

Explanatory Material

*3rd Quarter of Fiscal Year 2007
ended on Dec.31, 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 3rd quarter of FY2007

(Consolidated)

		Millions of Yen			
		3Q			Full FY2006
		FY2007	FY2006	Change	
Gross profit	1	288,255	274,708	13,547	384,101
Gross profit before credit costs (1 - 4)	2	288,255	275,674	12,581	385,461
Net trust fees	3	47,046	46,801	245	73,226
Principal guaranteed trust a/c credit costs	4	-	-965	965	-1,360
Trust fees from principal guaranteed trust a/c	5	7,255	11,061	-3,805	16,356
Other trust fees	6	39,790	36,706	3,084	58,230
Net interest income	7	123,143	116,000	7,142	160,086
Net fees and commissions	8	75,406	70,891	4,514	103,751
Net gains on trading	9	9,703	5,053	4,650	8,144
Others	10	32,956	35,962	-3,006	38,892
General & administrative expenses	11	-147,896	-135,847	-12,048	-183,973
(excluding amortization of goodwill)	12	-141,791	-129,830	-11,961	-177,802
Net transfer to general reserves	13	-23,083	5,913	-28,997	-17,527
Banking a/c credit costs	14	-11,767	-11,190	-576	-23,185
Net gains on stocks	15	3,212	5,168	-1,956	4,814
Net income from affiliates by equity method	16	-1,773	5,615	-7,388	5,861
Others	17	-19,522	3,676	-23,199	81
Losses related to SIV	18	-17,540	-	-17,540	-
Net operating income	19	87,425	148,044	-60,619	170,171
Extraordinary income	20	9,597	1,663	7,934	-2,393
Gains on return of securities from retirement benefits trust	21	9,969	-	9,969	-
Net income before income taxes	22	97,023	149,708	-52,685	167,778
Income taxes	23	-52,047	-30,193	-21,854	-59,830
Deferred income taxes	24	13,385	-16,856	30,242	1,086
Minority interest	25	-4,512	-4,132	-380	-5,214
Net income	26	53,848	98,526	-44,678	103,820

Total credit costs (4 + 13 + 14)	27	-34,850	-6,242	-28,607	-42,073
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Note 1: Total credit costs including "Losses related to international credit investment (page 7)" such as "Losses related to SIV (18)" were -55,157 million yen.

Net business profit before credit costs	28	148,563	151,196	-2,633	215,485
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<Number of subsidiaries/ affiliates>

	Dec. 2007	Sep. 2007	Change from Sep. 2007	Mar. 2007
Consolidated subsidiaries	35	36	-1	34
Affiliates (subject to the equity method)	7	7	-	7

(Non-consolidated)

		Millions of Yen			
		3Q			Full FY2006
		FY2007	FY2006	Change	
Gross profit	1	211,467	210,585	882	296,416
Gross profit before credit costs (1 - 4)	2	211,467	211,551	-83	297,776
Net trust fees	3	47,060	46,801	258	73,226
Principal guaranteed trust a/c credit costs	4	-	-965	965	-1,360
Trust fees from principal guaranteed trust a/c	5	7,255	11,061	-3,805	16,356
Net capital gains on sale of securities	6	-	-0	0	-0
Other trust fees	7	39,804	36,706	3,097	58,230
Net interest income	8	109,405	103,475	5,929	145,735
Net fees and commissions	9	38,818	36,827	1,991	57,748
Net gains on trading	10	9,703	5,053	4,650	8,144
Others	11	6,480	18,427	-11,947	11,560
Net capital gains on bonds	12	34,578	6,368	28,210	-1,179
Net gains on financial derivatives	13	-25,762	811	-26,573	-352
General and administrative expenses	14	-95,650	-89,419	-6,231	-121,856
Net business profit before credit costs (1 - 4 + 14)	15	115,816	122,131	-6,314	175,920
excluding Net capital gains on bonds (15-6-12)	16	81,238	115,763	-34,525	177,099
Net transfer to general reserves	17	-21,458	5,295	-26,753	-18,878
Net business profit	18	94,358	126,460	-32,102	155,681
Net non-recurring profit	19	-31,791	-4,795	-26,995	-21,130
Net gains on stocks	20	5,060	5,420	-360	5,096
Banking a/c net credit costs	21	-11,283	-9,041	-2,242	-20,289
Others	22	-25,568	-1,175	-24,392	-5,937
Losses related to SIV (*)	23	-17,540	-	-17,540	-
Net operating income	24	62,567	121,665	-59,097	134,551
Extraordinary income	25	9,578	1,854	7,724	-2,054
Gains on return of securities from retirement benefits trust	26	9,969	-	9,969	-
Net income before income taxes	27	72,145	123,519	-51,373	132,497
Income taxes	28	-46,657	-21,795	-24,862	-48,046
Deferred income taxes	29	20,075	-20,356	40,431	-2,636
Net income	30	45,563	81,367	-35,804	81,813
Total credit costs (4 + 17 + 21)	31	-32,741	-4,711	-28,029	-40,527

