

# COMPANY INFORMATION

The Sumitomo Trust & Banking Co., Ltd.

4-4, Marunouchi 1-chome, Chiyoda-ku, TOKYO 100-8233 JAPAN

May. 22, 2006

## Financial Results For Fiscal Year 2005

The Sumitomo Trust and Banking Company, Limited ("the Bank" hereafter) announces its financial results for fiscal year 2005 ended March 31, 2006 and forecasts for full fiscal year 2006 ending March 31, 2007. The financial summary is stated as below.

### Financial Results for Fiscal Year 2005

<under Japanese GAAP>

Years ended March 31	Millions of Yen, except for percentages			Millions of U.S.Dollars
	2006 (unaudited)	2005	% change	2006
<b>&lt;Consolidated&gt;</b>				
Operating Income	789,875	500,949	57.7	6,725.8
Operating Profits	171,949	134,161	28.2	1,464.1
Net Income	100,069	96,865	3.3	852.1
Total Assets	20,631,938	15,908,374	29.7	175,680.7
Stockholders' Equity	1,117,991	909,726	22.9	9,519.7
Per Share	Yen		change	U.S.Dollars
Net Income	59.91	59.86	0.05	0.51
Net Income (fully diluted)	59.87	58.07	1.80	0.51
Stockholders' Equity	668.38	545.99	122.39	5.69
	%		change	
BIS Capital Adequacy Ratio	10.90 (preliminary)	12.50	(1.60)	
Cash Flows	Millions of Yen			Millions of U.S.Dollars
Cash Flows from Operating Activities	1,804,932	324,362		15,369.0
Cash Flows from Investing Activities	(1,291,109)	(743,034)		(10,993.8)
Cash Flows from Financing Activities	22,745	54,972		193.7
Cash and Cash Equivalents at End of Year	691,450	152,132		5,887.7

Notes : 1. This financial information is summarized translations of the brief financial statements (Kessan Tanshin) and explanatory material.

2. U.S. dollar amounts are converted, for convenience only, at 117.44 yen per dollar ( Interbank rate in Tokyo at March 31, 2006 ).

3. All amounts less than one million yen are presented on a rounding down basis.

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4. Average number of shares during the fiscal year ended :		
March 31,2006: Common Stock	1,668,962,652	; Preferred Stock -
March 31,2005: Common Stock	1,616,816,792	; Preferred Stock 29,629,230
5. Number of issued shares as of :		
March 31,2006: Common Stock	1,672,570,765	; Preferred Stock -
March 31,2005: Common Stock	1,666,072,412	; Preferred Stock -
6. Consolidation and Application of the Equity Method		
(1)Consolidated Companies	24	Companies
(newly consolidated)	6	Companies
(excluded)	1	Company
(2)Companies Accounted for by the Equity Method	9	Companies
(newly accounted for by the Equity Method)	-	Company
(excluded)	-	Company

Years ended March 31	Millions of Yen, except for percentages			Millions of U.S.Dollars
	2006 (unaudited)	2005	% change	2006

<Non-consolidated>

Operating Income	<b>558,127</b>	478,474	16.6	4,752.4
Operating Profits	<b>148,293</b>	120,587	23.0	1,262.7
Net Income	<b>88,497</b>	84,700	4.5	753.6
Total Assets	<b>20,371,732</b>	16,018,584	27.2	173,465.0
Stockholders' Equity	<b>1,096,049</b>	903,013	21.4	9,332.8

Per Share	Yen		change	U.S.Dollars
Net Income	<b>52.98</b>	52.34	0.64	0.45
Net Income (fully diluted)	<b>52.95</b>	50.78	2.17	0.45
Annual Dividends [ Common Stock ]	<b>12.00</b>	12.00	-	0.10
Interim	<b>6.00</b>	-	6.00	0.05
Year-end	<b>6.00</b>	12.00	(6.00)	0.05
Stockholders' Equity	<b>655.27</b>	541.96	113.31	5.58

	%		change
Equity to Total Assets Ratio	<b>5.4</b>	5.6	(0.2)

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## Income Forecasts for Fiscal Year 2006

	<u>Millions of Yen</u> Full Fiscal Year
<b>&lt;Consolidated&gt;</b>	
Operating Income	770,000
Operating Profits	175,000
Net Income	105,000
	<u>Yen</u>
Net Income per Share	62.78

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	<u>Millions of Yen</u> Full Fiscal Year
<b>&lt;Non-consolidated&gt;</b>	
Operating Income	540,000
Operating Profits	150,000
Net Income	90,000
	<u>Yen</u>
Net Income per Share	53.81
Annual Dividends per Share [ Common Stock ]	15.00
Interim	7.50
Year-end	7.50

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Note : Income forecasts are based on information, which is available at this moment, and assumptions of uncertain factors, which may effect on future operating results. Actual results may differ materially from those forecasts depending on various future events.

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## Consolidated Balance Sheet

(Millions of Yen)

	Mar-06 (unaudited)	Mar-05	Change
<b>Assets:</b>			
Cash and Due from Banks	892,274	432,183	460,091
Call Loans and Bills Bought	440,945	85,255	355,690
Monetary Claims Bought	583,153	219,782	363,371
Trading Assets	435,044	282,812	152,232
Money Held in Trust	14,768	2,000	12,768
Securities	5,767,544	4,587,489	1,180,054
Loans and Bills Discounted	10,186,276	9,013,920	1,172,356
Foreign Exchanges	3,083	7,397	(4,313)
Other Assets	1,608,153	790,045	818,107
Premises and Equipment	109,653	106,826	2,827
Deferred Tax Assets	20,320	80,327	(60,006)
Goodwill	113,165	-	113,165
Customers' Liabilities for Acceptances and Guarantees	533,760	399,099	134,660
Reserve for Possible Loan Losses	(76,206)	(80,806)	4,599
Reserve for Losses on Investment Securities	-	(17,958)	17,958
<b>Total Assets</b>	<b>20,631,938</b>	<b>15,908,374</b>	<b>4,723,563</b>
<b>Liabilities:</b>			
Deposits	10,363,233	9,130,196	1,233,037
Negotiable Certificates of Deposit	2,408,656	1,487,025	921,631
Call Money and Bills Sold	669,023	301,937	367,086
Payables under Repurchase Agreements	983,715	936,658	47,056
Payables under Securities Lending Transactions	703,050	53,507	649,542
Trading Liabilities	69,861	51,817	18,044
Borrowed Money	417,089	160,608	256,480
Foreign Exchanges	1	903	(901)
Short-term Corporate Bonds	331,600	-	331,600
Bonds and Notes	377,600	388,100	(10,500)
Borrowed Money from Trust Account	1,733,446	1,473,736	259,710
Other Liabilities	664,394	515,675	148,718
Reserve for Employees' Bonus	5,790	4,371	1,418
Reserve for Employee Retirement Benefits	10,204	2,551	7,653
Deferred Tax Liabilities	77,022	40	76,981
Deferred Tax Liabilities for Land Revaluation	6,410	6,613	(203)
Negative Goodwill	-	553	(553)
Acceptances and Guarantees	533,760	399,099	134,660
<b>Total Liabilities</b>	<b>19,354,861</b>	<b>14,913,397</b>	<b>4,441,463</b>
<b>Minority Interest</b>	<b>159,085</b>	<b>85,250</b>	<b>73,835</b>
<b>Stockholders' Equity:</b>			
Capital Stock	287,283	287,053	230
Capital Surplus	240,703	240,472	230
Retained Earnings	349,751	279,966	69,874
Revaluation Reserve for Land, Net of Taxes	(3,740)	(3,551)	(189)
Net Unrealized Gains on Securities Available for Sale, Net of Taxes	248,116	116,628	131,488
Foreign Currency Translation Adjustments	(3,871)	(6,376)	2,504
Treasury Stock	(251)	(4,466)	4,215
<b>Total Stockholders' Equity</b>	<b>1,117,991</b>	<b>909,726</b>	<b>208,264</b>
<b>Total Liabilities, Minority Interest and Stockholders' Equity</b>	<b>20,631,938</b>	<b>15,908,374</b>	<b>4,723,563</b>

## Notes to Consolidated Balance Sheet at the end of Fiscal Year 2005

### 1. Trading Assets and Liabilities

Transactions for “Trading Purposes” (purposes for seeking to capture gains arising from short-term changes in interest rates, currency exchange rates or securities prices in markets and other market-related indices or from differences between markets) are included in “Trading Assets” and “Trading Liabilities” on a trade date basis.

