

**The Sumitomo Trust & Banking Co., Ltd.**  
**Financial Results for the First Quarter of Fiscal Year 2008**



**July 30, 2008**

Tokyo office	: GranTokyo South Tower 1-9-2 Marunouchi, Chiyoda-ku, Tokyo, Japan
Stock exchange listings	: Tokyo and Osaka (code: 8403)
URL	: <a href="http://www.sumitomotrust.co.jp/IR/company/index_en.html">http://www.sumitomotrust.co.jp/IR/company/index_en.html</a>
Representative	: Hitoshi Tsunekage, President and CEO
Filing date of financial statements	: August 14, 2008
Trading accounts	: Established

(All amounts less than one million yen are rounded down.)

**1. Consolidated Financial Results for the First Quarter of Fiscal Year 2008**  
**(April 1, 2008 through June 30, 2008)**

(1) Consolidated Financial Results (% of change from previous period)

	Ordinary Income		Ordinary Profit		Net Income	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
First Quarter Ended						
June 30, 2008	224,955	-	22,458	-	12,947	-
June 30, 2007	231,077	37.6	33,944	(15.4)	24,530	(9.0)

	Net Income per Share	Net Income per Share (Fully Diluted)
	Yen	Yen
First Quarter Ended		
June 30, 2008	7.73	-
June 30, 2007	14.65	14.65

(Note) Net income per share (fully diluted) was not stated as there were no potentially dilutive securities for the first quarter of fiscal year ended June 30, 2008.

(2) Consolidated Financial Position

	Total Assets	Net Assets	Net Assets to Total Assets Ratio (*)	Net Assets per Share
	Millions of Yen	Millions of Yen	%	Yen
As of				
June 30, 2008	20,811,993	1,401,398	5.2	644.95
March 31, 2008	22,180,734	1,280,954	4.8	639.76

Net Assets less Minority Interests: July 30, 2008 1,080,059 millions of yen, March 31, 2008 1,071,368 millions of yen

(\*) Net Assets to Total Assets Ratio = Net Assets less Minority Interests / Total Assets

**2. Dividends**

	Dividends per Share				
	First Quarter-end	Second Quarter-end	Third Quarter-end	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
Fiscal Year Ended					
March 31, 2008	-	8.50	-	8.50	17.00
Fiscal Year Ending					
March 31, 2009	-	-	-	-	17.00
Fiscal Year Ending					
March 31, 2009 (Forecast)	-	8.50	-	8.50	17.00

(Note) Revision of dividend forecast for the first quarter of fiscal year ended June 30, 2008: None

**3. Forecasts of Consolidated Financial Results for the Fiscal Year 2008**  
**(April 1, 2008 through March 31, 2009)**

(% of change from previous period)

	Ordinary Income		Ordinary Profit		Net Income		Net Income per Share
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Yen
Six Months Ending							
September 30, 2008	500,000	(4.3)	75,000	22.2	45,000	19.3	26.87
Fiscal Year Ending							
March 31, 2009	1,020,000	(6.9)	170,000	24.1	100,000	21.4	59.71

(Note) Revision of consolidated earnings forecasts for the first quarter of fiscal year ended June 30, 2008: None

#### 4. Other Information

- (1) Changes in specified subsidiaries resulted in changes in the scope of consolidation during the first quarter of fiscal year 2008: Yes  
 Included: 1 (STB Preferred Capital 4 (Cayman) Limited)

(Note) Please see page 3 for the detail.

- (2) Adoption of simplified accounting methods and accounting treatments peculiar to preparation of quarterly consolidated financial statements: Yes

(Note) Please see page 3 for the detail.

- (3) Changes in accounting principles, procedures and presentation in preparation of quarterly consolidated financial statements

1) Changes due to revision in accounting standards: Yes

2) Other changes: Yes

(Note) Please see page 3 for the detail.

- (4) Number of issued shares (Common stock)

1) Number of issued shares (including treasury stock)

June 30, 2008 :	1,675,128,546 shares,	March 31, 2008 :	1,675,128,546 shares
-----------------	-----------------------	------------------	----------------------

2) Number of treasury stock

June 30, 2008 :	497,202 shares,	March 31, 2008 :	477,196 shares
-----------------	-----------------	------------------	----------------

3) Average number of issued shares (for the first quarter of fiscal years)

June 30, 2008 :	1,675,128,546 shares,	June 30, 2007 :	1,675,064,546 shares
-----------------	-----------------------	-----------------	----------------------

#### **Explanation for proper use of forecasts and other note**

-Forecasts in this material are based on information, which is available at this moment, and assumptions of uncertain factors, which may affect future operating results. Actual results may differ materially from those forecasts depending on various future events and conditions. Forecasts do not incorporate the impact of adoption of the Accounting Standards Board of Japan (hereafter ASBJ) No.13 "Accounting Standard for Lease Transactions."

