

*Explanatory Material*

*1st Half Fiscal Year 2007  
ended on Sep.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. (referred to hereinafter as "Sumitomo Trust") hereby cautions against sole reliance on such forward-looking statements in making investment decisions.

## I. Outlook of the financial results for the 1st half fiscal year 2007

### 1. Financial results for the 1st half fiscal year 2007

#### (1) Summary of the financial results for the 1st half fiscal year 2007

(Consolidated)

		Millions of Yen		
		1HFY2007	1HFY2006	Change
Gross profits	1	195,324	188,146	7,177
Gross profits before credit costs (1 - 4)	2	195,324	188,309	7,014
Net trust fees	3	36,737	35,867	870
Principal guaranteed trust a/c credit costs	4	-	-163	163
Trust fees from principal guaranteed trust a/c	5	5,808	8,146	-2,338
Other trust fees	6	30,929	27,883	3,045
Net interest income	7	81,856	82,653	-796
Net fees and commissions	8	55,056	46,628	8,427
Net gains on trading	9	6,396	3,612	2,783
Others	10	15,277	19,384	-4,107
General and administrative expenses	11	-96,986	-92,269	-4,717
(excluding amortization of goodwill)	12	-93,015	-88,101	-4,914
Personnel expenses	13	-43,827	-38,640	-5,187
Non-personnel expenses excluding taxes	14	-49,368	-50,280	912
Taxes other than income taxes	15	-3,791	-3,348	-442
Net transfer to general reserves	16	-23,251	3,989	-27,240
Banking a/c credit costs	17	-12,188	-8,108	-4,080
Net losses on direct write-offs	18	-9,620	-455	-9,164
Net transfer to specific loan losses reserves	19	-788	-7,404	6,616
Net transfer to reserves for loans to borrowers in specific foreign countries	20	-46	-245	198
Losses on sales of loans	21	-1,733	-2	-1,731
Net gains on stocks	22	4,695	3,332	1,362
Net income from affiliates by equity method	23	-546	1,096	-1,642
Others	24	-5,675	2,988	-8,663
<b>Net operating income</b>	25	<b>61,371</b>	99,175	-37,804
Extraordinary income	26	9,467	-1,192	10,660
Gains on return of securities from retirement benefit trusts	27	9,969	-	9,969
Net income before income taxes	28	70,838	97,982	-27,144
Income taxes	29	-37,333	-13,391	-23,942
Deferred income taxes	30	7,193	-18,403	25,597
Minority interest	31	-2,980	-2,226	-753
<b>Net income</b>	32	<b>37,718</b>	63,960	-26,242
<b>Total credit costs (4 + 16 + 17)</b>	33	<b>-35,439</b>	-4,281	-31,158

Net business profit before credit costs	34	102,431	105,365	-2,933
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<Number of subsidiaries/affiliates>

	Sep. 2007	Mar. 2007	Change
Consolidated subsidiaries	36	34	2
Affiliates (subject to the equity method)	7	7	-

(Non-consolidated)

		Millions of Yen			% change
		1HFY2007	1HFY2006	Change	
Gross profits	1	144,698	147,356	-2,658	-1.8
Gross business profits before credit costs ( 1-4 )	2	144,698	147,519	-2,821	-1.9
Net trust fees	3	36,750	35,867	883	2.5
Principal guaranteed trust a/c credit costs	4	-	-163	163	100.0
Trust fees from principal guaranteed trust a/c	5	5,808	8,146	-2,338	-28.7
Net capital gains on sale of securities	6	-	-0	0	100.0
Other trust fees	7	30,942	27,883	3,058	11.0
Net interest income	8	73,471	74,723	-1,251	-1.7
Domestic	9	65,951	67,618	-1,666	-2.5
Net fees and commissions	10	30,681	24,709	5,972	24.2
Domestic	11	30,219	24,847	5,372	21.6
Net gains on trading	12	6,396	3,612	2,783	77.1
Others	13	-2,602	8,443	-11,046	-130.8
Net gains on foreign exchange transactions	14	-3,435	5,865	-9,301	-158.6
Net capital gains on bonds	15	20,504	5,002	15,501	309.9
Net gains on financial derivatives	16	-20,297	-3,282	-17,014	-518.3
General and administrative expenses	17	-63,939	-60,715	-3,223	-5.3
Personnel expenses	18	-25,456	-22,615	-2,841	-12.6
Non-personnel expenses excluding taxes	19	-35,259	-35,180	-79	-0.2
Taxes other than income taxes	20	-3,222	-2,919	-303	-10.4
<b>Net business profit before credit costs (1-4+17)</b>	21	<b>80,759</b>	<b>86,804</b>	<b>-6,045</b>	<b>-7.0</b>
excluding Net capital gains on bonds (21-6-15)	22	<b>60,255</b>	<b>81,801</b>	<b>-21,546</b>	<b>-26.3</b>
Net transfer to general reserves	23	-22,238	3,316	-25,555	-770.5
Net business profit	24	58,520	89,957	-31,436	-34.9
Net non-recurring profit	25	-15,701	-4,032	-11,669	-289.4
Net gains on stocks	26	4,614	3,427	1,186	34.6
Gains on sale of stocks	27	7,554	6,209	1,345	21.7
Losses on sale of stocks	28	-811	-1,272	461	36.3
Losses on devaluation of stocks	29	-2,129	-1,509	-619	-41.1
Banking a/c net credit costs	30	-12,553	-6,520	-6,032	-92.5
Net losses on direct write-offs	31	-9,273	681	-9,955	-1,461.1
Net transfer to specific loan loss reserves	32	-1,499	-6,950	5,451	78.4
Net transfer to reserves for loans to borrowers in specific foreign countries	33	-46	-245	198	81.1
Losses on sales of loans	34	-1,733	-6	-1,727	-27,551.1
Others	35	-7,761	-938	-6,823	-727.0
Net gains on money held in trust	36	-1,344	166	-1,511	-906.4
Net gains on stock related derivatives	37	-1,839	-45	-1,793	-3,900.3
Amortization of net actuarial losses/prior service cost	38	-1,631	724	-2,355	-325.0
<b>Net operating income</b>	39	<b>42,819</b>	<b>85,925</b>	<b>-43,106</b>	<b>-50.2</b>
Extraordinary income	40	9,351	-1,051	10,402	989.4
Net gains on disposal of fixed assets	41	-1,004	-205	-799	-389.7
Gains on collection from write-offs	42	387	176	211	119.8
Gains on return of employee retirement benefit trusts	43	9,969	-	9,969	-
Net income before income taxes	44	52,171	84,874	-32,703	-38.5
Income taxes	45	-34,198	-11,306	-22,891	-202.5
Deferred income taxes	46	13,978	-18,081	32,060	177.3
<b>Net income</b>	47	<b>31,951</b>	<b>55,486</b>	<b>-23,534</b>	<b>-42.4</b>
<b>Total credit costs (4+23+30)</b>	48	<b>-34,791</b>	<b>-3,367</b>	<b>-31,424</b>	<b>-933.3</b>

