

*Explanatory Material*

*1st Quarter of Fiscal Year 2007  
ended on June 30, 2007*

*The Sumitomo Trust and Banking Co., Ltd.*

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### Legal Disclaimer

#### Regarding forward-looking statements contained in this material

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

**1. Summary of the financial results for the 1st quarter of FY2007**

(Consolidated)

		Millions of Yen			
		1Q			Full FY2006
		FY2007	FY2006	Change	
Gross profit	1	<b>82,681</b>	82,340	340	384,101
Gross profit before credit costs (1 - 4)	2	<b>82,681</b>	82,209	471	385,461
Net trust fees	3	<b>10,033</b>	10,937	-903	73,226
Principal guaranteed trust a/c credit costs	4	-	130	-130	-1,360
Trust fees from principal guaranteed trust a/c	5	<b>1,217</b>	2,520	-1,302	16,356
Other trust fees	6	<b>8,816</b>	8,285	530	58,230
Net interest income	7	<b>36,247</b>	38,392	-2,144	160,086
Net fees and commissions	8	<b>24,119</b>	21,258	2,860	103,751
Net gains on trading	9	<b>2,417</b>	1,239	1,177	8,144
Others	10	<b>9,862</b>	10,512	-650	38,892
General & administrative expenses	11	<b>-47,850</b>	-42,305	-5,545	-183,973
(excluding amortization of goodwill)	12	<b>-46,013</b>	-40,455	-5,557	-177,802
Net transfer to general reserves	13	-	-	-	-17,527
Banking a/c credit costs	14	<b>-388</b>	-53	-335	-23,185
Net gains on stocks	15	<b>585</b>	918	-332	4,814
Net income from affiliates by equity method	16	<b>-153</b>	742	-895	5,861
Others	17	<b>-930</b>	-1,531	600	81
<b>Net operating income</b>	18	<b>33,944</b>	<b>40,111</b>	<b>-6,167</b>	<b>170,171</b>
Extraordinary income	19	<b>11,465</b>	1,439	10,026	-2,393
Reversal of reserves(*)	20	<b>1,059</b>	1,364	-305	-
Gains on return of securities from retirement benefits trust	21	<b>9,969</b>	-	9,969	-
Net income before income taxes	22	<b>45,409</b>	41,550	3,858	167,778
Income taxes	23	<b>-13,914</b>	-5,005	-8,908	-59,830
Deferred income taxes	24	<b>-5,673</b>	-8,402	2,728	1,086
Minority interest	25	<b>-1,292</b>	-1,199	-92	-5,214
<b>Net income</b>	26	<b>24,530</b>	<b>26,943</b>	<b>-2,413</b>	<b>103,820</b>

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

Total credit costs (4 + 13 + 14 + 20)	27	<b>670</b>	1,442	-771	-42,073
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Net business profit before credit costs	28	<b>37,541</b>	41,927	-4,386	215,485
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&lt;Number of subsidiaries/ affiliates&gt;

	June 2007	Mar. 2007	Change
Consolidated subsidiaries	<b>35</b>	34	1
Affiliates (subject to the equity method)	<b>7</b>	7	-

(Non-consolidated)

