

Explanatory Material

*Fiscal Year 2006
ended on Mar.31, 2007*

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 fiscal year 2006

1. Financial results for the fiscal year 2006

(1) Summary of the financial results for the fiscal year 2006

(Consolidated)

		Millions of Yen		
		FY2006	FY2005	Change
Gross profits	1	384,101	359,542	24,558
Gross profits before credit costs (1 + 4)	2	385,461	360,354	25,107
Net trust fees	3	73,226	68,900	4,325
Principal guaranteed trust a/c credit costs	4	1,360	811	548
Trust fees from principal guaranteed trust a/c	5	16,356	19,587	-3,230
Other trust fees	6	58,230	50,125	8,105
Net interest income	7	160,086	150,972	9,113
Net fees and commissions	8	103,751	100,572	3,179
Net gains on trading	9	8,144	5,504	2,639
Others	10	38,892	33,591	5,300
General and administrative expenses	11	183,973	170,206	13,767
(excluding amortization of goodwill)	12	177,802	170,206	7,595
Personnel expenses	13	77,199	78,318	-1,119
Non-personnel expenses excluding taxes	14	99,850	85,059	14,791
Taxes other than income taxes	15	6,923	6,828	94
Net transfer to general reserves	16	17,527	9,530	7,997
Banking a/c credit costs	17	23,185	-522	23,707
Net losses on direct write-offs	18	6,462	3,726	2,735
Net transfer to specific loan losses reserves	19	16,240	-5,305	21,546
Net transfer to reserves for loans to borrowers in specific foreign countries	20	413	-107	520
Losses on sales of loans	21	68	1,163	-1,094
Net gains on stocks	22	4,814	6,977	-2,162
Net income from affiliates by equity method	23	5,861	2,695	3,165
Others	24	81	-18,051	18,132
Net operating income	25	170,171	171,949	-1,778
Extraordinary income	26	-2,393	-609	-1,783
Net income before income taxes	27	167,778	171,340	-3,562
Income taxes	28	59,830	5,074	54,756
Deferred income taxes	29	-1,086	61,978	-63,064
Minority interest	30	5,214	4,218	996
Net income	31	103,820	100,069	3,750
Total credit costs (4 + 16 + 17)	32	42,073	9,819	32,253
Net business profit before credit costs	33	215,485	196,270	19,215

<Number of subsidiaries/affiliates>

	Mar. 2007	Mar. 2006	Change
Consolidated subsidiaries	34	24	10
Affiliates (subject to the equity method)	7	9	-2

(Non-consolidated)

		Millions of Yen			% change
		FY2006	FY2005	Change	
Gross profits	1	296,416	285,464	10,951	3.8
Gross business profits before credit costs (1+4)	2	297,776	286,276	11,500	4.0
Net trust fees	3	73,226	68,900	4,325	6.3
Principal guaranteed trust a/c credit costs	4	1,360	811	548	67.6
Trust fees from principal guaranteed trust a/c	5	16,356	19,587	-3,230	-16.5
Net capital gains on sale of securities	6	-0	4	-4	-100.0
Other trust fees	7	58,230	50,125	8,105	16.2
Net interest income	8	145,735	142,955	2,779	1.9
Domestic	9	130,217	126,438	3,778	3.0
Net fees and commissions	10	57,748	61,305	-3,556	-5.8
Domestic	11	58,351	62,042	-3,691	-6.0
Net gains on trading	12	8,144	5,504	2,639	48.0
Others	13	11,560	6,798	4,762	70.1
Net gains on foreign exchange transactions	14	11,730	4,627	7,103	153.5
Net capital gains on bonds	15	-1,179	-5,301	4,122	77.8
Net gains on financial derivatives	16	-352	6,715	-7,067	-105.2
General and administrative expenses	17	121,856	121,647	209	0.2
Personnel expenses	18	44,386	46,843	-2,456	-5.2
Non-personnel expenses excluding taxes	19	71,379	68,683	2,696	3.9
Taxes other than income taxes	20	6,090	6,121	-30	-0.5
Net business profit before credit costs (1+4-17)	21	175,920	164,628	11,291	6.9
excluding Net capital gains on bonds (21-6-15)	22	177,099	169,926	7,172	4.2
Net transfer to general reserves	23	18,878	10,491	8,386	79.9
Net business profit	24	155,681	153,325	2,356	1.5
Net non-recurring profit	25	-21,130	-5,031	-16,098	-319.9
Net gains on stocks	26	5,096	6,977	-1,881	-27.0
Gains on sale of stocks	27	12,573	15,555	-2,981	-19.2
Losses on sale of stocks	28	2,932	838	2,094	250.0
Losses on devaluation of stocks	29	4,544	7,739	-3,194	-41.3
Banking a/c net credit costs	30	20,289	-1,503	21,792	1,449.3
Net losses on direct write-offs	31	4,820	2,969	1,850	62.3
Net transfer to specific loan loss reserves	32	15,001	-5,504	20,505	372.6
Net transfer to reserves for loans to borrowers in specific foreign countries	33	413	-107	520	486.6
Losses on sales of loans	34	53	1,137	-1,084	-95.3
Others	35	-5,937	-13,513	7,576	56.1
Net transfer to reserve for losses on investment securities	36	6,458	-1,210	7,669	633.4
Net gains on stock related derivatives	37	1,105	-4,781	5,887	123.1
Amortization of net actuarial losses/prior service cost	38	-1,449	5,528	-6,978	-126.2
Net operating income	39	134,551	148,293	-13,741	-9.3
Extraordinary income	40	-2,054	286	-2,341	-816.4
Net gains on disposal of fixed assets	41	1,951	-576	2,527	438.7
Losses on impairment of fixed assets	42	6,942	762	6,180	810.9
Net gains on collection from write-offs	43	436	1,625	-1,188	-73.1
Other extraordinary profit	44	2,500	-	2,500	-
Net income before income taxes	45	132,497	148,580	-16,083	-10.8
Income taxes	46	48,046	82	47,964	58,320.0
Deferred income taxes	47	2,636	60,000	-57,364	-95.6
Net income	48	81,813	88,497	-6,683	-7.6
Total credit costs (4+23+30)	49	40,527	9,799	30,727	313.6
Dividend per common stock (Yen, percentage points)		17.00	12.00	5.00	41.7

(2) Major subsidiaries operating finance business

	Billions of Yen								
	Sumishin Matsushita Financial Services			First Credit			STB Leasing		
	FY2006	FY2005	Change	FY2006	FY2005	Change	FY2006	FY2005	Change
Net operating income	5.3	8.4	-3.1	8.5	6.6	1.8	5.0	4.7	0.3
Net income	3.1	4.8	-1.7	9.3	8.6	0.7	16.5	2.9	13.6

	Billions of Yen								
	Sumishin Matsushita Financial Services			First Credit			STB Leasing		
	Mar. 2007	Mar. 2006	Change	Mar. 2007	Mar. 2006	Change	Mar. 2007	Mar. 2006	Change
Total assets	601.5	522.7	78.7	169.7	122.9	46.7	493.2	481.7	11.5
Net assets	69.8	67.5	2.2	36.6	27.2	9.3	40.2	34.7	5.4

Note: STB Leasing Co., Ltd. became subsidiary company from affiliated company in December 2006.