Trading account securities and monetary claims are stated at market value of the fiscal year end and financial derivatives for trading purposes, such as swaps, futures or options, are valued on the assumption that they are settled at the end of the fiscal year.

### 2. Securities

Held-to-maturity debt securities are carried at amortized cost, using the moving average method. Equity securities issued by subsidiaries and affiliated companies those are not consolidated or accounted for using the equity method are stated at moving average cost.

Japanese stocks classified as available-for-sale securities with fair market value are revalued at the average fair market value of the final month in the fiscal year. Securities other than Japanese stocks classified as available-for-sale securities with fair market value are revalued at the fair market value on the end of the fiscal year.

Available-for-sale securities without fair market value are carried at cost or amortized cost using moving average method.

Net unrealized gains (losses) on securities available for sale, net of taxes are recorded as a separate component of stockholders' equity and its amount is reported on the consolidated balance sheet.

### 3. Securities in Money Held in Trust

Securities included in money held in trust of sole investments mainly for purpose of securities investments are revalued at the fair market value.

### 4 Issuance Costs of Stocks, Issuance Costs of Bonds and Discounts of Bonds

Issuance costs of stocks and issuance costs of bonds are charged to expenses when incurred. Discount of bonds are deferred and amortized using the straight-line method over the lives of the bonds.

### 5 Reserve for Possible Loan Losses

For the Bank, reserve for possible loan losses is provided as detailed below, pursuant to the internal rules for self-assessment of asset quality and internal rules regarding reserve for possible credit losses.

For claims to debtors who are legally bankrupt (due to bankruptcy, subject to the Japanese Civil Rehabilitation Law, suspension of transactions with banks by the rules of clearinghouses, etc.) or virtually bankrupt, the specific reserve is provided based on the amount of claims, after direct deduction described below, net of the amount expected to be collected through the disposal of collateral or execution of guarantees.

For claims to debtors who are likely to become bankrupt, a specific reserve is provided based on the amount considered to be necessary by on an overall solvency assessment, on net amounts expected to be collected through the disposal of collateral or execution of guarantees.

Among claims to debtors with more than a certain amount of the Bank's claims to debtors, 1) who are likely to become bankrupt, 2) to whom the Bank has Restructured Loans (see following note 10), or 3) whom the Bank classifies as “Special Mention Debtors” other than substandard ones meeting certain credit criteria, where future cash flows from capital collection and interest receipt could be reasonably estimated, a reserve is provided for the difference between the present value of expected future cash flows discounted at the original contracted interest rate before relaxing to support and the current book value of the claims.

For claims that are classified to the categories other than above, the general reserve is provided based on the historical loan-loss-ratio.

The reserve for loans to borrowers in specific foreign countries is provided based on expected losses due to the political and economic situation of these countries.

All claims are assessed by the responsible branches and credit supervision division based on the internal rules for self-assessment of asset quality. The Corporate Risk Management Department, which is independent from branches and credit supervision division, subsequently conducts the audits of their assessments, and the reserve is adjusted to reflect the audit results.

And for claims to debtors who are legally bankrupt or virtually bankrupt with collateral or guarantees, the expected uncollectible amount, net of amounts expected to be collected through the disposal of collateral or through execution of guarantees, are deducted directly out of the original amount of claims. The deducted amount is 46,368 millions of yen.

For the consolidated subsidiaries, the reserve for possible loan losses is provided based on the historical loan-loss-ratio for ordinary claims, and based on the amount expected to be uncollectible for each specific claim, respectively.

## 6 Reserve for Employee Retirement Benefits

Reserve for employee retirement benefits is provided based on the projected benefit obligation and the fair value of the plan assets at each fiscal year-end.

Prior service cost is recognized in expenses using the straight-line method over the average of the estimated remaining service lives (mainly 10 years). Actuarial gains and losses are recognized in expenses using the straight-line method over the average expected remaining service lives (mainly 10 years).

## 7 Hedge Accounting

### *(Interest Related Transactions)*

The Bank manages interest rate risk arising from various assets and liabilities, such as loans, bills discounted, deposits, etc., by using financial derivative transactions and applies deferred hedge accounting regulated by “Treatment for Accounting and Auditing of Application of Accounting Standard for Financial Instruments in Banking Industry” (JICPA Industry Auditing Committee Report No.24, hereafter “Report No. 24”). In hedging activities to offset change in the fair value of deposits, loans, etc., as hedged items, the Bank designates hedged items and interest rate swaps etc. as hedging transactions by grouping them by their maturities. As for cash-flow-hedge, the effectiveness of the hedge is assessed by confirming the correlation between the fluctuational factor of interest rate for hedged items and for hedging transactions.

Deferred hedge income and losses resulted from “Macro Hedge Accounting”, which are included in “Other Assets” and “Other Liabilities” in the consolidated balance sheet, are amortized over the remaining period for each hedging transaction. As of March 31,2006, deferred hedge losses and income resulted from “Macro Hedge Accounting” are 83,116 millions of yen and 83,916 millions of yen, respectively. “Macro Hedge Accounting” had been the former hedge accounting method, which was stated in the “Temporary Treatment for Accounting and Auditing of Application of Accounting Standard for Financial Instruments in Banking Industry” (JICPA Industry Auditing Committee Report No.15), under which the Bank managed the total interest rate risk arising from various financial assets and liabilities, such as loans, bills discounted, deposits etc., as a whole by using financial derivative transactions.

### *(Currency Related Transactions)*

The Bank manages foreign exchange risk arising from various assets and liabilities denominated in foreign currencies by using financial derivative transactions and applies deferred hedge accounting regulated by “Treatment for Accounting and Auditing of Application of Accounting Standard for Foreign Currency Transactions in the Banking Industry” (JICPA Industry Auditing Committee Report No. 25, hereafter “Report No. 25”).

The Bank designates specific currency swaps and foreign exchange swaps made to mitigate the foreign exchange risks arising from monetary claims and debts denominated in foreign currencies as hedging transactions. The effectiveness of the hedge is assessed by confirming that the monetary claims and debts denominated in foreign currency as hedged items exceed the position of those hedging transactions. The Bank also applies fair value hedge to mitigate foreign currency exchange rate exposure in available-for-sale securities denominated in foreign currencies except for bonds as “Portfolio Hedges” when hedged foreign currency securities are specified in advance to the inception of the transactions and spot forward liabilities exist on a foreign currency basis that exceed acquisition costs of the foreign currency securities designated as hedged items.

### *(Internal Hedge Transactions)*

The Bank strictly applies Report No.24 and 25 to such internal hedging transactions, such as interest rate swaps and currency swaps, etc., made between the consolidated companies or between banking and trading account. The Bank assesses the effectiveness of internal hedging transactions as it does for external ones without arbitrary choices. On the basis described above, income and losses from these transactions are recognized or deferred without netting off.

