

Explanatory Material

*Fiscal Year 2007
ended on Mar. 31, 2008*

The Sumitomo Trust and Banking Co., Ltd.

Table of Contents

Summary of the financial results for the fiscal year 2007

Financial results	-----	Summary 1
Assets and liabilities	-----	Summary 2
Status of international credit investment	-----	Summary 3

Financial figures

I. Outlook of the financial results for the fiscal year 2007

1. Outline of the financial results for the fiscal year 2007		
(1) Financial results for the fiscal year 2007	-----	1
(2) Major subsidiaries operating leasing and finance business	-----	3
(3) Fee revenue breakdown	-----	3
(4) Return on equity	-----	4
2. Assets and liabilities		
(1) Balance of major accounts (Banking a/c and Principal guaranteed trust a/c combined)	-----	5
(2) Spread	-----	5
(3) Balance of mutual fund/ individual annuity (for retail customers)	-----	6
(4) Deferred hedge gains/ losses of derivative transactions qualifying for hedge accounting	-----	6
(5) Unrealized gains/losses on investment securities	-----	6
(6) Cross shareholdings	-----	7
(7) Status of the international credit investment	-----	8
(8) Non-performing loans	-----	10
3. Total risk-weighted assets and capital (Basel II)		
(1) Risk measurement methodologies	-----	11
(2) BIS capital ratio	-----	11
(3) Monitoring the interest rate risk of the banking account (Outlier ratio)	-----	11
4. Forecast		
(1) Forecast for full FY2008	-----	12
5. Management Policy and New Midterm Management Plan		
(1) Management Policy	-----	13
(2) Midterm Management Plan	-----	13
(3) Strategies to achieve Midterm Management Plan	-----	13

II. Supplementary information

1. Outline of the financial results		
(1) Major subsidiaries and affiliates	-----	14
(2) Breakdown of profit by business group	-----	15
2. Assets and liabilities		
(1) Loans	-----	16
(2) Assets classified under the Financial Reconstruction Law	-----	17
(3) Final disposal of non-performing loans	-----	20
(4) Deferred tax assets	-----	21
(5) Retirement benefits	-----	22

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.

Summary of the financial results for the fiscal year 2007

Financial results

<Consolidated>

- Consolidated net business profit before credit costs increased by 1.4 billion yen from the previous fiscal year to 216.8 billion yen. STB Leasing and Life Housing Loan contributed to consolidated profit by becoming a wholly owned subsidiary in 2H of FY2006 and 1H of FY2007, respectively.
- Ordinary profit decreased by 33.1 billion yen from the previous year due to the increase of non-consolidated total substantial credit costs(*). Net income decreased by 21.4 billion yen from the previous year to 82.3 billion yen.

<Non-consolidated>

- Non-consolidated net business profit before credit costs decreased by 2.0 billion to 173.8 billion from the previous year mainly due to the increase in expenses related to the expansion of personnel and relocation/renovation of offices so as to improve efficiency and to enhance client services. Despite a decrease in fee revenue, such as sales fee of mutual fund, non-consolidated gross business profit before credit costs achieved a 8.0 billion yen increase due to the increased profit from bonds.
- Total substantial credit costs increased by 35.9 billion yen from the previous year to 76.4 billion yen mainly due to the increase in losses related to international credit investments, as more comprehensively explained in Page 9 item 3).
- As a result, ordinary profit decreased by 30.6 billion yen the from previous year, and net income decreased by 11.8 billion yen from the previous year to 69.9 billion yen.

<Earnings forecast for FY2008>

- Net business profit before credit costs is forecasted to remain around the previous year level, on both a consolidated and non-consolidated basis, at 215.0 billion yen and 170.0 billion yen, respectively.
- Net income is forecasted to achieve a 20% increase from the previous year at 100.0 billion yen, consolidated, and 85.0 billion yen, non-consolidated, mainly due to the decrease in total substantial credit costs.

<Dividend forecast>

- Dividend per share for full year 2007 is planned to be 17 yen, the same level as the previous year, which equates a consolidated dividend payout ratio of 34.6%.
- We plan a dividend of 17 yen per share for FY2008, the same level as FY2007, targetting an approximately 30% consolidated dividend payout ratio, which is consistent with our established target.
- In association to the midterm management target as shown in the table below, we plan to maintain an approximately 30% midterm consolidated dividend payout ratio.

<Midterm financial plan>

- We have established a three-year midterm management plan which started in FY2008. Midterm financial management targets include a consolidated net business profit before credit costs of 250.0 billion yen, a consolidated net income of 125.0 billion yen, and a consolidated ROE of approximately 11%.
- We plan to target our Tier I capital ratio at approximately 8%, while maintaining the high quality of our capital.

<Outline of the financial results>

(in billions of Yen)

	FY2007	FY2006	Change
Net business profit before credit costs			
Consolidated	216.8	215.4	1.4
Non-consolidated	173.8	175.9	-2.0
Ordinary profit			
Consolidated	136.9	170.1	-33.1
Non-consolidated	103.9	134.5	-30.6
Net income			
Consolidated	82.3	103.8	-21.4
Non-consolidated	69.9	81.8	-11.8
(Non-consolidated)			
Total substantial credit costs (*)	-76.4	-40.5	-35.9
International credit related	-79.3	-	-79.3

(*) "Total substantial credit costs" is a sum of "Total credit costs" and costs in "Net gains on sales of stocks and other securities" and "Other non-recurring profits" which are related to investment in securities of domestic and overseas credit.

<Earnings forecast for FY2008>

(in billions of Yen)

	Consolidated	Non-consolidated
Net business profit before credit costs	215.0	170.0
Ordinary profit	170.0	135.0
Net income	100.0	85.0

<Dividend forecast>

	FY2007	Change fm FY2006	FY2008 Forecast
Dividend per common stock (Yen)	17	-	17
Consolidated dividend payout ratio (%)	34.6%	7.2%	28.5%

<Midterm financial plan>

(Consolidated)

(in billions of Yen)

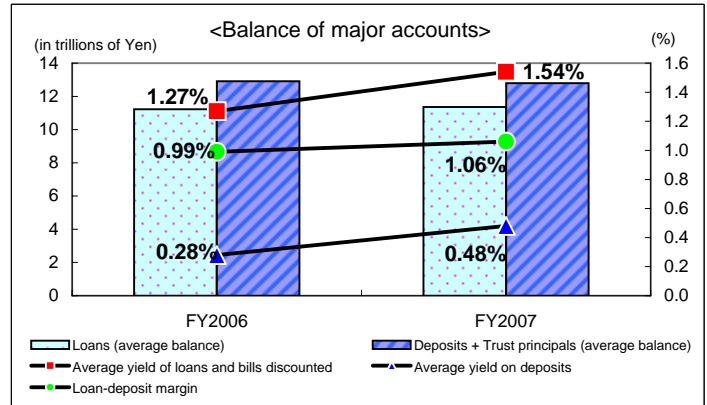
	FY2007 Actual	FY2010 Forecast
Net business profit before credit costs	216.8	250.0
Net income	82.3	125.0
Return on shareholders' equity	8.34%	Approx. 11%
Tier I capital ratio	7.33%	Approx. 8%

Assets and liabilities

<Balance of major accounts>

(Non-consolidated)

- The average balance of non-consolidated loan portfolio during FY2007 stayed around the same level as the previous fiscal year at 11.2 trillion yen. Deposits, including the principal guaranteed trust account, also stayed around the same level as the previous fiscal year at 12.3 trillion yen, as the decrease of the trust account offset the increase of time deposits.
- The average yield, both on loans and deposits, rose mainly due to the increased market rates to reach 1.54% and 0.48%, respectively. The loan-deposit margin, for domestic banking a/c and principal guaranteed trust a/c combined, improved by 0.07% to reach 1.06%.

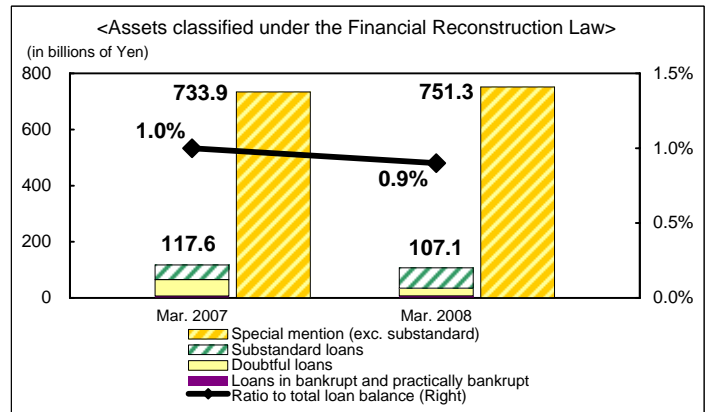


<Assets classified under the Financial Reconstruction Law>

(Non-consolidated)

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

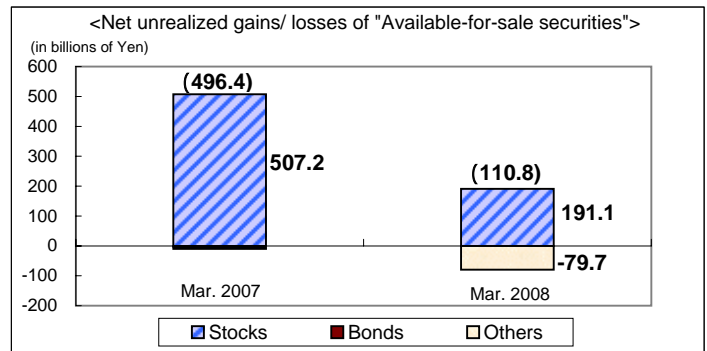
- The total balance of assets classified under the Financial Reconstruction Law decreased by 10.5 billion yen from the previous fiscal year to 107.1 billion mainly due to the upgrade of doubtful and other assets.
- The ratio of assets classified under the Financial Reconstruction Law to the total loan balance decreased by 0.1% from the end of the previous fiscal year to 0.9%.
- Loans to special mention debtors slightly increased by 17.5 billion yen from the end of the previous year to 751.3 billion yen, as the gross increase due to downgrade exceeded the gross decrease due to repayment from special mention debtors.