(3) Fee revenue breakdown
(Consolidated)

	Billions of Yen		
	FY2006	FY2005	Change
Other trust fees	58.2	50.1	8.1
Pension management and other asset management services	32.6	29.1	3.4
Securities processing services	13.4	9.4	4.0
Net fees and commissions	103.7	100.5	3.1
Domestic business	97.3	95.2	2.1
Retail financial services	31.0	27.3	3.7
Wholesale financial services	45.5	43.3	2.2
Stock transfer agency services	20.9	19.9	1.0
Real estate	34.9	36.6	-1.7
Fees paid for outsourcing	-14.3	-13.9	-0.4
International business	6.4	5.3	1.0
Total	161.9	150.6	11.2
Note: Managerial accounting basis.			
Fee revenue ratio	42.0%	41.8%	0.2%
Gross profits before credit costs	385.4	360.3	25.1

(4) Return on equity

(Consolidated)

	Percentage points		
	FY2006	FY2005	Change
Return (Net income) on stockholder's equity	11.30	11.90	-0.60
Return (Net income) on equity	8.81	9.86	-1.05

(Non-consolidated)

	Percentage points		
	FY2006	FY2005	Change
Return (Net income) on stockholder's equity	9.24	10.73	-1.49
Return (Net income) on equity	7.14	8.84	-1.70
Return (Net business profit before credit costs) on stockholder's equity	19.87	19.98	-0.11
Return (Net business profit before credit costs) on equity	15.35	16.46	-1.11

Note: Equity = Total Net Assets - Minority Interest

Stockholder's Equity = Equity - Valuation and Translation Adjustments

2. Assets and liabilities

(1) Balance of major accounts (Banking a/c and Principal guaranteed trust a/c combined)

1) Balance of major accounts

(Non-consolidated)

		Millions of Yen					
		Mar. 2007		Mar. 2006		Change	
		Total	Domestic business	Total	Domestic business	Total	Domestic business
Deposits	(Ending balance)	11,317,081	10,227,386	10,316,161	9,404,130	1,000,920	823,256
	(Average balance)	10,817,337	9,719,277	9,539,270	8,660,416	1,278,067	1,058,860
Time deposits	(Ending balance)	8,878,236	7,980,871	7,931,849	7,141,530	946,387	839,340
	(Average balance)	8,684,913	7,747,360	7,567,665	6,755,111	1,117,248	992,248
Liquidity deposits (*)	(Ending balance)	2,048,690	2,046,144	2,029,893	2,028,683	18,796	17,460
	(Average balance)	1,760,145	1,758,903	1,678,165	1,676,829	81,979	82,074
Trust principal	(Ending balance)	1,598,277	1,598,277	2,144,026	2,144,026	-545,748	-545,748
	(Average balance)	1,850,968	1,850,968	2,101,759	2,101,759	-250,791	-250,791
Loans	(Ending balance)	11,226,383	10,403,849	10,904,350	10,225,399	322,032	178,449
	(Average balance)	11,287,518	10,509,722	10,436,789	9,862,608	850,729	647,113
Banking account	(Ending balance)	10,797,440	9,974,906	10,352,598	9,673,647	444,842	301,259
	(Average balance)	10,838,519	10,060,722	9,783,482	9,209,301	1,055,036	851,421
Principal guaranteed trust account	(Ending balance)	428,943	428,943	551,752	551,752	-122,809	-122,809
	(Average balance)	448,999	448,999	653,306	653,306	-204,307	-204,307

(*) Including Current deposits, Ordinary deposits and Deposits at notice.

2) Ending balance of domestic deposits classified by depositors

(Non-consolidated)

	Millions of Yen				
	Mar. 2007	Sep. 2006	Mar. 2006	Change from Sep. 2006	Change from Mar. 2006
Individuals	7,998,206	7,902,831	7,724,810	95,375	273,396
Deposits (*)	7,073,347	6,859,647	6,536,849	213,699	536,497
Trust principal	924,859	1,043,183	1,187,961	-118,324	-263,101
Corporates and other organizations	3,001,511	2,900,688	3,340,556	100,822	-339,045
Deposits (*)	2,328,093	2,195,191	2,384,491	132,901	-56,398
Trust principal	673,417	705,496	956,065	-32,078	-282,647
Others	825,946	904,590	482,789	-78,644	343,156
Total	11,825,664	11,708,110	11,548,157	117,553	277,507

(*) Excluding NCDs and offshore accounts

(2) Spread

(Non-consolidated)

1) Domestic banking a/c

	Percentage points		
	FY2006	FY2005	Change
Average yield on interest-earning assets (A)	1.24	1.18	0.06
Loans and bills discounted (a)	1.25	1.10	0.15
Bonds (b)	1.11	1.20	-0.09
Average yield on interest-bearing liabilities (B)	0.38	0.23	0.15
Deposits (c)	0.32	0.20	0.12
Gross margin (A) - (B)	0.86	0.95	-0.09
Loan-deposit margin (a) - (c)	0.93	0.90	0.03

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

	Percentage points		
	FY2006	FY2005	Change
Average yield on interest-earning assets (A)	1.26	1.21	0.05
Loans and bills discounted (a)	1.27	1.13	0.14
Bonds (b)	1.11	1.20	-0.09
Average yield on interest-bearing liabilities (B)	0.33	0.18	0.15
Deposits (c)	0.28	0.17	0.11
Gross margin (A) - (B)	0.93	1.03	-0.10
Loan-deposit margin (a) - (c)	0.99	0.96	0.03

(3) Balance of mutual fund/ individual annuity (for retail customers)

(Non-consolidated)

	Billions of Yen		
	Mar. 2007	Mar. 2006	Change
Mutual fund	1,333.5	940.3	393.1
Individual annuity	490.1	374.7	115.4
Total	1,823.7	1,315.0	508.6

(4) Deferred hedge gains/ losses of derivative transactions qualifying for hedge accounting

(Non-consolidated)

	Millions of Yen		
	Mar. 2007	Mar. 2006	Change
Interest rate related	-10,913	-40,810	29,897
Interest rate swaps	-10,913	-40,810	29,897
Currency related	-2,165	-134	-2,031
Stock related	-48	-	-48
Total	-13,127	-40,945	27,817

