

Explanatory Material

*3rd Quarter of Fiscal Year 2006
ended on December 31, 2006*

The Sumitomo Trust and Banking Co., Ltd.

Table of Contents

1. Summary of the financial results for the 3rd Quarter of FY2006	-----	1
2. Forecast for FY2006	-----	3
3. BIS capital adequacy ratio	-----	3
4. Assets classified under the Financial reconstruction law	-----	4
5. Ending balance of loans	-----	4
6. Ending balance of domestic deposits and principal guaranteed trust	-----	4
7. Securities	-----	5
8. Trust accounts	-----	7

Legal Disclaimer

Regarding forward-looking statements contained in this material

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

1. Summary of the financial results for the 3rd quarter of FY2006

(Consolidated)

		Millions of Yen			
		3Q			Full FY2005
		FY2006	FY2005	Change	
Gross profits	1	274,708	258,179	16,529	359,542
Gross profits before credit costs (1+4)	2	275,674	259,214	16,460	360,354
Net trust fees	3	46,801	43,461	3,339	68,900
Principal guaranteed trust a/c credit costs	4	965	1,034	-68	811
Trust fees from principal guaranteed trust a/c	5	11,061	13,140	-2,079	19,587
Other trust fees	6	36,706	31,356	5,349	50,125
Net interest income	7	116,000	106,296	9,704	150,972
Net fees and commissions	8	70,891	65,726	5,165	100,572
Net gains on trading	9	5,053	3,319	1,733	5,504
Others	10	35,962	39,375	-3,413	33,591
General & administrative expenses	11	135,847	125,674	10,172	170,206
Net transfer to general reserves	12	-5,913	-	-5,913	9,530
Banking a/c credit costs	13	11,190	6,282	4,907	-522
Net gains on stocks	14	5,168	7,691	-2,522	6,977
Net income from affiliates by equity method	15	5,615	1,832	3,782	2,695
Others	16	3,676	-12,270	15,947	-18,051
Net operating income	17	148,044	123,474	24,570	171,949
Extraordinary income	18	1,663	5,179	-3,515	-609
Reversal of reserves(*)	19	-	5,156	-5,156	-
Net income before income taxes	20	149,708	128,653	21,054	171,340
Income taxes	21	30,193	3,195	26,997	5,074
Deferred income taxes	22	16,856	45,799	-28,942	61,978
Minority interest	23	4,132	3,179	953	4,218
Net income	24	98,526	76,480	22,046	100,069

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

Total credit costs (4 + 12 +13 - 19)	25	6,242	2,161	4,081	9,819
--------------------------------------	----	--------------	-------	-------	-------

Net business profit before credit costs	26	151,196	138,859	12,336	196,270
---	----	----------------	---------	--------	---------

<Number of subsidiaries/ affiliates>

	Dec. 2006	Sep. 2006	Mar. 2006	Change from Sep. 2006	Change from Mar. 2006
Consolidated subsidiaries	32	27	24	5	8
Affiliates (subject to the equity method)	7	10	9	-3	-2

(Non-consolidated)

