

Explanatory Material

*1st Half Fiscal Year 2005
ended on Sep.30, 2005*

The Sumitomo Trust and Banking Co., Ltd.

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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. (referred to hereinafter as "Sumitomo Trust") hereby cautions against sole reliance on such forward-looking statements in making investment decisions.

I. Outlook of the financial results for the 1st half fiscal year 2005

1. Summary of the financial results for the 1st half fiscal year 2005

(Consolidated)

		Millions of Yen		
		1HFY2005	1HFY2004	Change
Gross profits	1	180,502	130,495	50,007
Net trust fees	2	32,083	37,253	-5,170
Principal guaranteed trust a/c credit costs	3	1,330	3,126	-1,796
Net interest income	4	70,284	70,397	-112
Net fees and commissions	5	40,648	29,257	11,391
Net gains on trading	6	2,418	1,454	963
Others	7	35,068	-7,867	42,935
General and administrative expenses	8	84,151	68,464	15,686
Personnel expenses	9	38,719	31,197	7,522
Non-personnel expenses excluding taxes	10	41,922	33,636	8,285
Taxes other than income taxes	11	3,509	3,631	-121
Net transfer to general reserves	12	-	-	-
Banking a/c credit costs	13	6,334	671	5,662
Net losses on direct write-offs	14	6,176	805	5,370
Net transfer to specific loan losses reserves	15	-	-	-
Net transfer to reserves for loans to borrowers in specific foreign countries	16	-	-	-
Losses on sales of loans	17	158	-133	291
Net gains on stocks	18	6,897	7,866	-968
Net income from affiliates by equity method	19	1,350	653	697
Others	20	-10,355	-5,480	-4,874
Net operating income	21	87,910	64,398	23,511
Extraordinary income	22	3,894	16,422	-12,527
Losses on impairment of fixed assets	23	134	76	58
Reversal of reserves	24	4,038	16,727	-12,689
Net income before income taxes	25	91,805	80,821	10,984
Income taxes	26	1,568	723	845
Deferred income taxes	27	34,232	29,467	4,764
Minority interest	28	2,286	1,842	444
Net income	29	53,717	48,788	4,929
Total credit costs (3 + 12 +13 - 24)	30	3,625	-12,929	16,555
Net business profit before credit costs	31	101,177	65,952	35,225

<Number of subsidiaries/affiliates>

	Sep. 2005	Mar. 2005	Change
Consolidated subsidiaries	21	19	2
Affiliates (subject to the equity method)	9	9	-

(Non-consolidated)

		Millions of Yen			% change
		1HFY2005	1HFY2004	Change	
Gross profits	1	146,897	114,893	32,003	27.9
excluding Net gains on bonds (1-8-17)	2	128,029	101,211	26,817	26.5
Net trust fees	3	32,083	37,253	-5,170	-13.9
Principal guaranteed trust a/c credit costs	4	1,330	3,126	-1,796	-57.5
Net losses on direct write-offs	5	1,424	2,969	-1,545	-52.0
Losses on sales of loans	6	-94	156	-250	-160.5
Trust fees from principal guaranteed trust a/c	7	9,908	15,483	-5,574	-36.0
Net capital gains on sale of securities	8	1	-	1	-
Other trust fees	9	23,504	24,896	-1,392	-5.6
Net interest income	10	68,497	68,948	-450	-0.7
Domestic	11	58,178	50,209	7,968	15.9
International	12	10,319	18,738	-8,419	-44.9
Net fees and commissions	13	24,106	15,095	9,011	59.7
Domestic	14	24,747	15,205	9,542	62.8
Net gains on trading	15	2,418	1,454	963	66.2
Others	16	19,791	-7,859	27,650	351.8
Net capital gains on bonds	17	18,866	13,681	5,185	37.9
Net gains on financial derivatives	18	-2,760	-23,585	20,824	88.3
General and administrative expenses	19	60,201	56,581	3,620	6.4
Personnel expenses	20	23,587	22,230	1,356	6.1
Non-personnel expenses excluding taxes	21	33,468	30,945	2,523	8.2
Taxes other than income taxes	22	3,145	3,405	-259	-7.6
Net business profit before credit costs (1+4-19)	23	88,025	61,438	26,587	43.3
excluding Net capital gains on bonds (23-8-17)	24	69,157	47,756	21,401	44.8
Net transfer to general reserves	25	-	-	-	-
Net business profit	26	86,695	58,312	28,383	48.7
Net non-recurring profit	27	-9,783	547	-10,331	-1,886.5
Net gains on stocks	28	6,897	7,866	-968	-12.3
Gains on sale of stocks	29	7,991	10,803	-2,812	-26.0
Losses on sale of stocks	30	782	634	147	23.3
Losses on devaluation of stocks	31	311	2,302	-1,991	-86.5
Banking a/c net credit costs	32	5,999	637	5,361	840.6
Net losses on direct write-offs	33	5,850	771	5,078	658.2
Net transfer to specific loan loss reserves	34	-	-	-	-
Net transfer to reserves for loans to borrowers in specific foreign countries	35	-	-	-	-
Losses on sales of loans	36	149	-133	282	211.6
Others	37	-10,681	-6,680	-4,001	-59.9
Net gains on stock related derivatives	38	-4,862	-1,521	-3,341	-219.6
Amortization of net actuarial losses/prior service cost	39	2,764	4,040	-1,276	-31.6
Net operating income	40	76,912	58,860	18,052	30.7
Extraordinary income	41	4,513	16,647	-12,134	-72.9
Net gains on disposal of fixed assets	42	-208	-525	316	60.3
Losses on impairment of fixed assets	43	67	76	-8	-10.8
Reversal of reserves	44	3,864	16,936	-13,071	-77.2
Amortized cost of net transition obligation for employee retirement benefit	45	-	1,829	-1,829	-100.0
Net gains on collection from write-offs	46	925	2,143	-1,217	-56.8
Net income before income taxes	47	81,425	75,507	5,917	7.8
Income taxes	48	45	45	0	0.7
Deferred income taxes	49	31,642	29,158	2,483	8.5
Net income	50	49,737	46,303	3,433	7.4
Total credit costs (4 + 25 + 32 - 45)	51	3,465	-13,172	16,637	126.3

2. Unrealized gains/losses on investment securities(1) Banking a/c
(Consolidated)

	Millions of Yen						Change of net
	Sep. 2005			Mar. 2005			
	Net	Unrealized gains	Unrealized losses	Net	Unrealized gains	Unrealized losses	
Held-to-maturity debt securities	1,732	1,816	83	4,697	4,702	5	-2,964
Available-for-sale securities	251,594	285,246	33,652	192,855	221,419	28,563	58,738
Total	253,327	287,063	33,736	197,552	226,122	28,569	55,774
Japanese stocks	255,380	267,788	12,407	193,135	206,286	13,150	62,244
Japanese bonds	-5,076	2,460	7,537	7,869	8,218	349	-12,945
Foreign securities and others (*1)	3,023	16,814	13,791	-3,452	11,616	15,069	6,475
(Net unrealized gains on available-for-sale securities, net of tax)	151,986	-----	-----	116,628	-----	-----	35,357

(*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 no foreign exchange rate risk.

Net unrealized gain on " Investment in affiliates " : Sep. 2005: 12,250 million yen, Mar. 2005: 11,373 million yen

(Non-consolidated)

	Millions of Yen						Change of net
	Sep. 2005			Mar. 2005			
	Net	Unrealized gains	Unrealized losses	Net	Unrealized gains	Unrealized losses	
Held-to-maturity debt securities	1,638	1,719	80	4,545	4,549	4	-2,906
Investment in affiliates	1,586	1,586	-	1,440	1,440	-	145
Available-for-sale securities	251,162	284,597	33,435	192,520	220,929	28,409	58,641
Total	254,387	287,902	33,515	198,506	226,920	28,413	55,880
Japanese stocks	256,720	269,127	12,407	194,416	207,567	13,150	62,303
Japanese bonds	-5,076	2,460	7,536	7,868	8,217	349	-12,944
Foreign securities and others (*1)	2,742	16,315	13,572	-3,778	11,135	14,913	6,521
(Net unrealized gains on available-for-sale securities, net of tax)	149,165	-----	-----	114,337	-----	-----	34,827

(*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 no foreign exchange rate risk.