		Millions of Yen				Full FY2006
		1Q				
		FY2007	FY2006	Change		
Gross profit	1	<b>58,870</b>	62,831	-3,960	296,416	
Gross profit before credit costs (1 - 4)	2	<b>58,870</b>	62,700	-3,829	297,776	
Net trust fees	3	<b>10,047</b>	10,937	-890	73,226	
Principal guaranteed trust a/c credit costs	4	-	130	-130	-1,360	
Trust fees from principal guaranteed trust a/c	5	<b>1,217</b>	2,520	-1,302	16,356	
Net capital gains on sale of securities	6	-	-0	0	-0	
Other trust fees	7	<b>8,829</b>	8,285	543	58,230	
Net interest income	8	<b>33,483</b>	35,287	-1,804	145,735	
Net fees and commissions	9	<b>12,267</b>	10,211	2,056	57,748	
Net gains on trading	10	<b>2,417</b>	1,239	1,177	8,144	
Others	11	<b>654</b>	5,154	-4,500	11,560	
Net capital gains on bonds	12	<b>119</b>	-357	477	-1,179	
Net gains on financial derivatives	13	<b>-3,548</b>	2,358	-5,906	-352	
General and administrative expenses	14	<b>-31,087</b>	-29,091	-1,996	-121,856	
<b>Net business profit before credit costs (1 - 4 + 14)</b>	15	<b>27,783</b>	<b>33,609</b>	<b>-5,825</b>	<b>175,920</b>	
excluding Net capital gains on bonds (15-6-12)	16	<b>27,664</b>	33,966	-6,302	177,099	
Net transfer to general reserves	17	-	-	-	-18,878	
Net business profit	18	<b>27,783</b>	33,739	-5,956	155,681	
Net non-recurring profit	19	<b>-2,161</b>	385	-2,546	-21,130	
Net gains on stocks	20	<b>582</b>	981	-398	5,096	
Banking a/c net credit costs	21	<b>-185</b>	280	-466	-20,289	
Others	22	<b>-2,558</b>	-876	-1,682	-5,937	
<b>Net operating income</b>	23	<b>25,621</b>	<b>34,124</b>	<b>-8,503</b>	<b>134,551</b>	
Extraordinary income	24	<b>11,624</b>	1,441	10,183	-2,054	
Reversal of reserves(*)	25	<b>1,473</b>	1,340	132	-	
Gains on return of securities from retirement benefits trust	26	<b>9,969</b>	-	9,969	-	
Net income before income taxes	27	<b>37,246</b>	35,566	1,680	132,497	
Income taxes	28	<b>-12,649</b>	-3,765	-8,884	-48,046	
Deferred income taxes	29	<b>41</b>	-8,881	8,922	-2,636	
<b>Net income</b>	30	<b>24,638</b>	<b>22,919</b>	<b>1,718</b>	<b>81,813</b>	
<b>Total credit costs (4 + 17 + 21 + 25)</b>	31	<b>1,287</b>	1,751	-464	-40,527	

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

## 2. Forecast for FY2007

There is no change in the forecast of business performance and dividend for the full FY2007, which we announced on May 21, 2007.

<For reference>

(Consolidated)

	Billions of Yen				
	Forecast for FY2007		1QFY2007 (Actual)	Full FY2006 (Actual) (B)	Change (A)-(B)
	Full FY2007 (A)	1HFY2007			
Net business profit before credit costs	<b>220.0</b>	105.0	37.5	215.4	4.5
Net operating income	<b>185.0</b>	90.0	33.9	170.1	14.8
Net income	<b>120.0</b>	55.0	24.5	103.8	16.1

(Non-consolidated)

	Billions of Yen				
	Forecast for FY2007		1QFY2007 (Actual)	Full FY2006 (Actual) (B)	Change (A)-(B)
	Full FY2007 (A)	1HFY2007			
Net business profits before credit costs	<b>180.0</b>	85.0	27.7	175.9	4.0
Net operating income	<b>155.0</b>	75.0	25.6	134.5	20.4
Net income	<b>100.0</b>	45.0	24.6	81.8	18.1
Total credit costs	<b>-25.0</b>	-10.0	1.2	-40.5	15.5
Dividend per common stock (Yen)	<b>18.00</b>	9.00	-	17.00	1.00
Consolidated dividend payout ratio	<b>25.1%</b>	-----	-----	27.4%	-2.3%

Note: Forecast is subject to change.

