	751	230	2,791
Net income	21	25,059	11,796	13,263	96,865

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

Effect of the change is 2,055 million yen.

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

Total credit costs (3 + 9 +10 - 16)	22	1,755	-575	2,330	-70
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Net business profit before credit costs	23	44,645	15,979	28,666	161,143
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<Number of subsidiaries/ affiliates>

	June 2005	June 2004	Change	Mar. 2005
Consolidated subsidiaries	22	18	4	19
Affiliates (subject to the equity method)	9	5	4	9

(Non-consolidated)

		Millions of Yen			
		1Q			Full FY2004
		FY2005	FY2004	Change	
Gross profits(*1)	1	67,253	39,727	27,526	256,473
excluding Net gains on bonds (1-6-12)	2	51,451	45,125	6,325	246,705
Net trust fees	3	9,140	9,435	-294	71,316
Principal guaranteed trust a/c credit costs	4	810	1,497	-686	6,103
Trust fees from principal guaranteed trust a/c	5	3,428	6,469	-3,040	28,216
Net capital gains on sale of securities	6	-	-	-	-
Other trust fees	7	6,522	4,463	2,058	49,203
Net interest income	8	32,652	32,564	88	146,935
Net fees and commissions	9	7,417	4,775	2,642	38,169
Net gains on trading	10	456	359	97	4,166
Others	11	17,586	-7,406	24,992	-4,113
Net capital gains on bonds	12	15,802	-5,397	21,200	9,768
Net gains on financial derivatives	13	424	-2,429	2,853	-17,480
General and administrative expenses	14	28,378	27,274	1,103	114,347
Net business profit before credit costs (1+4-14)	15	39,685	13,950	25,735	148,229
excluding Net capital gains on bonds (15-6-12)	16	23,883	19,348	4,534	138,461
Net transfer to general reserves	17	-	-	-	-
Net business profit	18	38,875	12,452	26,422	142,126
Net non-recurring profit	19	-3,992	2,041	-6,033	-21,538
Net gains on stocks	20	5,784	4,980	803	13,622
Banking a/c net credit costs	21	4,568	298	4,270	11,540
Others	22	-5,207	-2,640	-2,567	-23,620
Net operating income	23	34,882	14,494	20,388	120,587
Extraordinary income	24	3,461	2,260	1,200	19,413
Reversal of reserves(*2)	25	3,154	2,531	623	19,117
Net income before income taxes	26	38,343	16,754	21,589	140,000
Income taxes	27	20	20	-	85
Deferred income taxes	28	15,227	5,853	9,374	55,214
Net income	29	23,095	10,881	12,214	84,700
Total credit costs (4 + 17 + 21 - 25)	30	2,224	-735	2,960	-1,474

(*1) Starting from 1HY2004, trust fee accounting rule is changed from cash basis to accrual basis.
Effect of the change is 2,055 million yen.

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

<For reference> Financial results for FY2004

	Billions of Yen		
	1HFY2004		FY2004
	1QFY2004		
Gross profit before credit costs (1+4)	41.2	118.0	262.5
Trust fees from principal guaranteed trust a/c, Net gains on trading, and others (5+8+10+11)	31.9	78.0	175.2
Other trust fees and Net fees and commissions (7+9)	9.2	39.9	87.3
General and administrative expenses	27.2	56.5	114.3
Net business profit before credit costs	13.9	61.4	148.2
Net non-recurring profit and Principal guaranteed trust a/c credit costs (19+4)	0.5	-2.5	-27.6
Net operating income	14.4	58.8	120.5
Net income	10.8	46.3	84.7

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

2. Forecast for FY2005

There is no change in the forecast of business performance and dividend for the half and the full FY2005, which we announced on May 24, 2005.

<For reference>

(Consolidated)

	Billions of Yen				
	Forecast for FY2005		1QFY2005 (Actual)	FY2004 (Actual) (B)	Change (A)-(B)
	Full FY2005 (A)	1HFY2005			
Net business profit before credit costs	170.0	80.0	44.6	161.1	8.8
Net operating income	140.0	65.0	39.0	134.1	5.8
Net income	80.0	37.0	25.0	96.8	-16.8

(Non-consolidated)

	Billions of Yen				
	Forecast for FY2005		1QFY2005 (Actual)	FY2004 (Actual) (B)	Change (A)-(B)
	Full FY2005 (A)	1HFY2005			
Net business profits before credit costs	150.0	70.0	39.6	148.2	1.7
Net business profits	150.0	70.0	38.8	142.1	7.8
Total credit costs	20.0	10.0	2.2	-1.4	21.4
Banking a/c net credit costs	20.0	10.0	1.4	-7.5	27.5
Trust a/c net credit costs	0.0	0.0	0.8	6.1	-6.1
Other non-recurring items	-10.0	-5.0	0.5	-9.9	-0.0
Net operating income	120.0	55.0	34.8	120.5	-0.5
Net income	72.0	33.0	23.0	84.7	-12.7
Dividend per common stock (Yen)	12.00	6.00	-	12.00	-

Note: Forecast is subject to change.

3. BIS capital adequacy ratio forecast (Consolidated)

	Sep. 2005 (Forecast)	June 2005	Mar. 2005
BIS capital ratio	Middle of 11%	11.91%	12.50%
Tier I ratio	Approx. 7%	6.97%	7.23%

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 1st quarter.