(2) Principal guaranteed trust a/c

(Non-consolidated)

	Millions of Yen		
	Net		Change of net
	Sep. 2005	Mar. 2005	
Total	293	549	-255
Japanese stocks	-	-	-
Japanese bonds	293	549	-255
Foreign securities and others	-	-	-

3. BIS capital ratio (Consolidated)

	Millions of Yen			
	Sep. 2005	Mar. 2005	Sep. 2004	Change from Mar. 2005
Total capital	1,528,567	1,489,403	1,505,617	39,164
Tier I	924,379	861,795	839,779	62,583
Minority interest in consolidated subsidiaries	108,588	85,208	90,802	23,379
Non-cumulative preferred capital notes	83,000	83,000	83,000	(-)
Tier II	636,988	658,718	670,778	-21,730
Upper Tier II	330,088	322,318	309,878	7,769
Net unrealized gains on available-for-sale securities, net of tax	115,038	88,265	61,225	26,772
Revaluation surplus on land, after 55% discount	1,307	1,378	1,393	-70
General reserves	44,642	44,075	58,659	567
Perpetual subordinated debts	169,100	188,600	188,600	-19,500
Lower Tier II	306,900	336,400	360,900	-29,500
Termed subordinated debts, etc.	306,900	336,400	360,900	-29,500
Deduction (double gearing)	32,799	31,110	4,939	1,689
Total risk adjusted assets	13,694,266	11,914,889	11,364,083	1,779,377
On-balance-sheet items	12,416,807	11,031,445	10,437,249	1,385,361
Off-balance-sheet items	1,205,215	828,899	840,804	376,315
Market risk equivalent	72,244	54,544	86,029	17,700
BIS capital ratio	11.16%	12.50%	13.24%	-1.34%
(Tier I ratio)	6.75%	7.23%	7.38%	-0.48%

Note: Non-consolidated BIS capital ratio and Tier I ratio are 11.29% and 6.72%, respectively.

4. Adequacy for calculating and posting net deferred tax assets

1. Adequacy for calculating and posting net deferred tax assets (Non-consolidated)

The recoverability of deferred tax assets is estimated from future taxable income that is estimated based on the mid-term plan as well as historical financial performance.

Although material amount of loss carried forwards exists at the end of the first half fiscal year 2005, it is due to extraordinary causes in the past.

Thus, the proviso of item 4 of the practical guideline, "Treatment for audit of recoverability of deferred tax assets" is applicable.

And net deferred tax assets are posted based on the tax planning with limits of not more than the total future taxable income in reasonable term for estimation (5 years).

There are negative numbers for taxable income in the past five years, but those are due to extraordinary causes as following;

- Devaluation of stocks
- Proactive final disposition of non-performing loans in line with Japanese government's policy
- Acceleration of unwinding of cross share-holdings to meet the regulation

	Billions of Yen				
	FY2004	FY2003	FY2002	FY2001	FY2000
Taxable income before deduction of loss carry forwards	103.2	33.8	-221.2	52.4	-122.4
Net business profit before credit costs	148.2	145.0	158.8	150.2	144.1

2. Estimated amount for future taxable income (Non-consolidated)

Net business profit before credit costs, income before income taxes, and taxable income which are used for estimation of future tax income

	Billions of Yen	
	Total from FY2005 to FY2009	
Net business profit before credit costs	824.5	
Income before income taxes	666.1	
Taxable income before deduction of existing deferred tax assets factors	700.1	
Effective tax rate for calculation of deferred tax assets	40.61%	

3. Major factors for deferred tax assets and deferred tax liabilities (Non-consolidated)

	Billions of Yen	
	Sep. 2005	Mar. 2005
Deferred tax assets	122.0	154.4
Reserves for possible loan losses (including taxable losses on write-offs)	8.7	27.4
Devaluation of securities	32.5	34.1
Reserves for employee retirement benefit	11.4	11.3
Loss carry forwards	52.3	56.2
Others	20.9	29.8
Valuation allowance	-4.0	-4.5
Deferred tax liabilities	105.0	81.9
Net unrealized gains on available-for-sale securities	101.9	78.1
Others	3.0	3.7
Net deferred tax assets (on the balance sheet)	17.0	72.5

4. Percentage to capital (Non-consolidated)

	Billions of Yen		
	Sep. 2005	Mar. 2005	Change
Net deferred tax assets (A)	17.0	72.5	-55.5
Tier I (B)	898.0	855.2	42.7
Percentage (A) / (B)	1.8%	8.4%	-6.6%

5. Major factors for deferred tax assets (Consolidated)

	Billions of Yen	
	Sep. 2005	Mar. 2005
Deferred tax assets	141.8	162.2
Reserves for possible loan losses (including taxable losses on write-offs)	10.6	29.5
Devaluation of securities	32.5	34.1
Reserve for employee retirement benefit	15.7	12.2
Loss carry forwards	54.2	59.1
Unrealized profit	3.7	4.8
Others	29.4	30.8
Valuation allowance	-4.5	-8.4
Deferred tax liabilities	106.9	81.9
Net unrealized gains on available-for-sale securities	101.9	78.2
Others	4.9	3.7
Net deferred tax assets (on the balance sheet)	34.8	80.3
Net deferred tax liabilities (on the balance sheet)	0.0	0.0

6. Percentage to capital (Consolidated)

	Billions of Yen		
	Sep. 2005	Mar. 2005	Change
Net deferred tax assets (A)	34.8	80.3	-45.4
Tier I (B)	924.3	861.7	62.5
Percentage (A) / (B)	3.7%	9.3%	5.6%

(*) Classification of companies in the practical guideline, the Japanese Institute of Certified Public Accountants ("JICPA") Industry Auditing Committee Report No. 66 Treatment for audit of recoverability of deferred tax assets (November 9, 2001)

Item 1: Companies which report taxable income every year, and the taxable income sufficiently exceeds temporary differences that will result in deductible amounts in the future years.

Item 2: Companies which show stable business performance but do not report taxable income enough for covering temporary differences that will result in deductible amounts in the future years.

Item 3: Companies which show unstable business performance and do not report taxable income enough for covering temporary differences that result in deductible amounts in the future.

Item 4: Companies which post material amount of loss carry forwards.

Proviso of item 4: Companies which post material amount of loss carry forwards but report taxable income every year except for extraordinary causes.

Item 5: Companies have post material amount of loss carry forwards for consecutive years (most commonly 3 years and more).

5. Cross shareholdings

(1) Cross shareholdings (Market price available)

(Consolidated)

	Billions of Yen		
	Sep. 2005	Mar. 2005	Sep. 2004
Cost basis (A)	435.9	440.2	430.7
Mark-to-market basis	691.3	633.3	572.9
Tier I (B)	924.3	861.7	839.7
Percentage (A) / (B)	47.1%	51.0%	51.2%

(2) Unwinding of cross shareholdings (Cost basis)

(Non-consolidated)

	Billions of Yen			
	FY2005		FY2004	
	Full FY2005	1HFY2005	Full FY2004	1HFY2004
Actual	-----	8.2	30.7	23.0

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

(1) Banking a/c (Non-consolidated)

	Millions of Yen				
	Sep. 2005	Mar. 2005	Sep. 2004	Change from Mar. 2005	Change from Sep. 2004
Assets classified under the Financial reconstruction law (a)	126,501	167,149	196,538	-40,647	-70,037
Loans in bankrupt and practically bankrupt	38,841	10,381	72,361	28,459	-33,520
Doubtful loans	19,419	86,716	43,381	-67,296	-23,961
Substandard loans (b)	68,241	70,051	80,796	-1,810	-12,555
Ordinary assets	10,593,765	9,444,250	9,109,952	1,149,515	1,483,813
Loans to substandard debtors (excluding Substandard loans) (c)	2,453	1,698	18,798	755	-16,344
Loans to special mention debtors (excluding (b) and (c))	279,389	334,604	409,553	-55,215	-130,164
Loans to ordinary debtors	10,311,922	9,107,947	8,681,599	1,203,975	1,630,322
Total loan balance (d)	10,720,267	9,611,399	9,306,491	1,108,867	1,413,776
Ratio to total loan balance (a) / (d)	1.2%	1.7%	2.1%	-0.5%	-0.9%
Loans to substandard debtors (b)+(c)	70,694	71,749	99,594	-1,054	-28,899

Note: Partial direct write-offs: Sep. 2005: 87.6billion Yen, Mar. 2005: 72.3 billion Yen, Sep. 2004: 63.3 billion Yen

(2) Principal guaranteed trust a/c (Non-consolidated)

	Millions of Yen				
	Sep. 2005	Mar. 2005	Sep. 2004	Change from Mar. 2005	Change from Sep. 2004
Assets classified under the Financial reconstruction law (e)	14,807	17,054	26,463	-2,246	-11,655
Loans in bankrupt and practically bankrupt	3,363	5,079	6,839	-1,716	-3,476
Doubtful loans	1,228	1,402	4,501	-174	-3,273
Substandard loans (f)	10,216	10,571	15,121	-355	-4,904
Ordinary assets	624,081	718,871	821,829	-94,790	-197,748
Loans to substandard debtors (excluding Substandard loans) (g)	239	303	551	-63	-311
Loans to special mention debtors (excluding (f) and (g))	11,724	13,819	17,540	-2,095	-5,815
Loans to ordinary debtors	612,116	704,747	803,737	-92,631	-191,621
Total loan balance (h)	638,888	735,925	848,292	-97,036	-209,403
Ratio to total loan balance (e) / (h)	2.3%	2.3%	3.1%	0.0%	-0.8%
Loans to substandard debtors (f)+(g)	10,456	10,875	15,672	-419	-5,216