<Net unrealized gains/ losses of "Available-for-sale securities">

(Consolidated)

- Net unrealized gains/losses of "Available-for-sale securities" decreased by 385.6 billion yen from the end of the previous fiscal year to a net gain of 110.8 billion yen.
- The decrease of net unrealized gain of stocks by 316.1 billion yen due to the stagnant domestic stock market and the increase of net unrealized loss of foreign bonds included in "Others" by 48.9 billion yen resulted in the above.



<BIS capital adequacy ratio>

(Consolidated)

- The consolidated BIS capital adequacy ratio and Tier I capital ratio both increased by 0.48% and 0.89% from the end of previous fiscal year to 11.84% and 7.33%, respectively.
- Despite the decrease of total capital by 77.5 billion yen caused by the decline of net unrealized gains of securities, the decrease of total risk-weighted assets by 1,299.0 billion yen mainly due to the roll-out effect of approximately 550.0 billion yen of planned migration of approach on retail assets, such as residential mortgage loans, from the standardized approach to the FIRB (Foundation Internal Ratings-Based) approach, resulted in the above.

<BIS capital adequacy ratio>

(Consolidated)

(in billions of Yen)

	Mar. 2008	Change fm Sep. 2007	Change fm Mar. 2007
BIS capital adequacy ratio	11.84%	0.04%	0.48%
Tier I capital ratio	7.33%	0.65%	0.89%
Total capital	1,732.2	-104.1	-77.5
Tier I	1,073.3	32.7	47.1
Tier II	760.9	-160.2	-143.7
Less: Deduction	101.9	-23.2	-19.0
Total risk-weighted assets	14,625.9	-929.8	-1,299.0

Status of international credit investment

Non-consolidated; Please refer to page 9 for glossary of terms

<Actions in FY2007>

- For FY2007, we have decided to take a proactive approach relative to the existing accounting policy with regard to the asset-backed securities which has been affected by the severe market conditions during 2H, especially the 4th quarter, of FY2007.
- Firstly, we expanded the scope of impairment process by reclassifying most of asset-backed securities categorized in the Securities with No Available Fair Value to the Securities with Fair Value category, as the availability and validity of the fair value for those securities have become verifiable.
- Secondly, we posted additional impairment by applying a stricter threshold of 30% fair value depreciation from the original cost rather than 50% to overseas asset-backed securities, and we also included any securities which we decided to liquidate into the impairment process irrespective of the unrealized loss ratio of those securities.
- As a result, the amount of impairment loss related to overseas asset-backed securities totaled 50.8 billion yen, which includes an additional impairment loss of 46.8 billion yen. The total substantial credit costs, which include loss on sale and reserve to corporate loan, amounted to 79.3 billion yen.

<Major categories of impairment or reserve;
parenthesized amounts denote impairment losses>

- The impairment loss from SIV Capital notes (25.4 billion yen) and CLO equities (10.1 billion yen), both equity type securities, comprise approximately 70% of total impairment loss from asset-backed securities.
- Other major categories include; Synthetic CDOs which take the credit risk of corporations through credit derivatives (5.2 billion yen), Subprime related RMBS (2.3 billion yen), resecuritized ABS-CDO and CDO mezzanine (4.4 billion yen).

- We have reserved 9.0 billion yen for CLO Warehousing loan based on the valuation of the underlying corporate loan.

<Overview of Asset-backed securities
after impairment as of the end of March 2008>

- The cost of SIV Capital notes and CLO equities, two major components of our impairment process, was reduced to 0.8 billion yen and 15.9 billion yen, respectively, after being almost completely marked down so as to have an unrealized loss of 0.1 billion yen.
- The total cost of other major impaired categories, including 13.0 billion yen in Subprime related RMBS as referred in the chart below, was reduced to 55.5 billion yen with an unrealized loss of 5.7 billion yen.
- To control the risk of SIV Capital notes, high grade RMBS, CLO and financial debt of 123.3 billion yen have been bought from SIV. On the other hand, both the impairment process explained above and strong yen contributed to reduce the total asset-backed securities exposure to 667.6 billion yen with an unrealized loss of 56.5 billion yen, which equates an unrealized loss ratio of 8.5%.

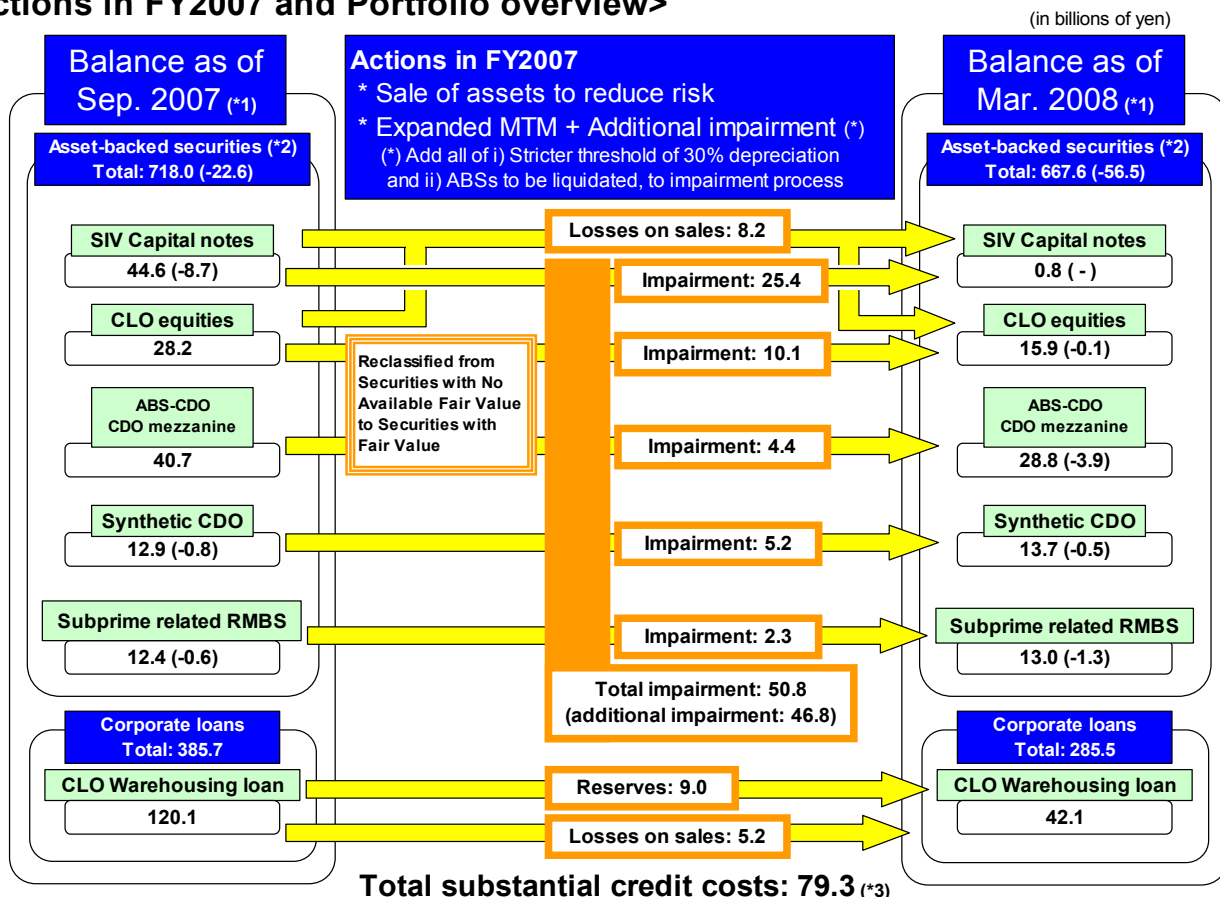
<Overview of Corporate loan as of the end of March 2008>

- We have reduced the exposure of CLO Warehousing loan, within the category of corporate loan, to 42.1 billion yen, approximately 170.0 billion reduction from the peak during 1H of FY2007, as of the end of fiscal year and put a reserve of approximately 21% of the outstanding amount.

<Exposure to Monoline insurance companies>

- We have invested in asset-backed securities, as referred in the chart below, and corporate bonds of 13.9 billion which are guaranteed by "Monoline" insurance companies. We do not have any other direct exposure to them or derivative transactions with them.

<Actions in FY2007 and Portfolio overview>



(*1) Amount denote either cost or principal amount in billions of yen; parenthesized amounts denote unrealized gains/losses

(*2) "Total" numbers include Securities with No Available Fair Value

(*3) Includes allowance for investment loss of 4.3 billion yen to STB Omega Investment Ltd., Sumitomo Trust's consolidated subsidiary, etc.