### *(Others)*

The Bank also applies the individual deferred hedge accounting to specific assets and liabilities. Consolidated subsidiaries apply the individual fair value hedge accounting or the accrual-basis hedge accounting on interest rate swaps.

## 8 Delinquent Loans

“Loans in Bankruptcy Proceedings” and “Other Delinquent Loans” are 2,246 millions of yen and 43,043 millions of yen, respectively.

Loans in bankruptcy proceedings are non-accrual loans outstanding (not including direct write-off portion of loans) to borrowers who are legally bankrupt as defined in Article 96 1-3 or 4 of Enforcement Ordinance for the Corporation Tax Law.

Other delinquent loans are non-accrual loans other than 1) loans in bankruptcy proceedings and 2) loans of which interest payments are rescheduled in order to assist the restructuring of borrowers.

## 9 Loans More than Three Months Past Due

“Loans More than Three Months Past Due” amounts to 3 millions of yen.

Loans more than three months past due are those loans for which principal or interest payments are more than three months past due from the date succeeding the due date, excluding those loans classified as delinquent loans.

## 10 Restructured Loans

“Restructured Loans” amounts 62,497 millions of yen.

Restructured loans are those loans whose terms have been relaxed to support borrowers who are in financial difficulties excluding delinquent loans and loans more than three months past due.

## 11 Other Assets

“Other Assets” in the consolidated balance sheet includes the amount of 6,316 million yen of provisional payment of the withholding tax. For this issue, the Bank received reassessment notice from the tax office claiming the Bank’s responsibility for collecting withholding tax on some of its repurchase agreement transactions. The Bank filed a petition with the National Tax Tribunal objecting to such tax imposition, whereby the Bank’s petition was dismissed on February 22, 2005. However, the Bank disputed the alleged legal basis for this imposition, and then filed a lawsuit in the Tokyo District Court on March 31, 2005 and the claim is currently in litigation.

## 12 Projected Benefit Obligation

	(Millions of Yen)
Projected Benefit Obligation	(222,301)
Plan Assets (market value)	322,252
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Unfunded Projected Benefit Obligation	99,950
Unrecognized Net Actuarial Loss	(43,195)
Unrecognized Net Prior Service Cost	1,108
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Net Amount recognized in the Consolidated Balance Sheet	57,863
of which Prepaid Pension Cost	68,067
of which Reserve for Employee Retirement Benefits	(10,204)

## Consolidated Statement of Income

(Millions of Yen)

	Mar-06 (unaudited)	Mar-05	Change
<b>Operating Income:</b>			
Trust Fees	68,900	71,316	(2,416)
Interest Income:	271,359	238,698	32,661
Interest on Loans and Discounts	137,367	120,203	17,163
Interest and Dividends on Securities	117,590	97,186	20,404
Fees and Commissions	124,999	88,466	36,533
Trading Income	6,317	4,239	2,078
Other Operating Income	234,106	46,861	187,244
Other Income	84,190	51,367	32,823
<b>Total Operating Income</b>	<b>789,875</b>	<b>500,949</b>	<b>288,925</b>
<b>Operating Expenses:</b>			
Interest Expenses:	120,386	89,684	30,701
Interest on Deposits	57,363	33,003	24,360
Fees and Commissions	24,427	20,996	3,430
Trading Expenses	812	72	740
Other Operating Expenses	200,514	51,008	149,506
General and Administrative Expenses	174,527	138,239	36,288
Other Expenses	97,256	66,787	30,469
<b>Total Operating Expenses</b>	<b>617,925</b>	<b>366,788</b>	<b>251,136</b>
<b>Operating Profits</b>	<b>171,949</b>	<b>134,161</b>	<b>37,788</b>
Extraordinary Profits	1,738	28,563	(26,825)
Extraordinary Losses	2,347	4,869	(2,522)
<b>Income before Income Taxes and Others</b>	<b>171,340</b>	<b>157,854</b>	<b>13,485</b>
Provision for Income Taxes and Others:			
Current	5,074	1,981	3,092
Deferred	61,978	56,216	5,761
Minority Interest	4,218	2,791	1,426
<b>Net Income</b>	<b>100,069</b>	<b>96,865</b>	<b>3,204</b>



## Notes to Consolidated Statement of Income for Fiscal Year 2005

### 1. Trading Profits and Losses

Profits and losses on trading transactions are shown as “Trading Income” or “Trading Expenses” on a trade date basis.

### 2. Other Income

“Other Income” includes 57,002 millions yen of gains on derivative transaction for stock and 15,555 millions yen of gains on sale of shares and other securities.

### 3. Other Expenses

“Other Expenses” includes 61,784 millions yen of losses on derivative transaction for stock and 7,740 millions yen of losses on devaluation of shares and other securities.

**Consolidated Statement of Capital Surplus and Retained Earnings**

	(Millions of Yen)		
	<b>Mar-06 (unaudited)</b>	Mar-05	Change
<b>(Capital Surplus)</b>			
Balance of Capital Surplus at Beginning of Year	<b>240,472</b>	240,437	35
Increase	<b>230</b>	35	195
Balance of Capital Surplus at End of Year	<b>240,703</b>	240,472	230
<b>(Retained Earnings)</b>			
Balance of Retained Earning at Beginning of Year	<b>279,966</b>	192,150	87,816
Increase	<b>100,259</b>	97,524	2,734
Decrease	<b>30,474</b>	9,708	20,766
Balance of Retained Earning at End of Year	<b>349,751</b>	279,966	69,784

## Consolidated Statement of Cash Flows

(Millions of Yen)