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		
	June 2005	Mar. 2005	Change
Assets classified under the Financial reconstruction law (a)	168,839	184,203	-15,364
Loans in bankrupt and practically bankrupt	12,276	15,461	-3,184
Doubtful loans	86,871	88,119	-1,247
Substandard loans (b)	69,691	80,623	-10,932
Ordinary assets	10,663,246	10,163,121	500,125
Loans to substandard debtors (excluding substandard loans) (c)	1,784	2,002	-217
Loans to special mention debtors (excluding (b) and (c))	341,998	348,424	-6,425
Loans to ordinary debtors	10,319,463	9,812,694	506,768
Total loan balance (d)	10,832,086	10,347,325	484,761
Ratio to total loan balance (a) / (d)	1.6%	1.8%	-0.2%
Loans to substandard debtors (b)+(c)	71,475	82,625	-11,149

Note: Result of self-assessment as of June 30, 2005 is reflected on the disclosed figures.

5. Ending balance of loans (Non-consolidated)

	Millions of Yen		
	June 2005	Mar. 2005	Change
Banking account	9,316,460	9,035,826	280,634
Trust account (Principal guaranteed)	689,534	735,925	-46,391
Total	10,005,995	9,771,751	234,243

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

	Millions of Yen		
	June 2005	Mar. 2005	Change
Banking account	8,224,131	8,141,763	82,367
Individuals	6,344,010	6,222,761	121,248
Corporations and other organizations	1,880,120	1,919,001	-38,881
Trust account (Principal guaranteed)	2,052,415	2,088,188	-35,773
Individuals	1,403,885	1,477,625	-73,740
Corporations and other organizations	648,530	610,562	37,967
Total	10,276,546	10,229,951	46,594

Note: Excluding NCDs and offshore accounts.

7. Securities (Consolidated)

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

	Millions of Yen							
	June 2005			Mar. 2005			Change of cost	Change of unrealized gains/losses
	Cost	Book value	Unrealized gains/losses	Cost	Book value	Unrealized gains/losses		
Japanese stocks	435,569	601,424	165,854	440,249	633,385	193,135	-4,679	-27,281
Japanese bonds	1,066,108	1,073,272	7,164	957,192	960,515	3,322	108,915	3,841
Government bonds	626,069	630,802	4,733	609,039	610,900	1,860	17,029	2,872
Municipal bonds	71,974	72,978	1,004	60,067	60,486	418	11,906	585
Corporate bonds	368,064	369,490	1,426	288,085	289,128	1,043	79,979	382
Foreign securities and others	2,029,382	2,048,294	18,911	1,718,243	1,714,789	-3,453	311,139	22,364
Total	3,531,060	3,722,990	191,930	3,115,685	3,308,690	193,005	415,375	-1,074

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 1st quarter as for "Japanese stocks", and by using the market prices at the end of the 1st quarter as for "Japanese bonds" and "Foreign securities and others".

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

	Millions of Yen							
	June 2005			Mar. 2005			Change of book value	Change of net
	Book value (Cost)	Market value	Net	Book value (Cost)	Market value	Net		
Japanese government bonds	427,288	432,282	4,994	427,552	431,004	3,452	-263	1,541
Corporate bonds	381,675	383,490	1,814	389,888	390,982	1,094	-8,213	720
Foreign government bonds and others	4,550	4,643	93	5,195	5,345	150	-644	-57
Total	813,514	820,417	6,902	822,635	827,333	4,697	-9,121	2,205

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							
	June 2005			Mar. 2005			Change of cost	Change of net
	Cost	Market value	Net	Cost	Market value	Net		
Investments in affiliates	1,672	11,998	10,325	1,672	13,046	11,373	-	-1,048

8. Trust accounts (Non-consolidated)

	Millions of Yen		
	June 2005	Mar. 2005	Change
<Assets>			
Loans and bills discounted	886,592	912,294	-25,701
Investment securities	6,864,959	6,717,120	147,839
Money held in trust	38,354,513	36,376,779	1,977,733
Securities held in custody accounts	643	642	0
Money claims	4,034,770	4,126,756	-91,986
Premises and equipment	2,839,374	2,708,770	130,603
Other claims	132,240	95,454	36,786
Call loans	800	500	300
Loans to banking account	1,568,760	1,473,736	95,024
Cash and due from banks	201,788	233,455	-31,667
Total assets	54,884,443	52,645,509	2,238,933
<Liabilities>			
Money trust	17,413,595	17,256,145	157,449
Pension trust	5,354,579	4,980,875	373,703
Property formation benefit trusts	10,430	10,806	-376
Loan trusts	1,000,521	1,043,955	-43,433
Securities investment trusts	9,125,158	8,547,273	577,885
Money entrusted, other than money trusts	1,943,530	1,887,535	55,994
Securities trusts	10,706,475	9,803,555	902,919
Money claims trusts	3,830,342	3,861,212	-30,869
Equipment trusts	2,007	2,299	-292
Land and fixtures trusts	155,721	157,690	-1,968
Composite trusts	5,342,081	5,094,159	247,921
Other trusts	0	-	0
Total liabilities	54,884,443	52,645,509	2,238,933