I. Outlook of the financial results for the fiscal year 2007

1. Outline of the financial results for the fiscal year 2007

(1) Financial results for the fiscal year 2007

(Consolidated)

		Millions of Yen		
		FY2007	FY2006	Change
Gross profits	1	406,707	384,101	22,606
Gross profits before credit costs (1-4)	2	406,695	385,461	21,234
Net trust fees	3	74,628	73,226	1,402
Principal guaranteed trust a/c credit costs	4	11	-1,360	1,372
Trust fees from principal guaranteed trust a/c	5	11,977	16,356	-4,378
Other trust fees	6	62,639	58,230	4,409
Net interest income	7	161,750	160,086	1,664
Net fees and commissions	8	102,302	103,751	-1,449
Net trading income	9	13,403	8,144	5,258
Net other operating income	10	54,622	38,892	15,730
General and administrative expenses	11	-199,847	-183,973	-15,873
(excluding amortization of goodwill)	12	-191,609	-177,802	-13,807
Personnel expenses	13	-86,864	-77,199	-9,665
Non-personnel expenses excluding taxes	14	-105,264	-99,850	-5,413
Taxes other than income taxes	15	-7,718	-6,923	-794
Provision of general allowance for loan losses	16	-17,023	-17,527	504
Banking a/c credit costs	17	3,673	-23,185	26,858
Written-off of loans	18	-6,102	-6,462	360
Provision of specific allowance for loan losses	19	14,888	-16,240	31,129
Provision of allowance for loan losses from borrowers in specified foreign countries	20	614	-413	1,028
Losses on sales of loans	21	-5,727	-68	-5,659
Net gains on sales of stocks and other securities	22	-2,263	4,814	-7,078
Net income from affiliates by equity method	23	-2,702	5,861	-8,564
Others	24	-51,557	81	-51,639
Ordinary profit	25	136,985	170,171	-33,185
Extraordinary profit	26	9,285	-2,393	11,678
Gains on return of securities from retirement benefit trusts	27	9,969	-	9,969
Income before income taxes	28	146,271	167,778	-21,507
Income taxes-current	29	-73,747	-59,830	-13,916
Income taxes-deferred	30	14,920	1,086	13,833
Minority interests in income	31	-5,098	-5,214	115
Net income	32	82,344	103,820	-21,475
Total credit costs (4 + 16 + 17)	33	-13,338	-42,073	28,735
Net business profit before credit costs	34	216,888	215,485	1,402

<Number of subsidiaries/affiliates>

	Mar. 2008	Mar. 2007	Change
Consolidated subsidiaries	36	34	2
Affiliates (subject to the equity method)	7	7	-

(Non-consolidated)

		Millions of Yen			% change
		FY2007	FY2006	Change	
Gross business profits before credit costs (2-4)	1	305,796	297,776	8,019	2.7
Gross profits	2	305,807	296,416	9,391	3.2
Net trust fees	3	74,641	73,226	1,415	1.9
Principal guaranteed trust a/c credit costs	4	11	-1,360	1,372	100.9
Trust fees from principal guaranteed trust a/c	5	11,977	16,356	-4,378	-26.8
Net gains on sale of securities	6	-	-0	0	100.0
Other trust fees	7	62,652	58,230	4,422	7.6
Net interest income	8	145,505	145,735	-229	-0.2
Domestic	9	122,005	130,217	-8,212	-6.3
Net fees and commissions	10	53,730	57,748	-4,018	-7.0
Domestic	11	53,843	58,351	-4,507	-7.7
Net trading income	12	13,403	8,144	5,258	64.6
Net other operating income	13	18,526	11,560	6,965	60.3
Net gains on foreign exchange transactions	14	6,749	11,730	-4,980	-42.5
Net gains on bonds	15	46,450	-1,179	47,629	4,039.6
Net gains from derivatives other than for trading or hedging	16	-35,907	-352	-35,555	-10,091.5
General and administrative expenses	17	-131,916	-121,856	-10,059	-8.3
Personnel expenses	18	-50,425	-44,386	-6,038	-13.6
Non-personnel expenses excluding taxes	19	-74,758	-71,379	-3,379	-4.7
Taxes other than income taxes	20	-6,732	-6,090	-641	-10.5
Net business profit before credit costs (1+17)	21	173,879	175,920	-2,040	-1.2
excluding Net gains on bonds (21-6-15)	22	127,429	177,099	-49,669	-28.0
Provision of general allowance for loan losses	23	-15,677	-18,878	3,200	17.0
Net business profit	24	158,214	155,681	2,532	1.6
Net non-recurring profit	25	-54,285	-21,130	-33,155	-156.9
Net gains on sales of stocks and other securities	26	4,230	5,096	-865	-17.0
Gains on sale of stocks and other securities	27	30,382	12,573	17,809	141.6
Losses on sale of stocks and other securities	28	-991	-2,932	1,940	66.2
Losses on devaluation of stocks and other securities	29	-25,160	-4,544	-20,615	-453.6
Banking a/c net credit costs	30	4,610	-20,289	24,899	122.7
Written-off of loans	31	-5,282	-4,820	-462	-9.6
Provision of specific allowance for loan losses	32	15,004	-15,001	30,006	200.0
Provision of allowance for loan losses from borrowers in specified foreign countries	33	614	-413	1,028	248.6
Losses on sales of loans	34	-5,726	-53	-5,672	-10,562.2
Others	35	-63,127	-5,937	-57,190	-963.3
Provision of allowance for investment loss	36	1,479	-6,458	7,937	122.9
Provision of allowance for contingencies	37	-7,806	-	-7,806	-
Losses related to overseas asset-backed securities	38	-48,228	-	-48,228	-
Amortization of net actuarial losses/prior service cost	39	-2,923	1,449	-4,373	-301.7
Ordinary profit	40	103,928	134,551	-30,623	-22.8
Extraordinary profit	41	9,354	-2,054	11,408	555.3
Recoveries of written-off claims	42	861	436	424	97.3
Gains on return of retirement benefit trusts	43	9,969	-	9,969	-
Income before income taxes	44	113,282	132,497	-19,214	-14.5
Income taxes-current	45	-65,661	-48,046	-17,614	-36.7
Income taxes-deferred	46	22,303	-2,636	24,940	945.8
Net income	47	69,924	81,813	-11,889	-14.5
Total credit costs (4+23+30)	48	-11,054	-40,527	29,472	72.7
Total substantial credit costs (*)	49	-76,457	-40,527	-35,930	-88.7
Losses related to international credit investments	50	-79,349	-	-79,349	-
(*) Total substantial credit costs (49) = (48) + "Credit investment related costs of (26) (36) (37)" + (38)					
Dividend per common stock (Yen)		17.00	17.00	-	-

(2) Major subsidiaries operating leasing and finance business

	Billions of Yen								
	STB Leasing Group			Sumishin Matsushita Financial Services			First Credit		
	FY2007	FY2006	Change	FY2007	FY2006	Change	FY2007	FY2006	Change
Ordinary profit	6.7	6.6	0.1	3.3	5.3	-1.9	11.6	8.5	3.1
Net income	4.1	17.3	-13.1	2.4	3.1	-0.7	11.8	9.3	2.5

	Billions of Yen								
	STB Leasing Group			Sumishin Matsushita Financial Services			First Credit		
	Mar. 2008	Mar. 2007	Change	Mar. 2008	Mar. 2007	Change	Mar. 2008	Mar. 2007	Change
Total assets	543.7	520.4	23.2	605.1	601.5	3.6	206.5	169.7	36.7
Net assets	49.6	46.3	3.2	71.5	69.8	1.6	48.5	36.6	11.8

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

(3) Fee revenue breakdown

(Consolidated)

	Billions of Yen		
	FY2007	FY2006	Change
Other trust fees	62.6	58.2	4.4
Pension management and other asset management services	31.9	32.6	-0.7
Securities processing services	17.0	13.4	3.5
Net fees and commissions	102.3	103.7	-1.4
Domestic business	92.8	97.3	-4.5
Retail financial services	26.1	31.0	-4.9
Wholesale financial services	43.9	45.5	-1.6
Stock transfer agency services	20.0	20.9	-0.9
Real estate	34.5	34.9	-0.3
Fees paid for outsourcing	-14.0	-14.3	0.2
International business	9.4	6.4	3.0
Total	164.9	161.9	2.9
Fee revenue ratio	40.5%	42.0%	-1.5%
Gross profits before credit costs	406.6	385.4	21.2

Note: Managerial accounting basis.

(4) Return on equity

(Consolidated)

	Percentage points		
	FY2007	FY2006	Change
Return (Net income) on shareholders' equity	8.34	11.30	-2.96
Return (Net income) on equity	7.13	8.81	-1.68

(Non-consolidated)

	Percentage points		
	FY2007	FY2006	Change
Return (Net income) on shareholders' equity	7.47	9.24	-1.77
Return (Net income) on equity	6.31	7.14	-0.83
Return (Net business profit before credit costs) on shareholders' equity	18.58	19.87	-1.29
Return (Net business profit before credit costs) on equity	15.69	15.35	0.34

Note: Shareholders' equity = Equity - Valuation and translation adjustments
Equity = Total net assets - Minority interests

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. 2008		Mar. 2007		Change	
		Total	Domestic business	Total	Domestic business	Total	Domestic business
Deposits	(Ending balance)	11,810,218	10,958,061	11,317,081	10,227,386	493,137	730,674
	(Average balance)	11,112,981	10,210,472	10,817,337	9,719,277	295,643	491,195
Time deposits	(Ending balance)	9,663,967	8,918,393	8,878,236	7,980,871	785,730	937,521
	(Average balance)	9,077,474	8,302,132	8,684,913	7,747,360	392,560	554,772
Liquidity deposits (*)	(Ending balance)	1,835,112	1,833,908	2,048,690	2,046,144	-213,577	-212,235
	(Average balance)	1,708,880	1,707,682	1,760,145	1,758,903	-51,264	-51,221
Trust principal	(Ending balance)	981,504	981,504	1,598,277	1,598,277	-616,773	-616,773
	(Average balance)	1,282,057	1,282,057	1,850,968	1,850,968	-568,910	-568,910
Loans	(Ending balance)	11,362,157	10,566,900	11,226,383	10,403,849	135,774	163,051
	(Average balance)	11,212,296	10,431,619	11,287,518	10,509,722	-75,222	-78,102
Banking account	(Ending balance)	11,033,244	10,237,987	10,797,440	9,974,906	235,804	263,081
	(Average balance)	10,803,947	10,023,270	10,838,519	10,060,722	-34,572	-37,452
Principal guaranteed trust account	(Ending balance)	328,913	328,913	428,943	428,943	-100,029	-100,029
	(Average balance)	408,349	408,349	448,999	448,999	-40,650	-40,650