	Mar-06 (unaudited)	Mar-05	Change
<b>Cash Flows from Operating Activities :</b>			
Income before Income Taxes and Others	171,340	157,854	13,485
Depreciation	5,475	5,351	124
Losses on Impairment of Fixed Assets	828	106	721
Amortization of Negative Goodwill	5,343	(1,407)	6,751
Equity in Losses (Earnings) of Affiliates	(2,695)	(1,505)	(1,190)
Increase (Decrease) in Reserve for Possible Loan Losses	(19,062)	(30,978)	11,915
Increase (Decrease) in Reserve for Losses on Investment Securities	(17,958)	14,930	(32,889)
Increase (Decrease) in Reserve for Employees' Bonus	253	155	97
Increase (Decrease) in Reserve for Employee Retirement Benefits	(780)	111	(891)
Interest Income	(271,359)	(238,698)	(32,661)
Interest Expenses	120,386	89,684	30,701
Losses (Gains) on Securities	(1,690)	(23,734)	22,044
Losses (Gains) on Money Held in Trust	(2,581)	(71)	(2,509)
Losses (Gains) on Foreign Exchanges	(92,888)	(52,828)	(40,060)
Losses (Gains) on Sale of Premises and Equipment	1,407	1,094	313
Net Decrease (Increase) in Trading Assets	(152,232)	18,322	(170,554)
Net Increase (Decrease) in Trading Liabilities	18,044	4,645	13,398
Net Decrease (Increase) in Loans and Bills Discounted	(1,049,936)	(157,141)	(892,794)
Net Increase (Decrease) in Deposits	1,224,389	346,289	878,099
Net Increase (Decrease) in Negotiable Certificates of Deposit	921,631	104,765	816,865
Net Increase (Decrease) in Borrowed Money other than Subordinated Borrowings	(235,562)	(4,784)	(230,777)
Net Decrease (Increase) in Due from Banks other than from Bank of Japan	79,226	(48,974)	128,200
Net Decrease (Increase) in Call Loans and Others	(713,790)	4,440	(718,230)
Net Increase (Decrease) in Call Money and Others	414,142	63,296	350,846
Net Increase (Decrease) in Paybles under Securities Lending Transactions	649,542	(185,630)	835,173
Net Decrease (Increase) in Foreign Exchange Assets	4,313	5,937	(1,623)
Net Increase (Decrease) in Foreign Exchange Liabilities	(901)	(6,312)	5,410
Net Increase (Decrease) in Short-term Corporate Bonds Liabilities	331,600	-	331,600
Net Increase (Decrease) in Borrowed Money from Trust Account	259,710	48,588	211,121
Interest Income Received on Cash Basis	290,262	237,796	52,466
Interest Expenses Paid on Cash Basis	(116,786)	(83,227)	(33,558)
Other - Net	(8,536)	57,546	(66,082)
Sub-Total	1,811,136	325,622	1,485,514
Income Tax Paid	(6,203)	(1,259)	(4,943)
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>1,804,932</b>	<b>324,362</b>	<b>1,480,570</b>
<b>Cash Flows from Investing Activities :</b>			
Purchase of Securities	(6,593,697)	(11,208,948)	4,615,250
Proceeds from Sale of Securities	4,950,377	9,442,280	(4,491,903)
Proceeds from Redemption of Securities	501,262	1,031,361	(530,099)
Increase in Money Held in Trust	(10,299)	(1,313)	(8,986)
Decrease in Money Held in Trust	106	-	106
Purchase of Premises and Equipment	(6,850)	(5,756)	(1,094)
Proceeds from Sale of Premises and Equipment	3,034	1,301	1,733
Purchase of Stock of New Consolidated Subsidiaries	(135,041)	-	(135,041)
Purchase of Stock of Consolidated Subsidiaries	-	(1,960)	1,960
<b>Net Cash Provided by (Used in) Investing Activities</b>	<b>(1,291,109)</b>	<b>(743,034)</b>	<b>(548,074)</b>
<b>Cash Flows from Financing Activities :</b>			
Proceeds from Subordinated Borrowings	-	10,000	(10,000)
Proceeds from Subordinated Bonds and Convertible Bonds	79,271	89,538	(10,266)
Redemption of Subordinated Bonds and Convertible Bonds	(90,500)	(32,400)	(58,100)
Proceeds from Issuance of Stock	461	-	461
Proceeds from Issuance of Stock to Minority Stockholders	62,484	-	62,484
Proceeds from Issuance of Consolidated Subsidiaries' Stock to Minority Stockholders	-	98	(98)
Dividends Paid	(30,031)	(9,627)	(20,404)
Dividends Paid to Minority Stockholders	(2,766)	(2,595)	(170)
Purchase of Treasury Stock	(111)	(114)	3
Proceeds from Sale of Treasury Stock	3,937	73	3,863
<b>Net Cash Provided by (Used in) Financing Activities</b>	<b>22,745</b>	<b>54,972</b>	<b>(32,227)</b>
Effect on Exchange Rate Changes on Cash and Cash Equivalents	2,749	(419)	3,168
<b>Net Change in Cash and Cash Equivalents</b>	<b>539,318</b>	<b>(364,119)</b>	<b>903,437</b>
Cash and Cash Equivalents at Beginning of Year	152,132	516,251	(364,119)
Cash and Cash Equivalents at End of Year	691,450	152,132	539,318

**Notes to Consolidated Statement of Cash Flows for Fiscal Year 2005**

## 1. Definition of Cash and Cash Equivalents

In preparing the consolidated statement of cash flows, cash and due from Bank of Japan (“BOJ”) in the case of the Bank, and cash and due from banks in the case of the consolidated subsidiaries, are considered to be “Cash and Cash Equivalents.”

## 2. Reconciliation between Cash and Cash Equivalents

	(Millions of Yen)
Cash and Due from Banks	892,274
Due from Banks (excluding due from BOJ)	(200,824)
<u>Cash and Cash Equivalents</u>	<u>691,450</u>

## 3. Purchase of Stock of New Consolidated Subsidiaries

The Bank purchased the stocks of new consolidated subsidiaries in this fiscal year. The relations between increasing assets and liabilities and cash outflow for the purchase are as follows:

## &lt;Sumishin Matsushita Financial Services Co.,Ltd.&gt;

	(Millions of Yen)
<b>Assets</b>	<b>518,271</b>
Other Assets	334,085
<b>Liabilities</b>	<b>(489,261)</b>
Borrowed Money	(381,360)
Minority Interest	(9,863)
Goodwill	10,078
Purchase Price of Additional Common Stock	29,224
<u>Cash and Cash Equivalents of Sumishin Matsushita Financial Services Co.,Ltd.</u>	<u>(310)</u>
Net Cash Used in the Purchase of Stock of Sumishin Matsushita Financial Services Co.,Ltd.	28,914

## &lt;First Credit Corporation&gt;

	(Millions of Yen)
<b>Assets</b>	<b>134,542</b>
Loans and Bills Discounted	115,245
<b>Liabilities</b>	<b>(113,112)</b>
Borrowed Money	(110,000)
Goodwill	109,037
Purchase Price of Additional Common Stock	130,468
<u>Cash and Cash Equivalents of First Credit Corporation</u>	<u>(24,325)</u>
Net Cash Used in the Purchase of Stock of First Credit Corporation	106,142

## Segment Information by Location ( Consolidated )

Year ended March 31, 2006 (unaudited)	(Millions of Yen)						
	Japan	Americas	Europe	Asia/Oceania	Total	Elimination	Consolidated
<b>I Total Operating Income</b>	672,562	44,145	69,504	17,850	804,062	(14,187)	789,875
(1) Unaffiliated Customers	668,734	37,540	68,171	15,429	789,875	-	789,875
(2) Intersegment	3,827	6,605	1,332	2,421	14,187	(14,187)	-
<b>Total Operating Expenses</b>	506,641	39,794	67,575	17,108	631,121	(13,195)	617,925
<b>Operating Profits</b>	165,920	4,350	1,928	741	172,941	(991)	171,949
<b>II Total Assets</b>	19,616,225	1,157,298	734,000	748,327	22,255,851	(1,623,913)	20,631,938

Year ended March 31, 2005	(Millions of Yen)						
	Japan	Americas	Europe	Asia/Oceania	Total	Elimination	Consolidated
<b>I Total Operating Income</b>	437,062	30,846	37,047	7,518	512,474	(11,525)	500,949
(1) Unaffiliated Customers	434,986	23,099	35,778	7,085	500,949	-	500,949
(2) Intersegment	2,076	7,746	1,269	432	11,525	(11,525)	-
<b>Total Operating Expenses</b>	313,118	28,723	30,713	4,887	377,444	(10,655)	366,788
<b>Operating Profits</b>	123,943	2,122	6,334	2,630	135,030	(869)	134,161
<b>II Total Assets</b>	15,254,312	946,372	610,283	535,751	17,346,719	(1,438,344)	15,908,374

**Market Value Information for Fiscal Year 2005 ( Consolidated )****1. Securities**

The information includes a part of "Cash and Due from Banks" and "Monetary Claims Bought" treated as securities in "Accounting Standard for Financial Instruments."

