The Sumitomo Trust & Banking Co., Ltd.
Financial Results for the Fiscal Year 2009

FASF MEMBERSHIP

May 14, 2010

Tokyo office	: GranTokyo South Tower 1-9-2 Marunouchi, Chiyoda-ku, Tokyo, Japan
Stock exchange listings	: Tokyo and Osaka (code: 8403)
URL	: http://www.sumitomotrust.co.jp/IR/company/index_en.html
Representative	: Hitoshi Tsunekage, President and CEO
Date of the ordinary general meeting of shareholders	: June 29, 2010
Payment date of cash dividends	: June 30, 2010
Filing date of financial statements	: June 30, 2010
Trading accounts	: Established

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

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

(1) Consolidated Financial Results (%: Change from the previous period)

	Ordinary Income		Ordinary Profit		Net Income	
Fiscal Year Ended	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
March 31, 2010	859,610	(19.1)	148,147	400.3	53,180	569.2
March 31, 2009	1,062,122	(3.1)	29,609	(78.4)	7,946	(90.3)

	Net Income per Common Share	Net Income per Common Share (Fully Diluted)	Net Income to Net Assets Ratio	Ordinary Profit to Total Assets Ratio	Ordinary Profit to Ordinary Income Ratio
Fiscal Year Ended	Yen	Yen	%	%	%
March 31, 2010	30.18	―――	5.3	0.7	17.2
March 31, 2009	4.75	―――	0.8	0.1	2.8

(Note) Equity in earning (losses) of affiliates: Year ended March 31, 2010 1,316 millions of yen, Year ended March 31, 2009 (2,122) millions of yen
(Note) Net income per common 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 (*1)	Net Assets per Common Share	Consolidated BIS Capital Adequacy Ratio (*2)
As of	Millions of Yen	Millions of Yen	%	Yen	%
March 31, 2010	20,551,049	1,449,945	5.6	619.15	13.85
March 31, 2009	21,330,132	1,264,052	4.1	521.86	12.09

(Note) Net Assets less Minority Interests: March 31, 2010 1,148,118 millions of yen March 31, 2009 873,905 millions of yen
(*1) Net Assets to Total Assets Ratio = Net Assets less Minority Interests / Total Assets.
(*2) Consolidated BIS Capital Adequacy Ratio is calculated based on the "Standard to determine the adequacy of bank's capital concerning its assets provided under the Article 14-2 of the Banking Act (FSA Announcement No.19, 2006.)"
The ratio as of March 31, 2010 is the preliminary figure for immediate release purposes.

(3) Consolidated Cash Flows

	Net Cash Provided by (Used in) Operating Activities	Net Cash Provided by (Used in) Investing Activities	Net Cash Provided by (Used in) Financing Activities	Cash and Cash Equivalents at End of Period
Fiscal Year Ended	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen
March 31, 2010	(348,312)	720,794	(41,867)	636,398
March 31, 2009	386,982	(716,975)	154,739	304,631

2. Dividends on Common Share

	Dividends per Share					Total Dividends Payment (Annual)	Payout Ratio (Consolidated)	Dividends to Net Assets Ratio (Consolidated)
	First Quarter-end	Second Quarter-end	Third Quarter-end	Year-end	Annual			
Fiscal Year Ended	Yen	Yen	Yen	Yen	Yen	Millions of Yen	%	%
March 31, 2009	-	8.50	-	1.50	10.00	16,745	210.7	1.7
March 31, 2010	-	5.00	-	5.00	10.00	16,745	33.1	1.8
Fiscal Year Ending March 31, 2011 (Forecast)	-	5.00	-	5.00	10.00		30.2	

(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 2010 (April 1, 2010 through March 31, 2011)

(%: Change from the previous period)

	Ordinary Income		Ordinary Profit		Net Income		Net Income per Common Share
Six Months Ending	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Yen
September 30,2010	460,000	8.5	45,000	34.5	25,000	29.7	13.55
Fiscal Year Ending March 31, 2011	920,000	7.0	110,000	(25.7)	60,000	12.8	33.08

4. Other Information

(1) Changes in specified subsidiaries resulted in changes in the scope of consolidation during the fiscal year 2009: Yes

Excluded: 1 (STB Preferred Capital (Cayman) Limited)

(Note) Please see page 7 for the detail.

