

# The Sumitomo Trust & Banking Co., Ltd.

## Financial Results for the Third Quarter of the Fiscal Year 2009



Jan 28, 2010

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
Payment date of cash dividends	: —
Filing date of financial statements	: February 5, 2010
Trading accounts	: Established

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

### 1. Consolidated Financial Results for the Third Quarter of the Fiscal Year 2009 (April 1, 2009 through December 31, 2009)

(1) Consolidated Financial Results (%: Change from the same period in the previous fiscal year)

	Ordinary Income		Ordinary Profit		Net Income	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
Nine Months Ended						
December 31, 2009	643,626	(21.1)	92,172	77.0	52,212	155.9
December 31, 2008	816,178	—	52,080	—	20,404	—

	Net Income per Share	Net Income per Share (Fully Diluted)
	Yen	Yen
Nine Months Ended		
December 31, 2009	30.98	—
December 31, 2008	12.18	—

(Note) Net income per share (fully diluted) is not stated as there are no potentially dilutive securities.

### (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				
December 31, 2009	20,796,108	1,427,594	5.4	606.10
March 31, 2009	21,330,132	1,264,052	4.1	521.86

(Note) Net Assets less Minority Interests: December 31, 2009 1,124,301 millions of yen March 31, 2009 873,905 millions of yen

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

### 2. Dividends on Common Share

	Dividends per Share				
	First Quarter-end	Second Quarter-end	Third Quarter-end	Year-end	Annual
Fiscal Year Ended	Yen	Yen	Yen	Yen	Yen
March 31, 2009	—	8.50	—	1.50	10.00
Fiscal Year Ending					
March 31, 2010	—	5.00	—	—	—
Fiscal Year Ending					
March 31, 2010 (Forecast)	—	—	—	5.00	10.00

(Note) Revision of dividend forecast during the third quarter of the fiscal year 2009: None

(Note) The figure above shows dividends on common share. In regard to other types of shares, please see "Dividends on Preferred Shares" on page 3.

### 3. Forecasts of Consolidated Financial Results for the Fiscal Year 2009 (April 1, 2009 through March 31, 2010)

(%: Change from the same period in the previous fiscal year)

	Ordinary Income		Ordinary Profit		Net Income		Net Income per Share(*)
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Yen
Fiscal Year Ending							
March 31, 2010	870,000	(18.1)	80,000	170.2	45,000	466.3	25.29

(Note) Revision of consolidated earnings forecasts during the third quarter of the fiscal year 2009: Yes

(\*) Net Income per Share is attributed to common share.

#### 4. Other Information

(1) Changes in specified subsidiaries resulted in changes in the scope of consolidation during the third quarter of the fiscal year 2009: None

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

(Note) Please see page 5 for details.

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

1) Changes due to revisions in accounting standards: Yes

2) Other changes: None

(Note) Please see page 5 for details.

(4) Number of issued shares (Common share)

1) Number of issued shares (including treasury stock)

December 31, 2009 : 1,675,128,546 shares, March 31, 2009 : 1,675,128,546 shares

2) Number of treasury stock

December 31, 2009 : 549,552 shares, March 31, 2009 : 525,453 shares

3) Average number of issued shares (for three quarters of the fiscal years)

December 31, 2009 : 1,674,591,791 shares, December 31, 2008 : 1,674,620,285 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.

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This financial information is 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.

### (Dividends on Preferred Shares)

Dividends per share on preferred shares are as below:

	Dividends per Share				
	First Quarter-end	Second Quarter-end	Third Quarter-end	Year-end	Annual
The First Series of Class 2 Preferred Shares	Yen	Yen	Yen	Yen	Yen
Fiscal Year Ended March 31, 2009					
Fiscal Year Ending March 31, 2010		3.13	-		24.28
Fiscal Year Ending March 31, 2010 (Forecast)				21.15	

(Note) The First Series of Class 2 Preferred Shares was issued in September 2009.