## (2) Major subsidiaries operating leasing and finance business

	Billions of Yen								
	STB Leasing Group			Sumishin Matsushita Financial Services			First Credit		
	1HFY2007	1HFY2006	Change	1HFY2007	1HFY2006	Change	1HFY2007	1HFY2006	Change
Net operating income	<b>2.4</b>	3.4	-0.9	<b>1.7</b>	2.5	-0.8	<b>5.7</b>	4.3	1.3
Net income	<b>1.3</b>	2.0	-0.6	<b>1.3</b>	1.5	-0.1	<b>7.1</b>	4.9	2.1

	Billions of Yen								
	STB Leasing Group			Sumishin Matsushita Financial Services			First Credit		
	Sep. 2007	Mar. 2007	Change	Sep. 2007	Mar. 2007	Change	Sep. 2007	Mar. 2007	Change
Total assets	<b>545.9</b>	520.4	25.5	<b>599.5</b>	601.5	-2.0	<b>207.6</b>	169.7	37.9
Net assets	<b>47.3</b>	46.3	1.0	<b>70.5</b>	69.8	0.6	<b>43.7</b>	36.6	7.1

Note: STB Leasing Group includes STB Leasing Co., Ltd. and its group companies.

STB Leasing Group became consolidated subsidiary from affiliated company in December 2006.

## (3) Fee revenue breakdown

(Consolidated)

	Billions of Yen		
	1HFY2007	1HFY2006	Change
Other trust fees	<b>30.9</b>	27.8	3.0
Pension management and other asset management services	<b>16.8</b>	15.7	1.0
Securities processing services	<b>8.0</b>	5.8	2.2
Net fees and commissions	<b>55.0</b>	46.6	8.4
Domestic business	<b>50.0</b>	43.5	6.4
Retail financial services	<b>14.5</b>	13.4	1.0
Wholesale financial services	<b>22.1</b>	21.8	0.2
Stock transfer agency services	<b>10.7</b>	10.4	0.3
Real estate	<b>18.6</b>	16.0	2.5
Fees paid for outsourcing	<b>-6.8</b>	-7.2	0.3
International business	<b>5.0</b>	3.0	1.9
Total	<b>85.9</b>	74.5	11.4
Note: Managerial accounting basis.			
Fee revenue ratio	<b>44.0%</b>	39.5%	4.5%
Gross profits before credit costs	<b>195.3</b>	188.3	7.0

## (4) Return on equity

(Consolidated)

	Percentage points		
	1HFY2007	1HFY2006	Change
Return (Net income) on stockholder's equity	<b>7.74</b>	14.10	-6.36
Return (Net income) on equity	<b>6.21</b>	11.25	-5.04

(Non-consolidated)

	Percentage points		
	1HFY2007	1HFY2006	Change
Return (Net income) on stockholder's equity	<b>6.89</b>	12.60	-5.71
Return (Net income) on equity	<b>5.47</b>	9.99	-4.52
Return (Net business profit before credit costs) on stockholder's equity	<b>17.43</b>	19.72	-2.29
Return (Net business profit before credit costs) on equity	<b>13.82</b>	15.64	-1.82

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					
		Sep. 2007		Mar. 2007		Change	
		Total	Domestic business	Total	Domestic business	Total	Domestic business
Deposits	(Ending balance)	<b>11,321,679</b>	<b>10,303,064</b>	11,317,081	10,227,386	4,597	75,678
	(Average balance)	<b>11,129,756</b>	<b>10,075,704</b>	10,817,337	9,719,277	312,418	356,427
Time deposits	(Ending balance)	<b>9,247,747</b>	<b>8,371,952</b>	8,878,236	7,980,871	369,511	391,081
	(Average balance)	<b>9,004,061</b>	<b>8,099,532</b>	8,684,913	7,747,360	319,147	352,172
Liquidity deposits (*)	(Ending balance)	<b>1,743,506</b>	<b>1,742,521</b>	2,048,690	2,046,144	-305,183	-303,622
	(Average balance)	<b>1,769,757</b>	<b>1,768,353</b>	1,760,145	1,758,903	9,611	9,449
Trust principal	(Ending balance)	<b>1,419,348</b>	<b>1,419,348</b>	1,598,277	1,598,277	-178,929	-178,929
	(Average balance)	<b>1,474,424</b>	<b>1,474,424</b>	1,850,968	1,850,968	-376,543	-376,543
Loans	(Ending balance)	<b>11,313,650</b>	<b>10,405,133</b>	11,226,383	10,403,849	87,267	1,284
	(Average balance)	<b>11,330,881</b>	<b>10,436,103</b>	11,287,518	10,509,722	43,363	-73,618
Banking account	(Ending balance)	<b>10,898,212</b>	<b>9,989,696</b>	10,797,440	9,974,906	100,772	14,789
	(Average balance)	<b>10,905,443</b>	<b>10,010,665</b>	10,838,519	10,060,722	66,924	-50,057
Principal guaranteed trust account	(Ending balance)	<b>415,437</b>	<b>415,437</b>	428,943	428,943	-13,505	-13,505
	(Average balance)	<b>425,438</b>	<b>425,438</b>	448,999	448,999	-23,561	-23,561

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

2) Ending balance of domestic deposits classified by depositors

(Non-consolidated)

		Millions of Yen		
		Sep. 2007	Mar. 2007	Change
Individuals		<b>8,056,070</b>	7,998,206	57,864
Deposits (*)		<b>7,252,541</b>	7,073,347	179,194
Trust principal		<b>803,529</b>	924,859	-121,329
Corporates and other organizations		<b>2,861,732</b>	3,001,511	-139,778
Deposits (*)		<b>2,245,914</b>	2,328,093	-82,178
Trust principal		<b>615,818</b>	673,417	-57,599
Others		<b>804,609</b>	825,946	-21,337
Total		<b>11,722,412</b>	11,825,664	-103,251

(\*) Excluding NCDs and offshore accounts

(2) Spread

(Non-consolidated)

1) Domestic banking a/c

		Percentage points		
		1HFY2007	1HFY2006	Change
Average yield on interest-earning assets (A)		<b>1.43</b>	1.18	0.25
Loans and bills discounted (a)		<b>1.49</b>	1.14	0.35
Bonds (b)		<b>1.62</b>	1.05	0.57
Average yield on interest-bearing liabilities (B)		<b>0.52</b>	0.30	0.22
Deposits (c)		<b>0.47</b>	0.26	0.21
Gross margin (A) - (B)		<b>0.91</b>	0.88	0.03
Loan-deposit margin (a) - (c)		<b>1.02</b>	0.88	0.14