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

1) Changes due to revisions in accounting standards: Yes

2) Other changes: None

(Note) Please see page 18 for details.

(3) Number of issued shares (Common share)

1) Number of issued shares (including treasury stock)

March 31, 2010 : 1,675,128,546 shares, March 31, 2009 : 1,675,128,546 shares

2) Number of treasury stock

March 31, 2010 : 556,984 shares, March 31, 2009 : 525,453 shares

(Note) Please see page 33 for the number of shares used in calculating net income per common share (consolidated).

<Reference> Summary of Non-consolidated Financial Results

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

(1) Non-consolidated Financial Results (%: Change from the previous period)

	Ordinary Income		Ordinary Profit		Net Income	
Fiscal Year Ended	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
March 31, 2010	485,189	(28.2)	127,506	235.8	21,691	(44.3)
March 31, 2009	676,156	(1.0)	37,973	(63.5)	38,936	(44.3)

	Net Income per Common Share	Net Income per Common Share (Fully Diluted)
Fiscal Year Ended	Yen	Yen
March 31, 2010	11.37	―――
March 31, 2009	23.25	―――

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

(2) Non-consolidated Financial Position

	Total Assets	Net Assets	Net Assets to Total Assets Ratio (*1)	Net Assets per Common Share	Non-Consolidated BIS Capital Adequacy Ratio (*2)
As of	Millions of Yen	Millions of Yen	%	Yen	%
March 31, 2010	19,651,334	1,100,690	5.6	590.83	15.26
March 31, 2009	20,735,842	863,145	4.2	515.43	13.03

(Note) Net Assets: March 31, 2010 1,100,690 millions of yen March 31, 2009 863,145 millions of yen

(*1) Net Assets to Total Assets Ratio = Net Assets / Total Assets.

(*2) Non-Consolidated BIS Capital Adequacy Ratio is calculated based on the "Standard to determine the adequacy of bank's capital concerning its assets provided under the Article 14-2 of the Banking Act (FSA Announcement No.19, 2006.)"
The ratio as of March 31, 2010 is the preliminary figure for immediate release purposes.

2. Forecasts of Non-consolidated Financial Results for the Fiscal Year 2010 (April 1, 2010 through March 31, 2011)

(%: Change from the previous period)

	Ordinary Income		Ordinary Profit		Net Income		Net Income per Common Share
Six Months Ending	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Yen
September 30,2010	250,000	1.8	35,000	12.2	20,000	3.5	10.57
Fiscal Year Ending March 31, 2011	500,000	3.1	85,000	(33.3)	50,000	130.5	27.11

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.

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					Total of Dividends
	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	Millions of Yen
Fiscal Year Ended March 31, 2009						
Fiscal Year Ended March 31, 2010		3.13	–	21.15	24.28	2,646
Fiscal Year Ending March 31, 2011 (Forecast)	–	21.15	–	21.15	42.30	

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

1. Financial Results

(1) Financial Results

(i) Financial Results for the Fiscal Year 2009

Consolidated net business profit before credit costs (Note 1), on a non-consolidated basis, decreased by 43.2 billion yen from the previous fiscal year to 197.8 billion yen, mainly due to less market-related profit than the remarkable high level at the previous fiscal year.

Consolidated ordinary profit increased by 118.5 billion yen from the previous fiscal year to 148.1 billion yen due to a significant decline in total substantial credit costs (Note 1) of group companies including the Sumitomo Trust and Banking Co., Ltd (hereinafter "the Bank"). Consolidated net income increased by 45.2 billion yen from the previous fiscal year to 53.1 billion yen and net income per common share is 30.17 yen. This is attributable to recording in extraordinary losses the 34.4 billion yen of impairment loss of goodwill, which was based on the revision of earnings forecast of the subsidiary, First Credit Corporation, of which main business is real estate-secured loans.

Total substantial credit costs, on a non-consolidated basis, improved by 128.7 billion yen from the previous fiscal year, leading to a reversal of allowance for loan losses of 7.4 billion yen due to such factors as reversal of allowance for loan losses due to the upgrades of some debtors which had been classified, based on self-assessment, as special mention debtor or under, or the decrease of such loan amount, decreased impairment losses on overseas credit securities. Consolidated total substantial credit costs improved by 165.8 billion yen from the previous fiscal year to 4.2 billion yen, additionally due to dramatically decreased total credit costs of group companies.