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

	Millions of Yen				
	Sep. 2005	Mar. 2005	Sep. 2004	Change from Mar. 2005	Change from Sep. 2004
Assets classified under the Financial reconstruction law (A)	141,309	184,203	223,001	-42,894	-81,692
Loans in bankrupt and practically bankrupt	42,204	15,461	79,201	26,742	-36,997
Doubtful loans	20,647	88,119	47,882	-67,471	-27,235
Substandard loans (B)	78,457	80,623	95,917	-2,165	-17,460
Ordinary assets	11,217,847	10,163,121	9,931,782	1,054,725	1,286,065
Loans to substandard debtors (excluding substandard loans) (C)	2,693	2,002	19,350	691	-16,656
Loans to special mention debtors (excluding (B) and (C))	291,113	348,424	427,094	-57,310	-135,980
Loans to ordinary debtors	10,924,039	9,812,694	9,485,337	1,111,344	1,438,701
Total loan balance (D)	11,359,156	10,347,325	10,154,783	1,011,831	1,204,372
Ratio to total loan balance (A) / (D)	1.2%	1.8%	2.2%	-0.6%	-1.0%
Loans to substandard debtors (B)+(C)	81,151	82,625	115,267	-1,474	-34,116

(4) Reserve ratio for loans to special mention/ordinary debtors (general reserves) (Banking a/c) (Non-consolidated)

	Percentage points				
	Sep. 2005	Mar. 2005	Sep. 2004	Change from Mar. 2005	Change from Sep. 2004
Special mention	8.1	7.6	9.5	0.5	-1.4
Substandard debtors	10.8	15.6	13.8	-4.8	-3.0
Against uncovered portion	30.8	32.2	43.1	-1.4	-12.3
Other than substandard debtors	7.4	5.9	8.5	1.5	-1.1
Ordinary debtors	0.1	0.1	0.1	0.0	0.0

Note: Reserve ratio = general reserves/loan amount

(5) Asset classified under the Financial reconstruction law as of September 30, 2005 (Non-consolidated)

(Banking a/c)

(in millions of Yen)

	Balance	Coverage ratio	Collateral/Reserves		Reserve ratio
Loans in bankrupt/ practically bankrupt (A)	(a)				
	38,841 (10,381)	100% (100%)	Specific loan loss reserves (b)	553	100% (100%)
			Guarantee and collateral (c)	38,288	(b) / ((a)-(c))
Doubtful loans (B)	(d)		Uncovered	1,293	88%
	19,419 (86,716)	93% (93%)	Specific loan loss reserves (e)	9,856	(82%)
			Guarantee and collateral (f)	8,270	(e) / ((d)-(f))
Substandard loans (C)	(g)		Uncovered	17,088	30%
	68,241 (70,051)	74% (66%)	General reserves (h)	7,423	(31%)
			Guarantee and collateral (i)	43,730	(h) / ((g)-(i))
Ordinary assets	10,593,765 (9,444,250)		General reserves	33,524	
			Reserves for loans to borrowers in specific foreign countries	238	
Total	10,720,267 (9,611,399)		Total of (A), (B) and (C)	126,501 (167,149)	Ratio to total loan balance 1.2%

(Principal guaranteed trust a/c)

(in millions of Yen)

	Balance	Coverage Ratio	Collateral/Reserves		Reserves for principal
Loans in bankrupt/ practically bankrupt (D)	3,363 (5,079)	100% (100%)	Guarantee and collateral	3,363	5,431 Reserves for loan trust
Doubtful loans (E)	1,228 (1,402)	89% (68%)	Uncovered	130	524 Reserves for JOMT (Jointly-operated money trust)
			Guarantee and collateral	1,098	
Substandard loans (F)	10,216 (10,571)	54% (53%)	Uncovered	4,656	
			Guarantee and collateral	5,560	
Ordinary assets	624,081 (718,871)				
Total	638,888 (735,925)		Total of (D), (E) and (F)	14,807 (17,054)	Ratio to total loan balance 2.3%

(Banking a/c and principal guaranteed trust a/c combined)

Grand total	11,359,156 (10,347,325)		Total of (A),(B),(C),(D),(E) and (F)	141,309 (184,203)	Ratio to grand total loan balance 1.2%
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Note: Numbers in parenthesis are as of Mar. 2005

7. Forecast for FY2005

	Billions of Yen				
	FY2005		1HFY2005 (Actual)	FY2004 (Actual) (B)	Change (A)-(B)
	<For reference> Previous forecast as of May 2005	Forecast for FY2005(A)			
<u>(Consolidated)</u>					
Net business profits before credit costs	170.0	185.0	101.1	161.1	23.8
Net operating income	140.0	155.0	87.9	134.1	20.8
Net income	80.0	95.0	53.7	96.8	-1.8
<u>(Non-consolidated)</u>					
Net business profits before credit costs	150.0	160.0	88.0	148.2	11.7
Credit costs (a)	20.0	15.0	7.3	17.6	-2.6
Other non-recurring items	-10.0	-10.0	-3.7	-9.9	-0.0
Net operating income	120.0	135.0	76.9	120.5	14.4
Extraordinary income	0.0	10.0	4.5	19.4	-9.4
Reversal of reserves (b)	0.0	10.0	3.8	19.1	-9.1
Net income	72.0	85.0	49.7	84.7	0.2
Total credit costs (a)-(b)	20.0	5.0	3.4	-1.4	6.4
Dividend per common stock (Yen)	12.00	12.00	6.00	12.0	-
Consolidated dividend payout ratio	24.99	21.09	-----	20.04	1.05

Note: Forecast is subject to change

8. Mid-term financial target

Sumitomo Trust has set up a mid-term financial target for FY 2008 in May 2005 as follows. Over 200 billion yen in consolidated net business profit before credit costs, over 100 billion yen in consolidated net income, and a 10% level consolidated ROE.

To realize the above, Sumitomo Trust is promoting each business group's business strategy and actively working on strategic investment and alliance, which will contribute group's business strategy. Below are the achievements made in this fiscal year.

1. In April, acquired "Matsushita Leasing & Credit Co., Ltd. (renamed to Sumishin Matsushita Financial Services Co., Ltd. in May)" as subsidiary company. In May, established consulting company specialized in private banking business, "STB Wealth Partners Co., Limited". In October, acquired real estate secured finance company, "First Credit Corporation" and announced joint establishment of Internet-based bank with SBI Group which has expertise and experience in Internet business. In addition, made business and capital alliance with SBI Group.
2. Retail finance business providing services to individual customers and real estate business conducting brokerage and securitization business are achieving higher than the projection due to the increase of fee income. These two businesses are the engine for this half fiscal year's increase in net business profit before credit costs.

Based on these achievements and with the object of enhancing profitability and growth speed for the group, Sumitomo Trust has moved up its mid-term financial target one year in advance to FY2007.

	Billions of Yen		
	FY2004 Actual	FY2005 Forecast	FY2007 Target
<u>(Consolidated)</u>			
Net business profits before credit costs	161.1	185.0	Over 200
Net income	96.8	95.0	Over 100
ROE	11.83%	10%	10%

II. Supplementary information I

1. Total risk adjusted assets, capital and deferred tax assets (Consolidated)

	Billions of Yen			
	Total risk adjusted assets	Capital		
		Total	Tier I	Tier II
Sep. 2004	11,364.0	1,505.6	839.7	670.7
Mar. 2005	11,914.8	1,489.4	861.7	658.7
Sep. 2005	13,694.2	1,528.5	924.3	636.9

	Billions of Yen	
	Deferred tax assets	BIS capital ratio
Sep. 2004	130.4	13.24%
Mar. 2005	80.3	12.50%
Sep. 2005	34.8	11.16%

2. Net business profit (Non-consolidated)

	Billions of Yen			
	Net business profit before net transfer to general reserves	Net business profit	Net business profit before principal guaranteed a/c credit costs	
			Before net transfer to general reserves	
1HFY2004	58.3	58.3	61.4	61.4
FY2004	142.1	142.1	148.2	148.2
1HFY2005	86.6	86.6	88.0	88.0
FY 2005 (Forecast)	160.0	160.0	160.0	160.0

3. Non-performing loans

(1) Credit costs
(Consolidated)

	Billions of Yen			
	Net transfer to general reserves (a)	Banking a/c credit costs (*) (b)	Principal guaranteed trust a/c credit costs (c)	Total credit costs (a)+(b)+(c)
1HFY 2004	-	-16.0	3.1	-12.9
FY2004	-	-6.1	6.1	-0.0
1HFY 2005	-	2.2	1.3	3.6

(*) For banking a/c credit costs, the sum of credit costs is booked to be non-recurring loss. However, in the table above, 16.7 billion yen of reversal of reserves (extraordinary income item) is included for 1HFY2004, 17.8 billion yen of reversal of reserves (extraordinary income item) is included for FY2004, and 4.0 billion yen of reversal of reserves (extraordinary income item) is included for 1HFY2005.