### (Forecasts of Non-consolidated Financial Results for the Fiscal Year 2009 (April 1, 2009 through March 31, 2010))

(%: Change from the same period in the previous fiscal year)

	Ordinary Income		Ordinary Profit		Net Income		Net Income per Share
Fiscal Year Ending March 31, 2010	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Yen
	500,000	(26.1)	75,000	97.5	45,000	15.6	25.29

(Note) Revision of non-consolidated earnings forecasts during the third quarter of the fiscal year 2009: Yes

## **Qualitative Information, Financial Statements and Others**

### **1. Qualitative Information related to the Consolidated Results of Operations**

Consolidated net business profit before credit costs of the three quarters of the fiscal year 2009 (\*), decreased by 40.2 billion yen from the three quarters of the previous fiscal year, to 141.0 billion yen, mainly due to less net bond-related gains, *e.g.* Gains on sales of bonds (including government bonds), than the remarkable high level at the same period of the previous fiscal year.

Consolidated total substantial credit costs (\*) dramatically decreased by 68.5 billion yen from the same period of the previous fiscal year, to 28.1 billion yen owing to the decrease of losses on the international credit investment and of these costs of group companies.

Consolidated ordinary profit increased by 40.0 billion yen from the same period of the previous fiscal year, to 92.1 billion yen as a result of the above and the improvement of security-related gains.

Consolidated net income increased by 31.8 billion yen from the same period of the previous fiscal year, to 52.2 billion yen, mainly due to the gain on retirement of perpetual subordinated bonds at a financial subsidiary in Cayman (8.9 billion yen), and net income per share is 30.98 yen.

The percent complete of forecasts of consolidated financial results for the fiscal year 2009 (Net business profit before credit costs: 175.0 billion yen, Ordinary profit: 80.0 billion yen, Net income: 45.0 billion yen) which are stated at No.3 below is 80.6%, 115.2% and 116.0% respectively.

(\*) As to the explanation of "Net business profit before credit costs" and "Total substantial credit costs", please refer to the "Explanatory Material 3rd Quarter of Fiscal Year 2009 ended on December 31, 2009".

### **2. Qualitative Information related to the Consolidated Financial Conditions**

Consolidated total assets decreased by 534.0 billion yen from the end of the previous fiscal year, to 20,796.1 billion yen and consolidated net assets increased by 163.5 billion yen to 1,427.5 billion yen.

As to major accounts, the balance of loans and bills discounted increased by 53.9 billion yen from the end of the previous fiscal year, to 11,283.5 billion yen, while that of securities decreased by 367.3 billion yen to 4,427.4 billion yen. The balance of deposits increased by 474.0 billion yen from the end of the previous fiscal year, to 12,383.0 billion yen. The total balance of trust account on non-consolidated basis decreased by 3,980.5 billion yen from the end of the previous fiscal year, to 78,790.3 billion yen.

Net unrealized gains/losses of available-for-sale securities with fair value in total is net gains of 58.6 billion yen as that of Japanese stocks increased by 66.6 billion yen and that of overseas credit securities increased by 43.9 billion yen from the end of the previous fiscal year.

The balance of assets classified under the Financial Reconstruction Law (non-consolidated, banking account and principal guaranteed trust account combined) increased by 88.0 billion yen from the end of the previous fiscal year, to 204.5 billion yen mainly due to damaged financial instruments of domestic debtors, and the ratio of assets classified under the Financial Reconstruction Law to the total loan balance stands at 1.7%. Loans to special mention debtors decreased by 124.2 billion yen from the end of the previous fiscal year, to 721.1 billion yen owing to the reclassification to substandard loans and repayment from special mention debtors.

The balance of net deferred tax assets decreased by 83.0 billion yen from the end of the previous fiscal year, to net assets of 124.6 billion yen.

### **3. Qualitative Information related to the Consolidated Earnings Forecasts for the Fiscal Year 2009**

As to forecasts of consolidated ordinary profit and net income for the fiscal year 2009, we keep the forecast announced on November 13, 2009 unchanged at this time, though nine months ended December 31 may affect it. After now, with more transparent forecasts, if necessary, we will promptly announce an adjustment.