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

2) Ending balance of domestic deposits classified by depositors

(Non-consolidated)

	Millions of Yen				
	Mar. 2008	Sep. 2007	Mar. 2007	Change from Sep. 2007	Change from Mar. 2007
Individuals	8,315,391	8,056,070	7,998,206	259,320	317,184
Deposits (*)	7,606,331	7,252,541	7,073,347	353,790	532,984
Trust principal (Principal guaranteed)	709,059	803,529	924,859	-94,469	-215,799
Corporations and other organizations	2,561,851	2,861,732	3,001,511	-299,881	-439,659
Deposits (*)	2,289,406	2,245,914	2,328,093	43,492	-38,686
Trust principal (Principal guaranteed)	272,444	615,818	673,417	-343,373	-400,973
Others	1,062,322	804,609	825,946	257,713	236,376
Total	11,939,565	11,722,412	11,825,664	217,152	113,901

(*) Excluding NCDs and offshore accounts

(2) Spread

(Non-consolidated)

1) Domestic banking a/c

	Percentage points		
	FY2007	FY2006	Change
Average yield on interest-earning assets (A)	1.40	1.24	0.16
Loans and bills discounted (a)	1.55	1.25	0.30
Bonds (b)	1.39	1.11	0.28
Average yield on interest-bearing liabilities (B)	0.57	0.38	0.19
Deposits (c)	0.51	0.32	0.19
Gross margin (A) - (B)	0.83	0.86	-0.03
Loan-deposit margin (a) - (c)	1.04	0.93	0.11

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

	Percentage points		
	FY2007	FY2006	Change
Average yield on interest-earning assets (A)	1.40	1.26	0.14
Loans and bills discounted (a)	1.54	1.27	0.27
Bonds (b)	1.39	1.11	0.28
Average yield on interest-bearing liabilities (B)	0.53	0.33	0.20
Deposits (c)	0.48	0.28	0.20
Gross margin (A) - (B)	0.87	0.93	-0.06
Loan-deposit margin (a) - (c)	1.06	0.99	0.07

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

(Non-consolidated)

	Billions of Yen		
	Mar. 2008	Mar. 2007	Change
Mutual fund	1,278.1	1,333.5	-55.3
Individual annuity	550.0	490.1	59.8
Total	1,828.1	1,823.7	4.4

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

(Non-consolidated)

	Millions of Yen		
	Mar. 2008	Mar. 2007	Change
Interest rate related	8,511	-10,913	19,424
Interest rate swaps	8,511	-10,913	19,424
Currency related	165	-2,165	2,331
Stock related	-2,837	-48	-2,789
Total	5,839	-13,127	18,966

(5) Unrealized gains/losses on investment securities

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

(Consolidated)

	Millions of Yen								
	Mar. 2008			Mar. 2007			Change of book value	Change of net	
	Book value	Fair value	Net	Book value	Fair value	Net			
Japanese Government Bonds	439,374	447,281	7,906	502,183	501,472	-711	-62,809	8,617	
Japanese Local Government Bonds	100	100	0	100	99	-0	-	0	
Japanese Corporate Bonds	136,890	136,929	38	204,292	203,361	-930	-67,401	969	
Others	281	316	34	295	322	27	-13	6	
Foreign bonds	281	316	34	295	322	27	-13	6	
Total	576,646	584,627	7,980	706,871	705,256	-1,614	-130,224	9,594	

(Non-consolidated)

	Millions of Yen								
	Mar. 2008			Mar. 2007			Change of book value	Change of net	
	Book value	Fair value	Net	Book value	Fair value	Net			
Japanese Government Bonds	438,978	446,883	7,904	501,839	501,130	-709	-62,860	8,613	
Japanese Local Government Bonds	-	-	-	-	-	-	-	-	
Japanese Corporate Bonds	136,890	136,929	38	204,292	203,361	-930	-67,401	969	
Others	-	-	-	-	-	-	-	-	
Foreign bonds	-	-	-	-	-	-	-	-	
Total	575,869	583,813	7,943	706,131	704,491	-1,639	-130,262	9,583	

2) Available-for-sale securities with Fair Value
(Consolidated)

	Millions of Yen							
	Mar. 2008			Mar. 2007			Change of cost	Change of net
	Cost	Book value	Net	Cost	Book value	Net		
Japanese stocks	478,667	669,831	191,163	481,914	989,188	507,273	-3,247	-316,109
Japanese bonds	829,653	829,100	-552	955,035	951,480	-3,555	-125,382	3,002
Government bonds	648,503	649,475	971	623,930	621,497	-2,433	24,572	3,404
Local government bonds	25,441	25,623	182	62,061	61,884	-177	-36,620	360
Corporate bonds	155,708	154,001	-1,706	269,042	268,098	-944	-113,334	-762
Others	2,603,717	2,523,932	-79,785	2,150,581	2,143,336	-7,245	453,135	-72,539
Foreign stocks	374	1,112	738	3	27	24	370	714
Foreign bonds	1,979,586	1,910,582	-69,003	1,692,225	1,672,190	-20,035	287,360	-48,968
Others	623,756	612,236	-11,519	458,352	471,117	12,765	165,404	-24,285
Total	3,912,038	4,022,864	110,826	3,587,532	4,084,004	496,472	324,506	-385,646

(Non-consolidated)

	Millions of Yen							
	Mar. 2008			Mar. 2007			Change of cost	Change of net
	Cost	Book value	Net	Cost	Book value	Net		
Japanese stocks	478,567	669,412	190,845	481,705	988,215	506,509	-3,138	-315,664
Japanese bonds	829,653	829,100	-552	955,035	951,480	-3,555	-125,382	3,002
Government bonds	648,503	649,475	971	623,930	621,497	-2,433	24,572	3,404
Local government bonds	25,441	25,623	182	62,061	61,884	-177	-36,620	360
Corporate bonds	155,708	154,001	-1,706	269,042	268,098	-944	-113,334	-762
Others	2,573,201	2,493,618	-79,582	2,100,669	2,093,421	-7,247	472,532	-72,334
Foreign stocks	370	1,093	722	-	-	-	370	722
Foreign bonds	1,955,410	1,886,621	-68,789	1,662,977	1,643,451	-19,526	292,433	-49,263
Others	617,420	605,903	-11,516	437,691	449,970	12,278	179,728	-23,794
Total	3,881,421	3,992,132	110,710	3,537,410	4,033,116	495,706	344,011	-384,996

(6) Cross shareholdings

1) Cross shareholdings (with Fair Value)

(Consolidated)

	Billions of Yen		
	Mar. 2008	Sep. 2007	Mar. 2007
Cost basis (A)	478.6	493.2	481.9
Mark-to-market basis	669.8	913.2	989.1
Tier I (B)	1,073.3	1,040.5	1,026.1
Percentage (A) / (B)	44.5%	47.3%	47.0%

2) Unwinding of cross shareholdings

(Non-consolidated)

	Billions of Yen			
	FY2007		FY2006	
	Full FY2007	1HFY2007	Full FY2006	1HFY2006 (*)
Cost basis	12.8	5.1	47.1	39.6

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

(7) Status of international credit investment

1) Securities with Fair Value

1. We reclassified most overseas asset-backed securities, which were originally categorized as Securities with No Available Fair Value as shown in numbers 9, 11, and 12 in the chart below, to the Securities with Fair Value category from March 2008, as the availability and validity of the fair value for those securities have become verifiable.
2. We posted an additional impairment from overseas asset-backed securities by applying a stricter threshold of 30% fair value depreciation from cost rather than 50%. We also included any securities which we decided to liquidate into impairment process irrespective of the unrealized loss ratio of those securities. The total impairment loss amounted to 50.8 billion yen, of which the additional impairment losses was 46.8 billion yen.
3. During the 3rd quarter of FY2007, in order to control the risk of SIV Capital notes, high grade RMBS, CLO and financial debt of 123.3 billion yen were bought from SIV. On the other hand, an impairment loss and stronger yen both mainly contributed to reducing the total exposure of asset-backed securities to 663.8 billion yen.

		Billions of Yen							<For reference> FY2007 Impairment
		Mar. 2008						Unrealized gains/ losses %	
		Cost (after impairment)			Change from Sep. 2007				
		In total	North America	Europe					
Asset-backed securities	1	663.8	297.5	363.0	14.8	-56.5	-8.5%	-50.8	
RMBS (Residential mortgage)	2	242.1	19.0	220.8	10.3	-17.7	-7.3%	-4.0	
Subprime related RMBS	3	13.0	13.0	-	0.5	-1.3	-10.3%	-2.3	
CMBS (Commercial mortgage)	4	38.8	0.7	38.0	6.2	-3.2	-8.3%	-0.1	
CLO (Corporate loans)	5	205.5	143.1	62.3	-17.8	-20.6	-10.0%	-0.0	
CARDS (Credit card receivables)	6	85.2	74.7	10.4	7.4	-8.5	-10.0%	-0.3	
Equity type securities	7	12.9	12.9	-	-31.7	-0.1	-0.9%	-35.5	
SIV Capital notes	8	0.8	0.8	-	-43.8	-	-%	-25.4	
CLO equities	9	12.1	12.1	-	12.1	-0.1	-1.0%	-10.1	
Others	10	79.1	46.8	31.3	40.2	-6.2	-7.9%	-10.6	
ABS-CDO	11	10.4	9.3	1.1	10.4	-1.0	-10.2%	-2.7	
CDO mezzanine	12	18.3	15.9	2.3	18.3	-2.8	-15.5%	-1.7	
Synthetic CDO	13	13.7	7.6	6.0	0.7	-0.5	-3.8%	-5.2	
Corporate bonds	14	355.8	39.0	152.6	29.0	-9.0	-2.6%	-	
Total	15	1,019.6	336.6	515.7	43.8	-65.6	-6.4%	-50.8	

(Reference 1) Outstanding balance of investments guaranteed by "Monoline" insurance companies (included in the above table)

		Billions of Yen							<For reference> FY2007 Impairment
		Mar. 2008						Unrealized gains/ losses %	
		Cost (after impairment)			Change from Sep. 2007				
		In total	North America	Europe					
Asset-backed securities and corporate bonds	16	13.9	9.0	4.9	5.8	-0.3	-2.2%	-2.0	

(Reference 2) Asset-backed securities held by STB Omega Investment Ltd., Sumitomo Trust's 75% owned subsidiary (not included in the top table)

		Billions of Yen							<For reference> FY2007 (*) Impairment
		Mar. 2008						Unrealized gains/ losses %	
		Cost (after impairment)			Change from Sep. 2007				
		In total	North America	Europe					
CLO equities	17	5.9	5.9	-	-19.0	-0.0	-0.2%	-5.3	

(*) Amount of impairment loss realized by STB Omega Investment Ltd.