(Non-consolidated)

	Billions of Yen			
	Net transfer to general reserves (a)	Banking a/c credit costs (*) (b)	Principal guaranteed trust a/c credit costs (c)	Total credit costs (a)+(b)+(c)
1HFY 2004	-	-16.2	3.1	-13.1
FY2004	-	-7.5	6.1	-1.4
1HFY2005	-	2.1	1.3	3.4
FY 2005 (Forecast)	0.0	5.0	0.0	5.0

(*) For banking a/c credit costs, the sum of credit costs is booked to be non-recurring loss. However, in the table above, 16.9 billion yen of reversal of reserves (extraordinary income item) is included for 1HFY2004, 19.1 billion yen of reversal of reserves (extraordinary income item) is included for FY2004, 3.8 billion yen of reversal of reserves (extraordinary income item) is included for 1HFY2005, and 10.0 billion yen of reversal of reserves (extraordinary income item) is included for FY2005 (Forecast).

(2) Outstanding amount (Banking a/c and principal guaranteed trust a/c combined) (Non-consolidated)
(Classification under self-assessment)

	Billions of Yen				
	Legally/ virtually bankrupt (a)	Potentially bankrupt (b)	Potentially bankrupt or worse categories (a)+(b)	Special mention (=Watch list) including Substandard (c)	(a)+(b)+(c)
Sep. 2004	79.2	47.9	127.1	542.4	669.4
Mar. 2005	15.5	88.1	103.6	431.0	534.6
Sep. 2005	42.2	20.6	62.9	372.3	435.1

(Classification under the Financial reconstruction law)

	Billions of Yen	
	Substandard Loans (d)	(a)+(b)+(d)
Sep. 2004	95.9	223.0
Mar. 2005	80.6	184.2
Sep. 2005	78.5	141.3

(3) Final disposal and new entry (Banking a/c and principal guaranteed trust a/c combined) (Non-consolidated)

a. Outstanding amount

	Billions of Yen		
	Loans in bankrupt/ practically bankrupt	Doubtful loans	Total
Sep. 2004	79.2	47.9	127.1
Mar. 2005	15.5	88.1	103.6
Sep. 2005	42.2	20.6	62.9
New entry during 1HFY2005	1.4	5.1	6.4
Final disposal during 1HFY2005	-8.6	-38.6	-47.2
Category migration during 1HFY2005	33.9	-33.9	-
Net	26.7	-67.5	-40.7

b. Breakdown by disposal methods

	Billions of Yen			
	Liquidation	Reconstruction	Financial condition improvement along with reconstruction	Outright Sale Sale to RCC
FY2004	19.5	2.4	0.3	35.6
1HFY2005	0.0	2.5	14.4	0.1

	Billions of Yen				
	Direct write-offs	Total	Others Collection/repayment	Financial condition improvement	Total
FY2004	-36.2	90.7	88.8	1.9	112.3
1HFY2005	10.9	19.2	16.8	2.4	47.2

(4) Financial support to debtors (Banking a/c and principal guaranteed trust a/c combined) (Non-consolidated)

	1HFY2005		
	Amount (Billions of Yen)	Number of companies	Company name
Debt forgiveness	-	-	-----
Based on private sector resolution guideline	-	-	-----
Debt to equity swap	-	-	-----
Preferred stock	-	-	-----
Others	22.5	1	Sumitomo Mitsui Construction Co., Ltd (*)
Total	22.5	1	-----

Note: Based on public announcement

(*) Voluntary extinguishment of preferred stock (90% of Issue Price)

(5) Cash reserves and cash reserve ratio for each category of debtor (Banking a/c) (Non-consolidated)

		Sep. 2005		Mar. 2005	
		Cash reserve ratio	Cash reserves(*) (Billions of Yen)	Cash reserve ratio	Cash reserves(*) (Billions of Yen)
Loans to bankrupt and practically bankrupt debtors	against uncovered portion	100.0%	0.5	100.0%	0.9
Loans to doubtful debtors	against uncovered portion	88.4%	9.8	82.8%	25.7
Loans to substandard debtors	against uncovered portion	30.8%	7.6	32.2%	11.2
	against loan amount	10.8%		15.6%	
Loans to special mention debtors (excluding Loans to substandard debtors)	against loan amount	7.4%	20.8	5.9%	19.9
Loans to ordinary debtors	against loan amount	0.1%	12.4	0.1%	11.0

		Sep. 2004	
		Cash reserve ratio	Cash reserves(*) (Billions of Yen)
Loans to bankrupt and practically bankrupt debtors	against uncovered portion	100.0%	1.0
Loans to doubtful debtors	against uncovered portion	84.8%	21.7
Loans to substandard debtors	against uncovered portion	43.1%	13.7
	against loan amount	13.8%	
Loans to special mention debtors (excluding Loans to substandard debtors)	against loan amount	8.5%	34.9
Loans to ordinary debtors	against loan amount	0.1%	8.6

(*) Cash reserves = General reserves or specific loan losses reserves

(6) Cash reserves for loans to substandard debtors calculated based on discount cash flow method (Banking a/c) (Non-consolidated)

	Numbers of applicable debtors	Cash reserves (Billions of Yen)	Reserve ratio against uncovered portion
Sep. 2004	15	30.6	42.2%
Mar. 2005	12	16.4	26.7%
Sep. 2005	9	15.6	27.9%

Note: Discount cash flow method is applied to the substandard debtors and part of special mention debtors with exposure of 5 billion yen or more.

(7) Non-performing loan ratio (Banking a/c and principal guaranteed trust a/c combined) (Non-consolidated)

	Mar. 2003	Mar. 2004	Sep. 2004	Mar. 2005	Sep. 2005
The Financial reconstruction law basis	3.6%	2.8%	2.2%	1.8%	1.2%

4. Cross shareholdings

(1) Cross shareholdings (Market price available)

(Consolidated)

	Billions of Yen		
	Cost basis	Mark-to-market basis	Tier I
Sep. 2004	430.7	572.9	839.7
Mar. 2005	440.2	633.3	861.7
Sep. 2005	435.9	691.3	924.3

(2) Unwinding of cross shareholdings (Cost basis)

(Non-consolidated)

	Billions of Yen
	Total
FY2004	30.7
1HFY2005	8.2

(3) Losses on devaluation of stocks (Non-consolidated)

	Billions of Yen	
	Net gains/ losses of stocks	
	Losses on devaluation of stocks	
FY2004	13.6	-4.2
1HFY2005	6.8	-0.3

5. Loans

(1) Loans to small and mid-sized corporations (Banking a/c and principal guaranteed trust a/c combined) (Non-consolidated)

	Loan amount (Billions of Yen)	Loan ratio (%)
Sep. 2004	3,966.1	42.4
Mar. 2005	4,286.0	45.2
Sep. 2005	4,613.5	45.2

(2) Loans by industry (Banking a/c and principal guaranteed trust a/c combined) (Non-consolidated)

		Billions of Yen				
		Total amount	Risk managed loans			
			Loans more than 3 months past	Restructured loans	Other delinquent loans	Loans in bankruptcy proceedings
Wholesale and retail	Mar. 2005	790.0	-	0.8	1.8	2.8
	Sep. 2005	881.2	-	3.1	0.6	0.2
Construction	Mar. 2005	176.8	0.1	14.4	17.0	-
	Sep. 2005	166.8	-	18.4	0.3	0.9
Real estate	Mar. 2005	1,247.0	-	3.8	58.9	0.3
	Sep. 2005	1,310.0	-	2.8	39.5	0.4
Finance and insurance	Mar. 2005	1,925.9	-	-	1.7	0.1
	Sep. 2005	2,129.3	-	-	0.3	0.1

III. Supplementary information II

1. Return on equity

(consolidated)

	1HFY2005	1HFY2004	Change
Return (Net income) on equity	11.35%	12.56%	-1.21%

(Non-consolidated)

	1HFY2005	1HFY2004	Change
Return (Net business profit before trust a/c credit costs) on equity	18.79%	15.71%	3.08%
Return (Net business profit before credit costs) on equity	18.79%	15.71%	3.08%
Return (Net income) on equity	10.61%	11.84%	-1.23%
Millions of Yen			
Total stockholder's equity (ending balance)	970,505	830,442	140,062
Net unrealized gains/losses on available-for-sale securities, net of tax	149,165	80,126	69,039

2. Spread (Non-consolidated)

(1) Domestic banking a/c

	Percentage points		
	1HFY2005	1HFY2004	Change
Average yield on interest-earning assets (A)	1.16	1.16	0.00
Loans and bills discounted (a)	1.14	1.27	-0.13
Bonds (b)	1.04	0.80	0.24
Average yield on interest-bearing liabilities (B)	0.24	0.26	-0.02
Deposits (c)	0.20	0.21	-0.01
Gross margin (A) - (B)	0.92	0.90	0.02
Loan-deposit margin (a) - (c)	0.94	1.06	-0.12