		Millions of Yen			
		3Q			Full FY2005
		FY2006	FY2005	Change	
Gross profits	1	210,585	205,086	5,498	285,464
Gross profits before credit costs (1+4)	2	211,551	206,121	5,429	286,276
Net trust fees	3	46,801	43,461	3,339	68,900
Principal guaranteed trust a/c credit costs	4	965	1,034	-68	811
Trust fees from principal guaranteed trust a/c	5	11,061	13,140	-2,079	19,587
Net capital gains on sale of securities	6	-0	3	-3	4
Other trust fees	7	36,706	31,356	5,349	50,125
Net interest income	8	103,475	100,907	2,568	142,955
Net fees and commissions	9	36,827	39,153	-2,325	61,305
Net gains on trading	10	5,053	3,319	1,733	5,504
Others	11	18,427	18,244	183	6,798
Net capital gains on bonds	12	6,368	15,622	-9,253	-5,301
Net gains on financial derivatives	13	811	-2,472	3,284	6,715
General and administrative expenses	14	89,419	89,553	-133	121,647
Net business profit before credit costs (1+4-14)	15	122,131	116,568	5,562	164,628
excluding Net capital gains on bonds (15-6-12)	16	115,763	100,943	14,820	169,926
Net transfer to general reserves	17	-5,295	-	-5,295	10,491
Net business profit	18	126,460	115,533	10,927	153,325
Net non-recurring profit	19	-4,795	-9,509	4,713	-5,031
Net gains on stocks	20	5,420	7,693	-2,272	6,977
Banking a/c net credit costs	21	9,041	5,825	3,216	-1,503
Others	22	-1,175	-11,377	10,201	-13,513
Net operating income	23	121,665	106,024	15,640	148,293
Extraordinary income	24	1,854	4,849	-2,994	286
Reversal of reserves(*)	25	-	3,979	-3,979	-
Net income before income taxes	26	123,519	110,873	12,645	148,580
Income taxes	27	21,795	62	21,732	82
Deferred income taxes	28	20,356	42,689	-22,333	60,000
Net income	29	81,367	68,121	13,246	88,497
(*) Due to the reversal of reserves, the amount is included in the extraordinary income.					
Total credit costs (4 + 17 + 21 - 25)	30	4,711	2,879	1,832	9,799

2. Forecast for FY2006

There is no change in the forecast of business performance and dividend for the full FY2006, which we announced on November 20, 2006.

<For reference>

(Consolidated)

	Billions of Yen				
	FY2006			FY2005 (Actual) (B)	Change (A)-(B)
	Forecast for FY2006 (A)	3QFY2006 (Actual)	1HFY2006 (Actual)		
Net business profit before credit costs	210.0	151.1	105.3	196.2	13.7
Net operating income	190.0	148.0	99.1	171.9	18.0
Net income	120.0	98.5	63.9	100.0	19.9

(Non-consolidated)

	Billions of Yen				
	FY2006			FY2005 (Actual) (B)	Change (A)-(B)
	Forecast for FY2006 (A)	3QFY2006 (Actual)	1HFY2006 (Actual)		
Net business profits before credit costs	170.0	122.1	86.8	164.6	5.3
Credit costs(*) (a)	15.0	4.7	3.3	9.7	5.2
Other non-recurring items	5.0	4.2	2.4	-6.5	11.5
Net operating income	160.0	121.6	85.9	148.2	11.7
Extraordinary income	0.0	1.8	-1.0	0.2	-0.2
Reversal of reserves (b)	0.0	-	-	-	0.0
Net income	100.0	81.3	55.4	88.4	11.5
Total credit costs (a)-(b)	15.0	4.7	3.3	9.7	5.2
Dividend per common stock (Yen)	17.00	-	8.50	12.00	5.00
Consolidated dividend payout ratio (%)	23.70	-----	-----	20.04	3.66

(*) Includes both Banking a/c and Principal guaranteed trust a/c.

Note: Forecast is subject to change.

3. BIS capital adequacy ratio (Consolidated)

	Dec. 2006	Sep. 2006	Mar. 2006
BIS capital ratio	11.69%	11.55%	10.90%
Tier I ratio	6.30%	6.25%	6.21%

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

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

	Millions of Yen				
	Dec. 2006	Sep. 2006	Mar. 2006	Change from Sep. 2006	Change from Mar. 2006
Assets classified under the Financial reconstruction law (a)	88,673	100,196	109,373	-11,523	-20,699
Loans in bankrupt and practically bankrupt	7,064	5,971	7,303	1,093	-239
Doubtful loans	20,593	23,420	19,323	-2,826	1,269
Substandard loans (b)	61,015	70,805	82,746	-9,789	-21,730
Ordinary assets	12,121,044	12,007,577	11,458,248	113,467	662,795
Loans to substandard debtors (excluding substandard loans) (c)	25,848	27,451	34,295	-1,602	-8,447
Loans to special mention debtors (excluding (b) and (c))	346,996	312,793	418,616	34,203	-71,619
Loans to ordinary debtors	11,748,198	11,667,332	11,005,336	80,866	742,862
Total loan balance (d)	12,209,717	12,107,774	11,567,622	101,943	642,095
Ratio to total loan balance (a) / (d)	0.7%	0.8%	0.9%	-0.1%	-0.2%
Loans to substandard debtors (b)+(c)	86,864	98,256	117,042	-11,392	-30,177

Note: Result of self-assessment as of December 31, 2006 is reflected on the disclosed figures.