(*) Total credit costs including "Losses related to international credit investment (page 7)" such as "Losses related to SIV (23)" were -51,011 million yen.

2. Forecast for FY2007

(Consolidated)

	Billions of Yen					
	FY2007		3QFY2007 (Actual)	1HFY2007 (Actual)	Full FY2006 (Actual) (B)	Change (A)-(B)
	<For reference> Previous forecast as of Nov. 2007	Full FY2007 (A)				
Net business profit before credit costs	215.0	215.0	148.5	102.4	215.4	-0.4
Net operating income	150.0	150.0	87.4	61.3	170.1	-20.1
Net income	90.0	90.0	53.8	37.7	103.8	-13.8

(Non-consolidated)

	Billions of Yen					
	FY2007		3QFY2007 (Actual)	1HFY2007 (Actual)	Full FY2006 (Actual) (B)	Change (A)-(B)
	<For reference> Previous forecast as of Nov. 2007	Full FY2007 (A)				
Net business profits before credit costs	175.0	175.0	115.8	80.7	175.9	-0.9
Net operating income	120.0	120.0	62.5	42.8	134.5	-14.5
Net income	80.0	80.0	45.5	31.9	81.8	-1.8
Total credit costs	-50.0	-30.0	-32.7	-34.7	-40.5	10.5
(including Losses related to international credit investment)	-50.0	-60.0	-51.0	-35.5	-40.5	-19.4
Dividend per common stock (Yen)	17.00	17.00	-	8.50	17.00	-
Consolidated dividend payout ratio	31.6%	31.6%	-----	-----	27.4%	4.2%

Note: Forecast is subject to change.

3. BIS capital adequacy ratio

Figures as of December 2007 is now under the calculation process and will be announced as finalized.

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

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

	Millions of Yen				
	Dec. 2007	Sep. 2007	Mar. 2007	Change from Sep. 2007	Change from Mar. 2007
Assets classified under the Financial reconstruction law (a)	95,065	98,199	117,550	-3,134	-22,485
Loans in bankrupt and practically bankrupt	5,414	5,477	6,499	-62	-1,084
Doubtful loans	57,410	59,803	58,463	-2,393	-1,053
Substandard loans (b)	32,240	32,919	52,587	-678	-20,346
Ordinary assets	12,092,224	12,087,044	11,966,308	5,180	125,916
Loans to substandard debtors (excluding substandard loans) (c)	1,540	2,472	30,154	-932	-28,613
Loans to special mention debtors (excluding (b) and (c))	733,494	748,438	703,710	-14,944	29,783
Loans to ordinary debtors	11,357,190	11,336,132	11,232,443	21,057	124,746
Total loan balance (d)	12,187,289	12,185,244	12,083,858	2,045	103,431
Ratio to total loan balance (a) / (d)	0.8%	0.8%	1.0%	0.0%	-0.2%
Loans to substandard debtors (b)+(c)	33,780	35,392	82,741	-1,611	-48,960

Note: Result of self-assessment as of December 31, 2007 is reflected on the disclosed figures.