(2) Domestic banking a/c and principal guaranteed trust a/c combined

	Percentage points		
	1HFY2005	1HFY2004	Change
Average yield on interest-earning assets (A)	1.20	1.24	-0.04
Loans and bills discounted (a)	1.16	1.31	-0.15
Bonds (b)	1.05	0.86	0.19
Average yield on interest-bearing liabilities (B)	0.18	0.19	-0.01
Deposits (c)	0.17	0.17	0.00
Gross margin (A) - (B)	1.02	1.05	-0.03
Loan-deposit margin (a) - (c)	0.99	1.14	-0.15

3. Breakdown of gains/losses on securities (Non-consolidated)**(1) Bond related**

	Millions of Yen		
	1HFY2005	1HFY2004	Change
Net gains/losses on bonds	18,866	13,681	5,185
Gains on sale of bonds	25,076	21,976	3,099
Gains on redemption of bonds	-	-	-
Losses on sale of bonds	6,209	8,294	-2,085
Losses on redemption of bonds	-	-	-
Losses on devaluation of bonds	-	-	-

(2) Stock related

	Millions of Yen		
	1HFY2005	1HFY2004	Change
Net gains/losses on stocks	6,897	7,866	-968
Gains on sale of stocks	7,991	10,803	-2,812
Losses on sale of stocks	782	634	147
Losses on devaluation of stocks (*)	311	2,302	-1,991

(*) The Bank applies the rule for stock valuation as follows under Japanese GAAP.

- Values of the stocks whose market values are obtainable in the markets are determined on the basis of the 1-month-average of their daily closing prices during September 2005 (the closing month of 1HFY2005).
- The Bank adopts the standard for devaluation of stocks shown below.

Standard for devaluation of stocks

	Less than 30%	30 - 50%	More than 50%
Stocks of ordinary debtors			
Stocks of special mention or worse debtors		To be devaluated	

Devaluation of listed stocks

	Millions of Yen		
	Less than 30%	30 - 50%	More than 50%
Stocks of ordinary debtors	-	-	-
Stocks of special mention or worse debtors	-	-	-

4. Unrealized gains/losses on financial derivatives

(1) Unrealized gains/losses on financial derivatives reflected upon the statement of income
(Consolidated)

	Millions of Yen		
	Sep. 2005	Mar. 2005	Change
Interest rate related	21,125	13,768	7,356
Interest rate swaps	26,589	24,474	2,114
Currency related	12,130	6,931	5,198
Stock related	-878	38	-916
Bond related	-226	-693	466
Commodity related	-0	-	-0
Credit derivatives	-105	1	-106
Total	32,045	20,046	11,998

(Non-consolidated)

	Millions of Yen		
	Sep. 2005	Mar. 2005	Change
Interest rate related	21,131	13,777	7,353
Interest rate swaps	26,595	24,483	2,112
Currency related	12,130	6,931	5,198
Stock related	-878	38	-916
Bond related	-226	-693	466
Commodity related	-0	-	-0
Credit derivatives	-105	1	-106
Total	32,051	20,056	11,995

(2) Derivatives to which hedge accounting is applicable

(Non-consolidated)

	Millions of Yen		
	Sep. 2005	Mar. 2005	Change
Interest rate related	2,576	22,869	-20,293
Interest rate swaps	2,576	22,869	-20,293
Currency related	-82	-180	98
Total	2,494	22,688	-20,194

5. General & administrative expenses (Non-consolidated)

	Millions of Yen		
	1HFY2005	1HFY2004	Change
General & administrative expenses	60,201	56,581	3,620
Personnel expenses	23,587	22,230	1,356
Non-personnel expenses excluding taxes	33,468	30,945	2,523
Taxes other than income taxes	3,145	3,405	-259

6. Number of directors and employees (Non-consolidated)

	Sep. 2005	Mar. 2005	Change
Number of directors and statutory auditors	16	16	-
Statutory auditors	5	5	-
Number of employees (*)	5,028	4,991	37

(*) Including clerical staff, and staff dispatched from other companies. Not including part-timers.

7. Number of branches and subsidiaries (Non-consolidated)

	Sep. 2005	Mar. 2005	Change
Number of domestic branches (*1)	51	51	-
Number of overseas branches	4	3	1
Number of overseas subsidiaries (*2)	4	4	-

(*1) Excluding satellite offices (10 offices in Sep. 2005 and 10 offices in Mar. 2005)

(*2) Excluding special purpose companies

8. Employee retirement benefits

(Consolidated)

		Millions of Yen		
		Sep. 2005	Mar. 2005	Change
Projected benefit obligation	(A)	214,185	198,046	16,139
(Discount rate)		(2.0%)	(2.0%)	(-%)
Plan assets	(B)	240,803	228,851	11,952
Reserves for employee retirement benefits	(C)	9,998	2,551	7,446
Advance benefit paid	(D)	67,933	67,450	483
Unrecognized net plan assets	(E)	-	-	-
Unrecognized net transition obligation	(F)	-	-	-
Unrecognized net prior service cost	(G)	1,583	1,739	-155
Unrecognized net actuarial loss	(A-B-C+D+E-F-G)	29,734	32,354	-2,620

		Millions of Yen		
		1HFY2005	1HFY2004	Change
Retirement benefit expenses		3,554	6,884	-3,330

(Non-consolidated)

		Millions of Yen		
		Sep. 2005	Mar. 2005	Change
Projected benefit obligation	(A)	195,831	195,007	823
(Discount rate)		(2.0%)	(2.0%)	(-%)
Plan assets	(B)	232,275	228,051	4,223
Reserves for employee retirement benefits	(C)	183	335	-152
Advance benefit paid	(D)	67,933	67,450	483
Unrecognized net plan assets	(E)	-	-	-
Unrecognized net transition obligation	(F)	-	-	-
Unrecognized net prior service cost	(G)	1,583	1,739	-155
Unrecognized net actuarial loss	(A-B-C+D+E-F-G)	29,722	32,331	-2,608

		Millions of Yen		
		1HFY2005	1HFY2004	Change
Retirement benefit expenses		3,054	6,596	-3,541
Service cost-benefits earned		1,929	2,086	-157
Interest cost on projected benefit obligation		1,946	1,903	42
Expected return on plan assets		-3,893	-3,727	-166
Amortization of net transition obligation		-	1,829	-1,829
Amortization of prior service cost		155	155	-
Amortization of net actuarial losses(*)		2,608	3,885	-1,276
Others (additional benefit at retirement, etc.)		307	461	-154

(*) Early application effect of "Accounting Standard for Employee Retirement Benefits" (issued by the Business Accounting Deliberation Council on June 16, 1998) revised on March 16, 2005 is included.

This standard permits unrealized net plan assets regarded as assets or profit from FY2004.

9. Risk managed loans

(1) Banking a/c and principal guaranteed trust a/c combined (Consolidated)

		Millions of Yen				
		Sep. 2005	Mar. 2005	Sep. 2004	Change from Mar. 2005	Change from Sep. 2004
Risk managed loans	Loans in bankruptcy proceedings	2,539	4,712	13,407	-2,173	-10,867
	Other delinquent loans	60,783	98,830	113,317	-38,047	-52,534
	Loans more than 3 months past due	16	188	15	-172	1
	Restructured loans	78,457	80,450	95,917	-1,992	-17,460
	Total Loans under risk management	141,795	184,182	222,657	-42,386	-80,861
Partial direct write-offs: Sep. 2005: 89.7 billion yen, Mar. 2005: 74.8 billion yen, Sep. 2004: 67.1 billion yen						
Total Loan Balance		10,358,048	9,749,845	9,576,920	608,202	781,128

		Percentage points				
% to total loan balance	Loans in bankruptcy proceedings	0.02	0.05	0.14	-0.03	-0.12
	Other delinquent loans	0.59	1.01	1.18	-0.42	-0.59
	Loans more than 3 months past due	0.00	0.00	0.00	0.00	0.00
	Restructured loans	0.76	0.83	1.00	-0.07	-0.24
	Total Loans under risk management	1.37	1.89	2.32	-0.52	-0.95

(2) Banking a/c loans (Non-consolidated)

		Millions of Yen				
		Sep. 2005	Mar. 2005	Sep. 2004	Change from Mar. 2005	Change from Sep. 2004
Risk managed loans	Loans in bankruptcy proceedings	2,208	2,906	9,655	-697	-7,446
	Other delinquent loans	55,554	93,099	104,431	-37,544	-48,876
	Loans more than 3 months past due	-	173	-	-173	-
	Restructured loans	68,241	69,878	80,796	-1,637	-12,555
	Total Loans under risk management	126,004	166,056	194,882	-40,052	-68,877
Partial direct write-offs: Sep. 2005: 87.6 billion yen, Mar. 2005: 72.3 billion yen, Sep. 2004: 63.3 billion yen						
Total loan balance		9,903,899	9,035,826	8,752,611	868,073	1,151,288