5. Ending balance of loans (Non-consolidated)

	Millions of Yen				
	Dec. 2006	Sep. 2006	Mar. 2006	Change from Sep. 2006	Change from Mar. 2006
Banking account	10,872,232	10,870,759	10,352,598	1,472	519,634
Trust account (Principal guaranteed)	452,194	410,104	551,752	42,090	-99,558
Total	11,324,426	11,280,863	10,904,350	43,562	420,075

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

	Millions of Yen				
	Dec. 2006	Sep. 2006	Mar. 2006	Change from Sep. 2006	Change from Mar. 2006
Individuals	7,933,902	7,902,831	7,724,810	31,071	209,091
Deposits (Excluding NCDs and offshore accounts)	6,929,689	6,859,647	6,536,849	70,042	392,840
Trust principal (Principal guaranteed)	1,004,212	1,043,183	1,187,961	-38,971	-183,749
Corporations and other organizations	3,063,044	2,900,688	3,340,556	162,355	-277,512
Deposits (Excluding NCDs and offshore accounts)	2,351,325	2,195,191	2,384,491	156,133	-33,166
Trust principal (Principal guaranteed)	711,719	705,496	956,065	6,222	-244,345
Total	10,996,946	10,803,519	11,065,367	193,427	-68,420

7. Securities

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

	Millions of Yen							
	Dec. 2006			Sep. 2006			Change of cost	Change of net
	Cost	Market value (Book value)	Net	Cost	Market value (Book value)	Net		
Japanese stocks	473,684	916,132	442,447	466,364	870,988	404,624	7,320	37,822
Japanese bonds	974,365	966,233	-8,132	1,230,610	1,223,885	-6,724	-256,244	-1,407
Government bonds	621,040	615,267	-5,772	866,506	861,917	-4,589	-245,466	-1,183
Local government bonds	76,794	76,000	-794	73,816	73,089	-727	2,978	-66
Corporate bonds	276,530	274,965	-1,565	290,286	288,878	-1,408	-13,756	-156
Others	2,487,837	2,471,056	-16,780	2,287,965	2,274,528	-13,436	199,871	-3,343
Foreign stocks	4,063	4,396	332	3,770	4,182	412	293	-79
Foreign bonds	2,032,347	2,004,227	-28,120	1,869,864	1,850,446	-19,417	162,483	-8,702
Others	451,425	462,432	11,006	414,330	419,899	5,568	37,095	5,438
Total	3,935,888	4,353,422	417,534	3,984,939	4,369,402	384,462	-49,051	33,071

(Non-consolidated)

	Millions of Yen							
	Dec. 2006			Sep. 2006			Change of cost	Change of net
	Cost	Market value (Book value)	Net	Cost	Market value (Book value)	Net		
Japanese stocks	473,469	915,094	441,625	466,308	870,348	404,039	7,160	37,585
Japanese bonds	974,365	966,233	-8,132	1,230,610	1,223,885	-6,724	-256,244	-1,407
Government bonds	621,040	615,267	-5,772	866,506	861,917	-4,589	-245,466	-1,183
Local government bonds	76,794	76,000	-794	73,816	73,089	-727	2,978	-66
Corporate bonds	276,530	274,965	-1,565	290,286	288,878	-1,408	-13,756	-156
Others	2,445,864	2,429,203	-16,661	2,258,431	2,245,869	-12,562	187,433	-4,098
Foreign stocks	4,060	4,361	300	3,766	4,148	381	293	-80
Foreign bonds	2,002,792	1,975,192	-27,599	1,840,705	1,822,194	-18,511	162,087	-9,088
Others	439,011	449,649	10,637	413,958	419,526	5,568	25,053	5,069
Total	3,893,699	4,310,532	416,832	3,955,349	4,340,102	384,752	-61,650	32,079