As to the business performance against the midterm management target, consolidated Tier I capital ratio was 9.86% and consolidated return on shareholders' equity (Note 2) was 4.98%.

(ii) Segment Information

Consolidated ordinary profits by segment and the ratios of such profit against consolidated ordinary profit before eliminating intersegment transactions are as follows:

With regard to segments by business type, the consolidated ordinary profit and ratio in the Trust Banking Business were 136.1 billion yen and 88.3%, in the Leasing Business were 12.0 billion yen and 7.8%, and in the Financial-Related Business were 6.0 billion yen and 3.9%, respectively.

With regard to segments by geographic segment, the consolidated ordinary profit and ratio for Japan were 124.7 billion yen and 78.6%, for the Americas they were 21.9 billion yen and 13.8%, for Europe they were 10.0 billion yen and 6.4%, and for Asia/ Oceania they were 1.9 billion yen and 1.2%, respectively.

(iii) Dividends and Forecast for Consolidated Financial Results of the Fiscal Year 2010

We plan to distribute a year-end dividend for common share of 5 yen per share (annual dividend of 10 yen per share), same as the previous forecast. In this case, the consolidated pay-out ratio (Note 3) will be 33.1%.

With regard to the consolidated business results for the fiscal year 2010, we forecast that net business profit before credit costs will decrease by 22.8 billion yen from the fiscal year 2009 to 175.0 billion yen, ordinary profit will decrease by 38.1 billion yen from the fiscal year 2009 to 110.0 billion yen, and net income will increase by 6.8 billion yen from the fiscal year 2009 to 60.0 billion yen. With regard to annual dividend for common share, we plan to distribute 10 yen per share (interim dividend of 5 yen per share; consolidated pay-out ratio of 30.2%).

The above mentioned figures were forecasted based on various preconditions, including assumptions for uncertain factors that could affect the future business performance, taking into account the management policy and financial conditions of the Bank.

(Note 1) As to the explanation of "Net business profit before credit costs" and "Total substantial credit costs," please refer to the "Explanatory Material Fiscal Year 2009 ended on Mar.31, 2010."

(Note 2) Consolidated return on shareholders' equity = [(net income – dividend on preferred share) / {beginning balance of shareholders' equity + (ending balance of shareholders' equity – ending excluded amount) / 2}] × 100

* Ending excluded amount = book value of preferred shares + dividend on preferred share

(Note 3) Consolidated payout ratio = {total dividends / (consolidated net income – dividend on preferred share)} × 100

(2) Financial Position

(i) Assets and Liabilities

Consolidated total assets decreased by 779.0 billion yen from the end of the previous fiscal year to 20,551.0 billion yen and consolidated net assets increased by 185.8 billion yen to 1,449.9 billion yen, due primarily to an increase in net unrealized gains/ losses of available-for-sale securities.

As to major accounts, the balance of loans increased by 457.0 billion yen from the end of the previous fiscal year to 11,686.6 billion yen, while that of securities decreased by 710.7 billion yen to 4,084.0 billion yen. The balance of deposits increased by 342.0 billion yen from the end of the previous fiscal year to 12,251.1 billion yen, due primarily to an increase in individual time deposits.

The total balance of trust account on non-consolidated basis decreased by 3,463.2 billion yen from the end of the previous fiscal year to 79,307.6 billion yen, due primarily to a decrease in money trust.

Net unrealized gains/ losses on available-for-sale securities with fair value improved by 163.3 billion yen from the end of the previous fiscal year to net gains of 94.3 billion yen, due primarily to the recovery in stocks and foreign bond prices.

The balance of assets classified under the Financial Reconstruction Law (non-consolidated, banking account and principal guaranteed trust account combined) increased by 60.0 billion yen from the end of the previous fiscal year to 176.5 billion yen, due primarily to a increase in substandard loans despite a decrease in bankrupt and doubtful loans. The ratio of assets classified under the Financial Reconstruction Law to the total loan balance increased by 0.5% from the end of the previous fiscal year to 1.4%. Loans to special mention debtors decreased by 221.2 billion yen from the end of the previous fiscal year to 624.2 billion yen, due primarily to the upgrades and downgrades of domestic borrowers or the decrease of such loan amount.