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

		Percentage points		
		1HFY2007	1HFY2006	Change
Average yield on interest-earning assets (A)		<b>1.43</b>	1.21	0.22
Loans and bills discounted (a)		<b>1.49</b>	1.18	0.31
Bonds (b)		<b>1.62</b>	1.06	0.56
Average yield on interest-bearing liabilities (B)		<b>0.48</b>	0.26	0.22
Deposits (c)		<b>0.44</b>	0.22	0.22
Gross margin (A) - (B)		<b>0.95</b>	0.95	0.00
Loan-deposit margin (a) - (c)		<b>1.05</b>	0.96	0.09

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

(Non-consolidated)

	Billions of Yen		
	Sep. 2007	Mar. 2007	Change
Mutual fund	1,484.1	1,333.5	150.6
Individual annuity	529.3	490.1	39.1
Total	2,013.4	1,823.7	189.7

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

(Non-consolidated)

	Millions of Yen		
	Sep. 2007	Mar. 2007	Change
Interest rate related	-11,736	-10,913	-823
Interest rate swaps	-11,736	-10,913	-823
Currency related	-2,199	-2,165	-33
Stock related	-407	-48	-359
Total	-14,344	-13,127	-1,216

## (5) Unrealized gains/losses on investment securities

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

(Consolidated)

	Millions of Yen								
	Sep. 2007			Mar. 2007			Change of book value	Change of net	
	Book value	Market value	Net	Book value	Market value	Net			
Japanese Government Bonds	482,080	482,282	202	502,183	501,472	-711	-20,103	913	
Japanese Local Government Bonds	100	99	-0	100	99	-0	-	0	
Japanese Corporate Bonds	180,702	180,095	-607	204,292	203,361	-930	-23,589	323	
Others	304	323	18	295	322	27	9	-8	
Foreign bonds	304	323	18	295	322	27	9	-8	
Total	663,187	662,801	-386	706,871	705,256	-1,614	-43,683	1,227	

(Non-consolidated)

	Millions of Yen								
	Sep. 2007			Mar. 2007			Change of book value	Change of net	
	Book value	Market value	Net	Book value	Market value	Net			
Japanese Government Bonds	481,735	481,940	204	501,839	501,130	-709	-20,103	913	
Japanese Local Government Bonds	-	-	-	-	-	-	-	-	
Japanese Corporate Bonds	180,702	180,095	-607	204,292	203,361	-930	-23,589	323	
Others	-	-	-	-	-	-	-	-	
Foreign bonds	-	-	-	-	-	-	-	-	
Total	662,438	662,035	-403	706,131	704,491	-1,639	-43,692	1,236	



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

	Millions of Yen							
	Sep. 2007			Mar. 2007			Change of cost	Change of net
	Cost	Book value	Net	Cost	Book value	Net		
Japanese stocks	493,212	913,274	420,062	481,914	989,188	507,273	11,297	-87,211
Japanese bonds	1,120,454	1,114,780	-5,673	955,035	951,480	-3,555	165,418	-2,118
Government bonds	913,290	909,876	-3,414	623,930	621,497	-2,433	289,359	-981
Local government bonds	35,715	35,686	-28	62,061	61,884	-177	-26,346	149
Corporate bonds	171,448	169,217	-2,230	269,042	268,098	-944	-97,594	-1,286
Others	3,375,837	3,326,767	-49,069	2,150,581	2,143,336	-7,245	1,225,255	-41,824
Foreign stocks	412	1,660	1,248	3	27	24	408	1,224
Foreign bonds	2,583,790	2,522,067	-61,723	1,692,225	1,672,190	-20,035	891,564	-41,688
Others	791,634	803,040	11,405	458,352	471,117	12,765	333,282	-1,360
<b>Total</b>	<b>4,989,504</b>	<b>5,354,823</b>	<b>365,319</b>	<b>3,587,532</b>	<b>4,084,004</b>	<b>496,472</b>	<b>1,401,971</b>	<b>-131,153</b>

## (Non-consolidated)

	Millions of Yen							
	Sep. 2007			Mar. 2007			Change of cost	Change of net
	Cost	Book value	Net	Cost	Book value	Net		
Japanese stocks	493,023	912,538	419,514	481,705	988,215	506,509	11,317	-86,994
Japanese bonds	1,120,454	1,114,780	-5,673	955,035	951,480	-3,555	165,418	-2,118
Government bonds	913,290	909,876	-3,414	623,930	621,497	-2,433	289,359	-981
Local government bonds	35,715	35,686	-28	62,061	61,884	-177	-26,346	149
Corporate bonds	171,448	169,217	-2,230	269,042	268,098	-944	-97,594	-1,286
Others	3,323,280	3,274,464	-48,815	2,100,669	2,093,421	-7,247	1,222,611	-41,568
Foreign stocks	408	1,634	1,225	-	-	-	408	1,225
Foreign bonds	2,553,899	2,492,878	-61,020	1,662,977	1,643,451	-19,526	890,922	-41,494
Others	768,973	779,951	10,978	437,691	449,970	12,278	331,281	-1,299
<b>Total</b>	<b>4,936,758</b>	<b>5,301,783</b>	<b>365,025</b>	<b>3,537,410</b>	<b>4,033,116</b>	<b>495,706</b>	<b>1,399,348</b>	<b>-130,680</b>

## (6) The status of the international credit business (September 2007)

1) Investment in assets mainly related to U.S. subprime mortgage loan  
(Non-consolidated)

	Billions of Yen		
	Cost	Book value	Net
Investment in assets mainly related to U.S. subprime mortgage loan	12.4	11.8	-0.6

2) Securities (market value available)  
(Non-consolidated)

	Billions of Yen			
	In total	Book value		Net
		North America	Europe	
Asset-Backed Securities	<b>626.3</b>	250.5	373.6	-22.6
RMBS (Residential properties)	<b>226.2</b>	11.8	213.4	-5.4
CMBS (Commercial properties)	<b>31.7</b>	-	31.7	-0.8
CLO (Corporate loans)	<b>219.1</b>	161.8	57.3	-4.1
Cards (Credit card receivables)	<b>75.4</b>	60.7	13.5	-2.3
Others	<b>73.7</b>	16.0	57.6	-9.8
Corporate bonds	<b>321.1</b>	14.2	125.4	-4.8
				-5.5(*)

(\*) Sumitomo Trust executed matching Interest rate swaps that account for approximately 0.7 billion yen unrealized gain, resulting in net unrealized loss of 4.8 billion yen arising from the corporate bond investment.

(\*\*) STB Omega Investment Ltd., Sumitomo Trust's 75% owned subsidiary, holds approximately 8.4 billion yen of US CLO, of which unrealized loss is approximately 2.9 billion yen.