**(a) Trading Securities**

<i>March 31, 2006</i>		
<i>Millions of Yen</i>	<i>Book Value</i>	<i>Net Unrealized Gain(Loss) Reflected on the Statement of Income</i>
Trading Securities	<b>365,923</b>	<b>50</b>

**(b) Held-to-Maturity Debt Securities with Market Value**

<i>March 31, 2006</i>					
<i>Millions of Yen</i>	<i>Book Value</i>	<i>Market Value</i>	<i>Net</i>	<i>Unrealized Gain(Loss)</i>	
				<i>Gain</i>	<i>Loss</i>
Japanese Government Bonds	517,690	512,513	(5,716)	31	5,208
Japanese Local Government Bonds	50	49	(0)	-	0
Japanese Short-Term Corporate Bonds	-	-	-	-	-
Japanese Corporate Bonds	319,650	317,881	(1,769)	19	1,788
Others	1,423	1,480	56	59	2
<b>Total</b>	<b>838,814</b>	<b>831,924</b>	<b>(6,889)</b>	<b>110</b>	<b>6,999</b>

Market value is based on the closing prices at the end of the fiscal year.

**(c) Available-for-Sale Securities with Market Value**

<i>March 31, 2006</i>					
<i>Millions of Yen</i>	<i>Cost</i>	<i>Book Value</i>	<i>Net</i>	<i>Unrealized Gain(Loss)</i>	
				<i>Gain</i>	<i>Loss</i>
Japanese Stocks	463,943	911,397	447,454	450,672	3,218
Japanese Bonds	1,411,328	1,392,721	(18,606)	832	19,438
Government Bonds	882,368	868,598	(13,770)	697	14,468
Local Government Bonds	81,824	80,163	(1,660)	40	1,701
Short-Term Corporate Bonds	-	-	-	-	-
Corporate Bonds	447,134	443,960	(3,174)	94	3,269
Others	2,076,139	2,059,100	(17,038)	15,505	32,544
Foreign Stocks	3,493	3,824	330	340	10
Foreign Bonds	1,729,594	1,701,732	(27,861)	4,416	32,277
Others	343,051	353,543	10,492	10,748	256
<b>Total</b>	<b>3,951,410</b>	<b>4,363,219</b>	<b>411,809</b>	<b>467,010</b>	<b>55,201</b>

Book value in the consolidated balance sheet reflects market value calculated by using the average market value during final month of the fiscal year as for Japanese stocks, and by using the market value at the end of the fiscal year as for the securities other than Japanese stocks.

**(d) Available-for-Sale Securities sold during the Fiscal Year**

<i>March 31, 2006</i>			
<i>Millions of Yen</i>	<i>Amount</i>		
	<i>Sold</i>	<i>Gain</i>	<i>Loss</i>
Available-for-Sale Securities	<b>5,096,186</b>	<b>44,016</b>	<b>34,585</b>

**(e) Securities without Market Value**

The following table summarizes main items of book value of securities with no available fair value.

<i>March 31, 2006</i>	
<i>Millions of Yen</i>	<i>Book Value</i>
Available-for-Sale Securities	
Unlisted Japanese Bonds	<b>215,859</b>
Trust Certificates of Loan Trust	<b>185,397</b>
Unlisted Foreign Securities	<b>143,911</b>

**(f) Change of Classification by Holding Purpose of Securities**

There are no corresponding items.

**(g) Redemption Schedule of Bonds classified as Available-for-Sale Securities with Maturity and Held-to-Maturity Debt Securities**

<i>Millions of Yen</i>	<i>March 31, 2006</i>			
	<i>Book Value</i>			
	<i>~ 1YR</i>	<i>1YR ~ 5YR</i>	<i>5YR ~ 10YR</i>	<i>10YR ~</i>
Japanese Bonds	569,278	1,093,959	630,518	152,215
Government Bonds	239,842	488,405	508,118	149,923
Local Government Bonds	4,508	37,654	38,050	-
Short-Term Corporate Bonds	-	-	-	-
Corporate Bonds	324,927	567,900	84,349	2,292
Others	168,515	792,124	777,072	516,267
Foreign Bonds	36,585	647,533	724,858	365,847
Others	131,929	144,591	52,214	150,420
<b>Total</b>	<b>737,793</b>	<b>1,886,084</b>	<b>1,407,591</b>	<b>668,483</b>

**(h) Investments in Subsidiaries and Affiliates with Market Value (Non-consolidated)**

<i>Millions of Yen</i>	<i>March 31, 2006</i>		
	<i>Book Value</i>	<i>Market Value</i>	<i>Net</i>
Investments in Affiliates	725	2,479	1,753

Market value is based on the closing prices at the end of the fiscal year.

**2. Money Held in Trust****(a) Money Held in Trust for Trading Purpose**

<i>Millions of Yen</i>	<i>March 31, 2006</i>	
	<i>Book Value</i>	<i>Unrealized Gain(Loss)</i>
Money Held in Trust for Trading Purpose	12,468	547

**(b) Money Held in Trust being Held-to-Maturity**

There are no corresponding items.

**(c) Money Held in Trust for Others (other than for trading purpose and being held-to-maturity)**

<i>Millions of Yen</i>	<i>March 31, 2006</i>				
	<i>Cost</i>	<i>Book Value</i>		<i>Unrealized Gain(Loss)</i>	
		<i>Value</i>	<i>Net</i>	<i>Gain</i>	<i>Loss</i>
Money Held in Trust for Others	2,300	2,300	-	-	-

**3. Net Unrealized Gains on Available-for-Sale Securities**

The schedule set forth below shows component items of "Net Unrealized Gains on Securities Available for Sale, Net of Taxes" in the consolidated balance sheet.

<i>Millions of Yen</i>	<i>March 31, 2006</i>
Net Unrealized Gains	411,996
Available-for-Sale Securities	411,996
(-) Amount Equivalent to Deferred Tax Liabilities	(166,916)
<b>Total (before adjustment for Minority Interest)</b>	<b>245,079</b>
(-) Minority Interest	53
(+) Parent Company's portions in Available-for-Sale Securities owned by its affiliates	3,090
<b>Net Unrealized Gains on Securities Available for Sale, Net of Taxes</b>	<b>248,116</b>

Net unrealized gains includes foreign currency translation adjustments on foreign securities without market value and investment in limited partnerships.

**Market Value Information for Fiscal Year 2004 ( Consolidated )****1. Securities**

The information includes a part of "Cash and Due from Banks" and "Monetary Claims Bought" treated as securities in "Accounting Standard for Financial Instruments."

**(a) Trading Securities**

<i>March 31, 2005</i>		
<i>Millions of Yen</i>	<i>Book Value</i>	<i>Net Unrealized Gain(Loss) Reflected on the Statement of Income</i>
Trading Securities	235,181	49

**(b) Held-to-Maturity Debt Securities with Market Value**

<i>March 31, 2005</i>					
<i>Millions of Yen</i>	<i>Book Value</i>	<i>Market Value</i>	<i>Net</i>	<i>Unrealized Gain(Loss)</i>	
				<i>Gain</i>	<i>Loss</i>
Japanese Government Bonds	427,552	431,004	3,452	3,452	0
Japanese Local Government Bonds	-	-	-	-	-
Japanese Short-Term Corporate Bonds	-	-	-	-	-
Japanese Corporate Bonds	389,888	390,982	1,094	1,098	4
Others	5,195	5,345	150	151	1
Total	822,635	827,333	4,697	4,702	5

Market value is based on the closing prices at the end of the fiscal year.

**(c) Available-for-Sale Securities with Market Value**

<i>March 31, 2005</i>					
<i>Millions of Yen</i>	<i>Cost</i>	<i>Book Value</i>	<i>Net</i>	<i>Unrealized Gain(Loss)</i>	
				<i>Gain</i>	<i>Loss</i>
Japanese Stocks	440,249	633,385	193,135	206,286	13,150
Japanese Bonds	957,192	960,515	3,322	3,667	345
Government Bonds	609,039	610,900	1,860	1,977	116
Local Government Bonds	60,067	60,486	418	612	194
Short-Term Corporate Bonds	-	-	-	-	-
Corporate Bonds	288,085	289,128	1,043	1,078	34
Others	1,718,243	1,714,789	(3,453)	11,294	14,748
Total	3,115,685	3,308,690	193,005	221,249	28,244

Book value in the consolidated balance sheet reflects market value calculated by using the average market value during final month of the fiscal year as for Japanese stocks, and by using the market value at the end of the fiscal year as for the securities other than Japanese stocks.