(Reference 3) Procedure and organization for Fair Value Verification

We have been utilizing the fair value provided by securities brokers to mark the asset-backed securities. With regards to the securities for which OTC transaction is not observable, in accordance with the guideline "Regarding Auditing of ABS Evaluation" published by JICPA, our risk management section, a department independent from transactions execution, has verified the validity of the range of the price discrepancies between the fair price which was used for mark-to-market purpose and the comparable price which was retrieved or computed for verification purpose by applying the following procedures. As for the overseas asset-backed securities, as of the end of March 2008, we have verified the validity mentioned above of all issues by applying either first or second alternatives of the following analysis and verification procedure.

Overview of Fair Value Verification

1. For securities whose price is available from other brokers or price vendors, such securities as numbers 2, 4, and 6 in the above table, receive a price for comparison purpose.
2. For securities whose model-derived valuations are available, such securities as numbers 5, 9, 11, 12, and 13 in the above table, retrieve significant inputs, such as discount rate, from the market depending on securities category in order to derive the valuation.
3. For securities for which neither price nor model-derived valuations are available, analyze and verify the discrepancies between and among the securities with similar characteristics such as underlying asset or rating.

2) Securities with No Available Fair Value and loans

(Non-consolidated)

	Billions of Yen				
	In total	Balance			Change from Sep. 2007
		North America	Europe		
Other securities	18	34.4	8.8	13.8	-67.1
Asset-backed securities	19	3.7	-	3.7	-65.2
CLO equities	20	3.7	-	3.7	-24.4
Corporate loans	21	285.5	162.9	66.1	-100.1
CLO Warehousing loan	22	42.1	42.1	-	-78.0
Total	23	319.9	171.8	80.0	-167.3

3) Losses related to international credit investments

(Non-consolidated)

	Billions of Yen				
	In total	Total substantial credit costs			Others
		Total credit costs	Net gains on sales of stocks and other securities		
Asset-backed securities	24	-63.4	-	-10.8	-52.5
SIV Capital notes	25	-32.9	-	-	-32.9
CLO equities (*)	26	-15.1	-	-10.8	-4.3
ABS-CDO	27	-2.7	-	-	-2.7
CDO mezzanine	28	-1.7	-	-	-1.7
Synthetic CDO	29	-5.2	-	-	-5.2
Subprime related RMBS	30	-2.3	-	-	-2.3
Corporate loans	31	-15.9	-15.9	-	-
CLO Warehousing loan	32	-14.3	-14.3	-	-
Total	33	-79.3	-15.9	-10.8	-52.5

(*) Amount includes Provision of allowance for investment loss, accounted in "Others" of "Net non-recurring profit", of 4.3 billion yen in relation to equity investment in STB Omega Investment Ltd., Sumitomo Trust's consolidated subsidiary, of 5.2 billion yen.

Glossary of terms

SIV Capital notes	Most junior tranche of security, or equity, funding SIV (Structured Investment Vehicle), which mainly invests in ABS (asset-backed securities) and notes issued by financial institutions.
CLO equities	Most junior tranche of security, or equity, of CLO (Collateralized Loan Obligation), a category of asset-backed securities, which is backed by corporate loans.
ABS-CDO	A category of resecuritization product, backed by other asset-backed securities.
CDO mezzanine	A-rated or BBB-rated, at the time of issuance, tranches of CDOs which are backed by corporate loan or bond portfolio.
Synthetic CDO	Synthetic Collateralized Debt Obligation: A category of securitization products, which utilizes credit derivative transactions to take credit risk of corporations.
CLO Warehousing loan	A short-term, bridge type loan to the issuing entity of CLO securities to fund its accumulation of loan assets.

(8) Non-performing loans
After partial direct written-off1) Assets classified under the Financial Reconstruction Law (Banking a/c and principal guaranteed trust a/c combined)
(Non-consolidated)

	Millions of Yen				
	Mar. 2008	Sep. 2007	Mar. 2007	Change from Sep. 2007	Change from Mar. 2007
Assets classified under the Financial Reconstruction Law (a)	107,078	98,199	117,550	8,878	-10,472
Loans in bankrupt and practically bankrupt	6,854	5,477	6,499	1,377	355
Doubtful loans	27,270	59,803	58,463	-32,532	-31,192
Substandard loans (b)	72,952	32,919	52,587	40,033	20,365
Ordinary assets	12,084,568	12,087,044	11,966,308	-2,475	118,260
Loans to substandard debtors (excluding Substandard loans) (c)	4,132	2,472	30,154	1,659	-26,021
Loans to special mention debtors (excluding (b) and (c))	747,189	748,438	703,710	-1,249	43,478
Loans to ordinary debtors	11,333,246	11,336,132	11,232,443	-2,886	100,803
Total loan balance (d)	12,191,646	12,185,244	12,083,858	6,402	107,788
Ratio to total loan balance (a) / (d)	0.9%	0.8%	1.0%	0.1%	-0.1%
Loans to substandard debtors (b)+(c)	77,084	35,392	82,741	41,692	-5,656

Note: Partial direct written-off: Mar. 2008: 24,724 million yen, Sep. 2007: 30,944 million yen, Mar. 2007: 23,549 million yen

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

	Millions of Yen				
	Mar. 2008	Sep. 2007	Mar. 2007	Change from Sep. 2007	Change from Mar. 2007
Risk managed loans	150,312	132,043	154,783	18,269	-4,471
Loans in bankruptcy proceedings	1,126	1,310	2,534	-184	-1,408
Other delinquent loans	70,766	96,306	95,820	-25,539	-25,053
Loans more than 3 months past due	4	170	2	-165	1
Restructured loans	78,414	34,256	56,425	44,158	21,988
Total loans under risk management	11,075,142	11,040,839	10,916,180	34,302	158,961
Ratio to total loan balance	1.4%	1.2%	1.4%	0.2%	0.0%

Note: Partial direct written-off: Mar. 2008: 29,496 million yen, Sep. 2007: 36,373 million yen, Mar. 2007: 29,837 million yen

(Non-consolidated)

	Millions of Yen				
	Mar. 2008	Sep. 2007	Mar. 2007	Change from Sep. 2007	Change from Mar. 2007
Risk managed loans	106,867	97,985	117,317	8,882	-10,449
Loans in bankruptcy proceedings	349	593	1,763	-244	-1,414
Other delinquent loans	33,565	64,471	62,966	-30,906	-29,400
Loans more than 3 months past due	-	165	-	-165	-
Restructured loans	72,952	32,754	52,587	40,198	20,365
Total loans under risk management	11,362,157	11,313,650	11,226,383	48,507	135,774
Ratio to total loan balance	0.9%	0.9%	1.0%	0.0%	-0.1%

Note: Partial direct written-off: Mar. 2008: 24,724 million yen, Sep. 2007: 30,944 million yen, Mar. 2007: 23,549 million yen

3. Total risk-weighted assets and capital (Basel II)

(1) Risk measurement methodologies

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

(*) The Standardized Approach is applied to the 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 Standardized 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 adequacy ratio

(Consolidated)

	Millions of Yen				
	Mar. 2008	Sep. 2007	Mar. 2007	Change from Sep. 2007	Change from Mar. 2007
Total capital	1,732,290	1,836,452	1,809,860	-104,162	-77,570
Tier I	1,073,308	1,040,536	1,026,199	32,771	47,108
Minority interest	209,362	210,397	210,641	-1,035	-1,278
Noncumulative preferred securities issued by overseas special purpose companies	183,000	183,000	183,000	-	-
Less: Goodwill equivalents	115,508	119,777	104,877	-4,268	10,631
Less: Equivalent to 50% of the excess of expected loss over qualifying reserves	14,918	16,165	21,068	-1,246	-6,149
Tier II	760,940	921,173	904,656	-160,233	-143,715
Upper Tier II	366,276	506,018	534,565	-139,742	-168,289
45% of unrealized gain on available-for-sale securities	48,096	167,000	223,049	-118,904	-174,952
45% of revaluation reserve for land	771	875	875	-103	-103
General allowance for loan losses	3,213	6,942	5,626	-3,729	-2,413
Perpetual subordinated debt	314,195	331,200	305,015	-17,005	9,180
Lower Tier II	394,664	415,155	370,090	-20,491	24,574
Subordinated term debt and fixed-term preferred stock	394,664	415,155	370,090	-20,491	24,574
Less: Deduction (double gearing)	101,958	125,257	120,995	-23,298	-19,036
Total risk-weighted assets	14,625,988	15,555,868	15,924,988	-929,879	-1,299,000
Amount of credit risk-weighted assets	13,745,339	14,719,262	15,100,642	-973,923	-1,355,303
Amount of market risk equivalents	162,263	135,417	158,957	26,845	3,306
Amount of operational risk equivalents	718,385	701,187	665,388	17,198	52,996
BIS capital adequacy ratio	11.84%	11.80%	11.36%	0.04%	0.48%
(Tier I capital ratio)	7.33%	6.68%	6.44%	0.65%	0.89%

Note : Non-consolidated BIS capital adequacy ratio and Tier I capital ratio are 12.69% and 7.97%, 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 8.44%, below the outlier level (more than 20%).