-The bank has started to adopt "Accounting Standard for Quarterly Financial Statements" (ASBJ Statement No. 12) and "Implementation Guidance for Quarterly Financial Statements" (ASBJ Guidance No.14) from the first quarter ended June 30, 2008. Quarterly financial statements are prepared in accordance with "Principles for Consolidated Quarterly Financial Statements."

---

This financial information is summarized translations of the brief financial statements (Kessan Tanshin) and explanatory material.

For further information, please contact the Investor Relations Office, Financial Management Department at +81-3-3286-8354 by phone, +81-3-3286-4654 by facsimile, or e-mail : rstbirnews@sumitomotrust.co.jp.

## **Changes in Specified Subsidiaries Resulted in Changes in the Scope of Consolidation during the First Quarter of Fiscal Year 2008**

STB Preferred Capital 4 (Cayman) Limited was established and consolidated from the first quarter of fiscal year ended June 30, 2008.

## **Adoption of Simplified Accounting Methods and Accounting Treatments Peculiar to Preparation of Quarterly Consolidated Financial Statements**

### 1. Simplified Accounting Methods

#### (a) Depreciation for Tangible Fixed Assets

As for tangible fixed assets which are depreciated using the declining-balance method, the depreciation expenses for the quarter is provided based on the annual estimated depreciation which is evenly divided over the year.

#### (b) Allowance for Loan Losses

For claims to “debtors legally bankrupted” and “debtors virtually bankrupted,” or claims to “debtors who are likely to bankrupt” other than the claims for which the individual allowance based on estimated losses is provided, allowance for loan losses is provided based on the loan-loss-ratio applied to the fiscal year ended March 31, 2008.

#### (c) Income Taxes

Though income taxes are calculated based on the same method as the year-end, only significant added or subtracted items and tax-deducted items are applied.

#### (d) Judgement of Collection Possibility of Deferred Tax Assets

On the judgement of collection possibility of deferred tax assets, the same result of tax planning for the Sumitomo Trust and Banking Co.,Ltd. (hereafter the Bank) and the same future forecasts for the subsidiaries as those of March 31, 2008 were applied as temporary differences were not considered to change drastically from March 31, 2008.

### 2. Accounting Treatments Peculiar to Preparation of Quarterly Consolidated Financial Statements

#### Costs for Tax Payment

Costs for tax payment for a part of subsidiaries are calculated by estimating the reasonable approximate effective income tax after adopting deferred tax accounting and by multiplying the income before income taxes and others.

## **Changes in Accounting Principles, Procedures and Presentation in Preparation of Quarterly Consolidated Financial Statements**

### 1. Accounting Standards on Quarterly Financial Statements

The bank has started to adopt “Accounting Standard for Quarterly Financial Statements” (ASBJ Statement No.12) and “Implementation Guidance for Quarterly Financial Statements” (ASBJ Guidance No.14) from the first quarter of fiscal year ended June 30, 2008. Quarterly financial statements are prepared in accordance with “Principles for Consolidated Quarterly Financial Statements.”

### 2. Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements Accounting

As “Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements” (ASBJ Practical Issues Task Force No. 18) was adopted from the fiscal year beginning on and after April 1, 2008, the Bank has started to adopt this practical solution from the first quarter of fiscal year ended June 30, 2008. This adoption did not affect the consolidated financial statements for the first quarter of fiscal year ended June 30, 2008.

### 3. Derivative Financial Instruments

On “Trading assets” and “Trading liabilities,” or “Derivatives other than for trading-assets” and “Derivatives other than for trading-liabilities,” the derivatives transactions which meets the conditions stated in “Practical Guidelines for Financial Instruments Accounting” are offset from the first quarter of fiscal year ended June 30, 2008, aiming to state the mitigated amounts of credit risk on individual transactions appropriately. “Trading assets” and “Trading liabilities” decreased by 430,406 million yen and so as to “Derivatives other than for trading-assets” and “Derivatives other than for trading-liabilities” by 672,465 million yen due to the offset. As a result, “Derivatives other than for trading-assets” and “Derivatives other than for trading-liabilities” are included in “Other assets” and “Other liabilities” from the first quarter of fiscal year ended June 30, 2008. They were presented as separate items in the consolidated balance sheets for the fiscal year ended March 31, 2008.