**(d) Available-for-Sale Securities sold during the Fiscal Year**

<i>March 31, 2005</i>			
<i>Millions of Yen</i>	<i>Amount</i>		
	<i>Sold</i>	<i>Gain</i>	<i>Loss</i>
Available-for-Sale Securities	9,436,316	62,328	34,320

**(e) Securities without Market Value**

The following table summarizes main items of book value of securities with no available fair value.

<i>March 31, 2005</i>	
<i>Millions of Yen</i>	<i>Book Value</i>
Available-for-Sale Securities	
Unlisted Japanese Bonds	181,960
Unlisted Foreign Securities	168,219
Unlisted Japanese Stocks	95,767



**(f) Change of Classification by Holding Purpose of Securities**

There are no corresponding items.

**(g) Redemption Schedule of Bonds classified as Available-for-Sale Securities with maturity and Held-to-Maturity Debt Securities**

<i>Millions of Yen</i>	<i>March 31, 2005</i>			
	<i>Book Value</i>			
	<i>~ 1YR</i>	<i>1YR ~ 5YR</i>	<i>5YR ~ 10YR</i>	<i>10YR ~</i>
Japanese Bonds	273,958	1,090,331	569,224	26,401
Government Bonds	60,239	496,464	456,501	25,247
Local Government Bonds	1,168	29,677	29,640	-
Short-Term Corporate Bonds	-	-	-	-
Corporate Bonds	212,550	564,189	83,083	1,154
Others	103,737	598,709	740,255	337,636
<b>Total</b>	<b>377,695</b>	<b>1,689,041</b>	<b>1,309,479</b>	<b>364,038</b>

**(h) Investments in Subsidiaries and Affiliates with Market Value (Non-consolidated)**

<i>Millions of Yen</i>	<i>March 31, 2005</i>		
	<i>Book Value</i>	<i>Market Value</i>	<i>Net</i>
Investments in Affiliates	725	2,166	1,440

Market value is based on the closing prices at the end of the fiscal year.

**2. Money Held in Trust****(a) Money Held in Trust for Trading Purpose and being Held-to-Maturity**

There are no corresponding items.

**(b) Money Held in Trust for Others (other than for trading purpose and being held-to-maturity)**

<i>Millions of Yen</i>	<i>March 31, 2005</i>				
	<i>Cost</i>	<i>Book Value</i>	<i>Net</i>	<i>Unrealized Gain(Loss)</i>	
				<i>Gain</i>	<i>Loss</i>
Money Held in Trust for Others	2,000	2,000	-	-	-

**3. Net Unrealized Gains on Available-for-Sale Securities**

The schedule set forth below shows component items of "Net Unrealized Gains on Securities Available for Sale, Net of Taxes" in the consolidated balance sheet.

<i>Millions of Yen</i>	<i>March 31, 2005</i>
Net Unrealized Gains	192,855
Available-for-Sale Securities	192,855
(-) Amount Equivalent to Deferred Tax Liabilities	78,214
<b>Total (before adjustment for Minority Interest)</b>	<b>114,641</b>
(-) Minority Interest	41
(+) Parent Company's portions in Available-for-Sale Securities owned by its affiliates	2,028
<b>Net Unrealized Gains on Securities Available for Sale, Net of Taxes</b>	<b>116,628</b>

Net unrealized gains includes foreign currency translation adjustments on foreign securities without market value and investment in limited partnerships.

## Financial Derivatives for Fiscal 2005 and 2004 ( Consolidated )

## (a) Interest Related Transactions

Millions of Yen	March 31, 2006				March 31, 2005			
	Contract		Market Value	Unrealized Gain (Loss)	Contract		Market Value	Unrealized Gain (Loss)
	Value	Over 1YR			Value	Over 1YR		
<b>Listed</b>								
Interest Futures								
Sold	17,870,918	3,524,963	19,763	19,763	15,647,579	3,271,222	1,504	1,504
Purchased	17,797,878	2,724,017	(21,080)	(21,080)	14,411,504	2,410,453	(12,568)	(12,568)
Interest Options								
Sold	1,120,469	-	(511)	(262)	1,213,479	-	(339)	(112)
Purchased	1,005,702	-	379	157	11,915,104	-	621	32
<b>Over-the-Counter</b>								
Forward Rate Agreements	-	-	-	-	-	-	-	-
Interest Rate Swaps								
Fix Rcv-Flt Pay	30,034,952	26,313,064	(305,262)	(305,262)	22,835,928	17,884,897	367,389	367,389
Flt Rcv-Fix Pay	30,306,868	26,115,683	323,932	323,932	22,864,816	18,186,921	(343,147)	(343,147)
Flt Rcv-Flt Pay	2,072,478	1,450,378	1,972	1,972	4,345,643	1,681,343	232	232
Interest Options								
Sold	7,282,762	7,233,076	(27,783)	1,706	2,316,131	2,182,353	(5,933)	1,892
Purchased	3,090,749	3,059,549	35,014	5,444	1,398,141	1,338,666	12,361	(1,453)
Others	-	-	-	-	-	-	-	-
<b>Total</b>			26,423	26,370			20,120	13,768

Transactions listed above are evaluated on a mark-to-market basis and calculated net unrealized gains (losses) are reflected on the consolidated statement of Income.

Derivative transactions subject to hedge accounting treatments regulated by "Treatment for Accounting and Auditing of Application of Accounting Standard for Financial Instruments in Banking Industry" (JICPA Industry Auditing Committee Report No.24) are excluded from the schedule above.

Market value of listed transactions is calculated mainly using the closing prices on the Tokyo International Financial Futures Exchange and others.

Market value of OTC transactions is calculated mainly using discounted present value and option pricing models.

## (b) Currency Related Transactions

Millions of Yen	March 31, 2006				March 31, 2005			
	Contract		Market Value	Unrealized Gain (Loss)	Contract		Market Value	Unrealized Gain (Loss)
	Value	Over 1YR			Value	Over 1YR		
<b>Listed</b>								
Currency Futures	-	-	-	-	-	-	-	-
Currency Options	-	-	-	-	-	-	-	-
<b>Over-the-Counter</b>								
Currency Swaps	403,409	251,147	30	30	196,388	160,933	3,405	3,405
Forward								
Sold	2,594,785	194,816	(32,095)	(32,095)	1,184,186	131,095	(7,558)	(7,558)
Purchased	3,442,496	301,678	39,089	39,089	1,442,646	148,608	9,990	9,990
Currency Options								
Sold	1,186,383	424,928	(38,001)	(6,304)	522,760	154,614	(10,905)	1,879
Purchased	993,549	382,532	27,358	4,179	523,091	151,101	8,100	(785)
Others	-	-	-	-	-	-	-	-
<b>Total</b>			(3,618)	4,899			3,033	6,931

Transactions listed above are evaluated on a mark-to-market basis and calculated net unrealized gains (losses) are reflected on the consolidated statement of Income.

Derivative transactions subject to hedge accounting treatments regulated by "Treatment for Accounting and Auditing of Application of Accounting Standard for Foreign Currency Transactions in the Banking Industry" (JICPA Industry Auditing Committee Report No.25) and such transactions accompanied by foreign currency monetary claims or obligations, which are either reflected on the consolidated balance sheet at the end of the fiscal year, or eliminated therefrom in the process of consolidation, are excluded from the schedule above.