3) Loans and other securities (market value not available)  
(Non-consolidated)

	Billions of Yen		
	In total	Balance	
		North America	Europe
Corporate loans	<b>385.7</b>	238.4	84.2
Other securities (***)	<b>101.6</b>	97.9	2.4

(\*\*\*) CLO bonds, CLO equities, Private equity, etc.

## (7) Cross shareholdings

1) Cross shareholdings (Market price available)  
(Consolidated)

	Billions of Yen	
	Sep. 2007	Mar. 2007
Cost basis (A)	<b>493.2</b>	481.9
Mark-to-market basis	<b>913.2</b>	989.1
Tier I (B)	<b>1,040.5</b>	1,026.1
Percentage (A) / (B)	<b>47.3%</b>	47.0%

2) Unwinding of cross shareholdings  
(Non-consolidated)

	Billions of Yen			
	FY2007		FY2006	
	Full FY2007	1HFY2007	Full FY2006	1HFY2006 (*)
Cost basis	-----	5.1	47.1	39.6

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

## (8) 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				
	Sep. 2007	Mar. 2007	Sep. 2006	Change from Mar. 2007	Change from Sep. 2006
Assets classified under the Financial reconstruction law (a)	<b>98,199</b>	117,550	100,196	-19,350	-1,996
Loans in bankrupt and practically bankrupt	<b>5,477</b>	6,499	5,971	-1,022	-493
Doubtful loans	<b>59,803</b>	58,463	23,420	1,339	36,383
Substandard loans (b)	<b>32,919</b>	52,587	70,805	-19,668	-37,886
Ordinary assets	<b>12,087,044</b>	11,966,308	12,007,577	120,736	79,466
Loans to substandard debtors (excluding Substandard loans) (c)	<b>2,472</b>	30,154	27,451	-27,681	-24,978
Loans to special mention debtors (excluding (b) and (c))	<b>748,438</b>	703,710	312,793	44,727	435,644
Loans to ordinary debtors	<b>11,336,132</b>	11,232,443	11,667,332	103,689	-331,199
Total loan balance (d)	<b>12,185,244</b>	12,083,858	12,107,774	101,385	77,469
Ratio to total loan balance (a) / (d)	<b>0.8%</b>	1.0%	0.8%	-0.2%	0.0%

Loans to substandard debtors (b)+(c)	<b>35,392</b>	82,741	98,256	-47,349	-62,864
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Note: Partial direct write-offs: Sep. 2007: 30.9 billion yen, Mar. 2007: 23.5 billion yen, Sep. 2006: 26.8 billion yen

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

	Millions of Yen				
	Sep. 2007	Mar. 2007	Sep. 2006	Change from Mar. 2007	Change from Sep. 2006
Risk managed loans	<b>132,043</b>	154,783	134,921	-22,740	-2,878
Loans in bankruptcy proceedings	<b>1,310</b>	2,534	1,281	-1,224	28
Other delinquent loans	<b>96,306</b>	95,820	60,532	485	35,773
Loans more than 3 months past due	<b>170</b>	2	2	167	167
Restructured loans	<b>34,256</b>	56,425	73,104	-22,169	-38,848
Total loans under risk management	<b>11,040,839</b>	10,916,180	11,097,686	124,658	-56,846
Ratio to total loan balance	<b>1.2%</b>	1.4%	1.2%	-0.2%	0.0%

Note: Partial direct write-offs: Sep. 2007: 36.4 billion yen, Mar. 2007: 29.8 billion yen, Sep. 2006: 33.5 billion yen

(Non-consolidated)

	Millions of Yen				
	Sep. 2007	Mar. 2007	Sep. 2006	Change from Mar. 2007	Change from Sep. 2006
Risk managed loans	<b>97,985</b>	117,317	99,818	-19,332	-1,832
Loans in bankruptcy proceedings	<b>593</b>	1,763	493	-1,169	100
Other delinquent loans	<b>64,471</b>	62,966	28,519	1,505	35,952
Loans more than 3 months past due	<b>165</b>	-	-	165	165
Restructured loans	<b>32,754</b>	52,587	70,805	-19,833	-38,051
Total loans under risk management	<b>11,313,650</b>	11,226,383	11,280,863	87,267	32,786
Ratio to total loan balance	<b>0.9%</b>	1.0%	0.9%	-0.1%	0.0%

Note: Partial direct write-offs: Sep. 2007: 30.9 billion yen, Mar. 2007: 23.5 billion yen, Sep. 2006: 26.8 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		
	Sep. 2007	Mar. 2007	Change
Total capital	<b>1,836,452</b>	1,809,860	26,592
Tier I	<b>1,040,536</b>	1,026,199	14,336
Minority interest in consolidated subsidiaries	<b>210,397</b>	210,641	-243
Non-cumulative preferred capital notes	<b>183,000</b>	183,000	-
Goodwill (Deduction)	<b>119,777</b>	104,877	14,899
50% of the total Expected Loss amount in excess of total eligible provisions (Deduction)	<b>16,165</b>	21,068	-4,902
Tier II	<b>921,173</b>	904,656	16,517
Upper Tier II	<b>506,018</b>	534,565	-28,547
Net unrealized gains on available-for-sale securities, net of tax	<b>167,000</b>	223,049	-56,048
Revaluation surplus on land, after 55% discount	<b>875</b>	875	-
General reserves (*1)	<b>6,942</b>	5,626	1,316
Perpetual subordinated debts	<b>331,200</b>	305,015	26,185
Lower Tier II	<b>415,155</b>	370,090	45,065
Termed subordinated debts, etc.	<b>415,155</b>	370,090	45,065
Deduction (double gearing)	<b>125,257</b>	120,995	4,262
Total risk adjusted assets	<b>15,555,868</b>	15,924,988	-369,120
Risk-weighted assets for credit risk	<b>14,719,262</b>	15,100,642	-381,379
Market risk equivalent	<b>135,417</b>	158,957	-23,539
Operational risk equivalent	<b>701,187</b>	665,388	35,798
BIS capital ratio	<b>11.80%</b>	11.36%	0.44%
(Tier I ratio)	<b>6.68%</b>	6.44%	0.24%

Note : Non-consolidated BIS capital ratio and Tier I ratio are 12.74% and 7.30%, 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 9.74%, below the outlier level (more than 20%).