The balance of net deferred tax assets decreased by 128.6 billion yen from the end of the previous fiscal year to 79.0 billion yen.

(ii) Cash Flows

The net cash outflow from operating activities, such as fund management, fund-raising and increase or decrease in loans and bills discounted and deposits was 348.3 billion yen. The net cash inflow from investment activities, such as purchase or sales of securities, was 720.7 billion yen. The net cash outflow from financing activities, such as retirement of subordinated bonds, redemption of non-dilutive preferred securities and issuance of preferred shares, was 41.8 billion yen. As a result, cash and cash equivalents at the end of the fiscal year stood at 636.3 billion yen.

(iii) Capital Adequacy Ratio

We maintained a sufficient level of consolidated BIS capital adequacy ratio, which was 13.85%. The figures during the recent five years were as follows:

	March 31, 2006	March 31, 2007*	March 31, 2008*	March 31, 2009*	March 31, 2010*
Consolidated BIS Capital Adequacy Ratio	10.90%	11.36%	11.84%	12.09%	13.85%

* Basel II has been applied since the fiscal year ended March 2007.

(3) Basic Policy for Income Distribution

The Bank positions the return of profits to shareholders as one of the important management policies and makes it a basic principle to return profits to shareholders according to business results. The Bank intends to meet shareholders' expectations while aiming to increase corporate values by strategic investments that lead to new growth.

With regard to dividends, the Bank will make it a target to maintain a consolidated payout ratio of approximately 30% considering comprehensively business results and environment for strategic investments. The Bank will keep its present policy of paying dividends twice a year on an interim period-end date and a fiscal year-end date (year-end dividend will be paid upon resolution of shareholders meeting).

(4) Risks of Business

Major items which could be risk factors related to business of the Bank and its group (including matters that could have a material impact on investment decisions by investors) are as follows:

Credit Risks
Market Risks
Liquidity Risks
Operational Risks
Office Work Risks
Information Security Risks
Compliance Risks
Human Risks
Event Risks
Reputation Risks
Outsourcing Risks
Capital Adequacy Ratio Dropping Risks
Credit Rating Downgrading Risks
Risks associated with Trust Risks associated with Trust Business
Risks related to Provision for Retirement Benefits
Risks related to Business Strategy
Risks related to Group Management
Risks of Changes in Regulations
Risks related to Human Resource
Risks related to Management Integration

The above mentioned items which could be risk factors were described in the Bank's latest annual securities report (only in Japanese). Also, matters that are considered to be important in investment decisions by investors are published as needed through the disclosure of information in a timely manner.

2. Organization of the Sumitomo Trust & Banking group

The Sumitomo Trust & Banking group (The Sumitomo Trust and Banking Co., Ltd., subsidiaries and affiliates, hereinafter "STB Group") conducts primarily trust banking business as well as other wide range of services: leasing, investment management, investment advisory, credit cards, venture capital, housing brokerage and think tank.
STB Group includes 48 consolidated subsidiaries and 11 affiliates accounted for by the equity method.
Positioning of businesses and business segments of STB group at the end of this fiscal year are as follows.