Market value of OTC transactions is calculated mainly using discounted present value and option pricing models.

(c) Stock Related Transactions

Millions of Yen	March 31, 2006				March 31, 2005			
	Contract	Over 1YR	Market	Unrealized	Contract	Over 1YR	Market	Unrealized
	Value		Value	Gain (Loss)	Value		Value	Gain (Loss)
<b>Listed</b>								
Stock Index Futures								
Sold	39,988	-	(977)	(977)	40,785	-	393	393
Purchased	45,036	-	572	572	29,595	-	(137)	(137)
Stock Index Options								
Sold	33,480	-	(119)	48	70,833	-	(147)	100
Purchased	10,587	-	11	(42)	176,165	-	465	(318)
<b>Over-the-Counter</b>								
Stock Options	-	-	-	-	-	-	-	-
Stock Index and Other Swaps	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-
<b>Total</b>			<b>(514)</b>	<b>(399)</b>			<b>573</b>	<b>38</b>

Transactions listed above are evaluated on a mark-to-market basis and calculated net unrealized gains (losses) are reflected on the consolidated statement of Income.

Derivative transactions subject to hedge accounting treatments are excluded from the schedule above.

Market value of listed transactions is calculated mainly using the closing prices on the Tokyo Stock Exchange and others.

(d) Bond Related Transactions

Millions of Yen	March 31, 2006				March 31, 2005			
	Contract	Over 1YR	Market	Unrealized	Contract	Over 1YR	Market	Unrealized
	Value		Value	Gain (Loss)	Value		Value	Gain (Loss)
<b>Listed</b>								
Bond Futures								
Sold	729,921	-	4,608	4,608	1,156,618	-	(1,717)	(1,717)
Purchased	666,533	-	(3,995)	(3,995)	1,145,205	-	1,236	1,236
Bond Future Options								
Sold	321,765	-	(818)	42	693,099	-	(2,296)	329
Purchased	229,366	-	1,102	301	508,669	-	2,154	(491)
<b>Over-the-Counter</b>								
Bond Options								
Sold	9,925	-	(41)	6	22,651	-	(125)	(39)
Purchased	4,947	-	10	(18)	19,920	-	2	(10)
Others	-	-	-	-	-	-	-	-
<b>Total</b>			<b>865</b>	<b>944</b>			<b>(746)</b>	<b>(693)</b>

Transactions listed above are evaluated on a mark-to-market basis and calculated net unrealized gains (losses) are reflected on the consolidated statement of Income.

Derivative transactions subject to hedge accounting treatments are excluded from the schedule above.

Market value of listed transactions is calculated mainly using the closing prices on the Tokyo Stock Exchange and others.

Market value of OTC transactions is calculated mainly using option pricing models.

(e) Commodity Related Transactions

The Bank did not have any corresponding transactions as of March 31, 2005 and 2006.

(f) Credit Derivative Transactions

Millions of Yen	March 31, 2006				March 31, 2005			
	Contract	Over 1YR	Market	Unrealized	Contract	Over 1YR	Market	Unrealized
	Value		Value	Gain (Loss)	Value		Value	Gain (Loss)
<b>Over-the-Counter</b>								
Credit Derivatives								
Sold	83,500	83,500	(211)	(211)	1,500	1,500	1	1
Purchased	40,000	40,000	(216)	(216)	-	-	-	-
<b>Total</b>			<b>(428)</b>	<b>(428)</b>			<b>1</b>	<b>1</b>

Transactions listed above are evaluated on a mark-to-market basis and calculated net unrealized gains (losses) are reflected on the consolidated statement of Income.

Derivative transactions subject to hedge accounting treatments are excluded from the schedule above.

Market value is calculated using discounted present value.

"Sold" indicates credit risks assumed, and "Purchased" indicates credit risks transferred.

## Non-Consolidated Balance Sheet

(Millions of Yen)

	Mar-06 (unaudited)	Mar-05	Change
<b>Assets:</b>			
Cash and Due from Banks	876,989	429,308	447,681
Call Loans	352,514	45,557	306,957
Bills Bought	39,800	-	39,800
Monetary Claims Bought	582,553	219,282	363,271
Trading Assets	438,031	283,426	154,604
Money Held in Trust	14,768	2,000	12,768
Securities	5,938,057	4,587,448	1,350,609
Loans and Bills Discounted	10,352,598	9,035,826	1,316,772
Foreign Exchanges	3,104	7,397	(4,293)
Other Assets	1,098,778	775,194	323,583
Premises and Equipment	93,237	96,126	(2,888)
Deferred Tax Assets	-	72,544	(72,544)
Customers' Liabilities for Acceptances and Guarantees	648,335	561,253	87,082
Reserve for Possible Loan Losses	(66,501)	(77,076)	10,575
Reserve for Losses on Investment Securities	(535)	(19,704)	19,169
<b>Total Assets</b>	<b>20,371,732</b>	<b>16,018,584</b>	<b>4,353,147</b>
<b>Liabilities:</b>			
Deposits	10,316,161	9,095,353	1,220,808
Negotiable Certificates of Deposit	2,421,656	1,495,995	925,661
Call Money	123,523	10,737	112,786
Payables under Repurchase Agreements	983,715	936,658	47,056
Payables under Securities Lending Transactions	703,050	53,507	649,542
Bills Sold	545,500	291,200	254,300
Trading Liabilities	72,848	52,431	20,417
Borrowed Money	501,049	468,108	32,940
Foreign Exchanges	157	1,003	(845)
Short-term Corporate Bonds	331,600	-	331,600
Bonds and Notes	192,700	162,700	30,000
Borrowed Money from Trust Account	1,733,446	1,473,736	259,710
Other Liabilities	614,763	502,390	112,373
Reserve for Employees' Bonus	3,786	3,546	239
Reserve for Employee Retirement Benefits	195	335	(140)
Deferred Tax Liabilities	76,782	-	76,782
Deferred Tax Liabilities for Land Revaluation	6,410	6,613	(203)
Acceptances and Guarantees	648,335	561,253	87,082
<b>Total Liabilities</b>	<b>19,275,682</b>	<b>15,115,571</b>	<b>4,160,111</b>
<b>Stockholders' Equity:</b>			
Capital Stock	287,283	287,053	230
Capital Surplus	240,703	240,472	230
Capital Surplus Reserve	240,703	240,472	230
Retained Earnings	327,379	269,167	58,211
Earned Surplus Reserve	46,580	46,580	-
Voluntary Reserves	191,870	131,872	59,997
Unappropriated Profits at End of Year	88,929	90,715	(1,786)
Net Income for Year	88,497	84,700	3,796
Revaluation Reserve for Land, Net of Taxes	(3,740)	(3,551)	(189)
Net Unrealized Gains on Securities Available for Sale, Net of Taxes	244,674	114,337	130,337
Treasury Stock	(251)	(4,466)	4,215
<b>Total Stockholders' Equity</b>	<b>1,096,049</b>	<b>903,013</b>	<b>193,036</b>
<b>Total Liabilities and Stockholders' Equity</b>	<b>20,371,732</b>	<b>16,018,584</b>	<b>4,353,147</b>

## Non-Consolidated Statement of Income and Retained Earnings

(Millions of Yen)