(Consolidated)

	Billions of Yen
	Sep. 2007 (Preliminary)
Total interest rate risk (A)	191.2
Tier I + Tier II (B)	1,961.7
Outlier ratio (A/B)	9.74%

## 4. Forecast

(1) Forecast for full FY2007

	Billions of Yen				
	FY2007		1HFY2007 (Actual)	FY2006 (Actual) (B)	Change (A)-(B)
	<For reference> Previous forecast as of May 2007	Forecast for FY2007(A)			
<u>(Consolidated)</u>					
Net business profits before credit costs	220.0	<b>215.0</b>	102.4	215.4	-0.4
Net operating income	185.0	<b>150.0</b>	61.3	170.1	-20.1
Net income	120.0	<b>90.0</b>	37.7	103.8	-13.8
<u>(Non-consolidated)</u>					
Net business profits before credit costs	180.0	<b>175.0</b>	80.7	175.9	-0.9
Net operating income	155.0	<b>120.0</b>	42.8	134.5	-14.5
Net income	100.0	<b>80.0</b>	31.9	81.8	-1.8
Total credit costs	-25.0	<b>-50.0</b>	-34.7	-40.5	-9.4
Dividend per common stock (Yen)	18.00	<b>17.00</b>	8.50	17.00	-
Consolidated dividend payout ratio (%)	25.1%	<b>31.6%</b>	-----	27.4%	4.2%

Note: Forecast is subject to change

## 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		
					1HFY2007	1HFY2006	Change
<b>(Subsidiaries)</b>							
The Sumishin Shinko Co., Ltd.	Yen 50 mil.	Property maintenance	100	(100)	0.1	0.1	0.0
Sumishin Guaranty Co., Ltd.	Yen 100 mil.	Housing loan guaranty	100	(100)	0.7	2.4	-1.6
First Credit Corporation	Yen 13,500 mil.	Finance services	100	(100)	7.1	4.9	2.1
STB Leasing Co., Ltd. (*1)	Yen 5,064 mil.	General leasing	100	(100)	0.4	1.7	-1.2
STB Wealth Partners Co., Ltd.	Yen 155 mil.	Consulting	100	(100)	0.0	-0.0	0.0
Life Housing Loan, Ltd. (*2)	Yen 1,000 mil.	Finance services	100	(100)	0.9	-----	-----
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)	0.2	0.4	-0.2
Japan TA Solution, Ltd.	Yen 2,005 mil.	Development and management of systems/ operations of entrusted data processing	80	(80)	-0.2	-0.0	-0.2
Sumishin Matsushita Financial Services Co., Ltd.	Yen 20,520 mil.	General leasing/credit cards	66	(66)	1.3	1.5	-0.1
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)	-0.1	0.0	-0.1
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)	0.2	0.4	-0.1
STB Asset Management Co., Ltd.	Yen 300 mil.	Asset management	100	(30)	0.7	0.3	0.4
STB Research Institute Co., Ltd.	Yen 300 mil.	Research and consulting/asset management	100	(29.8)	-0.0	-0.1	0.1
Sumishin Realty Co., Ltd.	Yen 300 mil.	Residential brokerage	100	(5)	0.5	0.5	-0.0
The Sumitomo Trust Finance (H.K.) Ltd.	USD 45 mil.	Banking and security services	100	(100)	0.2	0.3	-0.0
Sumitomo Trust and Banking (Luxembourg) S.A.	USD 30 mil.	Banking, security, and trust services	100	(100)	0.2	0.1	0.0
Sumitomo Trust and Banking Co. (U.S.A.)	USD 56 mil.	Banking and trust services	100	(100)	1.2	0.8	0.4
STB Omega Investment Ltd.	USD 60 mil.	Finance services	75	(75)	0.9	0.0	0.9
STB Preferred Capital (Cayman) Ltd.	Yen 85,000 mil.	Finance services	100	(100)	1.5	1.2	0.2
STB Preferred Capital 2 (Cayman) Ltd.	Yen 51,500 mil.	Finance services	100	(100)	0.7	0.7	-0.0
STB Preferred Capital 3 (Cayman) Ltd. (*3)	Yen 51,500 mil.	Finance services	100	(100)	0.5	-----	-----
<b>(Affiliates)</b>							
SBI Sumishin Net Bank, Ltd. (*4)	Yen 20,000 mil.	Banking	50	(50)	-0.2	-----	-----
Sumishin SBI Net Bank Research Co., Ltd. (*4)	-----	Research and studies	50	(50)	-1.6	-0.1	-1.4
Japan Pension Operation Service, Ltd.	Yen 1,500 mil.	Pension plan administration services	50	(50)	0.1	0.0	0.1
BUSINEXT CORPORATION	Yen 4,000 mil.	Finance services	40	(40)	-0.1	0.3	-0.5
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)	0.0	-0.0	0.1
Japan Trustee Services Bank, Ltd.	Yen 51,000 mil.	Trust and banking	33.3	(33.3)	0.6	1.1	-0.5
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 consolidated subsidiary from affiliated company in December 2006.

(\*2) Life Housing Loan, Ltd. is not included in financial results of 1HFY2006.

(\*3) STB Preferred Capital3 (Cayman) Ltd. is not included in financial results of 1HFY2006.

(\*4) SBI Sumishin Net Bank, Ltd. (former Sumishin SBI Net Bank Research Co., Ltd.) obtained the banking business and commenced its business on September 2007. Numbers for SBI Sumishin Net Bank, Ltd. are the results after its commencement (September 24, 2007 to September 30, 2007).

**(2) Breakdown of profit by business group**

## 1) Gross business profits before credit costs

(Non-consolidated)

	Billions of Yen		
	1HFY2007	1HFY2006	Change
Retail financial services	44.5	39.1	5.3
Wholesale financial services	52.6	52.2	0.4
Stock transfer agency services	10.0	9.7	0.2
Global Markets	9.8	28.6	-18.7
Fiduciary services	29.7	25.6	4.1
Pension asset management	19.8	18.3	1.5
Securities processing services	9.9	7.3	2.5
Real estate	18.8	14.8	4.0
Fees paid for outsourcing	-13.3	-13.5	0.2
Stock transfer agency services	-6.5	-6.3	-0.1
Fiduciary services	-6.8	-7.2	0.3
Others (*)	2.5	0.7	1.7
<b>Gross business profits before credit costs</b>	<b>144.6</b>	<b>147.5</b>	<b>-2.8</b>

## 2) Net business profit before credit costs

(Non-consolidated)

	Billions of Yen		
	1HFY2007	1HFY2006	Change
Retail financial services	14.9	10.9	4.0
Wholesale financial services	34.1	34.8	-0.7
Stock transfer agency services	2.4	2.4	0.0
Global Markets	5.1	24.1	-18.9
Fiduciary services	15.9	11.9	3.9
Pension asset management	9.4	8.0	1.4
Securities processing services	6.5	4.0	2.5
Real estate	15.0	11.1	3.8
Others (*)	-4.2	-6.0	1.8
<b>Net business profits before credit costs</b>	<b>80.7</b>	<b>86.8</b>	<b>-6.0</b>

(Consolidated)