We forecast that ordinary income should decrease by 50.0 billion yen compared to the previous forecast, to 870.0 billion yen, considering falling level of interest rate.

#### **4. Others**

##### **(1) Changes in Specified Subsidiaries Resulted in Changes in the Scope of Consolidation During the Third Quarter of the Fiscal Year 2009**

There is no applicable information.

##### **(2) Adoption of Simplified Accounting Methods and Accounting Treatments Peculiar to the Preparation of Quarterly Consolidated Financial Statement**

###### **(i) 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 calculated by periodical allocating the estimated amount of the whole fiscal 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 first half of the fiscal year 2009.

###### **(c) Income Taxes**

Except for a part of subsidiaries, 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) Judgment of Collection Possibility of Deferred Tax Assets**

On the judgment of collection possibility of deferred tax assets, the same result of tax planning and the same future forecasts as those of September 30, 2009 are applied as temporary differences are not considered to change drastically from September 30, 2009.

###### **(ii) Accounting Treatments Peculiar to Preparation of Quarterly Consolidated Financial Statements**

###### **Costs for Tax Payment**

As for a part of subsidiaries, costs for tax payment are calculated by multiplying the income before income taxes by the reasonable approximate effective income tax rate estimated after applying deferred tax accounting to forecasts of the whole fiscal year.

##### **(3) Changes in Accounting Principles, Procedures and Presentation Methods in the Preparation of Quarterly Consolidated Financial Statements**

###### **Implementation Guidance on Determining a Subsidiary and an Affiliate**

As “Implementation Guidance on Determining a Subsidiary and an Affiliate” (Accounting Standards Board of Japan Implementation Guidance No.22) was adopted from the fiscal year beginning on and after October 1, 2008, the Sumitomo Trust & Banking Co., Ltd. has started to adopt this implementation guidance from the first quarter of the fiscal year 2009. This adoption did not affect the consolidated financial statements for the third quarter of the fiscal year 2009.

## 5. Consolidated Financial Statements

### (1) Consolidated Balance Sheets

	As of December 31, 2009	As of March 31, 2009
(Millions of Yen)		
<b>Assets:</b>		
Cash and Due from Banks	660,934	605,348
Call Loans and Bills Bought	144,562	9,597
Receivables under Securities Borrowing Transactions	401,369	295,941
Monetary Claims Bought	398,570	455,019
Trading Assets	925,774	1,089,812
Money Held in Trust	22,337	22,102
Securities	4,427,459	4,794,815
Loans and Bills Discounted	11,283,506	11,229,604
Foreign Exchanges	13,692	12,166
Lease Receivables and Investment Assets	644,492	668,368
Other Assets	1,197,711	1,411,193
Tangible Fixed Assets	127,032	129,530
Intangible Fixed Assets	207,243	142,913
Deferred Tax Assets	124,664	207,740
Customers' Liabilities for Acceptances and Guarantees	358,310	422,947
Allowance for Loan Losses	(136,555)	(166,971)
<b>Total Assets</b>	<b>20,796,108</b>	<b>21,330,132</b>
<b>Liabilities:</b>		
Deposits	12,383,040	11,909,027
Negotiable Certificates of Deposit	2,371,550	2,303,517
Call Money and Bills Sold	111,583	133,181
Payables under Repurchase Agreements	969,634	1,236,775
Trading Liabilities	106,072	131,605
Borrowed Money	772,460	1,460,149
Foreign Exchanges	144	532
Short-term Bonds Payable	416,500	333,561
Bonds Payable	533,374	556,622
Borrowed Money from Trust Account	531,585	547,115
Other Liabilities	784,491	1,002,600
Provision for Bonuses	6,844	6,100
Provision for Directors' Bonuses	540	-
Provision for Retirement Benefits	9,138	8,539
Provision for Reimbursement of Deposits	954	890
Provision for Contingent Loss	6,037	6,302
Provision for Relocation Expenses	379	698
Deferred Tax Liabilities	34	34
Deferred Tax Liabilities for Land Revaluation	5,834	5,878
Acceptances and Guarantees	358,310	422,947
<b>Total Liabilities</b>	<b>19,368,514</b>	<b>20,066,080</b>
<b>Net Assets:</b>		
Total Shareholders' Equity:	1,143,022	992,986
Capital Stock	342,037	287,537
Capital Surplus	297,052	242,555
Retained Earnings	504,394	463,346
Treasury Stock	(462)	(453)
Total Valuation and Translation Adjustments:	(18,721)	(119,080)
Valuation Difference on Available-for-Sale Securities	(15,579)	(102,248)
Deferred Gains or Losses on Hedges	11,879	(2,208)
Revaluation Reserve for Land	(4,572)	(4,511)
Foreign Currency Translation Adjustment	(10,447)	(10,111)
Minority Interests	303,293	390,146
<b>Total Net Assets</b>	<b>1,427,594</b>	<b>1,264,052</b>
<b>Total Liabilities and Net Assets</b>	<b>20,796,108</b>	<b>21,330,132</b>