		Percentage points				
% to total loan balance	Loans in bankruptcy proceedings	0.02	0.03	0.11	-0.01	-0.09
	Other delinquent loans	0.56	1.03	1.19	-0.47	-0.63
	Loans more than 3 months past due	-	0.00	-	-0.00	-
	Restructured loans	0.69	0.77	0.92	-0.08	-0.23
	Total Loans under risk management	1.27	1.84	2.23	-0.57	-0.96

(3) Principal guaranteed trust a/c loans (Non-consolidated)

		Millions of Yen				
		Sep. 2005	Mar. 2005	Sep. 2004	Change from Mar. 2005	Change from Sep. 2004
	Loans in bankruptcy proceedings	240	1,737	3,650	-1,497	-3,410
Risk	Other delinquent loans	4,351	4,745	7,691	-394	-3,339
managed	Loans more than 3 months past due	-	-	-	-	-
loans	Restructured loans	10,216	10,571	15,121	-355	-4,904
	Total Loans under risk management	14,807	17,054	26,463	-2,246	-11,655
Total loan balance		638,888	735,925	848,292	-97,036	-209,403

		Percentage points				
		Sep. 2005	Mar. 2005	Sep. 2004	Change from Mar. 2005	Change from Sep. 2004
	Loans in bankruptcy proceedings	0.04	0.24	0.43	-0.20	-0.39
% to total	Other delinquent loans	0.68	0.64	0.91	0.04	-0.23
loan	Loans more than 3 months past due	-	-	-	-	-
balance	Restructured loans	1.60	1.44	1.78	0.16	-0.18
	Total Loans under risk management	2.32	2.32	3.12	0.00	-0.80

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

		Millions of Yen				
		Sep. 2005	Mar. 2005	Sep. 2004	Change from Mar. 2005	Change from Sep. 2004
	Loans in bankruptcy proceedings	2,448	4,643	13,305	-2,194	-10,856
Risk	Other delinquent loans	59,906	97,844	112,122	-37,938	-52,216
managed	Loans more than 3 months past due	-	173	-	-173	-
loans	Restructured loans	78,457	80,450	95,917	-1,992	-17,460
	Total Loans under risk management	140,812	183,111	221,345	-42,298	-80,532
Total Loan Balance		10,542,788	9,771,751	9,600,904	771,036	941,884

		Percentage points				
		Sep. 2005	Mar. 2005	Sep. 2004	Change from Mar. 2005	Change from Sep. 2004
	Loans in bankruptcy proceedings	0.02	0.05	0.14	-0.03	-0.12
% to total	Other delinquent loans	0.57	1.00	1.17	-0.43	-0.60
loan	Loans more than 3 months past due	-	0.00	-	-0.00	-
balance	Restructured loans	0.74	0.82	1.00	-0.08	-0.26
	Total Loans under risk management	1.34	1.87	2.31	-0.53	-0.97

10. Final disposal of non-performing loans

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

(1) Loans outstanding in doubtful or worse categories as of Sep. 2000 and disposal thereafter

a. Outstanding amount

	Billions of Yen				
	Sep. 2000	Mar. 2001	Sep. 2001	Mar. 2002	Sep. 2002
Loans in bankrupt/practically bankrupt	112.1	82.7	89.9	38.4	55.9
Doubtful loans	614.7	377.5	277.7	240.2	159.4
Total	726.8	460.2	367.6	278.6	215.3

	Billions of Yen				
	Mar. 2003	Sep. 2003	Mar. 2004	Sep. 2004	Mar. 2005
Loans in bankrupt/practically bankrupt	14.3	13.0	6.2	63.8	3.2
Doubtful loans	72.7	72.0	64.3	2.2	1.3
Total	86.9	84.9	70.5	66.0	4.6

	Billions of Yen	
	Sep. 2005	Change from Mar. 2005
Loans in bankrupt/practically bankrupt	0.8	-2.5
Doubtful loans	1.2	-0.2
Total	1.9	-2.6
	(A)	(B)

b. Breakdown by disposal methods

	Billions of Yen	
	1HFY2005	
Liquidation	-	
Reconstruction	0.0	
Financial condition improvement along with reconstruction	2.3	
Outright sales	-	
Direct write-offs	-0.7	
Others	0.9	
Collection/repayment	0.9	
Financial condition improvement	-	
Total	2.6	(B)

c. Quasi final disposal or in the process of final disposal (out of (A))

	Billions of Yen	
	1HFY2005	
Legal liquidation	1.8	
Quasi legal liquidation	-	
Divided into good company and bad company	-	
Residual of small amount loans after partial write-offs	0.2	
Entrusted to RCC	-	
Total	1.9	

(2) New entry to doubtful or worse categories during 2HFY2000 and disposal thereafter

a. Outstanding amount

	Billions of Yen					
	Mar. 2001	Sep. 2001	Mar. 2002	Sep. 2002	Mar. 2003	Sep. 2003
Loans in bankrupt/practically bankrupt	2.7	0.7	1.3	7.4	6.4	6.9
Doubtful loans	34.5	29.4	26.4	5.5	5.2	2.5
Total	37.2	30.1	27.6	12.8	11.6	9.5

	Billions of Yen				
	Mar. 2004	Sep. 2004	Mar. 2005	Sep. 2005	Change from Mar. 2005
Loans in bankrupt/practically bankrupt	6.1	5.7	0.8	0.5	-0.3
Doubtful loans	1.2	-	-	-	-
Total	7.3	5.7	0.8	0.5	-0.3
				(C)	(D)

b. Breakdown by disposal methods

	Billions of Yen	
	1HFY2005	
Liquidation	-	
Reconstruction	0.4	
Financial condition improvement along with reconstruction	-	
Outright sales	-	
Direct write-offs	-0.6	
Others	0.4	
Collection/repayment	0.4	
Financial condition improvement	-	
Total	0.3	(D)

c. Quasi final disposal or in the process of final disposal (out of (C))

	Billions of Yen	
	1HFY2005	
Legal liquidation	0.0	
Quasi legal liquidation	-	
Divided into good company and bad company	-	
Residual of small amount loans after partial write-offs	0.5	
Entrusted to RCC	-	
Total	0.5	

(3) New entry to doubtful or worse categories during 1HFY2001 and disposal thereafter

a. Outstanding amount

	Billions of Yen					
	Sep. 2001	Mar. 2002	Sep. 2002	Mar. 2003	Sep. 2003	Mar. 2004
Loans in bankrupt/practically bankrupt	3.4	2.8	1.5	2.7	1.2	0.8
Doubtful loans	54.6	46.1	33.9	22.5	14.8	10.6
Total	58.0	48.9	35.4	25.2	16.0	11.5

	Billions of Yen			
	Sep. 2004	Mar. 2005	Sep. 2005	Change from Mar. 2005
Loans in bankrupt/practically bankrupt	0.8	0.2	0.4	0.3
Doubtful loans	9.3	9.2	3.9	-5.3
Total	10.1	9.4	4.3	-5.1
			(E)	(F)

b. Breakdown by disposal methods

	Billions of Yen	
	1HFY2005	
Liquidation	-	
Reconstruction	-	
Financial condition improvement along with reconstruction	-	
Outright sales	-	
Direct write-offs	1.8	
Others	3.3	
Collection/repayment	3.3	
Financial condition improvement	-	
Total	5.1	(F)

c. Quasi final disposal or in the process of final disposal (out of (E))

	Billions of Yen	
	1HFY2005	
Legal liquidation	-	
Quasi legal liquidation	-	
Divided into good company and bad company	0.3	
Residual of small amount loans after partial write-offs	-	
Entrusted to RCC	-	
Total	0.3	

(4) New entry to doubtful or worse categories during 2HFY2001 and disposal thereafter

a. Outstanding amount

	Billions of Yen				
	Mar. 2002	Sep. 2002	Mar. 2003	Sep. 2003	Mar. 2004
Loans in bankrupt/practically bankrupt	4.8	2.5	2.1	1.3	0.9
Doubtful loans	111.7	53.7	17.0	8.1	5.2
Total	116.5	56.1	19.1	9.4	6.1

	Billions of Yen			
	Sep. 2004	Mar. 2005	Sep. 2005	Change from Mar. 2005
Loans in bankrupt/practically bankrupt	0.9	3.5	3.0	-0.5
Doubtful loans	4.2	1.3	1.3	-0.1
Total	5.1	4.8	4.3	-0.6
			(G)	(H)

b. Breakdown by disposal methods

	Billions of Yen	
	1HFY2005	
Liquidation	-	
Reconstruction	-	
Financial condition improvement along with reconstruction	-	
Outright sales	0.0	
Direct write-offs	-0.0	
Others	0.6	
Collection/repayment	0.5	
Financial condition improvement	0.1	
Total	0.6	(H)

c. Quasi final disposal or in the process of final disposal (out of **(G)**)

	Billions of Yen	
	1HFY2005	
Legal liquidation	-	
Quasi legal liquidation	-	
Divided into good company and bad company	-	
Residual of small amount loans after partial write-offs	1.6	
Entrusted to RCC	-	
Total	1.6	