(5) Unrealized gains/losses on investment securities

1) Held-to-Maturity Debt Securities with Market Value

(Consolidated)

	Millions of Yen								
	Mar. 2007			Mar. 2006			Change of book value	Change of net	
	Book value	Market value	Net	Book value	Market value	Net			
Japanese Government Bonds	502,183	501,472	-711	517,690	512,513	-5,176	-15,506	4,465	
Japanese Local Government Bonds	100	99	-0	50	49	-0	50	0	
Japanese Corporate Bonds	204,292	203,361	-930	319,650	317,881	-1,769	-115,358	838	
Others	295	322	27	1,423	1,480	56	-1,128	-29	
Foreign bonds	295	322	27	1,423	1,480	56	-1,128	-29	
Total	706,871	705,256	-1,614	838,814	831,924	-6,889	-131,943	5,275	

(Non-consolidated)

	Millions of Yen								
	Mar. 2007			Mar. 2006			Change of book value	Change of net	
	Book value	Market value	Net	Book value	Market value	Net			
Japanese Government Bonds	501,839	501,130	-709	517,345	512,173	-5,172	-15,506	4,463	
Japanese Local Government Bonds	-	-	-	-	-	-	-	-	
Japanese Corporate Bonds	204,292	203,361	-930	319,650	317,881	-1,769	-115,358	838	
Others	-	-	-	-	-	-	-	-	
Foreign bonds	-	-	-	-	-	-	-	-	
Total	706,131	704,491	-1,639	836,996	830,054	-6,941	-130,864	5,301	

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

	Millions of Yen							
	Mar. 2007			Mar. 2006			Change of cost	Change of net
	Cost	Book value	Net	Cost	Book value	Net		
Japanese stocks	481,914	989,188	507,273	463,943	911,397	447,454	17,971	59,819
Japanese bonds	955,035	951,480	-3,555	1,411,328	1,392,721	-18,606	-456,292	15,050
Government bonds	623,930	621,497	-2,433	882,368	868,598	-13,770	-258,438	11,337
Local government bonds	62,061	61,884	-177	81,824	80,163	-1,660	-19,762	1,483
Corporate bonds	269,042	268,098	-944	447,134	443,960	-3,174	-178,091	2,230
Others	2,150,581	2,143,336	-7,245	2,076,139	2,059,100	-17,038	74,441	9,793
Foreign stocks	3	27	24	3,493	3,824	330	-3,490	-306
Foreign bonds	1,692,225	1,672,190	-20,035	1,729,594	1,701,732	-27,861	-37,368	7,826
Others	458,352	471,117	12,765	343,051	353,543	10,492	115,300	2,273
Total	3,587,532	4,084,004	496,472	3,951,410	4,363,219	411,809	-363,878	84,663

(Non-consolidated)

	Millions of Yen							
	Mar. 2007			Mar. 2006			Change of cost	Change of net
	Cost	Book value	Net	Cost	Book value	Net		
Japanese stocks	481,705	988,215	506,509	463,927	911,079	447,152	17,778	59,356
Japanese bonds	955,035	951,480	-3,555	1,411,328	1,392,721	-18,606	-456,292	15,050
Government bonds	623,930	621,497	-2,433	882,368	868,598	-13,770	-258,438	11,337
Local government bonds	62,061	61,884	-177	81,824	80,163	-1,660	-19,762	1,483
Corporate bonds	269,042	268,098	-944	447,134	443,960	-3,174	-178,091	2,230
Others	2,100,669	2,093,421	-7,247	2,048,372	2,031,580	-16,791	52,297	9,543
Foreign stocks	-	-	-	3,490	3,788	298	-3,490	-298
Foreign bonds	1,662,977	1,643,451	-19,526	1,702,151	1,674,569	-27,582	-39,174	8,056
Others	437,691	449,970	12,278	342,729	353,222	10,492	94,961	1,786
Total	3,537,410	4,033,116	495,706	3,923,627	4,335,382	411,754	-386,216	83,951

(6) Cross shareholdings

1) Cross shareholdings (Market price available)

(Consolidated)

	Billions of Yen		
	Mar. 2007	Sep. 2006	Mar. 2006
Cost basis (A)	481.9	466.3	463.9
Mark-to-market basis	989.1	870.9	911.3
Tier I (B) (*)	1,026.1	964.6	909.3
Percentage (A) / (B)	47.0%	48.3%	51.0%

(*) Tier 1 for Mar. 2007 is stated in Basel II base (New standard) and Sep. 2006 and Mar. 2006 are stated in former standard.

2) Unwinding of cross shareholdings

(Non-consolidated)

	Billions of Yen			
	FY2006		FY2005	
	Full FY2006	1HFY2006	Full FY2005	1HFY2005
Cost basis	47.1	39.6	19.4	8.2

Note: Sales of Yachiyo Bank's No.1 Preferred Shares (25,000 shares, cost basis:28.7 billion yen) to Yachiyo Bank is included.

(7) Non-performing loans

After partial direct write-offs

1) Assets classified under the Financial reconstruction law (Banking a/c and principal guaranteed trust a/c combined)
(Non-consolidated)

	Millions of Yen				
	Mar. 2007	Sep. 2006	Mar. 2006	Change from Sep. 2006	Change from Mar. 2006
Assets classified under the Financial reconstruction law (a)	117,550	100,196	109,373	17,353	8,176
Loans in bankrupt and practically bankrupt	6,499	5,971	7,303	528	-804
Doubtful loans	58,463	23,420	19,323	35,043	39,140
Substandard loans (b)	52,587	70,805	82,746	-18,218	-30,158
Ordinary assets	11,966,308	12,007,577	11,458,248	-41,269	508,059
Loans to substandard debtors (excluding Substandard loans) (c)	30,154	27,451	34,295	2,702	-4,141
Loans to special mention debtors (excluding (b) and (c))	703,710	312,793	418,616	390,916	285,094
Loans to ordinary debtors	11,232,443	11,667,332	11,005,336	-434,889	227,106
Total loan balance (d)	12,083,858	12,107,774	11,567,622	-23,915	516,236
Ratio to total loan balance (a) / (d)	1.0%	0.8%	0.9%	0.2%	0.1%

Loans to substandard debtors (b)+(c)	82,741	98,256	117,042	-15,515	-34,300
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Note: Partial direct write-offs: Mar. 2007: 23.5 billion yen, Sep. 2006: 26.8 billion yen, Mar. 2006: 37.7 billion yen

2) Risk managed loans (Banking a/c and principal guaranteed trust a/c combined)

(Consolidated)