5. Ending balance of loans

(Non-consolidated)

	Millions of Yen				
	Dec. 2007	Sep. 2007	Mar. 2007	Change from Sep. 2007	Change from Mar. 2007
Banking account	10,851,660	10,898,212	10,797,440	-46,552	54,220
Trust account (Principal guaranteed)	416,910	415,437	428,943	1,473	-12,032
Total	11,268,571	11,313,650	11,226,383	-45,079	42,188

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

	Millions of Yen				
	Dec. 2007	Sep. 2007	Mar. 2007	Change from Sep. 2007	Change from Mar. 2007
Individuals	8,166,609	8,056,070	7,998,206	110,538	168,402
Deposits (*)	7,389,892	7,252,541	7,073,347	137,351	316,545
Trust principal (Principal guaranteed)	776,716	803,529	924,859	-26,813	-148,143
Corporations and other organizations	2,481,530	2,861,732	3,001,511	-380,202	-519,980
Deposits (*)	2,142,814	2,245,914	2,328,093	-103,099	-185,278
Trust principal (Principal guaranteed)	338,716	615,818	673,417	-277,102	-334,701
Others	898,386	804,609	825,946	93,776	72,439
Total	11,546,526	11,722,412	11,825,664	-175,886	-279,138

(*) 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							
	Dec. 2007			Sep. 2007			Change of book value	Change of net
	Book value	Market value	Net	Book value	Market value	Net		
Japanese government bonds	454,515	458,279	3,764	482,080	482,282	202	-27,564	3,561
Japanese local government bonds	100	100	0	100	99	-0	-	0
Japanese corporate bonds	172,915	172,745	-169	180,702	180,095	-607	-7,787	437
Others	285	311	26	304	323	18	-19	7
Foreign bonds	285	311	26	304	323	18	-19	7
Total	627,815	631,435	3,620	663,187	662,801	-386	-35,372	4,006

(Non-consolidated)

	Millions of Yen							
	Dec. 2007			Sep. 2007			Change of book value	Change of net
	Book value	Market value	Net	Book value	Market value	Net		
Japanese government bonds	454,119	457,883	3,764	481,735	481,940	204	-27,616	3,559
Japanese local government bonds	-	-	-	-	-	-	-	-
Japanese corporate bonds	172,915	172,745	-169	180,702	180,095	-607	-7,787	437
Others	-	-	-	-	-	-	-	-
Foreign bonds	-	-	-	-	-	-	-	-
Total	627,034	630,628	3,594	662,438	662,035	-403	-35,403	3,997

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

	Millions of Yen							
	Dec. 2007			Sep. 2007			Change of cost	Change of net
	Cost	Book value	Net	Cost	Book value	Net		
Japanese stocks	491,984	856,642	364,658	493,212	913,274	420,062	-1,228	-55,404
Japanese bonds	761,838	760,197	-1,640	1,120,454	1,114,780	-5,673	-358,616	4,032
Government bonds	579,111	579,194	82	913,290	909,876	-3,414	-334,178	3,496
Local government bonds	20,850	20,890	40	35,715	35,686	-28	-14,864	68
Corporate bonds	161,875	160,112	-1,763	171,448	169,217	-2,230	-9,572	467
Others	3,337,080	3,269,862	-67,218	3,375,837	3,326,767	-49,069	-38,756	-18,149
Foreign stocks	414	1,960	1,546	412	1,660	1,248	2	297
Foreign bonds	2,585,788	2,521,200	-64,587	2,583,790	2,522,067	-61,723	1,997	-2,864
Others	750,878	746,701	-4,176	791,634	803,040	11,405	-40,756	-15,582
Total	4,590,902	4,886,702	295,799	4,989,504	5,354,823	365,319	-398,601	-69,520