(5) New entry to doubtful or worse categories during 1HFY2002 and disposal thereafter

a. Outstanding amount

	Billions of Yen				
	Sep. 2002	Mar. 2003	Sep. 2003	Mar. 2004	Sep. 2004
Loans in bankrupt/practically bankrupt	2.9	1.8	1.3	0.4	0.4
Doubtful loans	21.3	14.9	11.4	3.8	2.9
Total	24.2	16.7	12.7	4.2	3.3

	Billions of Yen		
	Mar. 2005	Sep. 2005	Change from Mar. 2005
Loans in bankrupt/practically bankrupt	0.2	0.1	-0.1
Doubtful loans	1.5	1.4	-0.0
Total	1.7	1.5	-0.1
		(I)	(J)

b. Breakdown by disposal methods

	Billions of Yen	
	1HFY2005	
Liquidation	-	
Reconstruction	-	
Financial condition improvement along with reconstruction	-	
Outright sales	0.0	
Direct write-offs	-0.1	
Others	0.2	
Collection/repayment	0.1	
Financial condition improvement	0.1	
Total	0.1	(J)

c. Quasi final disposal or in the process of final disposal (out of (I))

	Billions of Yen	
	1HFY2005	
Legal liquidation	0.0	
Quasi legal liquidation	-	
Divided into good company and bad company	-	
Residual of small amount loans after partial write-offs	0.1	
Entrusted to RCC	-	
Total	0.1	

(6) New entry to doubtful or worse categories during 2HFY2002 and disposal thereafter

a. Outstanding amount

	Billions of Yen				
	Mar. 2003	Sep. 2003	Mar. 2004	Sep. 2004	Mar. 2005
Loans in bankrupt/practically bankrupt	1.8	1.2	1.1	0.5	0.2
Doubtful loans	44.3	9.0	2.1	1.0	0.5
Total	46.1	10.2	3.1	1.4	0.7

	Billions of Yen	
	Sep. 2005	Change from Mar. 2005
Loans in bankrupt/practically bankrupt	0.1	-0.1
Doubtful loans	0.5	-0.0
Total	0.6	-0.1
	(K)	(L)

b. Breakdown by disposal methods

	Billions of Yen	
	1HFY2005	
Liquidation	-	
Reconstruction	-	
Financial condition improvement along with reconstruction	-	
Outright sales	0.0	
Direct write-offs	-0.0	
Others	0.1	
Collection/repayment	0.0	
Financial condition improvement	0.1	
Total	0.1	(L)

c. Quasi final disposal or in the process of final disposal (out of (K))

	Billions of Yen	
	1HFY2005	
Legal liquidation	0.0	
Quasi legal liquidation	-	
Divided into good company and bad company	-	
Residual of small amount loans after partial write-offs	0.1	
Entrusted to RCC	-	
Total	0.1	

(7) New entry to doubtful or worse categories during 1HFY2003

a. Outstanding amount

	Billions of Yen					Change from Mar. 2005
	Sep.2003	Mar. 2004	Sep. 2004	Mar. 2005	Sep.2005	
Loans in bankrupt/practically bankrupt	0.9	0.5	1.7	0.2	0.5	0.3
Doubtful loans	15.8	12.9	7.1	6.8	4.6	-2.1
Total	16.7	13.4	8.8	6.9	5.1	-1.8
					(M)	(N)

b. Breakdown by disposal methods

	Billions of Yen	
	1HFY2005	
Liquidation	0.0	
Reconstruction	1.3	
Financial condition improvement along with reconstruction	0.9	
Outright sales	0.0	
Direct write-offs	-0.9	
Others	0.6	
Collection/repayment	0.4	
Financial condition improvement	0.2	
Total	1.8	(N)

c. Quasi final disposal or in the process of final disposal (out of **(M)**)

	Billions of Yen	
	1HFY2005	
Legal liquidation	0.0	
Quasi legal liquidation	0.2	
Divided into good company and bad company	-	
Residual of small amount loans after partial write-offs	0.5	
Entrusted to RCC	-	
Total	0.6	

(8) New entry to doubtful or worse categories during 2HFY2003

a. Outstanding amount

	Billions of Yen				Change from Mar. 2005
	Mar. 2004	Sep. 2004	Mar. 2005	Sep. 2005	
Loans in bankrupt/practically bankrupt	2.7	3.9	1.5	1.0	-0.6
Doubtful loans	13.0	8.4	0.4	0.3	-0.1
Total	15.7	12.3	1.9	1.3	-0.7
				(O)	(P)

b. Breakdown by disposal methods

	Billions of Yen	
	1HFY2005	
Liquidation	-	
Reconstruction	-	
Financial condition improvement along with reconstruction	-	
Outright sales	0.0	
Direct write-offs	-0.1	
Others	0.7	
Collection/repayment	0.5	
Financial condition improvement	0.2	
Total	0.7	(P)

c. Quasi final disposal or in the process of final disposal (out of **(O)**)

	Billions of Yen	
	1HFY2005	
Legal liquidation	0.0	
Quasi legal liquidation	0.2	
Divided into good company and bad company	-	
Residual of small amount loans after partial write-offs	0.1	
Entrusted to RCC	-	
Total	0.4	

(9) New entry to doubtful or worse categories during 1HFY2004

a. Outstanding amount

	Billions of Yen			
	Sep. 2004	Mar. 2005	Sep. 2005	Change from Mar. 2005
Loans in bankrupt/practically bankrupt	1.5	0.9	0.3	-0.6
Doubtful loans	12.8	2.1	1.8	-0.3
Total	14.3	3.0	2.1	-0.9

(Q) (R)

b. Breakdown by disposal methods

	Billions of Yen	
	1HFY2005	
Liquidation	-	
Reconstruction	0.0	
Financial condition improvement along with reconstruction	-	
Outright Sales	0.0	
Direct write-offs	0.1	
Others	0.9	
Collection/repayment	0.5	
Financial condition improvement	0.3	
Total	0.9	(R)

c. Quasi final disposal or in the process of final disposal (out of (Q))

	Billions of Yen	
	1HFY2005	
Legal liquidation	0.1	
Quasi legal liquidation	-	
Divided into good company and bad company	-	
Residual of small amount loans after partial write-offs	0.1	
Entrusted to RCC	-	
Total	0.3	

(10) New entry to doubtful or worse categories during 2HFY2004

a. Outstanding amount

	Billions of Yen		
	Mar. 2005	Sep. 2005	Change from Mar. 2005
Loans in bankrupt/practically bankrupt	4.7	34.1	29.4
Doubtful loans	65.0	0.6	-64.4
Total	69.7	34.8	-34.9

(S) (T)

b. Breakdown by disposal methods

	Billions of Yen	
	1HFY2005	
Liquidation	-	
Reconstruction	0.8	
Financial condition improvement along with reconstruction	11.2	
Outright Sales	0.0	
Direct write-offs	11.4	
Others	11.5	
Collection/repayment	10.2	
Financial condition improvement	1.3	
Total	34.9	(T)

c. Quasi final disposal or in the process of final disposal (out of (S))

	Billions of Yen	
	1HFY2005	
Legal liquidation	0.6	
Quasi legal liquidation	-	
Divided into good company and bad company	-	
Residual of small amount loans after partial write-offs	0.2	
Entrusted to RCC	-	
Total	0.9	

(11) New entry to doubtful or worse categories during 1HFY2005

a. Outstanding amount

	Billions of Yen	
	Sep. 2005	
Loans in bankrupt/practically bankrupt	1.4	
Doubtful loans	5.1	
Total	6.4	(U)

b. Quasi final disposal or in the process of final disposal (out of (U))

	Billions of Yen	
	1HFY2005	
Legal liquidation	1.0	
Quasi legal liquidation	-	
Divided into good company and bad company	-	
Residual of small amount loans after partial write-offs	0.4	
Entrusted to RCC	-	
Total	1.4	

(12) Historical balance of doubtful or worse loans

	Billions of Yen				
	Sep.2000	Mar. 2001	Sep.2001	Mar. 2002	Sep. 2002
Loans in bankrupt/practically bankrupt	112.1	85.4	93.9	47.2	70.1
Doubtful loans	614.7	412.0	361.8	424.4	273.7
Total	726.8	497.5	455.7	471.6	343.8

	Billions of Yen				
	Mar. 2003	Sep. 2003	Mar. 2004	Sep. 2004	Mar. 2005
Loans in bankrupt/practically bankrupt	29.0	25.7	18.7	79.2	15.5
Doubtful loans	176.7	133.6	113.1	47.9	88.1
Total	205.7	159.4	131.8	127.1	103.6