	Millions of Yen				
	Mar. 2007	Sep. 2006	Mar. 2006	Change from Sep. 2006	Change from Mar. 2006
Risk managed loans	154,783	134,921	139,690	19,861	15,093
Loans in bankruptcy proceedings	2,534	1,281	2,434	1,252	99
Other delinquent loans	95,820	60,532	46,880	35,288	48,939
Loans more than 3 months past due	2	2	3	-0	-0
Restructured loans	56,425	73,104	90,371	-16,678	-33,945
Total loans under risk management	10,916,180	11,097,686	10,738,028	-181,505	178,152
Ratio to total loan balance	1.4%	1.2%	1.3%	0.2%	0.1%

Note: Partial direct write-offs: Mar. 2007: 29.8 billion yen, Sep. 2006: 33.4 billion yen, Mar. 2006: 44.6 billion yen

(Non-consolidated)

	Millions of Yen				
	Mar. 2007	Sep. 2006	Mar. 2006	Change from Sep. 2006	Change from Mar. 2006
Risk managed loans	117,317	99,818	108,886	17,499	8,431
Loans in bankruptcy proceedings	1,763	493	1,781	1,270	-18
Other delinquent loans	62,966	28,519	24,358	34,447	38,608
Loans more than 3 months past due	-	-	-	-	-
Restructured loans	52,587	70,805	82,746	-18,218	-30,158
Total loans under risk management	11,226,383	11,280,863	10,904,350	-54,480	322,032
Ratio to total loan balance	1.0%	0.9%	1.0%	0.1%	0.0%

Note: Partial direct write-offs: Mar. 2007: 23.5 billion yen, Sep. 2006: 26.8 billion yen, Mar. 2006: 37.7 billion yen

3. Total risk adjusted assets and capital (Basel II)

(1) Risk measurement methodologies

Credit risk:	Foundation Internal Ratings-Based Approach(*)
Market risk:	Internal Models Approach
Operational risk:	Standardised Approach

(*) The Standardised Approach is applied to the retail exposure of Sumitomo Trust and its material consolidated subsidiaries as the phased rollout of the Foundation Internal Ratings-Based Approach. Sumitomo Trust plans for these business units a transition to the Foundation Internal Ratings-Based Approach, when it will have a suitable risk management system. The Standardised Approach is duly applicable in light of materiality to the business units such as small-sized subsidiaries as the exception of the Foundation Internal Ratings-Based Approach.

(2) BIS capital ratio (Preliminary)

(Consolidated)

	Millions of Yen				
	(New standard)	(Former standard)			
		Mar. 2007	Mar. 2007	Mar. 2006	Sep. 2006
Total capital	1,809,860	1,966,663	1,595,890	1,780,659	370,772
Tier I	1,026,199	1,047,267	909,376	964,655	137,891
Minority interest in consolidated subsidiaries	210,641	210,641	159,032	160,669	51,609
Non-cumulative preferred capital notes	183,000	183,000	133,000	133,000	50,000
Goodwill (Deduction)	104,877	104,877	113,165	108,997	-8,287
50% of the total Expected Loss amount in excess of total eligible provisions (Deduction)	21,068	-----	-----	-----	-----
Tier II	904,656	977,245	761,195	887,849	216,050
Upper Tier II	534,565	607,155	416,195	516,565	190,960
Net unrealized gains on available-for-sale securities, net of tax	223,049	223,694	187,684	176,150	36,010
Revaluation surplus on land, after 55% discount	875	875	1,201	1,202	-326
General reserves (*1)	5,626	77,570	58,209	54,547	19,361
Perpetual subordinated debts	305,015	305,015	169,100	284,665	135,915
Lower Tier II	370,090	370,090	345,000	371,283	25,090
Termed subordinated debts, etc.	370,090	370,090	345,000	371,283	25,090
Deduction (double gearing)	120,995	57,850	74,680	71,844	-16,830
Total risk adjusted assets	15,924,988	16,182,142	14,640,708	15,411,217	1,541,434
Risk-weighted assets for credit risk	15,100,642	16,023,185	14,466,698	15,188,025	1,556,486
Market risk equivalent	158,957	158,957	174,009	223,192	-15,051
Operational risk equivalent	665,388	-----	-----	-----	-----
BIS capital ratio	11.36%	12.15%	10.90%	11.55%	1.25%
(Tier I ratio)	6.44%	6.47%	6.21%	6.25%	0.26%

(*1) General reserve (New standard) for Mar. 2007 is recorded as to correspond to the credit risk calculated by the Standardised Approach.

Note : Non-consolidated BIS capital ratio and Tier I ratio are 12.25% and 6.95%, respectively.

(3) Monitoring the interest rate risk of the banking account (Outlier ratio)

a. Measurement methodology

Grid Point Sensitivity Approach

b. Selected level of confidence or interest rate shock

For assets in Japanese yen, US dollar and Euro, 1st and 99th percentile of observed interest rate changes using a 1 year holding period and a minimum of 5 years of observations.

For assets in the currencies less than 5% of total assets or liabilities, an upward and downward 200 basis point parallel rate shock.

c. Definition of core deposits

The upper limit of the core deposits is defined as the minimum of the following:

(a) minimum balance in the last 5 years, (b) the balance after deducting the maximum annual outflow in the last 5 years from the current balance, or (c) the equivalent of 50% of the current balance. The maturity of up to 5 years (average 2.5 years) is assumed.

d. Outlier ratio

Outlier ratio was 6.26%, below the outlier level (more than 20%).

(Consolidated)

	Billions of Yen
	Mar. 2007
	(Preliminary)
Total interrate rate risk (A)	120.9
Tier I + Tier II (B)	1,930.8
Outlier ratio (A/B)	6.26%

4. Forecast

(1) Forecast for full FY2007

	Billions of Yen			
	Forecast for FY2007		FY2006	Change (A) - (B)
	Full FY2007(A)	1HFY2007	(Actual) (B)	
(Consolidated)				
Net business profits before credit costs	220.0	105.0	215.4	4.5
Net operating income	185.0	90.0	170.1	14.8
Net income	120.0	55.0	103.8	16.1
(Non-consolidated)				
Net business profits before credit costs	180.0	85.0	175.9	4.0
Net operating income	155.0	75.0	134.5	20.4
Net income	100.0	45.0	81.8	18.1
Total credit costs	25.0	10.0	40.5	-15.5
Dividend per common stock (Yen)	18.00	9.00	17.00	1.00
Consolidated dividend payout ratio (%)	25.1%	-----	27.4%	-2.3%

Note: Forecast is subject to change

5. Mid-term target

		Previous forecast	FY2006	FY2009
Consolidated Return on equity (*1)	Return (Net income) on stockholder's equity	(Approx. 12.00%)	11.30%	Approx. 12.00%
	Return (Net income) on equity	Approx. 10.00%	8.81%	(Approx. 10.00%)
Consolidated Tier 1 ratio (*2)		6.00% or more	6.44%	7.00% to 8.00%

(*1) Please refer to notes on page 4 for ROE definition.