(Non-consolidated)

	Millions of Yen							
	Dec. 2007			Sep. 2007			Change of cost	Change of net
	Cost	Book value	Net	Cost	Book value	Net		
Japanese stocks	491,805	855,967	364,161	493,023	912,538	419,514	-1,217	-55,352
Japanese bonds	761,838	760,197	-1,640	1,120,454	1,114,780	-5,673	-358,616	4,032
Government bonds	579,111	579,194	82	913,290	909,876	-3,414	-334,178	3,496
Local government bonds	20,850	20,890	40	35,715	35,686	-28	-14,864	68
Corporate bonds	161,875	160,112	-1,763	171,448	169,217	-2,230	-9,572	467
Others	3,298,587	3,234,812	-63,774	3,323,280	3,274,464	-48,815	-24,693	-14,958
Foreign stocks	410	1,935	1,525	408	1,634	1,225	2	299
Foreign bonds	2,559,143	2,495,021	-64,122	2,553,899	2,492,878	-61,020	5,244	-3,101
Others	739,032	737,855	-1,177	768,973	779,951	10,978	-29,940	-12,156
Total	4,552,231	4,850,978	298,747	4,936,758	5,301,783	365,025	-384,527	-66,278

8. Status of international credit business (December 2007)

(1) Securities and loans (Non-consolidated)

Market price		Billions of Yen								
		Dec. 2007			Sep. 2007			Change		
		In total	North America	Europe	In total	North America	Europe	In total	North America	Europe
Available	Asset-Backed Securities	719.8	330.7	385.4	649.0	309.9	335.7	70.8	20.7	49.6
	RMBS (Residential properties)	268.8	27.0	239.2	231.7	12.4	217.0	37.0	14.5	22.1
	CMBS (Commercial properties)	44.9	1.0	43.9	32.5	-	32.5	12.4	1.0	11.4
	CLO (Corporate loans)	233.9	164.5	69.4	223.3	165.8	57.5	10.6	-1.2	11.9
	Cards (Credit card receivables)	101.4	88.8	11.4	77.8	62.8	13.8	23.6	26.0	-2.3
	Others (Note 2)	70.6	49.2	21.3	83.5	68.8	14.7	-12.9	-19.5	6.6
	SIV Capital notes	19.8	19.8	-	44.6	44.6	-	-24.7	-24.7	-
	Corporate bonds	381.5	37.3	167.4	326.7	17.5	130.4	54.7	19.8	36.9
Not available	Corporate loans	325.2	194.3	70.7	385.7	240.2	89.0	-60.5	-45.8	-18.3
	Other securities	102.8	71.2	19.0	101.6	75.7	14.1	1.2	-4.4	4.9
	Asset-Backed Securities	68.8	61.1	7.6	68.9	66.5	2.4	-0.1	-5.3	5.2
	CLO equities	30.3	26.3	3.9	28.2	28.2	-	2.0	-1.8	3.9

(Unrealized gains/ losses)

Market price		Billions of Yen								
		Dec. 2007			Sep. 2007			Change		
		In total	North America	Europe	In total	North America	Europe	In total	North America	Europe
Available	Asset-Backed Securities	-31.9	-17.9	-13.9	-22.6	-14.6	-7.9	-9.2	-3.2	-5.9
	RMBS (Residential properties)	-11.2	-2.2	-9.0	-5.4	-0.6	-4.8	-5.7	-1.5	-4.2
	CMBS (Commercial properties)	-1.1	-0.0	-1.1	-0.8	-	-0.8	-0.3	-0.0	-0.3
	CLO (Corporate loans)	-10.4	-7.5	-2.9	-4.1	-2.3	-1.7	-6.3	-5.1	-1.1
	Cards (Credit card receivables)	-3.7	-3.2	-0.5	-2.3	-2.0	-0.2	-1.4	-1.1	-0.2
	Others (Note 2)	-5.2	-4.9	-0.3	-9.8	-9.5	-0.2	4.5	4.6	-0.0
	SIV Capital notes	-1.5	-1.5	-	-8.7	-8.7	-	7.1	7.1	-
	Corporate bonds	-7.1	-0.8	-4.7	-5.5	-0.4	-3.2	-1.5	-0.3	-1.5
	(Interest rate swaps accounted)	-10.4			-4.8			-5.5		