	Billions of Yen		
	1HFY2007	1HFY2006	Change
Retail financial services	16.2	12.1	4.0
Wholesale financial services	49.7	47.2	2.4
Stock transfer agency services	4.4	4.7	-0.2
Global Markets	5.1	24.1	-18.9
Fiduciary services	20.0	14.8	5.2
Pension asset management	10.8	8.6	2.1
Securities processing services	9.2	6.2	3.0
Real estate	16.1	12.6	3.5
Others (*)	-4.6	-5.6	0.9
<b>Net business profits before credit costs</b>	<b>102.4</b>	<b>105.3</b>	<b>-2.9</b>

(\*) 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				
	Sep. 2007	Mar. 2007	Sep. 2006	Change from Mar. 2007	Change from Sep. 2006
Percentage to total loan balance	50.1	50.3	49.0	-0.2	1.1
Loan balance	5,284,078	5,317,577	5,188,202	-33,498	95,875

## 2) Consumer loans

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

	Millions of Yen				
	Sep. 2007	Mar. 2007	Sep. 2006	Change from Mar. 2007	Change from Sep. 2006
Residential mortgage loans	1,505,611	1,506,471	1,424,355	-860	81,255
Other consumer loans	474,576	490,371	489,984	-15,795	-15,408
Total	1,980,187	1,996,843	1,914,340	-16,655	65,847

## 3) Real estate non recourse loans

(Banking a/c) (Non-consolidated)

	Billions of Yen				
	Sep. 2007	Mar. 2007	Sep. 2006	Change from Mar. 2007	Change from Sep. 2006
Loan balance	1,014.4	930.5	871.3	83.9	143.1

## 4) Overseas loan by borrowers' location

(Non-consolidated)

	Millions of Yen				
	Sep. 2007			Mar. 2007 Total	Change from Mar. 2007
	Total	Japanese affiliates	Non-Japanese		
North America	343,920	197,286	146,634	302,514	41,405
Europe	186,880	93,785	93,094	132,816	54,063
Asia	310,857	265,627	45,230	257,074	53,783

## 5) Loans by industry

(Non-consolidated)

	Millions of Yen						
	Sep. 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)	9,989,696	557,023	10,546,719	-20,175	9,974,906	591,989	10,566,895
Manufacturing	1,367,081	26,911	1,393,993	71,688	1,297,427	24,877	1,322,304
Agriculture, forestry, fishing, mining	28,208	-	28,208	1,778	26,429	-	26,429
Construction	140,856	1,181	142,037	-2,966	143,429	1,575	145,004
Energy and utilities	161,203	1,882	163,085	721	159,684	2,679	162,364
Communication	104,883	311	105,195	-31,405	135,285	1,315	136,600
Transportation	648,619	10,491	659,110	-24,482	673,541	10,052	683,593
Wholesale and retail	881,780	7,306	889,086	-10,436	887,520	12,003	899,523
Finance and insurance	1,846,721	41,015	1,887,736	-64,902	1,901,677	50,961	1,952,639
Real estate	1,534,133	9,778	1,543,912	120,376	1,413,205	10,330	1,423,536
Various services	1,169,795	195,349	1,365,144	-83,104	1,252,938	195,310	1,448,249
Others	2,106,412	262,796	2,369,208	2,558	2,083,767	282,882	2,366,650
Overseas branches and offshore	908,516	-	908,516	85,982	822,533	-	822,533
Total	10,898,212	557,023	11,455,236	65,806	10,797,440	591,989	11,389,429

(\*) 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				
	Sep. 2007	Mar. 2007	Sep. 2006	Change from Mar. 2007	Change from Sep. 2006
Assets classified under the Financial reconstruction law (a)	<b>94,351</b>	98,032	80,176	-3,680	14,175
Loans in bankrupt and practically bankrupt	<b>3,223</b>	4,211	3,661	-987	-437
Doubtful loans	<b>58,979</b>	58,063	22,789	916	36,189
Substandard loans (b)	<b>32,149</b>	35,758	53,725	-3,609	-21,576
Ordinary assets	<b>11,675,454</b>	11,556,882	11,617,493	118,572	57,960
Loans to substandard debtors (excluding Substandard loans) (c)	<b>2,419</b>	28,948	26,224	-26,529	-23,805
Loans to special mention debtors (excluding (b) and (c))	<b>713,054</b>	702,297	310,896	10,756	402,158
Loans to ordinary debtors	<b>10,959,980</b>	10,825,635	11,280,372	134,344	-320,392
Total loan balance (d)	<b>11,769,806</b>	11,654,915	11,697,670	114,891	72,136
Ratio to total loan balance (a) / (d)	<b>0.8%</b>	0.8%	0.7%	0.0%	0.1%
Loans to substandard debtors (b)+(c)	<b>34,568</b>	64,707	79,949	-30,138	-45,381

Note: Partial direct write-offs: Sep. 2007: 30.9 billion yen, Mar. 2007: 23.5 billion yen, Sep. 2006: 26.8 billion yen

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

	Millions of Yen				
	Sep. 2007	Mar. 2007	Sep. 2006	Change from Mar. 2007	Change from Sep. 2006
Assets classified under the Financial reconstruction law (e)	<b>3,848</b>	19,517	20,020	-15,669	-16,172
Loans in bankrupt and practically bankrupt	<b>2,253</b>	2,287	2,309	-34	-56
Doubtful loans	<b>824</b>	400	630	423	194
Substandard loans (f)	<b>770</b>	16,829	17,080	-16,058	-16,310
Ordinary assets	<b>411,589</b>	409,425	390,083	2,163	21,505
Loans to substandard debtors (excluding Substandard loans) (g)	<b>53</b>	1,205	1,226	-1,151	-1,173
Loans to special mention debtors (excluding (f) and (g))	<b>35,383</b>	1,412	1,897	33,970	33,486
Loans to ordinary debtors	<b>376,152</b>	406,807	386,959	-30,655	-10,807
Total loan balance (h)	<b>415,437</b>	428,943	410,104	-13,505	5,333
Ratio to total loan balance (e) / (h)	<b>0.9%</b>	4.6%	4.9%	-3.7%	-4.0%
Loans to substandard debtors (f)+(g)	<b>823</b>	18,034	18,307	-17,210	-17,483

## 3) Asset classified under the Financial reconstruction law as of Sep 30, 2007 (Non-consolidated)

(Banking a/c)

(in millions of Yen)