(*2) Previous target was based on former standard (FY2006 Actual: 6.47%)

Midterm financial plan

	Billions of Yen	➔	Billions of Yen
	FY2006		FY2009
Consolidated net business profits before credit costs	215.4		248.0 - 267.0
Non-consolidated net business profit before credit costs	175.9		204.0 - 218.0
Consolidated net operating income	170.1		221.0 - 240.0
Consolidated net income	103.8		133.0 - 145.0

II. Supplementary information

1. Summary of the financial results

(1) Major subsidiaries and affiliates

Company names	Capital	Primary business	STB Group's share in voting rights (STB's share in voting rights)		Billions of Yen Net income		
					FY2006	FY2005	Change
(Subsidiaries)							
The Sumishin Shinko Co., Ltd.	Yen 50 mil.	Property maintenance	100	(100)	0.3	-0.4	0.7
Sumishin Guaranty Co., Ltd.	Yen 100 mil.	Housing loan guaranty	100	(100)	3.9	1.2	2.7
First Credit Corporation	Yen 13,500 mil.	Finance services	100	(100)	9.3	8.6	0.7
STB Leasing Co., Ltd. (*1)	Yen 5,064 mil.	General leasing	100	(100)	16.5	2.9	13.6
STB Wealth Partners Co., Ltd.	Yen 155 mil.	Consulting	100	(100)	-0.0	-0.1	0.0
Sumishin Business Service Co., Ltd.	Yen 80 mil.	Agency services/temporary staffing/ training services	100	(100)	-0.0	0.0	-0.0
STB Real Estate Investment Management Co., Ltd.	Yen 300 mil.	Asset management	100	(100)	0.8	0.3	0.4
Japan TA Solution, Ltd.	Yen 2,005 mil.	Development and management of systems/ operations of entrusted data processing	80	(80)	-0.0	-0.4	0.3
Sumishin Matsushita Financial Services Co., Ltd.	Yen 20,520 mil.	General leasing/credit cards	66	(66)	3.1	4.8	-1.7
Sumishin Life Card Co., Ltd.	Yen 200mil.	Credit cards	51	(51)	0.0	0.0	-0.0
Sumishin Card Co., Ltd.	Yen 50 mil.	Credit cards	95	(50)	2.5	0.2	-2.3
STB Investment Corporation	Yen 35 mil.	Venture capital	100	(40)	0.0	0.0	-0.0
Sumishin Information Service Co., Ltd.	Yen 100 mil.	Information technology/ commissioned accounting operation	100	(35)	1.7	0.6	1.1
STB Asset Management Co., Ltd.	Yen 300 mil.	Asset management	100	(30)	0.7	0.6	0.1
STB Research Institute Co., Ltd.	Yen 300 mil.	Research and consulting/asset management	100	(29.8)	0.0	0.0	0.0
Sumishin Realty Co., Ltd.	Yen 300 mil.	Residential brokerage	100	(5)	3.9	1.3	2.5
The Sumitomo Trust Finance (H.K.) Ltd.	USD 45 mil.	Banking and security services	100	(100)	0.4	0.3	0.1
Sumitomo Trust and Banking (Luxembourg) S.A.	USD 30 mil.	Banking, security, and trust services	100	(100)	0.3	0.2	0.0
Sumitomo Trust and Banking Co. (U.S.A.)	USD 56 mil.	Banking and trust services	100	(100)	1.7	1.3	0.4
STB Omega Investment Ltd. (*2)	USD 60 mil.	Finance services	75	(75)	0.0	-----	-----
STB Preferred Capital (Cayman) Ltd.	Yen 85,000 mil.	Finance services	100	(100)	2.7	2.5	0.1
STB Preferred Capital 2 (Cayman) Ltd.	Yen 51,500 mil.	Finance services	100	(100)	1.4	0.2	1.1
STB Preferred Capital 3 (Cayman) Ltd. (*2)	Yen 51,500 mil.	Finance services	100	(100)	-	-----	-----
(Affiliates)							
Sumishin SBI Net Bank Research Co., Ltd.	Yen 9,000 mil.	Research and studies	50	(50)	-0.7	-0.0	-0.7
Japan Pension Operation Service, Ltd.	Yen 1,500 mil.	Pension plan administration services	50	(50)	0.1	-0.6	0.8
BUSINEXT CORPORATION	Yen 4,000 mil.	Finance services	40	(40)	0.6	2.4	-1.7
Human Resource Management & Consulting Co., Ltd.	Yen 519 mil.	Employees data administration	38.9	(38.9)	0.0	0.0	0.0
Top REIT Asset Management Co., Ltd.	Yen 300 mil.	Investment company (Asset management)	38	(38)	0.3	0.2	0.0
Japan Trustee Services Bank, Ltd.	Yen 51,000 mil.	Trust and banking	33.3	(33.3)	1.4	1.5	-0.0
Japan Trustee Information Systems, Ltd.	Yen 300 mil.	Information technology/ commissioned accounting operation	33.3	(5)	0.0	0.0	-0.0

(*1) STB Leasing Co., Ltd. became subsidiary company from affiliated company in December 2006.

(*2) STB Omega Investment Ltd. and STB Preferred Capital3 (Cayman) Ltd. are not included in financial results of FY2006.

(2) Breakdown of profit by business group

1) Gross business profits before credit costs

(Non-consolidated)

	Billions of Yen		
	FY2006	FY2005	Change
Wholesale and Retail Client Services Group	189.5	179.4	10.0
Retail financial services	84.2	73.4	10.8
Wholesale financial services	105.3	106.0	-0.7
Stock transfer agency services	19.5	18.4	1.0
Global Markets	48.7	48.6	0.1
Fiduciary services	55.9	47.9	7.9
Pension asset management	41.5	37.5	3.9
Securities processing services	14.4	10.4	3.9
Real estate	30.0	34.2	-4.2
Fees paid for outsourcing	-27.3	-26.1	-1.1
Stock transfer agency services	-13.0	-12.2	-0.7
Fiduciary services	-14.3	-13.9	-0.4
Others (*)	1.0	2.2	-1.2
Gross business profits before credit costs	297.7	286.2	11.5

2) Net business profit before credit costs

(Non-consolidated)

	Billions of Yen		
	FY2006	FY2005	Change
Wholesale and Retail Client Services Group	96.7	89.1	7.5
Retail financial services	27.3	17.1	10.1
Wholesale financial services	69.4	72.1	-2.6
Stock transfer agency services	4.5	4.1	0.3
Global Markets	39.4	39.4	-0.0
Fiduciary services	28.5	20.6	7.8
Pension asset management	19.9	16.0	3.9
Securities processing services	8.5	4.6	3.8
Real estate	22.6	26.4	-3.7
Others (*)	-11.4	-11.0	-0.3
Net business profits before credit costs	175.9	164.6	11.2

(Consolidated)

	Billions of Yen		
	FY2006	FY2005	Change
Wholesale and Retail Client Services Group	125.9	113.0	12.8
Retail financial services	29.6	19.9	9.7
Wholesale financial services	96.2	93.1	3.1
Stock transfer agency services	9.1	8.2	0.9
Global Markets	39.4	39.4	-0.0
Fiduciary services	33.1	24.0	9.0
Pension asset management	21.3	16.7	4.5
Securities processing services	11.7	7.3	4.4
Real estate	27.0	29.6	-2.6
Others (*)	-9.9	-9.9	-0.0
Net business profits before credit costs	215.4	196.2	19.2

(*) Managerial accounting basis. Net of dividend income, cost of capital sourcing and head office expense is included.