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

	Millions of Yen							
	Dec. 2006			Sep. 2006			Change of cost	Change of net
	Cost (Book value)	Market value	Net	Cost (Book value)	Market value	Net		
Japanese Government Bonds	505,181	503,350	-1,831	511,856	510,836	-1,019	-6,674	-811
Japanese Local Government Bonds	100	99	-0	100	99	-0	-	-
Japanese Corporate Bonds	209,087	207,868	-1,219	290,276	289,331	-944	-81,189	-274
Others	284	319	35	1,387	1,408	20	-1,102	14
Foreign bonds	284	319	35	1,387	1,408	20	-1,102	14
Total	714,653	711,638	-3,015	803,619	801,676	-1,943	-88,966	-1,071

(Non-consolidated)

	Millions of Yen							
	Dec. 2006			Sep. 2006			Change of cost	Change of net
	Cost (Book value)	Market value	Net	Cost (Book value)	Market value	Net		
Japanese Government Bonds	504,837	503,008	-1,828	511,511	510,494	-1,017	-6,674	-811
Japanese Local Government Bonds	-	-	-	-	-	-	-	-
Japanese Corporate Bonds	209,087	207,868	-1,219	290,276	289,331	-944	-81,189	-274
Others	-	-	-	-	-	-	-	-
Foreign bonds	-	-	-	-	-	-	-	-
Total	713,924	710,876	-3,047	801,788	799,826	-1,962	-87,863	-1,085

8. Trust accounts (Non-consolidated)

	Millions of Yen				
	Dec. 2006	Sep. 2006	Mar. 2006	Change from Sep. 2006	Change from Mar. 2006
<Assets>					
Loans and bills discounted	632,630	592,004	755,381	40,625	-122,750
Investment securities	9,846,230	9,361,168	7,725,066	485,061	2,121,164
Money held in trust	48,651,160	47,209,092	41,287,117	1,442,068	7,364,042
Securities held in custody accounts	376,874	311,325	239,005	65,549	137,868
Money claims	6,867,901	6,205,559	4,650,703	662,341	2,217,198
Premises and equipment	3,781,509	3,693,203	3,426,969	88,305	354,539
Other claims	1,884,361	1,697,365	1,615,217	186,996	269,144
Call loans	1,900	3,400	3,000	-1,500	-1,100
Loans to banking account	1,418,321	1,490,588	1,733,446	-72,266	-315,124
Cash and due from banks	227,478	247,026	233,959	-19,547	-6,480
Total assets	73,688,368	70,810,733	61,669,866	2,877,634	12,018,501
<Liabilities>					
Money trust	21,280,878	20,818,705	18,070,043	462,172	3,210,834
Pension trust	6,591,685	6,521,572	5,811,884	70,112	779,800
Property formation benefit trusts	8,764	9,293	9,214	-528	-449
Loan trusts	746,645	804,519	885,962	-57,874	-139,316
Securities investment trusts	15,523,342	14,105,756	11,982,306	1,417,585	3,541,035
Money entrusted, other than money trusts	3,172,310	3,144,250	2,376,059	28,060	796,251
Securities trusts	12,734,950	12,586,578	12,063,798	148,372	671,151
Money claims trusts	6,535,704	5,926,525	4,373,386	609,178	2,162,317
Equipment trusts	1,147	1,411	1,686	-264	-539
Land and fixtures trusts	147,707	147,805	154,251	-97	-6,543
Composite trusts	6,945,231	6,744,313	5,941,271	200,917	1,003,959
Other trusts	0	0	0	-	-
Total liabilities	73,688,368	70,810,733	61,669,866	2,877,634	12,018,501