	Mar-06 (unaudited)	Mar-05	Change
<b>Operating Income:</b>			
Trust Fees	68,900	71,316	(2,416)
Interest Income:	265,252	238,477	26,775
Interest on Loans and Discounts	132,754	120,298	12,455
Interest and Dividends on Securities	117,376	97,012	20,363
Fees and Commissions	98,583	72,405	26,178
Trading Income	6,317	4,239	2,078
Other Operating Income	40,545	46,858	(6,312)
Other Income	78,527	45,176	33,350
<b>Total Operating Income</b>	<b>558,127</b>	<b>478,474</b>	<b>79,653</b>
<b>Operating Expenses:</b>			
Interest Expenses:	122,323	91,547	30,775
Interest on Deposits	55,696	32,366	23,330
Fees and Commissions	37,278	34,236	3,041
Trading Expenses	812	72	740
Other Operating Expenses	33,747	50,972	(17,224)
General and Administrative Expenses	125,840	115,260	10,580
Other Expenses	89,831	65,797	24,034
<b>Total Operating Expenses</b>	<b>409,834</b>	<b>357,886</b>	<b>51,947</b>
<b>Operating Profits</b>	<b>148,293</b>	<b>120,587</b>	<b>27,705</b>
Extraordinary Profits	1,736	24,213	(22,476)
Extraordinary Losses	1,449	4,800	(3,350)
<b>Income before Income Taxes and Others</b>	<b>148,580</b>	<b>140,000</b>	<b>8,579</b>
Provision for Income Taxes and others:			
Current	82	85	(3)
Deferred	60,000	55,214	4,786
<b>Net Income</b>	<b>88,497</b>	<b>84,700</b>	<b>3,796</b>
Unappropriated Profits at Beginning of Year	10,654	5,708	4,946
Transfer from Revaluation Reserve for Land, Net of Taxes	189	314	(124)
Deferential Loss on Disposal of Treasury Stock	389	7	381
Interim Dividends	10,022	-	10,022
<b>Unappropriated Profits at End of Year</b>	<b>88,929</b>	<b>90,715</b>	<b>(1,786)</b>

**Non-Consolidated Statement of Appropriation of Profits**

	(Millions of Yen)		
	<b>Mar-06 (proposed)</b>	Mar-05	Change
Unappropriated Profits at End of Year	<b>88,929</b>	90,715	(1,786)
Transfer from Voluntary Reserves	-	2	(2)
Total	<b>88,929</b>	90,717	(1,788)
Appropriations	<b>70,105</b>	80,062	(9,957)
Earned Surplus Reserve	<b>0</b>	-	0
Dividends on Common Stock	<b>10,035</b>	19,992	(9,957)
Bonuses to Directors	<b>70</b>	70	-
Voluntary Reserves	<b>60,000</b>	60,000	-
Special Voluntary Earned Reserve	<b>60,000</b>	60,000	-
Balance of Profit to be Carried Forward	<b>18,823</b>	10,654	8,169

## Statement of Trust Account (unaudited)

(Millions of Yen)

	Mar-06	Mar-05	Change
<b>Assets:</b>			
Loans and Bills Discounted	755,381	912,294	(156,913)
Securities	7,725,066	6,717,120	1,007,945
Money Held in Trust	41,287,117	36,376,779	4,910,338
Securities Held in Custody Accounts	239,005	642	238,363
Money Claims	4,650,703	4,126,756	523,946
Premises and Equipment	3,426,969	2,708,770	718,199
Other Claims	1,615,217	95,454	1,519,762
Call Loans	3,000	500	2,500
Loans to Banking Account	1,733,446	1,473,736	259,710
Cash and Due from Banks	233,959	233,455	504
<b>Total Assets</b>	<b>61,669,866</b>	<b>52,645,509</b>	<b>9,024,356</b>
<b>Liabilities:</b>			
Money Trusts	18,070,043	17,256,145	813,897
Pension Trusts	5,811,884	4,980,875	831,008
Property Formation Benefit Trusts	9,214	10,806	(1,591)
Loan Trusts	885,962	1,043,955	(157,992)
Securities Investment Trusts	11,982,306	8,547,273	3,435,033
Money Entrusted, other than Money Trusts	2,376,059	1,887,535	488,523
Securities Trusts	12,063,798	9,803,555	2,260,243
Money Claim Trusts	4,373,386	3,861,212	512,173
Equipment Trusts	1,686	2,299	(612)
Land and Fixtures Trusts	154,251	157,690	(3,438)
Composite Trusts	5,941,271	5,094,159	847,111
Other Trusts	0	-	0
<b>Total Liabilities</b>	<b>61,669,866</b>	<b>52,645,509</b>	<b>9,024,356</b>

**Major Account Balance**  
(sum of Banking Account and Trust Account)

	(Millions of Yen)		
	Mar-06 (unaudited)	Mar-05	Change
<b>Total Employable Funds</b>	<b>37,514,923</b>	33,883,131	3,631,791
Deposits	<b>10,316,161</b>	9,095,353	1,220,808
Negotiable Certificates of Deposit	<b>2,421,656</b>	1,495,995	925,661
Money Trusts	<b>18,070,043</b>	17,256,145	813,897
Pension Trusts	<b>5,811,884</b>	4,980,875	831,008
Property Formation Benefit Trusts	<b>9,214</b>	10,806	(1,591)
Loan Trusts	<b>885,962</b>	1,043,955	(157,992)
<b>Loans and Bills Discounted</b>	<b>11,107,979</b>	9,948,120	1,159,858
Banking Account	<b>10,352,598</b>	9,035,826	1,316,772
Trust Account	<b>755,381</b>	912,294	(156,913)
<b>Securities</b>	<b>13,663,123</b>	11,304,568	2,358,554
Banking Account	<b>5,938,057</b>	4,587,448	1,350,609
Trust Account	<b>7,725,066</b>	6,717,120	1,007,945



The Sumitomo Trust & Banking Co., Ltd.

May 22, 2006

**Changes in Directors and Executive Officers  
(As of June 29, 2006)**

The Sumitomo Trust & Banking Co., Ltd. hereby notifies the following changes of Directors and Executive Officers.

(1)	<p>Candidate for Representative Directors  Representative Director, Deputy President Executive Officer  (Currently Representative Director, Senior Executive Officer)  Representative Director, Senior Executive Officer  (Currently Managing Executive Officer)</p>	<p>Takaaki Hatabe   Masakiyo Inoue</p>
(2)	<p>Retiring Representative Director  (Currently Representative Director, Senior Executive Officer)</p>	<p>Jiro Araki</p>
(3)	<p>Candidate for Directors  Director, Managing Executive Officer  (Currently Managing Executive Officer)  Director, Managing Executive Officer  (Currently Executive Officer, GM of Personnel Department)</p>	<p>Kiyoshi Mukohara   Shuichi Kusakawa</p>
(4)	<p>Candidate for Executive Officers  Managing Executive Officer  (Currently Executive Officer, GM of Financial Institutions  Department)   Executive Officer  (Currently GM of Kyoto Branch)  Executive Officer  (Currently GM of Asset Management Department)  Executive Officer  (Currently GM of Corporate Trust Business Department I)  Executive Officer  (Currently GM of Tokyo Corporate Business Department II)  Executive Officer  (Currently Chief Executive of United States District and GM of  New York Branch)</p>	<p>Rikiya Hattori   Kazumitsu Tanaka   Seiichi Hirata   Fuminari Suzuki   Koichi Hozumi   Junichi Sayato</p>

	<p>Executive Officer (Currently Representative Director, President of First Credit Corporation)</p> <p>Executive Officer (Currently GM of Planning and Coordination Department)</p>	<p>Yasuyuki Yagi</p> <p>Tetsuo Ohkubo</p>
(5)	<p>Retiring Executive Officer (Currently Executive Officer, GM of Osaka Business Department)</p>	<p>Yoshio Nakabayashi</p>

GM : General Manager