Note 1: In the "Explanatory Material 1st Half Fiscal Year 2007 ended on Sep. 30, 2007", regional composition was disclosed in booking branch basis. From this disclosure, it is changed to final risk basis.

Note 2: Figures for "Others" disclosed in "Explanatory Material 1st Half Fiscal Year 2007 ended on Sep. 30, 2007" is corrected. As a result, cost of "Others", mainly Asset-Backed Securities backed by leasing assets, is increased by 16.8 billion yen (unrealized losses -0.2 billion yen).

Note 3: Other than the above, STB Omega Investment Ltd., Sumitomo Trust's 75% owned subsidiary, holds 11.2 billion yen (cost basis) of CLO equities, of which unrealized loss is approximately 5.0 billion yen.

(Reference 1) Investment in assets mainly related to U.S. subprime mortgage loan

(Non-consolidated)

	Billions of Yen					
	Dec. 2007		Sep. 2007		Change	
	Cost	Unrealized gains/ losses	Cost	Unrealized gains/ losses	Cost	Unrealized gains/ losses
RMBS (Residential properties)	17.9	-1.8	12.4	-0.6	5.5	-1.2

(Reference 2) Outstanding balance of investments guaranteed by "Monoline" insurance companies

(Non-consolidated)

	Billions of Yen					
	Dec. 2007		Sep. 2007		Change	
	Cost	Unrealized gains/ losses	Cost	Unrealized gains/ losses	Cost	Unrealized gains/ losses
Asset-Backed Securities and Corporate bonds	18.6	-0.8	8.1	-0.0	10.5	-0.7

(2) Losses related to international credit investments

(Non-consolidated)

	Billions of Yen						
	3QFY2007						
	Losses related to international credit investments					Total credit costs	Total
	In total	Net gains on stocks	Other non-recurring profit				
Total	-18.2	-0.7	-17.5	-9.7	-27.9	-10.1	
SIV Capital notes	-17.5	-	-17.5	-	-17.5	-	
Corporate loans	-	-	-	-9.3	-9.3	-9.0	
CLO equities	-0.7	-0.7	-	-	-0.7	-0.7	

Note: Other than the above, STB Omega has recorded 2.0 billion yen loss related to CLO equities. (Page 1, No. 15)

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

(Non-consolidated)

	Billions of Yen		
	3QFY2007	3QFY2006	Change
Retail financial services	65.9	60.4	5.4
Wholesale financial services	73.0	75.6	-2.5
Stock transfer agency services	14.2	14.3	-0.1
Global Markets	34.7	42.6	-7.9
Fiduciary services	37.5	33.3	4.2
Pension asset management	23.4	22.5	0.9
Securities processing services	14.2	10.9	3.2
Real estate	22.2	18.7	3.4
Fees paid for outsourcing	-18.2	-18.8	0.5
Stock transfer agency services	-9.2	-9.4	0.1
Fiduciary services	-9.0	-9.4	0.3
Others (*)	-3.6	-0.3	-3.3
Gross profit before credit costs	211.4	211.5	-0.0

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

10. Loans by industry

(Non-consolidated)