2. Assets and liabilities

(1) Loans

1) 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				
	Mar. 2007	Sep. 2006	Mar. 2006	Change from Sep. 2006	Change from Mar. 2006
Percentage to total loan balance	50.3	49.0	47.6	1.3	2.7
Loan balance	5,317,577	5,188,202	4,965,456	129,374	352,120

2) Consumer loans

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

	Millions of Yen				
	Mar. 2007	Sep. 2006	Mar. 2006	Change from Sep. 2006	Change from Mar. 2006
Residential mortgage loans	1,506,471	1,424,355	1,337,460	82,115	169,011
Other consumer loans	490,371	489,984	507,547	387	-17,176
Total	1,996,843	1,914,340	1,845,008	82,503	151,835

3) Real estate non recourse loans

(Banking a/c) (Non-consolidated)

	Billions of Yen				
	Mar. 2007	Sep. 2006	Mar. 2006	Change from Sep. 2006	Change from Mar. 2006
Loan balance	930.5	871.3	737.0	59.2	193.5

4) Overseas loan by borrowers' location

(Non-consolidated)

	Millions of Yen				
	Mar. 2007			Mar. 2006	Change from Mar. 2006
	Total	Japanese affiliates	Non-Japanese		
North America	302,514	196,468	106,046	259,805	42,709
Europe	132,816	51,411	81,405	101,721	31,095
Asia	257,074	207,153	49,921	210,551	46,523

5) Loans by industry

(Non-consolidated)

	Millions of Yen						
	Mar. 2007				Mar. 2006		
	Banking a/c	Trust a/c (*)	Banking + trust a/c	Change from Mar. 2006	Banking a/c	Trust a/c (*)	Banking + trust a/c
Domestic Branches (excluding offshore)	9,974,906	591,989	10,566,895	137,867	9,673,647	755,381	10,429,028
Manufacturing	1,297,427	24,877	1,322,304	40,475	1,255,352	26,475	1,281,828
Agriculture, forestry, fishing, mining	26,429	-	26,429	6,936	19,356	136	19,492
Construction	143,429	1,575	145,004	-7,799	133,046	19,757	152,804
Energy and utilities	159,684	2,679	162,364	-33,767	141,613	54,518	196,131
Communication	135,285	1,315	136,600	-26,994	161,980	1,614	163,595
Transportation	673,541	10,052	683,593	-16,279	572,567	127,305	699,873
Wholesale and retail	887,520	12,003	899,523	3,607	874,244	21,671	895,915
Finance and insurance	1,901,677	50,961	1,952,639	-127,600	1,998,943	81,295	2,080,239
Real estate	1,413,205	10,330	1,423,536	121,726	1,251,299	50,509	1,301,809
Various services	1,252,938	195,310	1,448,249	-60,921	1,488,782	20,388	1,509,171
Others	2,083,767	282,882	2,366,650	238,483	1,776,460	351,706	2,128,166
Overseas branches and offshore	822,533	-	822,533	143,582	678,951	-	678,951
Total	10,797,440	591,989	11,389,429	281,450	10,352,598	755,381	11,107,979

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

(2) Assets classified under the Financial reconstruction law

(After partial direct write-offs)

1) Banking a/c (Non-consolidated)

	Millions of Yen				
	Mar. 2007	Sep. 2006	Mar. 2006	Change from Sep. 2006	Change from Mar. 2006
Assets classified under the Financial reconstruction law (a)	98,032	80,176	77,474	17,856	20,557
Loans in bankrupt and practically bankrupt	4,211	3,661	4,145	550	66
Doubtful loans	58,063	22,789	18,456	35,273	39,606
Substandard loans (b)	35,758	53,725	54,873	-17,966	-19,114
Ordinary assets	11,556,882	11,617,493	10,938,394	-60,611	618,487
Loans to substandard debtors (excluding Substandard loans) (c)	28,948	26,224	32,515	2,724	-3,566
Loans to special mention debtors (excluding (b) and (c))	702,297	310,896	411,684	391,401	290,613
Loans to ordinary debtors	10,825,635	11,280,372	10,494,194	-454,736	331,441
Total loan balance (d)	11,654,915	11,697,670	11,015,869	-42,754	639,045
Ratio to total loan balance (a) / (d)	0.8%	0.7%	0.7%	0.1%	0.1%
Loans to substandard debtors (b)+(c)	64,707	79,949	87,388	-15,242	-22,681

Note: Partial direct write-offs: Mar. 2007: 23.5 billion yen, Sep. 2006: 26.8 billion yen, Mar. 2006: 37.7 billion yen

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

	Millions of Yen				
	Mar. 2007	Sep. 2006	Mar. 2006	Change from Sep. 2006	Change from Mar. 2006
Assets classified under the Financial reconstruction law (e)	19,517	20,020	31,898	-502	-12,380
Loans in bankrupt and practically bankrupt	2,287	2,309	3,157	-21	-870
Doubtful loans	400	630	867	-229	-466
Substandard loans (f)	16,829	17,080	27,873	-251	-11,044
Ordinary assets	409,425	390,083	519,854	19,341	-110,428
Loans to substandard debtors (excluding Substandard loans) (g)	1,205	1,226	1,779	-21	-574
Loans to special mention debtors (excluding (f) and (g))	1,412	1,897	6,931	-484	-5,518
Loans to ordinary debtors	406,807	386,959	511,142	19,847	-104,335
Total loan balance (h)	428,943	410,104	551,752	18,838	-122,809
Ratio to total loan balance (e) / (h)	4.6%	4.9%	5.8%	-0.3%	-1.2%
Loans to substandard debtors (f)+(g)	18,034	18,307	29,653	-272	-11,618

3) Asset classified under the Financial reconstruction law as of March 31, 2007 (Non-consolidated)

(Banking a/c)

(in millions of Yen)