## 3. BIS capital adequacy ratio

(Consolidated)

	Billions of Yen	
	June 2007	Mar. 2007
BIS capital adequacy ratio	<b>11.21%</b>	11.36%
Tier I ratio	<b>6.27%</b>	6.44%
Total capital	<b>1,837.6</b>	1,809.8
Tier I	<b>1,027.2</b>	1,026.1
Total risk adjusted assets	<b>16,378.3</b>	15,924.9
Required capital (*)	<b>1,310.2</b>	1,273.9

(\*) 8% of Total risk adjusted assets

(Non-consolidated)

	Billions of Yen	
	June 2007	Mar. 2007
BIS capital adequacy ratio	<b>12.27%</b>	12.25%
Tier I ratio	<b>6.92%</b>	6.95%
Total capital	<b>1,918.8</b>	1,872.4
Tier I	<b>1,082.0</b>	1,063.1
Total risk adjusted assets	<b>15,625.9</b>	15,279.4
Required capital (*)	<b>1,250.0</b>	1,222.3

(\*) 8% of Total risk adjusted assets

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

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

	Millions of Yen		
	June 2007	Mar. 2007	Change
Assets classified under the Financial reconstruction law (a)	<b>119,658</b>	117,550	2,107
Loans in bankrupt and practically bankrupt	<b>6,695</b>	6,499	196
Doubtful loans	<b>60,767</b>	58,463	2,303
Substandard loans (b)	<b>52,195</b>	52,587	-391
Ordinary assets	<b>12,175,446</b>	11,966,308	209,137
Loans to substandard debtors (excluding substandard loans) (c)	<b>30,835</b>	30,154	681
Loans to special mention debtors (excluding (b) and (c))	<b>674,557</b>	703,710	-29,152
Loans to ordinary debtors	<b>11,470,052</b>	11,232,443	237,609
Total loan balance (d)	<b>12,295,104</b>	12,083,858	211,245
Ratio to total loan balance (a) / (d)	<b>1.0%</b>	1.0%	0.0%
Loans to substandard debtors (b)+(c)	<b>83,031</b>	82,741	289

Note: Result of self-assessment as of June 30, 2007 is reflected on the disclosed figures.

**5. Ending balance of loans (Non-consolidated)**

	Millions of Yen		
	June 2007	Mar. 2007	Change
Banking account	<b>10,993,752</b>	10,797,440	196,312
Trust account (Principal guaranteed)	<b>417,087</b>	428,943	-11,855
Total	<b>11,410,840</b>	11,226,383	184,457

**6. Ending balance of domestic deposits classified by depositors (Domestic branches)**

	Millions of Yen		
	June 2007	Mar. 2007	Change
Individuals	<b>8,023,180</b>	7,998,206	24,973
Deposits (*)	<b>7,154,108</b>	7,073,347	80,761
Trust principal (Principal guaranteed)	<b>869,071</b>	924,859	-55,788
Corporations and other organizations	<b>2,761,742</b>	3,001,511	-239,768
Deposits (*)	<b>2,131,139</b>	2,328,093	-196,953
Trust principal (Principal guaranteed)	<b>630,603</b>	673,417	-42,814
Others	<b>810,597</b>	825,946	-15,348
Total	<b>11,595,520</b>	11,825,664	-230,143

(\*) Excluding NCDs and offshore accounts

## 7. Unrealized gains/ losses on investment securities

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

	Millions of Yen							
	June 2007			Mar. 2007			Change of book value	Change of net
	Book value	Market value	Net	Book value	Market value	Net		
Japanese government bonds	499,505	495,263	-4,241	502,183	501,472	-711	-2,678	-3,530
Japanese local government bonds	100	99	-0	100	99	-0	-	-0
Japanese corporate bonds	187,836	186,723	-1,112	204,292	203,361	-930	-16,455	-181
Others	292	319	27	295	322	27	-2	-0
Foreign bonds	292	319	27	295	322	27	-2	-0
<b>Total</b>	<b>687,733</b>	<b>682,407</b>	<b>-5,326</b>	<b>706,871</b>	<b>705,256</b>	<b>-1,614</b>	<b>-19,137</b>	<b>-3,712</b>

(Non-consolidated)