**Consolidated Balance Sheets**

	(Millions of Yen)	
	Jun-08	Mar-08
<b>Assets:</b>		
Cash and Due from Banks	1,052,489	891,560
Call Loans and Bills Bought	98,447	140,780
Receivables under Securities Borrowing Transactions	-	152,240
Monetary Claims Bought	527,193	581,167
Trading Assets	828,415	1,078,192
Money Held in Trust	17,740	17,533
Securities	4,940,824	4,602,451
Loans and Bills Discounted	10,774,589	10,746,228
Foreign Exchanges	9,122	7,946
Derivatives Other than for Trading-Assets	-	1,802,243
Other Assets	1,912,338	1,414,171
Tangible Fixed Assets	130,284	132,743
Intangible Fixed Assets	146,068	148,241
Deferred Tax Assets	65,050	83,050
Customers' Liabilities for Acceptances and Guarantees	411,516	488,865
Allowance for Loan Losses	(102,086)	(106,683)
<b>Total Assets</b>	<b>20,811,993</b>	<b>22,180,734</b>
<b>Liabilities:</b>		
Deposits	11,832,943	11,875,749
Negotiable Certificates of Deposit	2,199,065	2,456,695
Call Money and Bills Sold	348,063	140,152
Payables under Repurchase Agreements	822,701	790,588
Payables under Securities Lending Transactions	390,433	131,957
Trading Liabilities	68,359	338,217
Borrowed Money	956,702	883,039
Foreign Exchanges	107	0
Short-term Bonds Payable	375,788	356,754
Bonds Payable	596,918	598,859
Borrowed Money from Trust Account	698,619	747,554
Derivatives Other than for Trading-Liabilities	-	1,620,494
Other Liabilities	680,249	437,776
Provision for Bonuses	2,567	6,272
Provision for Directors' Bonuses	-	75
Provision for Retirement Benefits	9,588	9,636
Provision for Reimbursement of Deposits	819	819
Provision for Contingent Loss	7,745	7,806
Provision for Relocation Expenses	2,240	2,243
Deferred Tax Liabilities	142	198
Deferred Tax Liabilities for Land Revaluation	6,021	6,021
Acceptances and Guarantees	411,516	488,865
<b>Total Liabilities</b>	<b>19,410,595</b>	<b>20,899,780</b>
<b>Net Assets:</b>		
Shareholders' Equity:	1,012,034	1,013,338
Capital Stock	287,537	287,537
Capital Surplus	242,555	242,555
Retained Earnings	482,399	483,686
Treasury Stock	(457)	(441)
Valuation and Translation Adjustments:	68,024	58,029
Valuation Difference on Available-for-Sale Securities	89,324	65,958
Deferred Gains or Losses on Hedges	(8,914)	1,107
Revaluation Reserve for Land	(4,306)	(4,306)
Foreign Currency Translation Adjustment	(8,078)	(4,729)
Minority Interests	321,338	209,586
<b>Total Net Assets</b>	<b>1,401,398</b>	<b>1,280,954</b>
<b>Total Liabilities and Net Assets</b>	<b>20,811,993</b>	<b>22,180,734</b>

**Consolidated Statements of Income**

	(Millions of Yen)	
	Jun-08	Jun-07
<b>Ordinary Income:</b>		
Trust Fees	10,627	10,033
Interest Income:	91,195	92,041
Interest on Loans and Discounts	52,773	52,907
Interest and Dividends on Securities	31,133	30,567
Fees and Commissions	23,576	30,842
Trading Income	1,210	2,858
Other Ordinary Income	93,595	92,390
Other Income	4,748	2,911
<b>Ordinary Income</b>	<b>224,955</b>	<b>231,077</b>
<b>Ordinary Expenses:</b>		
Interest Expenses:	54,121	55,793
Interest on Deposits	25,423	27,838
Fees and Commissions Payments	6,022	6,722
Trading Expenses	6,137	440
Other Ordinary Expenses	79,804	82,527
General and Administrative Expenses	51,555	48,810
Other Expenses	4,855	2,838
<b>Ordinary Expenses</b>	<b>202,496</b>	<b>197,133</b>
<b>Ordinary Profit</b>	<b>22,458</b>	<b>33,944</b>
Extraordinary Income	3,253	11,561
Extraordinary Loss	61	95
<b>Income before Income Taxes</b>	<b>25,649</b>	<b>45,409</b>
Income Taxes:		
Current	2,048	13,914
Deferred	8,637	5,673
Minority Interests in Income	2,017	1,292
<b>Net Income</b>	<b>12,947</b>	<b>24,530</b>