	Billions of Yen	
	Sep. 2005	Change from Mar. 2005
Loans in bankrupt/practically bankrupt	42.2	26.7
Doubtful loans	20.6	-67.5
Total	62.9	-40.7
	(V)	(W)

$$(V)=(A)+(C)+(E)+(G)+(I)+(K)+(M)+(O)+(Q)+(S)+(U)$$

$$(W)=(B)+(D)+(F)+(H)+(J)+(L)+(N)+(P)+(R)+(T)+(U)$$

11. Loans by industry

After partial direct write-offs

(1) Loans by industry (Non-consolidated)

	Millions of Yen						
	Sep. 2005				Mar. 2005		
	Banking a/c	Trust a/c (*)	Banking + trust a/c	Change from Mar. 2005	Banking a/c	Trust a/c (*)	Banking + trust a/c
Domestic Branches (excluding offshore)	9,350,986	848,987	10,199,974	710,519	8,577,159	912,294	9,489,454
Manufacturing	1,187,466	33,149	1,220,615	-7,782	1,191,109	37,288	1,228,397
Agriculture	3,290	-	3,290	559	2,731	-	2,731
Forestry	210	-	210	-45	255	-	255
Fishing	2,300	-	2,300	-	2,300	-	2,300
Mining	6,409	166	6,576	1,729	4,641	205	4,847
Construction	143,877	22,923	166,800	-10,035	150,797	26,038	176,836
Energy and utilities	135,158	64,396	199,554	5,494	116,995	77,064	194,059
Communication	172,634	13,245	185,880	-5,769	178,060	13,589	191,649
Transportation	582,613	142,025	724,639	21,768	545,789	157,080	702,870
Wholesale and retail	856,944	24,266	881,210	91,112	764,458	25,639	790,098
Finance and insurance	2,022,121	107,188	2,129,309	203,342	1,789,986	135,981	1,925,967
Real estate	1,247,554	62,490	1,310,044	62,958	1,165,728	81,357	1,247,086
Various services	1,411,341	28,946	1,440,288	178,149	1,228,574	33,563	1,262,138
Others	1,579,064	350,189	1,929,254	169,038	1,435,730	324,485	1,760,216
Overseas branches and offshore	552,913	-	552,913	94,247	458,666	-	458,666
Total	9,903,899	848,987	10,752,887	804,766	9,035,826	912,294	9,948,120

(2) Risk managed loans by industry (Non-consolidated)

	Millions of Yen						
	Sep. 2005				Mar. 2005		
	Banking a/c	Trust a/c (*)	Banking + trust a/c	Change from Mar. 2005	Banking a/c	Trust a/c (*)	Banking + trust a/c
Domestic Branches (excluding offshore)	124,236	14,807	139,044	-40,717	162,707	17,054	179,761
Manufacturing	12,244	261	12,506	-1,783	13,993	295	14,289
Agriculture	-	-	-	-	-	-	-
Forestry	-	-	-	-	-	-	-
Fishing	-	-	-	-	-	-	-
Mining	-	-	-	-	-	-	-
Construction	18,764	1,003	19,767	-11,902	30,387	1,282	31,670
Energy and utilities	-	-	-	-	-	-	-
Communication	278	-	278	144	122	11	133
Transportation	4,215	204	4,419	-205	4,390	234	4,625
Wholesale and retail	2,651	1,336	3,988	-1,513	4,254	1,247	5,502
Finance and insurance	439	65	505	-1,431	1,871	65	1,937
Real estate	41,080	1,773	42,854	-20,265	60,009	3,110	63,119
Various services	34,530	4,232	38,762	-2,316	36,477	4,601	41,078
Others	10,031	5,930	15,962	-1,444	11,201	6,204	17,406
Overseas branches and offshore	1,768	-	1,768	-1,580	3,349	-	3,349
Total	126,004	14,807	140,812	-42,298	166,056	17,054	183,111

(*) Trust a/c is principal guaranteed trust a/c

12. Overseas loan exposures by borrowers' location (Non-consolidated)

	Millions of Yen				
	Sep. 2005			Mar. 2005	Change from Mar. 2005
	Total	Japanese affiliates	Non-Japanese		
North America	226,230	144,839	81,391	198,317	27,913
Europe	113,430	52,947	60,482	102,015	11,414
Asia	180,967	156,008	24,958	138,406	42,561

13. Reserves for possible loan losses**(1) Banking a/c (Consolidated)**

	Millions of Yen				
	Sep. 2005	Mar. 2005	Sep. 2004	Change from Mar. 2005	Change from Sep. 2004
Reserves for possible loan losses	62,524	80,806	90,701	-18,281	-28,176
General reserves	44,642	44,075	58,659	567	-14,016
Specific loan loss reserves	17,643	36,282	31,559	-18,639	-13,915
Reserves for loans to borrowers in specific foreign countries	238	448	482	-209	-243

(2) Banking a/c (Non-consolidated)

	Millions of Yen				
	Sep. 2005	Mar. 2005	Sep. 2004	Change from Mar. 2005	Change from Sep. 2004
Reserves for possible loan losses	56,689	77,076	87,990	-20,386	-31,300
General reserves	41,471	43,390	57,799	-1,919	-16,327
Specific loan loss reserves	14,979	33,237	29,709	-18,257	-14,729
Reserves for loans to borrowers in specific foreign countries	238	448	482	-209	-243

(3) Principal guaranteed trust a/c (Non-consolidated)

	Millions of Yen				
	Sep. 2005	Mar. 2005	Sep. 2004	Change from Mar. 2005	Change from Sep. 2004
Reserves for loan trust	5,431	5,781	6,840	-350	-1,408
Reserves for jointly-operated money trust	524	552	563	-27	-38
Total	5,955	6,333	7,403	-377	-1,447

14. Balance of major accounts (Banking a/c) (Non-consolidated)

	Millions of Yen				
	Sep. 2005	Mar. 2005	Sep. 2004	Change from Mar. 2005	Change from Sep. 2004
Deposits (Ending balance)	9,750,632	9,095,353	9,017,107	655,279	733,525
(Average balance)	9,294,034	8,741,703	8,631,295	552,330	662,739
Loans (Ending balance)	9,903,899	9,035,826	8,752,611	868,073	1,151,288
(Average balance)	9,383,610	8,694,287	8,556,067	689,323	827,543

<Ending balance of domestic deposits classified by depositors>

	Millions of Yen				
	Sep. 2005	Mar. 2005	Sep. 2004	Change from Mar. 2005	Change from Sep. 2004
Individuals	6,382,024	6,222,761	6,085,181	159,262	296,843
Corporates and other organizations	2,080,892	1,919,001	2,092,818	161,890	-11,926
Total	8,462,916	8,141,763	8,177,999	321,152	284,916

Note: Excluding NCDs and offshore accounts

15. Balance of major accounts (Principal guaranteed trust a/c) (Non-consolidated)

			Millions of Yen				
			Sep. 2005	Mar. 2005	Sep. 2004	Change from Mar. 2005	Change from Sep. 2004
Principal	Jointly operated money trust	Ending balance	1,102,798	1,001,548	970,351	101,249	132,446
		Average balance	1,015,220	995,789	993,286	19,431	21,933
	Loan trust	Ending balance	1,004,356	1,086,639	1,170,881	-82,283	-166,524
		Average balance	1,044,615	1,206,779	1,291,303	-162,163	-246,688
	Total	Ending balance	2,107,154	2,088,188	2,141,232	18,966	-34,077
		Average balance	2,059,836	2,202,568	2,284,590	-142,732	-224,754
Loans	Jointly operated money trust	Ending balance	174,423	182,401	186,864	-7,977	-12,440
		Average balance	178,520	188,428	190,128	-9,907	-11,607
	Loan trust	Ending balance	464,465	553,524	661,428	-89,059	-196,962
		Average balance	521,606	691,304	756,348	-169,697	-234,741
	Total	Ending balance	638,888	735,925	848,292	-97,036	-209,403
		Average balance	700,127	879,733	946,476	-179,605	-246,349

<Ending principal balance classified by customers>

			Millions of Yen				
			Sep. 2005	Mar. 2005	Sep. 2004	Change from Mar. 2005	Change from Sep. 2004
Individuals			1,327,917	1,477,625	1,635,067	-149,708	-307,149
Corporates and other organizations			779,237	610,562	506,165	168,674	273,072
Total			2,107,154	2,088,188	2,141,232	18,966	-34,077

16. Loans and consumer loans to small and mid-sized corporations

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

			Percentage points, Millions of Yen				
			Sep. 2005	Mar. 2005	Sep. 2004	Change from Mar. 2005	Change from Sep. 2004
Percentage to total loan balance			45.2	45.2	42.4	0.0	2.8
Loan balance			4,613,512	4,286,054	3,966,105	327,457	647,406

17. Consumer loans

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

			Millions of Yen				
			Sep. 2005	Mar. 2005	Sep. 2004	Change from Mar. 2005	Change from Sep. 2004
Residential mortgage loans			1,124,434	1,028,237	911,700	96,196	212,734
Other consumer loans			515,636	485,133	447,919	30,503	67,716
Total			1,640,071	1,513,371	1,359,619	126,699	280,451