	Millions of Yen							
	June 2007			Mar. 2007			Change of book value	Change of net
	Book value	Market value	Net	Book value	Market value	Net		
Japanese government bonds	499,160	494,922	-4,238	501,839	501,130	-709	-2,678	-3,529
Japanese local government bonds	-	-	-	-	-	-	-	-
Japanese corporate bonds	187,836	186,723	-1,112	204,292	203,361	-930	-16,455	-181
Others	-	-	-	-	-	-	-	-
Foreign bonds	-	-	-	-	-	-	-	-
<b>Total</b>	<b>686,996</b>	<b>681,646</b>	<b>-5,350</b>	<b>706,131</b>	<b>704,491</b>	<b>-1,639</b>	<b>-19,134</b>	<b>-3,711</b>

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

	Millions of Yen							
	June 2007			Mar. 2007			Change of cost	Change of net
	Cost	Book value	Net	Cost	Book value	Net		
Japanese stocks	497,781	1,014,891	517,110	481,914	989,188	507,273	15,866	9,836
Japanese bonds	1,008,720	996,402	-12,317	955,035	951,480	-3,555	53,684	-8,762
Government bonds	687,952	678,001	-9,951	623,930	621,497	-2,433	64,022	-7,518
Local government bonds	46,106	45,489	-616	62,061	61,884	-177	-15,955	-438
Corporate bonds	274,661	272,911	-1,749	269,042	268,098	-944	5,618	-805
Others	2,392,746	2,377,271	-15,474	2,150,581	2,143,336	-7,245	242,164	-8,229
Foreign stocks	3	27	23	3	27	24	-0	-0
Foreign bonds	1,921,970	1,886,069	-35,901	1,692,225	1,672,190	-20,035	229,744	-15,865
Others	470,772	491,174	20,402	458,352	471,117	12,765	12,420	7,636
Total	3,899,247	4,388,565	489,317	3,587,532	4,084,004	496,472	311,715	-7,155

## (Non-consolidated)

	Millions of Yen							
	June 2007			Mar. 2007			Change of cost	Change of net
	Cost	Book value	Net	Cost	Book value	Net		
Japanese stocks	497,570	1,013,908	516,338	481,705	988,215	506,509	15,864	9,828
Japanese bonds	1,008,720	996,402	-12,317	955,035	951,480	-3,555	53,684	-8,762
Government bonds	687,952	678,001	-9,951	623,930	621,497	-2,433	64,022	-7,518
Local government bonds	46,106	45,489	-616	62,061	61,884	-177	-15,955	-438
Corporate bonds	274,661	272,911	-1,749	269,042	268,098	-944	5,618	-805
Others	2,342,230	2,326,702	-15,528	2,100,669	2,093,421	-7,247	241,561	-8,280
Foreign stocks	-	-	-	-	-	-	-	-
Foreign bonds	1,895,453	1,859,946	-35,507	1,662,977	1,643,451	-19,526	232,476	-15,981
Others	446,777	466,755	19,978	437,691	449,970	12,278	9,085	7,700
Total	3,848,521	4,337,013	488,491	3,537,410	4,033,116	495,706	311,111	-7,214

## 8. Breakdown of profit by business group (Gross profit before credit costs)

(Non-consolidated)

	Billions of Yen		
	1QFY2007	1QFY2006	Change
Retail financial services	22.5	18.6	3.9
Wholesale financial services	23.5	22.6	0.9
Stock transfer agency	4.9	5.0	-0.0
Global Markets	7.8	17.1	-9.3
Fiduciary services	7.8	7.2	0.6
Pension asset management	3.6	4.2	-0.6
Securities processing	4.2	2.9	1.2
Real estate	4.3	4.4	-0.1
Fees paid for outsourcing	-5.4	-6.0	0.6
Stock transfer agency	-3.1	-3.2	0.0
Fiduciary services	-2.3	-2.8	0.5
Others (*)	-1.6	-1.2	-0.4
<b>Gross profit before credit costs</b>	<b>58.8</b>	<b>62.7</b>	<b>-3.8</b>

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

## 9. Loans by industry

(Non-consolidated)