	Balance		Collateral/Reserves		Reserve ratio
		Coverage ratio			
Loans in bankrupt/ practically bankrupt (A)	(a)	100%	Specific loan loss reserves (b)	428	100%
	3,223 (4,211)	(100%)	Guarantee and collateral (c)	2,795	(b) / ( (a)-(c) )
Doubtful loans (B)	(d)	79%	Uncovered	12,145	61%
	58,979	(85%)	Specific loan loss reserves (e)	19,442	(68%)
	(58,063)		Guarantee and collateral (f)	27,392	(e) / ( (d)-(f) )
Substandard loans (C)	(g)	45%	Uncovered	17,371	28%
	32,149	(48%)	General reserves (h)	7,047	(29%)
	(35,758)		Guarantee and collateral (i)	7,731	(h) / ( (g)-(i) )
Ordinary assets	11,675,454		General reserves	87,345	
	(11,556,882)		Reserves for loans to borrowers in specific foreign countries	750	
Total	11,769,806 (11,654,915)		Total of (A), (B) and (C)	94,351 (98,032)	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)	2,253 (2,287)	100% (100%)	Guarantee and collateral	2,253	Reserves for loan trust 3,467
Doubtful loans (E)	824 (400)	100% (99%)	Guarantee and collateral	824	Reserves for JOMT (Jointly-operated money trust) 1,175
Substandard loans (F)	770 (16,829)	100% (100%)	Guarantee and collateral	770	
Ordinary assets	411,589 (409,425)				
Total	415,437 (428,943)		Total of (D), (E) and (F)	3,848 (19,517)	Ratio to total loan balance 0.9%

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

Grand total	12,185,244 (12,083,858)	Total of (A),(B),(C),(D),(E) and (F)	98,199 (117,550)	Ratio to grand total loan balance 0.8%
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Note: Numbers in parenthesis are as of Mar. 2007

## 4) Assets classified under the Financial reconstruction law by industry

(Non-consolidated)

	Millions of Yen					
	Sep. 2007			Mar. 2007		
	Banking a/c	Trust a/c (*)	Banking + trust a/c	Banking a/c	Trust a/c (*)	Banking + trust a/c
Domestic Branches	94,101	3,848	97,949	97,664	19,517	117,182
(excluding offshore)			Change from Mar. 2007			
Manufacturing	6,180	-	6,180	5,254	-	5,254
Agriculture, forestry, fishing, mining	-	-	-	-	-	-
Construction	1,685	-	1,685	1,850	-	1,850
Energy and utilities	-	-	-	-	-	-
Communication	1,280	-	1,280	100	-	100
Transportation	33,330	-	33,330	39,005	-	39,005
Wholesale and retail	22,227	-	22,227	21,033	-	21,033
Finance and insurance	-	-	-	-	-	-
Real estate	14,793	-	14,793	13,396	3,692	17,089
Various services	4,458	-	4,458	6,163	-	6,163
Others	10,145	3,848	13,993	10,860	15,824	26,685
Overseas branches and offshore	250	-	250	368	-	368
Total	94,351	3,848	98,199	98,032	19,517	117,550

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

## 5) Reserves for possible loan losses

## Banking account (Consolidated)

	Millions of Yen				
	Sep. 2007	Mar. 2007	Sep. 2006	Change from Mar. 2007	Change from Sep. 2006
Reserves for possible loan losses	<b>130,674</b>	106,671	79,823	24,002	50,850
General reserves	<b>99,927</b>	76,383	54,547	23,544	45,380
Specific loan loss reserves	<b>29,995</b>	29,568	24,725	427	5,269
Reserves for loans to borrowers in specific foreign countries	<b>750</b>	720	550	30	200

## Banking account (Non-consolidated)

	Millions of Yen				
	Sep. 2007	Mar. 2007	Sep. 2006	Change from Mar. 2007	Change from Sep. 2006
Reserves for possible loan losses	<b>120,967</b>	97,879	69,873	23,087	51,094
General reserves	<b>94,998</b>	72,760	50,565	22,238	44,433
Specific loan loss reserves	<b>25,217</b>	24,398	18,757	818	6,460
Reserves for loans to borrowers in specific foreign countries	<b>750</b>	720	550	30	200

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

	Millions of Yen				
	Sep. 2007	Mar. 2007	Sep. 2006	Change from Mar. 2007	Change from Sep. 2006
Reserves for loan trust	<b>3,467</b>	4,136	4,630	-669	-1,163
Reserves for jointly-operated money trust	<b>1,175</b>	1,235	852	-59	323
Total	<b>4,643</b>	5,372	5,483	-729	-840

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

## Banking account (Non-consolidated)

	Percentage points				
	Sep. 2007	Mar. 2007	Sep. 2006	Change from Mar. 2007	Change from Sep. 2006
Special mention	<b>10.8</b>	7.6	9.3	3.2	1.5
Substandard debtors	<b>21.0</b>	14.1	12.2	6.9	8.8
Against uncovered portion	<b>29.5</b>	24.8	37.7	4.7	-8.2
Other than substandard debtors	<b>10.3</b>	7.0	8.6	3.3	1.7
Ordinary debtors	<b>0.1</b>	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 Sep. 2003	Mar. 2004	Sep. 2004	Mar. 2005	Sep. 2005	Mar. 2006	Sep. 2006	Mar. 2007	Sep. 2007	Change from Mar. 2007
<b>Loans in bankrupt/practically bankrupt</b>	<b>128.6</b>	<b>18.7</b>	<b>79.2</b>	<b>15.5</b>	<b>42.2</b>	<b>7.3</b>	<b>6.0</b>	<b>6.5</b>	<b>5.5</b>	<b>-1.0</b>
<b>Doubtful loans</b>	<b>896.9</b>	<b>113.1</b>	<b>47.9</b>	<b>88.1</b>	<b>20.6</b>	<b>19.3</b>	<b>23.4</b>	<b>58.5</b>	<b>59.8</b>	<b>1.3</b>
<b>Total</b>	<b>1,025.5</b>	<b>131.8</b>	<b>127.1</b>	<b>103.6</b>	<b>62.9</b>	<b>26.6</b>	<b>29.4</b>	<b>65.0</b>	<b>65.3</b>	<b>0.3</b>
Loans outstanding in doubtful or worse categories as of Sep. 2003 and disposal thereafter										
Loans in bankrupt/practically bankrupt	128.6	16.0	73.8	8.3	5.5	5.0	4.0	3.5	3.4	-0.2
Doubtful loans	896.9	100.1	26.7	20.6	12.8	6.8	6.3	1.9	0.9	-1.0
Total	1,025.5	116.1	100.5	28.9	18.3	11.8	10.3	5.4	4.3	-1.2
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	0.1	0.0
Doubtful loans		13.0	8.4	0.4	0.3	0.1	0.1	0.1	0.0	-0.0
Total		15.7	12.3	1.9	1.3	0.8	0.2	0.1	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	0.2	0.1
Doubtful loans			12.8	2.1	1.8	1.5	1.1	1.0	0.3	-0.8
Total			14.3	3.0	2.1	1.8	1.2	1.1	0.5	-0.7
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	0.3	0.0
Doubtful loans				65.0	0.6	0.5	0.4	0.4	0.3	-0.1
Total				69.7	34.8	1.0	0.7	0.7	0.6	-0.1
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	0.3	-0.0
Doubtful loans					5.1	3.3	2.7	2.6	2.2	-0.4
Total					6.4	3.6	3.1	2.9	2.5	-0.4
New entry to doubtful or worse categories during 2HFY2005 and disposal thereafter										
Loans in bankrupt/practically bankrupt						0.6	0.4	0.2	0.1	-0.1
Doubtful loans						7.0	3.3	2.5	2.3	-0.1
Total						7.7	3.7	2.6	2.4	-0.2
New entry to doubtful or worse categories during 1HFY2006 and disposal thereafter										
Loans in bankrupt/practically bankrupt							0.7	0.4	0.2	-0.2
Doubtful loans							9.6	1.9	0.9	-1.0
Total							10.3	2.3	1.1	-1.2
New entry to doubtful or worse categories during 2HFY2006 and disposal thereafter										
Loans in bankrupt/practically bankrupt								1.6	0.4	-1.2
Doubtful loans								48.2	43.6	-4.6
Total								49.8	44.0	-5.8
New entry to doubtful or worse categories during 1HFY2007 and disposal thereafter										
Loans in bankrupt/practically bankrupt									0.6	0.6
Doubtful loans									9.4	9.4
Total									10.0	10.0