(Consolidated)

	Billions of Yen
	Mar. 2008
Total interest rate risk (A)	154.8
Tier I + Tier II (B)	1,834.2
Outlier ratio (A) / (B)	8.44%

4. Forecast

(1) Forecast for full FY2008

	Billions of Yen			
	Forecast for FY2008		FY2007	Change
	Full FY2008 (A)	1HFY2008	(Actual) (B)	(A)-(B)
(Consolidated)				
Net business profits before credit costs	215.0	95.0	216.8	-1.8
Ordinary profit	170.0	75.0	136.9	33.0
Net income	100.0	45.0	82.3	17.6
(Non-consolidated)				
Net business profits before credit costs	170.0	75.0	173.8	-3.8
Ordinary profit	135.0	60.0	103.9	31.0
Net income	85.0	40.0	69.9	15.0
Total substantial credit costs	-25.0	-10.0	-76.4	51.4
Dividend per common stock (Yen)	17.00	8.50	17.00	-
Consolidated dividend payout ratio (%)	28.5%	-----	34.6%	-6.1%

Note: Forecast is subject to change

5. Management Policy and New Midterm Management Plan

1) Management Policy

In accordance with principle of trust and the Sumitomo business spirit, and recognizing the trend from savings to investment in the macro economy, we have established our management policy keeping in mind our mission, vision and policy to achieve the following;

<Expected Role of the Sumitomo Trust Group: Mission>

Against a background trend from savings to investment in the macro economy, we shall contribute to the sustainable growth of the economy and society, by way of providing appropriate solutions for our clients' assets and by providing high quality products and services, which in turn will support the development of the financial market and other assets, such as securities and real estate, markets as a result of exposing our function of asset management oriented financial intermediary (*), which is a combination of financial intermediary function, which includes conventional loan/deposit business, and our functions of asset management and administration.

(*) Business model of Asset Management Oriented Financial Intermediary Function: Sumitomo Trust's business model, which positions our financial intermediary function as an optimal mixture of our extended functions, such as conventional loan/deposit business, arrangement function, and asset management and administration, to the individual needs of our clients.

<Goal of the Sumitomo Trust Group: Vision>

As an independent Asset Management Oriented Financial Solution Group, we shall become an indispensable partner for our clients and society by speedily providing best and highest services which are client-focused and rich in variety and productivity.

<Policy to achieve our vision>

We shall pursue stable growth by promoting businesses with emphasis on best solutions, best performance, and best balance.

- (1) Leveraging "Trustee-ness" and "STB-ness": We shall leverage our "Trustee-ness" by devoting meticulous attention to every case and by offering the most appropriate solutions from the standpoint of each individual client. We shall also leverage our "STB-ness" by providing various, productive and speedy solutions.
- (2) Pursuing No. 1 Client Satisfaction and creating value via CSR: We shall aim to become number one in terms of client satisfaction by incessantly enhancing the quality of our services from the clients' point of view. We shall also venture into the new field of business added-value at the same time achieving CSR.
- (3) Achieve best balance between "attack" and "defense": We shall establish the best balance between attacking forward and building up defense in order to cope with the changes of business environment with high flexibility.
- (4) Reinforcing global business expansion: We shall reinforce our international business horizon not only in the loan and other credit businesses but also fiduciary and real estate businesses by providing globally competitive services.

2) Midterm Management Plan

We started New Midterm Management Plan from FY2008 to FY2010, which includes following mid-term financial target.

(Consolidated)	Billions of Yen	
	FY2007 Actual	FY2010 Forecast
Net business profit before credit costs	216.8	250.0
Net income	82.3	125.0
Return on shareholders' equity	8.34%	Approx. 11%
Tier I capital ratio	7.33%	Approx. 8%

3) Strategies to achieve Midterm Management Plan

(1) Reinforcing strategies of each business line

- Retail: Expand depositary assets and mutual fund investment trust sales volume. Expand product lineup, including insurance, loan and real estate, which timely fits clients' major life events
- Wholesale: Provide comprehensive solution to corporate clients. Promote asset management business by expanding investor base
- Real estate: Improve competitiveness of real estate brokerage service. Further expand real estate asset management by originating investment funds
- Fiduciary: Increase AUM from domestic and international investors by providing a variety of investment products and high level investment consulting services
- Global market: Capture profit making opportunities by utilizing comprehensive risk analysis capabilities. Develop and provide market-oriented financial products to fulfill clients' needs

(2) Expanding of Hybrid type business

- Improve "investment sales" toward clients of entire group, retail and wholesale both inclusive, by utilizing investment consulting capabilities originally targetted to institutional investors
- Expand "wealth management business" to serve high net worth individuals and affluent clients by providing total solution regarding their assets
- Expand comprehensive real estate business by leveraging the overall competence of real estate businesses

(3) Improving infrastructure for management and business

- Enhance risk management structure
- Promote organized human resource development

II. Supplementary information

1. Outline 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		
					FY2007	FY2006	Change
(Subsidiaries)							
The Sumishin Shinko Co., Ltd.	Yen 50 mil.	Property maintenance	100	(100)	0.2	0.3	-0.1
Sumishin Guaranty Co., Ltd.	Yen 100 mil.	Housing loan guaranty	100	(100)	2.5	3.9	-1.4
First Credit Corporation	Yen 13,500 mil.	Finance services	100	(100)	11.8	9.3	2.5
STB Leasing & Financial Group Co., Ltd.	Yen 50 mil.	Holding company of leasing subsidiaries	100	(100)	-0.0	-----	-----
STB Leasing Co., Ltd. (*1)	Yen 5,064 mil.	General leasing	100	(-)	9.9	16.5	-6.6
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)	1.4	-----	-----
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)	0.5	0.8	-0.2
Japan TA Solution, Ltd.	Yen 2,005 mil.	Development and management of systems/operations of entrusted data processing	80	(80)	0.6	-0.0	0.7
Sumishin Matsushita Financial Services Co., Ltd.	Yen 20,520 mil.	General leasing/credit cards	66	(-)	2.4	3.1	-0.7
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)	0.3	2.5	-2.1
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)	0.4	1.7	-1.2
STB Asset Management Co., Ltd.	Yen 300 mil.	Asset management	100	(30)	1.2	0.7	0.4
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)	1.0	3.9	-2.8
The Sumitomo Trust Finance (H.K.) Ltd.	USD 45 mil.	Banking and security services	100	(100)	0.4	0.4	0.0
Sumitomo Trust and Banking (Luxembourg) S.A.	USD 30 mil.	Banking, security and trust services	100	(100)	0.4	0.3	0.0
Sumitomo Trust and Banking Co. (U.S.A.)	USD 56 mil.	Banking and trust services	100	(100)	2.9	1.7	1.1
STB Omega Investment Ltd.	USD 60 mil.	Finance services	75	(75)	-3.6	0.0	-3.7
STB Preferred Capital (Cayman) Ltd.	Yen 85,000 mil.	Finance services	100	(100)	3.1	2.7	0.3
STB Preferred Capital 2 (Cayman) Ltd.	Yen 51,500 mil.	Finance services	100	(100)	1.4	1.4	0.0
STB Preferred Capital 3 (Cayman) Ltd.	Yen 51,500 mil.	Finance services	100	(100)	1.3	-----	-----
(Affiliates)							
SBI Sumishin Net Bank, Ltd. (*3)	Yen 20,000 mil.	Banking	50	(50)	-4.7	-----	-----
Sumishin SBI Net Bank Research Co., Ltd. (*3)	-----	Research and studies	50	(50)	-1.6	-0.7	-0.8
Japan Pension Operation Service, Ltd.	Yen 1,500 mil.	Pension plan administration services	50	(50)	1.0	0.1	0.9
BUSINEXT CORPORATION	Yen 9,000 mil.	Finance services	40	(40)	0.1	0.6	-0.5
Human Resource Management & Consulting Co., Ltd.	Yen 519 mil.	Employees data administration	38.9	(38.9)	0.1	0.0	0.0
Top REIT Asset Management Co., Ltd.	Yen 300 mil.	Investment company (Asset management)	38	(38)	0.3	0.3	-0.0
Japan Trustee Services Bank, Ltd.	Yen 51,000 mil.	Trust and banking	33.3	(33.3)	1.1	1.4	-0.3
Japan Trustee Information Systems, Ltd.	Yen 300 mil.	Information technology/commissioned accounting operation	33.3	(5)	0.1	0.0	0.1

(*1) STB Leasing Co., Ltd. became consolidated subsidiary from affiliated company in December 2006. In addition, effect of intra-group restructuring (7.0 billion yen) is included in the financial results of FY2007.

(*2) Life Housing Loan, Ltd. is not included in financial results of FY2006. (Newly consolidated in May 2007)

(*3) 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 March 31, 2008).