	Balance		Collateral/Reserves	Reserve ratio		
		Coverage ratio				
Loans in bankrupt/ practically bankrupt (A)	(a)		Specific loan loss reserves (b)	409	100%	
	4,211 (4,145)	100% (100%)	Guarantee and collateral (c)	3,802		(b) / ((a)-(c))
Doubtful loans (B)	(d)		Uncovered	8,701	68%	
	58,063	85%	Specific loan loss reserves (e)	18,500	(76%)	
	18,456 (88%)		Guarantee and collateral (f)	30,862	(e) / ((d)-(f))	
Substandard loans (C)	(g)		Uncovered	18,470	29%	
	35,758	48%	General reserves (h)	7,576	(33%)	
	(54,873) (67%)		Guarantee and collateral (i)	9,712	(h) / ((g)-(i))	
Ordinary assets	11,556,882 (10,938,394)		General reserves	64,392		
			Reserves for loans to borrowers in specific foreign countries	720		
Total	11,654,915 (11,015,869)		Total of (A), (B) and (C)		98,032 (77,474)	Ratio to total loan balance 0.8%

(Principal guaranteed trust a/c)

(in millions of Yen)

	Balance		Collateral/Reserves	Reserves for principal		
		Coverage Ratio				
Loans in bankrupt/ practically bankrupt (D)	2,287	100%	Guarantee and collateral	2,287	Reserves for loan trust 4,136	
	(3,157)	(100%)				
Doubtful loans (E)	400	99%	Uncovered	3	Reserves for JOMT (Jointly-operated money trust) 1,235	
	(867)	(93%)	Guarantee and collateral	397		
Substandard loans (F)	16,829 (27,873)	100% (85%)	Guarantee and collateral	16,829		
Ordinary assets	409,425 (519,854)					
Total	428,943 (551,752)		Total of (D), (E) and (F)		19,517 (31,898)	Ratio to total loan balance 4.6%

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

Grand total	12,083,858 (11,567,622)		Total of (A),(B),(C),(D),(E) and (F)		117,550 (109,373)	Ratio to grand total loan balance 1.0%
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Note: Numbers in parenthesis are as of Mar. 2006

4) Reserves for possible loan losses

Banking account (Consolidated)

	Millions of Yen				
	Mar. 2007	Sep. 2006	Mar. 2006	Change from Sep. 2006	Change from Mar. 2006
Reserves for possible loan losses	106,671	79,823	76,206	26,848	30,465
General reserves	76,383	54,547	58,209	21,835	18,173
Specific loan loss reserves	29,568	24,725	17,691	4,842	11,876
Reserves for loans to borrowers in specific foreign countries	720	550	305	169	414

Banking account (Non-consolidated)

	Millions of Yen				
	Mar. 2007	Sep. 2006	Mar. 2006	Change from Sep. 2006	Change from Mar. 2006
Reserves for possible loan losses	97,879	69,873	66,501	28,006	31,378
General reserves	72,760	50,565	53,882	22,194	18,878
Specific loan loss reserves	24,398	18,757	12,312	5,641	12,086
Reserves for loans to borrowers in specific foreign countries	720	550	305	169	414

Principal guaranteed trust a/c (Non-consolidated)

	Millions of Yen				
	Mar. 2007	Sep. 2006	Mar. 2006	Change from Sep. 2006	Change from Mar. 2006
Reserves for loan trust	4,136	4,630	5,011	-494	-874
Reserves for jointly-operated money trust	1,235	852	504	382	730
Total	5,372	5,483	5,516	-111	-143

5) Reserve ratio for loans to special mention/ordinary debtors (general reserves)

Banking account (Non-consolidated)

	Percentage points				
	Mar. 2007	Sep. 2006	Mar. 2006	Change from Sep. 2006	Change from Mar. 2006
Special mention	7.6	9.3	8.2	-1.7	-0.6
Substandard debtors	14.1	12.2	15.4	1.9	-1.3
Against uncovered portion	24.8	37.7	44.6	-12.9	-19.8
Other than substandard debtors	7.0	8.6	6.6	-1.6	0.4
Ordinary debtors	0.1	0.1	0.1	0.0	0.0

Note: Reserve ratio = general reserves/loan amount

(3) Final disposal of non-performing loans

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

1) Loans outstanding indoubtful or worse categories (Non-consolidated)

Total

	Billions of Yen									
	Before Mar. 2003	Sep. 2003	Mar. 2004	Sep. 2004	Mar. 2005	Sep. 2005	Mar. 2006	Sep. 2006	Mar. 2007	Change from Sep. 2006
Loans in bankrupt/practically bankrupt	127.7	25.7	18.7	79.2	15.5	42.2	7.3	6.0	6.5	0.5
Doubtful loans	881.1	133.6	113.1	47.9	88.1	20.6	19.3	23.4	58.5	35.0
Total	1,008.8	159.4	131.8	127.1	103.6	62.9	26.6	29.4	65.0	35.6
Loans outstanding in doubtful or worse categories as of Mar. 2003 and disposal thereafter										
Loans in bankrupt/practically bankrupt	127.7	24.9	15.5	72.1	8.1	5.0	4.7	3.7	3.3	-0.4
Doubtful loans	881.1	117.9	87.2	19.6	13.9	8.2	6.5	5.9	1.7	-4.2
Total	1,008.8	142.7	102.7	91.7	22.0	13.2	11.2	9.6	5.1	-4.6
New entry to doubtful or worse categories during 1HFY2003 and disposal thereafter										
Loans in bankrupt/practically bankrupt		0.9	0.5	1.7	0.2	0.5	0.3	0.3	0.2	-0.1
Doubtful loans		15.8	12.9	7.1	6.8	4.6	0.3	0.4	0.2	-0.2
Total		16.7	13.4	8.8	6.9	5.1	0.6	0.7	0.4	-0.3
New entry to doubtful or worse categories during 2HFY2003 and disposal thereafter										
Loans in bankrupt/practically bankrupt			2.7	3.9	1.5	1.0	0.6	0.1	0.0	-0.0
Doubtful loans			13.0	8.4	0.4	0.3	0.1	0.1	0.1	-0.0
Total			15.7	12.3	1.9	1.3	0.8	0.2	0.1	-0.0
New entry to doubtful or worse categories during 1HFY2004 and disposal thereafter										
Loans in bankrupt/practically bankrupt				1.5	0.9	0.3	0.2	0.1	0.1	-0.0
Doubtful loans				12.8	2.1	1.8	1.5	1.1	1.0	-0.1
Total				14.3	3.0	2.1	1.8	1.2	1.1	-0.1
New entry to doubtful or worse categories during 2HFY2004 and disposal thereafter										
Loans in bankrupt/practically bankrupt					4.7	34.1	0.5	0.3	0.3	-0.0
Doubtful loans					65.0	0.6	0.5	0.4	0.4	-0.0
Total					69.7	34.8	1.0	0.7	0.7	-0.0
New entry to doubtful or worse categories during 1HFY2005 and disposal thereafter										
Loans in bankrupt/practically bankrupt						1.4	0.3	0.4	0.4	-0.0
Doubtful loans						5.1	3.3	2.7	2.6	-0.1
Total						6.4	3.6	3.1	2.9	-0.1
New entry to doubtful or worse categories during 2HFY2005 and disposal thereafter										
Loans in bankrupt/practically bankrupt							0.6	0.4	0.2	-0.2
Doubtful loans							7.0	3.3	2.5	-0.8
Total							7.7	3.7	2.6	-1.1
New entry to doubtful or worse categories during 1HFY2006 and disposal thereafter										
Loans in bankrupt/practically bankrupt								0.7	0.4	-0.4
Doubtful loans								9.6	1.9	-7.7
Total								10.3	2.3	-8.0
New entry to doubtful or worse categories during 2HFY2006 and disposal thereafter										
Loans in bankrupt/practically bankrupt									1.6	
Doubtful loans									48.2	
Total									49.8	