	Millions of Yen						
	Dec. 2007				Sep. 2007		
	Banking a/c	Trust a/c (*)	Banking + trust a/c	Change from Sep. 2007	Banking a/c	Trust a/c (*)	Banking + trust a/c
Domestic Branches (excluding offshore)	10,003,463	546,229	10,549,693	2,973	9,989,696	557,023	10,546,719
Manufacturing	1,444,641	25,245	1,469,887	75,894	1,367,081	26,911	1,393,993
Agriculture, forestry, fishing, mining	23,112	-	23,112	-5,095	28,208	-	28,208
Construction	152,195	787	152,982	10,945	140,856	1,181	142,037
Energy and utilities	165,388	1,244	166,633	3,548	161,203	1,882	163,085
Communication	95,138	309	95,448	-9,746	104,883	311	105,195
Transportation	639,662	10,109	649,771	-9,339	648,619	10,491	659,110
Wholesale and retail	912,179	7,449	919,628	30,541	881,780	7,306	889,086
Finance and insurance	1,848,545	53,515	1,902,061	14,324	1,846,721	41,015	1,887,736
Real estate	1,480,641	8,574	1,489,216	-54,695	1,534,133	9,778	1,543,912
Various services	1,129,401	193,322	1,322,723	-42,420	1,169,795	195,349	1,365,144
Others	2,112,556	245,671	2,358,227	-10,981	2,106,412	262,796	2,369,208
Overseas branches and offshore	848,196	-	848,196	-60,319	908,516	-	908,516
Total	10,851,660	546,229	11,397,890	-57,346	10,898,212	557,023	11,455,236

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

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

(Non-consolidated)

	Billions of Yen		
	Dec. 2007	Sep. 2007	Change
Mutual fund	1,475.4	1,484.1	-8.7
Annuity	541.3	529.3	12.0
Total	2,016.8	2,013.4	3.3

12. Trust accounts

(Non-consolidated)

	Millions of Yen				
	Dec. 2007	Sep. 2007	Mar. 2007	Change from Sep. 2007	Change from Mar. 2007
<Assets>					
Loans and bills discounted	546,229	557,023	591,989	-10,794	-45,760
Investment securities	11,506,380	11,441,244	10,496,104	65,135	1,010,275
Money held in trust	57,936,984	54,895,358	50,601,325	3,041,625	7,335,658
Securities held in custody accounts	426,149	408,264	399,129	17,884	27,020
Money claims	8,489,632	7,875,375	7,058,417	614,256	1,431,214
Tangible fixed assets	4,175,188	4,086,658	3,854,098	88,530	321,089
Intangible fixed assets	32,908	28,553	23,865	4,354	9,043
Other claims	3,065,211	2,946,768	2,524,875	118,443	540,336
Call loans	12,100	4,500	3,800	7,600	8,300
Loans to banking account	823,588	1,159,892	1,319,548	-336,304	-495,960
Cash and due from banks	238,049	239,413	276,793	-1,363	-38,744
Total assets	87,252,423	83,643,053	77,149,949	3,609,369	10,102,473
<Liabilities>					
Money trust	25,274,759	22,866,716	21,369,242	2,408,043	3,905,517
Pension trust	7,494,523	7,423,644	6,970,683	70,878	523,839
Property formation benefit trusts	7,196	7,612	8,207	-415	-1,010
Loan trusts	319,767	551,296	685,561	-231,529	-365,793
Securities investment trusts	20,066,570	19,636,728	16,912,419	429,841	3,154,150
Money entrusted, other than money trusts	3,152,559	3,160,930	3,020,418	-8,371	132,140
Securities trusts	14,784,213	14,439,200	13,535,165	345,012	1,249,047
Money claims trusts	8,143,008	7,514,162	6,740,747	628,845	1,402,260
Equipment trusts	357	437	1,147	-80	-790
Land and fixtures trusts	143,663	143,721	146,802	-58	-3,139
Composite trusts	7,865,804	7,898,602	7,759,552	-32,798	106,251
Other trusts	0	0	0	-	-
Total liabilities	87,252,423	83,643,053	77,149,949	3,609,369	10,102,473