## 2) Progress of final disposal

(Non-consolidated)

(in Billions of Yen)

Period	Primary amount	Amount as of 1HFY2007	Quasi final disposal or in the process of final disposal	Amount of final disposal during 1HFY2007	Ratio of final disposal progression (%)	Adjusted ratio of final disposal progression (*) (%)
Before 1HFY2003	1,025.5	4.3	1.9	1.2	99.6	99.8
2HFY2003	15.7	0.1	0.0	0.0	99.4	99.6
1HFY2004	14.3	0.5	0.0	0.7	96.8	97.0
2HFY2004	69.7	0.6	0.3	0.1	99.2	99.6
1HFY2005	6.4	2.5	0.2	0.4	61.6	65.2
2HFY2005	7.7	2.4	0.0	0.2	68.6	69.0
1HFY2006	10.3	1.1	0.1	1.2	89.8	90.8
2HFY2006	49.8	44.0	0.2	5.8	11.7	12.1
1HFY2007	10.0	10.0	0.2	-	-	2.0
Total		65.3	3.0	9.7		

(\*) 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	
	Sep. 2007	Mar. 2007
Deferred tax assets (on the balance sheet) (1)	20.2	26.1
Reserves for possible loan losses (including taxable losses on write-offs)	58.8	40.2
Devaluation of securities	33.5	33.0
Reserves for employee retirement benefit	15.8	25.0
Loss carry forwards	10.1	13.0
Unrealized profit	0.2	5.4
Others	35.1	32.6
Valuation allowance	-17.3	-22.0
Offset with deferred tax liabilities	-116.2	-101.3
Deferred tax liabilities (on the balance sheet) (2)	40.1	107.3
Net unrealized gains on available-for-sale securities	148.4	201.4
Others	7.9	7.2
Offset with deferred tax assets	-116.2	-101.3
Net deferred tax assets (1)-(2)	-19.9	-81.1
Percentage to Tier 1 (*1)	-	-
Tier 1	1,040.5	1,026.1

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

(Non-consolidated)

	Billions of Yen	
	Sep. 2007	Mar. 2007
Deferred tax assets (on the balance sheet) (1)	-	-
Reserves for possible loan losses (including taxable losses on write-offs)	52.3	33.8
Devaluation of securities	33.5	33.0
Reserves for employee retirement benefit	11.6	11.6
Loss carry forwards	-	-
Others	24.6	30.2
Valuation allowance	-9.4	-10.0
Offset with deferred tax liabilities	-112.7	-98.6
Deferred tax liabilities (on the balance sheet) (2)	39.2	107.0
Net unrealized gains on available-for-sale securities	148.1	201.2
Others	3.8	4.3
Offset with deferred tax assets	-112.7	-98.6
Net deferred tax assets (1)-(2)	-39.2	-107.0
Percentage to Tier 1 (*1)	-	-
Tier 1	1,085.9	1,063.1

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

## 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	199.2	93.6	103.2	33.8	-221.2
Net business profit before credit costs	175.9	164.6	148.2	145.0	158.8

(5) Employee retirement benefits  
(Consolidated)

		Millions of Yen		
		Sep. 2007	Mar. 2007	Change from Mar. 2007
Projected benefit obligation	(A)	<b>232,249</b>	230,848	1,401
(Discount rate)		<b>(2.0%)</b>	(2.0%)	( - %)
Plan assets (market value)	(B)	<b>297,489</b>	310,612	-13,123
Reserves for employee retirement benefits	(C)	<b>9,908</b>	10,078	-170
Advanced benefit paid	(D)	<b>74,090</b>	80,391	-6,300
Unrecognized net prior service cost	(E)	<b>704</b>	842	-138
Unrecognized net actuarial loss	(A-B-C+D-E)	<b>-1,761</b>	-10,294	8,532

		Millions of Yen		
		1HFY2007	1HFY2006	Change
Retirement benefit expenses	(A)	<b>-260</b>	2,625	-2,885
Gains on return of employee retirement benefit trusts	(B)	<b>9,969</b>	-	9,969
Total	(A+B)	<b>9,708</b>	2,625	7,083

## (Non-consolidated)

		Millions of Yen		
		Sep. 2007	Mar. 2007	Change from Mar. 2007
Projected benefit obligation	(A)	<b>212,982</b>	211,701	1,281
(Discount rate)		<b>(2.0%)</b>	(2.0%)	( - %)
Plan assets (market value)	(B)	<b>287,317</b>	300,709	-13,391
Reserves for employee retirement benefits	(C)	<b>195</b>	200	-4
Advanced benefit paid	(D)	<b>74,023</b>	80,362	-6,339
Unrecognized net prior service cost	(E)	<b>962</b>	1,117	-155
Unrecognized net actuarial loss	(A-B-C+D-E)	<b>-1,469</b>	-9,963	8,493

		Millions of Yen		
		1HFY2007	1HFY2006	Change
Retirement benefit expenses	(A)	<b>398</b>	3,317	-2,919
Service cost-benefits earned		<b>-2,233</b>	-2,038	-195
Interest cost on projected benefit obligation		<b>-2,115</b>	-2,036	-78
Expected return on plan assets		<b>6,586</b>	6,946	-359
Amortization of prior service cost		<b>-155</b>	-155	-
Amortization of net actuarial losses		<b>-1,475</b>	880	-2,355
Others (additional benefit at retirement, etc)		<b>-208</b>	-278	70
Gains on return of employee retirement benefit trusts	(B)	<b>9,969</b>	-	9,969
Total	(A+B)	<b>10,368</b>	3,317	7,050