2) Progress of final disposal

(Non-consolidated)

(in Billions of Yen)

Period	Primary amount	Amount as of 2HFY2006	Quasi final disposal or in the process of final disposal	Amount of final disposal during 2HFY2006	Ratio of final disposal progression (%)	Adjusted ratio of final disposal progression (*) (%)
Before 2HFY2002	1,008.8	5.1	2.8	4.6	99.8	99.9
1HFY2003	16.7	0.4	0.2	0.3	97.7	98.8
2HFY2003	15.7	0.1	0.0	0.0	99.2	99.4
1HFY2004	14.3	1.1	0.0	0.1	92.2	92.4
2HFY2004	69.7	0.7	0.3	0.0	99.1	99.4
1HFY2005	6.4	2.9	0.3	0.1	54.9	59.0
2HFY2005	7.7	2.6	0.1	1.1	65.7	66.7
1HFY2006	10.3	2.3	0.2	8.0	78.0	80.0
2HFY2006	49.8	49.8	0.2	-	-	0.3
Total		65.0	4.0	14.2		

(*) Ratio of final disposal progression considering quasi final disposal

(4) Deferred tax assets

1) Major factors for deferred tax assets and deferred tax liabilities

(Consolidated)

	Billions of Yen	
	Mar. 2007	Mar. 2006
Deferred tax assets (on the balance sheet) (1)	26.1	20.3
Reserves for possible loan losses (including taxable losses on write-offs)	40.2	9.1
Devaluation of securities	33.0	34.8
Reserves for employee retirement benefit	25.0	16.1
Loss carry forwards	13.0	49.3
Unrealized profit	5.4	3.0
Others	32.6	26.6
Valuation allowance	-22.0	-24.2
Offset with deferred tax liabilities	-101.3	-94.6
Deferred tax liabilities (on the balance sheet) (2)	107.3	77.0
Net unrealized gains on available-for-sale securities	201.4	167.4
Others	7.2	4.1
Offset with deferred tax assets	-101.3	-94.6
Net deferred tax assets (1)-(2)	-81.1	-56.7
Percentage to Tier 1 (*1)	-	-
Tier 1 (*2)	1,026.1	909.3

(*1) As the offset result is negative (deferred tax liabilities), number is stated " - ".

(*2) Tier 1 for Mar. 2007 is stated in Basel II base (New standard) and Mar. 2006 is stated in former standard.

(Non-consolidated)

	Billions of Yen	
	Mar. 2007	Mar. 2006
Deferred tax assets (on the balance sheet) (1)	-	-
Reserves for possible loan losses (including taxable losses on write-offs)	33.8	2.1
Devaluation of securities	33.0	34.8
Reserves for employee retirement benefit	11.6	11.8
Loss carry forwards	-	33.3
Others	30.2	18.7
Valuation allowance	-10.0	-6.4
Offset with deferred tax liabilities	-98.6	-94.4
Deferred tax liabilities (on the balance sheet) (2)	107.0	76.7
Net unrealized gains on available-for-sale securities	201.2	167.3
Others	4.3	3.9
Offset with deferred tax assets	-98.6	-94.4
Net deferred tax assets (1)-(2)	-107.0	-76.7
Percentage to Tier 1 (*1)	-	-
Tier 1 (*2)	1,063.1	978.1

(*1) As the offset result is negative (deferred tax liabilities), number is stated " - ".

(*2) Tier 1 for Mar. 2007 is stated in Basel II base (New standard) and Mar. 2006 is stated in former standard.

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

Amount of loss carried forward has been used up in FY2006.

Thus, the item 2 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.

(*) 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 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.

	Billions of Yen				
	FY2006	FY2005	FY2004	FY2003	FY2002
Taxable income before deduction of loss carry forwards	195.7	93.6	103.2	33.8	-221.2
Net business profit before credit costs	175.9	164.6	148.2	145.0	158.8

Note: Taxable income before deduction of loss carry forwards of FY2006 is estimated amount.

(5) Employee retirement benefits
(Consolidated)

		Millions of Yen		
		Mar. 2007	Mar. 2006	Change from Mar. 2006
Projected benefit obligation	(A)	230,848	222,301	8,546
(Discount rate)		(2.0%)	(2.0%)	(- %)
Plan assets (market value)	(B)	310,612	322,252	-11,639
Reserves for employee retirement benefits	(C)	10,078	10,204	-125
Advanced benefit paid	(D)	80,391	68,067	12,324
Unrecognized net prior service cost	(E)	842	1,108	-265
Unrecognized net actuarial loss	(A-B-C+D-E)	-10,294	-43,195	32,901

		Millions of Yen		
		FY2006	FY2005	Change
Retirement benefit expenses		-5,105	7,287	-12,393

(Non-consolidated)

		Millions of Yen		
		Mar. 2007	Mar. 2006	Change from Mar. 2006
Projected benefit obligation	(A)	211,701	203,872	7,828
(Discount rate)		(2.0%)	(2.0%)	(- %)
Plan assets (market value)	(B)	300,709	312,984	-12,275
Reserves for employee retirement benefits	(C)	200	195	4
Advanced benefit paid	(D)	80,362	68,067	12,295
Unrecognized net prior service cost	(E)	1,117	1,428	-310
Unrecognized net actuarial loss	(A-B-C+D-E)	-9,963	-42,668	32,704

		Millions of Yen		
		FY2006	FY2005	Change
Retirement benefit expenses		-6,687	6,172	-12,859
Service cost-benefits earned		4,075	3,889	186
Interest cost on projected benefit obligation		4,073	3,893	180
Expected return on plan assets		-13,892	-7,787	-6,105
Amortization of prior service cost		310	310	0
Amortization of net actuarial losses		-1,760	5,217	-6,978
Others (additional benefit at retirement, etc)		506	649	-142