(2) Consolidated Statements of Income

(Millions of Yen)

	Nine Months Ended December 31, 2008	Nine Months Ended December 31, 2009
<b>Ordinary Income:</b>		
Trust Fees	49,931	38,488
Interest Income:	290,006	218,073
Interest on Loans and Discounts	156,904	136,311
Interest and Dividends on Securities	112,618	60,111
Fees and Commissions	76,027	84,987
Trading Income	4,983	12,027
Other Ordinary Income	376,591	273,086
Other Income	18,638	16,964
<b>Ordinary Income</b>	<b>816,178</b>	<b>643,626</b>
<b>Ordinary Expenses:</b>		
Interest Expenses:	157,787	78,142
Interest on Deposits	71,873	51,550
Fees and Commissions Payments	22,166	25,727
Trading Expenses	59,400	73
Other Ordinary Expenses	232,355	235,788
General and Administrative Expenses	157,198	162,026
Other Expenses	135,191	49,697
<b>Ordinary Expenses</b>	<b>764,098</b>	<b>551,454</b>
<b>Ordinary Profit</b>	<b>52,080</b>	<b>92,172</b>
Extraordinary Income:	4,539	10,008
Gain on Disposal of Noncurrent Assets	1,923	10
Reversal of Allowance for Loan Losses	-	278
Recoveries of Written-off Claims	852	819
Other Extraordinary Income	1,763	8,900
Extraordinary Loss:	820	283
Loss on Disposal of Noncurrent Assets	693	233
Impairment Loss	127	50
<b>Income before Income Taxes and Minority Interests</b>	<b>55,798</b>	<b>101,897</b>
Income Taxes:	28,411	39,377
Current	31,945	18,951
Deferred	(3,533)	20,426
Minority Interests in Income	6,982	10,306
<b>Net Income</b>	<b>20,404</b>	<b>52,212</b>

(3) Note on Assumption of Going Concern

There is no applicable information.

(4) Note on Significant Change of Shareholders' Equity

There is no applicable information.

## 6. Non-Consolidated Financial Statements

### (1) Non-Consolidated Balance Sheets

(Millions of Yen)