(2) Breakdown of profit by business group

1) Gross business profits before credit costs

(Non-consolidated)

	Billions of Yen		
	FY2007	FY2006	Change
Retail financial services	87.5	84.2	3.3
Wholesale financial services	96.3	105.3	-8.9
Stock transfer agency services	18.4	19.5	-1.0
Global Markets	49.3	48.7	0.5
Fiduciary services	62.4	55.9	6.5
Pension asset management	43.0	41.5	1.5
Securities processing services	19.5	14.4	5.0
Real estate	31.8	30.0	1.8
Fees paid for outsourcing	-26.1	-27.3	1.2
Stock transfer agency services	-12.1	-13.0	0.9
Fiduciary services	-14.0	-14.3	0.3
Others (*)	4.5	1.0	3.5
Gross business profits before credit costs	305.7	297.7	8.0

2) Net business profit before credit costs

(Non-consolidated)

	Billions of Yen		
	FY2007	FY2006	Change
Retail financial services	27.5	27.3	0.2
Wholesale financial services	59.9	69.4	-9.5
Stock transfer agency services	4.1	4.5	-0.3
Global Markets	39.8	39.4	0.3
Fiduciary services	33.4	28.5	4.9
Pension asset management	20.3	19.9	0.3
Securities processing services	13.1	8.5	4.5
Real estate	23.9	22.6	1.2
Others (*)	-10.5	-11.4	0.8
Net business profits before credit costs	173.8	175.9	-2.0

(Consolidated)

	Billions of Yen		
	FY2007	FY2006	Change
Retail financial services	30.3	29.6	0.6
Wholesale financial services	92.8	96.2	-3.3
Stock transfer agency services	7.7	9.1	-1.4
Global Markets	39.8	39.4	0.3
Fiduciary services	39.6	33.1	6.5
Pension asset management	22.4	21.3	1.0
Securities processing services	17.2	11.7	5.4
Real estate	26.9	27.0	-0.0
Others (*)	-12.6	-9.9	-2.6
Net business profits before credit costs	216.8	215.4	1.4

(*) 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 to small and mid-sized corporations

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

	Percentage points, Millions of Yen				
	Mar. 2008	Sep. 2007	Mar. 2007	Change from Sep. 2007	Change from Mar. 2007
Percentage to total loan balance	50.5	49.8	49.9	0.7	0.6
Loan balance	5,336,715	5,180,389	5,188,293	156,326	148,421

2) Consumer loans

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

	Millions of Yen				
	Mar. 2008	Sep. 2007	Mar. 2007	Change from Sep. 2007	Change from Mar. 2007
Residential mortgage loans	1,550,336	1,505,611	1,506,471	44,724	43,864
Other consumer loans	376,786	377,093	380,334	-306	-3,547
Total	1,927,122	1,882,704	1,886,806	44,417	40,316

3) Real estate non recourse loans

(Banking a/c) (Non-consolidated)

	Billions of Yen				
	Mar. 2008	Sep. 2007	Mar. 2007	Change from Sep. 2007	Change from Mar. 2007
Loan balance	1,119.1	1,014.4	930.5	104.7	188.6

4) Overseas loan by borrowers' location

(Non-consolidated)

	Millions of Yen				
	Mar. 2008			Mar. 2007 Total	Change from Mar. 2007
	Total	Japanese affiliates	Non-Japanese		
North America	308,141	177,538	130,603	302,514	5,626
Europe	165,127	92,540	72,587	132,816	32,310
Asia	318,188	277,028	41,159	257,074	61,113
Total	1,081,107	753,463	327,644	1,093,533	-12,425

5) Loans by industry

(Non-consolidated)

	Millions of Yen						
	Mar. 2008				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)	10,237,987	328,913	10,566,900	163,051	9,974,906	428,943	10,403,849
Manufacturing	1,348,600	13,220	1,361,821	52,466	1,297,427	11,927	1,309,354
Agriculture, forestry, fishing, mining	19,302	-	19,302	-7,127	26,429	-	26,429
Construction	120,826	787	121,614	-23,390	143,429	1,575	145,004
Energy and utilities	160,456	1,908	162,364	207	159,684	2,472	162,157
Communication	142,607	7	142,614	7,314	135,285	15	135,300
Transportation	659,084	5,005	664,090	-12,402	673,541	2,952	676,493
Wholesale and retail	910,224	932	911,156	18,056	887,520	5,580	893,100
Finance and insurance	1,917,404	33,000	1,950,404	21,726	1,901,677	27,000	1,928,677
Real estate	1,582,264	7,448	1,589,713	167,244	1,413,205	9,264	1,422,469
Various services	1,228,784	111,562	1,340,347	-107,901	1,252,938	195,310	1,448,249
Others	2,148,430	155,040	2,303,470	46,857	2,083,767	172,845	2,256,612
Overseas branches and offshore	795,256	-	795,256	-27,277	822,533	-	822,533
Total	11,033,244	328,913	11,362,157	135,774	10,797,440	428,943	11,226,383

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

(2) Assets classified under the Financial Reconstruction Law

(After partial direct written-offs)

1) Banking a/c (Non-consolidated)

	Millions of Yen				
	Mar. 2008	Sep. 2007	Mar. 2007	Change from Sep. 2007	Change from Mar. 2007
Assets classified under the Financial Reconstruction Law (a)	91,676	94,351	98,032	-2,675	-6,356
Loans in bankrupt and practically bankrupt	4,978	3,223	4,211	1,755	767
Doubtful loans	14,490	58,979	58,063	-44,488	-43,572
Substandard loans (b)	72,206	32,149	35,758	40,057	36,448
Ordinary assets	11,771,057	11,675,454	11,556,882	95,602	214,174
Loans to substandard debtors (excluding Substandard loans) (c)	4,080	2,419	28,948	1,661	-24,868
Loans to special mention debtors (excluding (b) and (c))	737,722	713,054	702,297	24,667	35,424
Loans to ordinary debtors	11,029,253	10,959,980	10,825,635	69,273	203,617
Total loan balance (d)	11,862,733	11,769,806	11,654,915	92,926	207,817
Ratio to total loan balance (a) / (d)	0.8%	0.8%	0.8%	0.0%	0.0%
Loans to substandard debtors (b)+(c)	76,287	34,568	64,707	41,719	11,580

Note: Partial direct written-off: Mar. 2008: 24,724 million yen, Sep. 2007: 30,944 million yen, Mar. 2007: 23,549 million yen

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

	Millions of Yen				
	Mar. 2008	Sep. 2007	Mar. 2007	Change from Sep. 2007	Change from Mar. 2007
Assets classified under the Financial Reconstruction Law (e)	15,402	3,848	19,517	11,554	-4,115
Loans in bankrupt and practically bankrupt	1,876	2,253	2,287	-377	-411
Doubtful loans	12,780	824	400	11,955	12,379
Substandard loans (f)	745	770	16,829	-24	-16,083
Ordinary assets	313,511	411,589	409,425	-98,078	-95,914
Loans to substandard debtors (excluding Substandard loans) (g)	51	53	1,205	-1	-1,153
Loans to special mention debtors (excluding (f) and (g))	9,467	35,383	1,412	-25,916	8,054
Loans to ordinary debtors	303,992	376,152	406,807	-72,159	-102,814
Total loan balance (h)	328,913	415,437	428,943	-86,524	-100,029
Ratio to total loan balance (e) / (h)	4.7%	0.9%	4.6%	3.8%	0.1%
Loans to substandard debtors (f)+(g)	797	823	18,034	-26	-17,237

3) Asset classified under the Financial Reconstruction Law as of Mar. 31, 2008 (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 allowance for loan losses (b)	361	100%
	4,978 (4,211)	(100%)	Guarantee and collateral (c)	4,617	(b) / ((a)-(c))
Doubtful loans (B)	(d)	76%	Uncovered	3,369	62%
	14,490	(85%)	Specific allowance for loan losses (e)	5,688	(68%)
	(58,063)		Guarantee and collateral (f)	5,433	(e) / ((d)-(f))
Substandard loans (C)	(g)	77%	Uncovered	16,181	48%
	72,206	(48%)	General allowance for loan losses (h)	15,353	(29%)
	(35,758)		Guarantee and collateral (i)	40,672	(h) / ((g)-(i))
Ordinary assets	11,771,057		General allowance for loan losses	72,483	
	(11,556,882)		Allowance for loan losses in specified foreign countries	-	
Total loan balance	11,862,733 (11,654,915)		Total of (A), (B) and (C)	91,676 (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)	1,876	100%	Guarantee and collateral	1,876	Reserves for loan trust 1,839
	(2,287)	(100%)			
Doubtful loans (E)	12,780	100%	Guarantee and collateral	12,780	Reserves for JOMT (Jointly-operated money trust) 924
	(400)	(99%)			
Substandard loans (F)	745	100%	Guarantee and collateral	745	
	(16,829)	(100%)			
Ordinary assets	313,511 (409,425)				
Total loan balance	328,913 (428,943)		Total of (D), (E) and (F)	15,402 (19,517)	Ratio to total loan balance 4.7%

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

Grand total	12,191,646 (12,083,858)	Total of (A),(B),(C),(D),(E) and (F)	107,078 (117,550)	Ratio to grand total loan balance 0.9%
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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						
	Mar. 2008				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)	47,293	15,402	62,695	-54,486	97,664	19,517	117,182
Manufacturing	5,735	-	5,735	481	5,254	-	5,254
Agriculture, forestry, fishing, mining	-	-	-	-	-	-	-
Construction	1,383	-	1,383	-467	1,850	-	1,850
Energy and utilities	-	-	-	-	-	-	-
Communication	60	-	60	-40	100	-	100
Transportation	-	-	-	-39,005	39,005	-	39,005
Wholesale and retail	21,355	-	21,355	321	21,033	-	21,033
Finance and insurance	-	-	-	-	-	-	-
Real estate	6,263	-	6,263	-10,825	13,396	3,692	17,089
Various services	2,999	-	2,999	-3,163	6,163	-	6,163
Others	9,495	15,402	24,898	-1,787	10,860	15,824	26,685
Overseas branches and offshore	44,382	-	44,382	44,014	368	-	368
Total	91,676	15,402	107,078	-10,472	98,032	19,517	117,550

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

5) Allowance for loan losses
Banking account (Consolidated)

	Millions of Yen				
	Mar. 2008	Sep. 2007	Mar. 2007	Change from Sep. 2007	Change from Mar. 2007
Allowance for loan losses	106,683	130,674	106,671	-23,990	11
General allowance for loan losses	93,609	99,927	76,383	-6,318	17,226
Specific allowance for loan losses	13,074	29,995	29,568	-16,921	-16,494
Allowance for loan losses from borrowers in specified foreign countries	-	750	720	-750	-720