	Millions of Yen						
	June 2007				Mar. 2007		
	Banking a/c	Trust a/c (*)	Banking + trust a/c	Change from Mar. 2007	Banking a/c	Trust a/c (*)	Banking + trust a/c
Domestic Branches (excluding offshore)	9,980,922	567,742	10,548,665	-18,230	9,974,906	591,989	10,566,895
Manufacturing	1,403,887	25,806	1,429,694	107,390	1,297,427	24,877	1,322,304
Agriculture, forestry, fishing, mining	24,614	-	24,614	-1,815	26,429	-	26,429
Construction	138,644	1,575	140,219	-4,785	143,429	1,575	145,004
Energy and utilities	150,099	2,032	152,131	-10,232	159,684	2,679	162,364
Communication	128,819	313	129,133	-7,467	135,285	1,315	136,600
Transportation	667,892	9,895	677,787	-5,806	673,541	10,052	683,593
Wholesale and retail	864,268	10,880	875,148	-24,374	887,520	12,003	899,523
Finance and insurance	1,812,575	41,025	1,853,600	-99,039	1,901,677	50,961	1,952,639
Real estate	1,471,022	10,175	1,481,198	57,661	1,413,205	10,330	1,423,536
Various services	1,228,157	192,398	1,420,555	-27,693	1,252,938	195,310	1,448,249
Others	2,090,940	273,640	2,364,581	-2,069	2,083,767	282,882	2,366,650
Overseas branches and offshore	1,012,830	-	1,012,830	190,296	822,533	-	822,533
<b>Total</b>	<b>10,993,752</b>	<b>567,742</b>	<b>11,561,495</b>	<b>172,065</b>	<b>10,797,440</b>	<b>591,989</b>	<b>11,389,429</b>

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

## 10. Balance of mutual fund/ annuity (for retail customers)

(Non-consolidated)

	Billions of Yen		
	June 2007	Mar. 2007	Change
Mutual fund	1,448.8	1,333.5	115.3
Annuity	514.5	490.1	24.3
<b>Total</b>	<b>1,963.3</b>	<b>1,823.7</b>	<b>139.6</b>

**11. Trust accounts**

(Non-consolidated)

	Millions of Yen		
	June 2007	Mar. 2007	Change
<b>&lt;Assets&gt;</b>			
Loans and bills discounted	<b>567,742</b>	591,989	-24,246
Investment securities	<b>11,071,488</b>	10,496,104	575,383
Money held in trust	<b>53,740,128</b>	50,601,325	3,138,802
Securities held in custody accounts	<b>404,756</b>	399,129	5,626
Money claims	<b>7,778,577</b>	7,058,417	720,159
Tangible fixed assets	<b>3,906,774</b>	3,854,098	52,675
Intangible fixed assets	<b>23,865</b>	23,865	0
Other claims	<b>2,763,958</b>	2,524,875	239,083
Call loans	<b>2,200</b>	3,800	-1,600
Loans to banking account	<b>1,250,177</b>	1,319,548	-69,371
Cash and due from banks	<b>247,334</b>	276,793	-29,459
<b>Total assets</b>	<b>81,757,003</b>	77,149,949	4,607,054
<b>&lt;Liabilities&gt;</b>			
Money trust	<b>22,189,615</b>	21,369,242	820,372
Pension trust	<b>7,285,933</b>	6,970,683	315,250
Property formation benefit trusts	<b>7,878</b>	8,207	-328
Loan trusts	<b>617,937</b>	685,561	-67,623
Securities investment trusts	<b>18,645,163</b>	16,912,419	1,732,744
Money entrusted, other than money trusts	<b>3,180,235</b>	3,020,418	159,817
Securities trusts	<b>14,469,215</b>	13,535,165	934,049
Money claims trusts	<b>7,386,765</b>	6,740,747	646,017
Equipment trusts	<b>437</b>	1,147	-710
Land and fixtures trusts	<b>143,552</b>	146,802	-3,250
Composite trusts	<b>7,830,267</b>	7,759,552	70,715
Other trusts	<b>0</b>	0	-
<b>Total liabilities</b>	<b>81,757,003</b>	77,149,949	4,607,054