	As of December 31, 2009	As of March 31, 2009
<b>Assets:</b>		
Cash and Due from Banks	548,503	578,240
Call Loans	144,562	500
Receivables under Securities Borrowing Transactions	401,369	286,844
Monetary Claims Bought	285,855	364,291
Trading Assets	930,670	1,090,257
Money Held in Trust	22,337	22,102
Securities	4,819,405	5,091,016
Loans and Bills Discounted	11,475,946	11,488,687
Foreign Exchanges	13,692	12,166
Other Assets	833,061	1,042,226
Tangible Fixed Assets	112,605	115,011
Intangible Fixed Assets	25,789	24,265
Deferred Tax Assets	103,856	191,282
Customers' Liabilities for Acceptances and Guarantees	428,102	567,015
Allowance for Loan Losses	(112,884)	(136,880)
Allowance for Investment Loss	(1,185)	(1,185)
<b>Total Assets</b>	<b>20,031,689</b>	<b>20,735,842</b>
<b>Liabilities:</b>		
Deposits	12,344,395	11,906,026
Negotiable Certificates of Deposit	2,392,050	2,313,517
Call Money	121,251	163,641
Payables under Repurchase Agreements	969,634	1,236,775
Trading Liabilities	106,226	131,702
Borrowed Money	665,378	1,534,606
Foreign Exchanges	248	665
Short-term Bonds Payable	338,501	248,259
Bonds Payable	344,895	289,882
Borrowed Money from Trust Account	531,585	547,115
Other Liabilities:	667,286	915,509
Income Taxes Payable	485	3,571
Lease Obligations	170	201
Other	666,630	—
Provision for Bonuses	990	3,995
Provision for Retirement Benefits	215	214
Provision for Reimbursement of Deposits	954	890
Provision for Contingent Loss	6,037	6,302
Provision for Relocation Expenses	379	698
Deferred Tax Liabilities for Land Revaluation	5,834	5,878
Acceptances and Guarantees	428,102	567,015
<b>Total Liabilities</b>	<b>18,923,969</b>	<b>19,872,697</b>
<b>Net Assets:</b>		
Total Shareholders' Equity:	1,115,544	967,177
Capital Stock	342,037	287,537
Capital Surplus:	297,052	242,555
Legal Capital Surplus	242,555	242,555
Other Capital Surplus	54,497	—
Retained Earnings:	476,917	437,538
Legal Retained Earnings	48,323	46,580
Other Retained Earnings	428,593	390,957
Reserve for Overseas Investment Loss	0	0
Other Voluntary Reserve	371,870	341,870
Retained Earnings Brought Forward	56,723	49,087
Treasury Stock	(462)	(453)
Total Valuation and Translation Adjustments:	(7,824)	(104,032)
Valuation Difference on Available-for-Sale Securities	(16,140)	(97,893)
Deferred Gains or Losses on Hedges	12,888	(1,627)
Revaluation Reserve for Land	(4,572)	(4,511)
<b>Total Net Assets</b>	<b>1,107,720</b>	<b>863,145</b>
<b>Total Liabilities and Net Assets</b>	<b>20,031,689</b>	<b>20,735,842</b>



(2) Non-Consolidated Statements of Income

(Millions of Yen)

	Nine Months Ended December 31, 2008	Nine Months Ended December 31, 2009
<b>Ordinary Income:</b>		
Trust Fees	49,931	38,566
Interest Income:	276,365	221,458
Interest on Loans and Discounts	149,075	129,656
Interest and Dividends on Securities	110,750	71,181
Fees and Commissions	48,451	49,270
Trading Income	4,983	12,027
Other Ordinary Income	126,815	28,336
Other Income	14,189	11,110
<b>Ordinary Income</b>	<b>520,736</b>	<b>360,769</b>
<b>Ordinary Expenses:</b>		
Interest Expenses:	159,548	85,873
Interest on Deposits	69,859	51,572
Fees and Commissions Payments	30,756	24,078
Trading Expenses	59,400	73
Other Ordinary Expenses	9,839	19,030
General and Administrative Expenses	105,753	108,052
Other Expenses	102,938	47,177
<b>Ordinary Expenses</b>	<b>468,236</b>	<b>284,286</b>
<b>Ordinary Profit</b>	<b>52,499</b>	<b>76,483</b>
Extraordinary Income	2,617	6,738
Extraordinary Loss	658	166
<b>Income before Income Taxes</b>	<b>54,458</b>	<b>83,054</b>
Income Taxes:	19,484	32,510
Current	24,434	10,928
Deferred	(4,950)	21,581
<b>Net Income</b>	<b>34,974</b>	<b>50,544</b>