Banking account (Non-consolidated)

	Millions of Yen				
	Mar. 2008	Sep. 2007	Mar. 2007	Change from Sep. 2007	Change from Mar. 2007
Allowance for loan losses	96,799	120,967	97,879	-24,167	-1,080
General allowance for loan losses	88,437	94,998	72,760	-6,560	15,677
Specific allowance for loan losses	8,361	25,217	24,398	-16,856	-16,037
Allowance for loan losses from borrowers in specified foreign countries	-	750	720	-750	-720

Principal guaranteed trust a/c (Non-consolidated)

	Millions of Yen				
	Mar. 2008	Sep. 2007	Mar. 2007	Change from Sep. 2007	Change from Mar. 2007
Reserves for loan trust	1,839	3,467	4,136	-1,628	-2,297
Reserves for jointly-operated money trust	924	1,175	1,235	-251	-310
Total	2,763	4,643	5,372	-1,879	-2,608

6) Reserve ratio for loans to special mention/ordinary debtors (general allowance for loan losses)
Banking account (Non-consolidated)

	Percentage points				
	Mar. 2008	Sep. 2007	Mar. 2007	Change from Sep. 2007	Change from Mar. 2007
Special mention	8.9	10.8	7.6	-1.9	1.3
Substandard debtors	20.3	21.0	14.1	-0.7	6.2
Against uncovered portion	61.8	29.5	24.8	32.3	37.0
Other than substandard debtors	7.7	10.3	7.0	-2.6	0.7
Ordinary debtors	0.1	0.1	0.1	0.0	0.0

Note: Reserve ratio = general allowance for loan losses/loan amount

(3) Final disposal of non-performing loans

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

1) Loans outstanding in doubtful or worse categories (Non-consolidated)

Total

	Billions of Yen									
	Before Mar. 2004	Sep. 2004	Mar. 2005	Sep. 2005	Mar. 2006	Sep. 2006	Mar. 2007	Sep. 2007	Mar. 2008	Change from Sep. 2007
Loans in bankrupt/practically bankrupt	131.3	79.2	15.5	42.2	7.3	6.0	6.5	5.5	6.9	1.4
Doubtful loans	909.9	47.9	88.1	20.6	19.3	23.4	58.5	59.8	27.3	-32.5
Total	1,041.2	127.1	103.6	62.9	26.6	29.4	65.0	65.3	34.1	-31.2
Loans outstanding in doubtful or worse categories as of Mar. 2004 and disposal thereafter										
Loans in bankrupt/practically bankrupt	131.3	77.7	9.9	6.4	5.7	4.1	3.6	3.4	2.8	-0.6
Doubtful loans	909.9	35.1	21.0	13.1	6.9	6.4	2.0	1.0	0.7	-0.2
Total	1,041.2	112.8	30.9	19.6	12.6	10.5	5.6	4.4	3.6	-0.8
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	0.2	-0.0
Doubtful loans		12.8	2.1	1.8	1.5	1.1	1.0	0.3	0.2	-0.1
Total		14.3	3.0	2.1	1.8	1.2	1.1	0.5	0.4	-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	0.3	0.3	-0.0
Doubtful loans			65.0	0.6	0.5	0.4	0.4	0.3	0.2	-0.1
Total			69.7	34.8	1.0	0.7	0.7	0.6	0.5	-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	0.3	-0.0
Doubtful loans				5.1	3.3	2.7	2.6	2.2	1.6	-0.6
Total				6.4	3.6	3.1	2.9	2.5	1.9	-0.6
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	0.0	-0.0
Doubtful loans					7.0	3.3	2.5	2.3	2.1	-0.2
Total					7.7	3.7	2.6	2.4	2.2	-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	0.1	-0.1
Doubtful loans						9.6	1.9	0.9	0.3	-0.5
Total						10.3	2.3	1.1	0.4	-0.6
New entry to doubtful or worse categories during 2HFY2006 and disposal thereafter										
Loans in bankrupt/practically bankrupt							1.6	0.4	0.1	-0.3
Doubtful loans							48.2	43.6	0.8	-42.7
Total							49.8	44.0	1.0	-43.0
New entry to doubtful or worse categories during 1HFY2007 and disposal thereafter										
Loans in bankrupt/practically bankrupt								0.6	0.4	-0.1
Doubtful loans								9.4	7.6	-1.8
Total								10.0	8.1	-1.9
New entry to doubtful or worse categories during 2HFY2007 and disposal thereafter										
Loans in bankrupt/practically bankrupt									2.5	2.5
Doubtful loans									13.6	13.6
Total									16.1	16.1

2) Progress of final disposal

(Non-consolidated)

(in Billions of Yen)

Period	Primary amount	Amount as of 2HFY2007	Quasi final disposal or in the process of final disposal	Amount of final disposal during 2HFY2007	Ratio of final disposal progression (%)	Adjusted ratio of final disposal progression (*) (%)
Before 2HFY2003	1,041.2	3.6	1.3	0.8	99.7	99.8
1HFY2004	14.3	0.4	0.0	0.1	97.2	97.2
2HFY2004	69.7	0.5	0.2	0.1	99.3	99.7
1HFY2005	6.4	1.9	0.2	0.6	70.9	74.2
2HFY2005	7.7	2.2	0.0	0.2	71.6	71.9
1HFY2006	10.3	0.4	0.1	0.6	95.7	96.3
2HFY2006	49.8	1.0	0.1	43.0	98.0	98.1
1HFY2007	10.0	8.1	0.1	1.9	19.3	20.7
2HFY2007	16.1	16.1	-	-	-	-
Total		34.1	2.0	47.3		

(*) 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. 2008	Mar. 2007
Deferred tax assets (on the balance sheet) (1)	83.0	26.1
Devaluation of securities	52.4	33.0
Allowance for loan losses (including written-off of loans)	42.6	40.2
Provision for retirement benefits	15.8	25.0
Loss carry forwards	7.1	13.0
Unrealized profit	0.1	5.4
Others	31.5	32.6
Valuation allowance	-13.4	-22.0
Offset with deferred tax liabilities	-53.2	-101.3
Deferred tax liabilities (on the balance sheet) (2)	0.1	107.3
Valuation difference on available-for-sale securities	45.2	201.4
Others	8.2	7.2
Offset with deferred tax assets	-53.2	-101.3
Net deferred tax assets (1)-(2)	82.8	-81.1
Percentage to Tier I (*)	7.7%	-
Tier I	1,073.3	1,026.1

(*) As the offset result of Mar. 2007 is negative (deferred tax liabilities), number is stated " - ".

(Non-consolidated)

	Billions of Yen	
	Mar. 2008	Mar. 2007
Deferred tax assets (on the balance sheet) (1)	63.6	-
Devaluation of securities	52.4	33.0
Allowance for loan losses (including written-off of loans)	36.3	33.8
Provision for retirement benefits	11.8	11.6
Others	22.3	30.2
Valuation allowance	-8.4	-10.0
Offset with deferred tax liabilities	-50.8	-98.6
Deferred tax liabilities (on the balance sheet) (2)	-	107.0
Valuation difference on available-for-sale securities	45.0	201.2
Others	5.7	4.3
Offset with deferred tax assets	-50.8	-98.6
Net deferred tax assets (1)-(2)	63.6	-107.0
Percentage to Tier I (*)	5.7%	-
Tier I	1,109.2	1,063.1

(*) As the offset result of Mar. 2007 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				
	FY2007	FY2006	FY2005	FY2004	FY2003
Taxable income before deduction of loss carry forwards (*)	147.5	199.2	93.6	103.2	33.8
Net business profit before credit costs	173.8	175.9	164.6	148.2	145.0

(*) Taxable income before deduction of loss carry forwards of FY2007 is preliminary.

(5) Retirement benefits
(Consolidated)

		Millions of Yen		
		Mar. 2008	Mar. 2007	Change
Projected benefit obligation	(A)	235,645	230,848	4,797
(Discount rate)		(2.0%)	(2.0%)	(-%)
Plan assets (market value)	(B)	237,143	310,612	-73,468
Provision for retirement benefits	(C)	9,636	10,078	-441
Advanced benefit paid	(D)	79,172	80,391	-1,219
Unrecognized net prior service cost	(E)	1,354	842	511
Unrecognized net actuarial loss	(A-B-C+D-E)	66,683	-10,294	76,977

		Millions of Yen		
		FY2007	FY2006	Change
Retirement benefit expenses	(A)	-942	5,105	-6,047
Gains on return of retirement benefit trusts	(B)	9,969	-	9,969
Total	(A+B)	9,026	5,105	3,921

(Non-consolidated)

		Millions of Yen		
		Mar. 2008	Mar. 2007	Change
Projected benefit obligation	(A)	216,455	211,701	4,753
(Discount rate)		(2.0%)	(2.0%)	(-%)
Plan assets (market value)	(B)	226,943	300,709	-73,765
Provision for retirement benefits	(C)	212	200	12
Advanced benefit paid	(D)	79,085	80,362	-1,277
Unrecognized net prior service cost	(E)	1,595	1,117	478
Unrecognized net actuarial loss	(A-B-C+D-E)	66,788	-9,963	76,751

		Millions of Yen		
		FY2007	FY2006	Change
Retirement benefit expenses	(A)	429	6,687	-6,257
Service cost-benefits earned		-5,167	-4,075	-1,091
Interest cost on projected benefit obligation		-4,230	-4,073	-156
Expected return on plan assets		12,205	13,892	-1,687
Amortization of prior service cost		-352	-310	-41
Amortization of net actuarial losses		-2,571	1,760	-4,332
Others (additional benefit at retirement, etc)		545	-506	1,051
Gains on return of retirement benefit trusts	(B)	9,969	-	9,969
Total	(A+B)	10,398	6,687	3,711