Business Segment	Location	Names of Major Companies
Trust Banking Business	Japan	The Sumitomo Trust and Banking Co., Ltd. (Head office, Branches: 50, Subbranches: 12) Consolidated subsidiaries: 8, Affiliates accounted for by the equity method: 7 [Principal subsidiaries and affiliates] * The Sumishin Shinko Co., Ltd. * Sumishin Guaranty Co., Ltd. * Sumishin Business Service Co., Ltd. * Japan TA Solution, Ltd. * Sumishin Information Service Co., Ltd. ** SBI Sumishin Net Bank, Ltd. ** Japan Pension Operation Service, Ltd. ** HR One Corporation ** Japan Trustee Services Bank, Ltd. ** Japan Trustee Information Systems, Ltd.
	Overseas	The Sumitomo Trust and Banking Co., Ltd. (Branches: 4) Consolidated subsidiaries: 9 [Principal subsidiaries] * The Sumitomo Trust Finance (H.K.) Ltd. * Sumitomo Trust and Banking (Luxembourg) S.A. * Sumitomo Trust and Banking Co. (U.S.A.) * STB Preferred Capital 2(Cayman) Ltd. * STB Preferred Capital 3(Cayman) Ltd. * STB Preferred Capital 4(Cayman) Ltd. * STB Preferred Capital 5(Cayman) Ltd.
Leasing Business	Japan	Consolidated subsidiaries: 4 [Principal subsidiaries] * STB Leasing & Financial Group Co., Ltd. * STB Leasing Co., Ltd. * Sumishin Matsushita Financial Services Co., Ltd.
	Overseas	Consolidated subsidiaries: 3
Financial-Related Business	Japan	Consolidated subsidiaries: 10, Affiliates accounted for by the equity method: 3 [Principal subsidiaries and affiliates] * First Credit Corporation * STB Wealth Partners Co., Ltd. * Life Housing Loan, Ltd. * STB Real Estate Investment Management Co., Ltd. * Nikko Asset Management Co., Ltd. * Sumishin Card Co., Ltd. * STB Investment Corporation * STB Asset Management Co., Ltd. * STB Research Institute Co., Ltd. * Sumishin Realty Co., Ltd. ** BUSINEXT CORPORATION ** Sumishin Life Card Co., Ltd. ** Top REIT Asset Management Co., Ltd.
	Overseas	Consolidated subsidiaries: 14, Affiliate accounted for by the equity method: 1 [Principal subsidiary and affiliate] * STB Omega Investment Ltd. ** Rongtong Fund Management Co., Ltd.

Note: * denotes a consolidated subsidiary and ** denotes an affiliate accounted for by the equity method.

3. Management Policy

(1) Basic Management Policy

With the tide turning from savings to investments, in our management policy, we have specified our mission, our vision, and the basic policy of business operation for realizing our vision, based on the idea of trust and Sumitomo's business philosophy.

(Our Mission)
With the tide turning from savings to investments, we fulfill the "asset management-oriented financial intermediary function" by combining the "financial intermediary function" and the "function of asset management and administration" and accurately resolve our clients' issues regarding funds and assets, and provide high-quality products and services to support the development of financial and capital markets, thereby contributing to the sustainable growth of the economy and society.

(Our Vision)
We provide in a speedy manner the best client-oriented services that are full of diversity and creativity as an independent "asset management-oriented financial services provider group." Through the provision of such services, we achieve growth in the value-added business area and become an "essential partner" of our clients and society.

(Basic Policy of Business Operation for Realizing Our Mission and Vision)
We conduct business operations based on the idea of "best solution, best performance and best balance" to achieve stable growth.
(a) Strong Commitment to "Trustee-ness" and "STB-ness"
We will be strongly committed to "Trustee-ness" which refers to the concept of providing the best solutions from the standpoint of clients in a conscientious manner in the spirit of trusteeship and "STB-ness" services that fully utilize our diversity, creativity and speed.
(b) Quest to Become Number One for Client Satisfaction, and Creation of Value through the Fulfillment of CSR
Aiming to become the leading company in terms of client satisfaction, we will make constant efforts to improve the quality of our services from the standpoint of clients. Also, we will create new value through the fulfillment of corporate social responsibility.
(c) Best Balance between "Offense" and "Defense"
In order to respond flexibly to changes in the business environment, we will establish the best balance between "offense" and "defense" while maintaining proper corporate governance.
(d) Global Business Expansion
We will expand our business operations, including not only the loan and credit investment businesses but also the trust and asset custody businesses, on a global scale and provide high-quality services competitive in the global markets.

(2) Status of Midterm Management Plan

STB Group has aimed to provide client-oriented services and has worked on reforms of management systems and the steady implementation of business strategies, so as to clearly indicate to clients and markets the advantage of the business model of an independent trust bank that combines banking, trust and real estate operations.

The Bank, the core of STB Group, abolished the divisional management framework in order to further expedite business development that cuts across business divisions. The Bank reorganized corporate structures into the "Wholesale and Retail Client Services Group," "Specialized Units and Departments," the "Credit Risk Management Group" and the "Business Management Departments," so as to develop frameworks to more accurately and swiftly meet the complex and diversified needs of clients. At the same time, given the current uncertain economic environment, we strove to properly control credit costs by strengthening credit management systems of the Bank and group companies, while working on the refinement of structures for compliance and risk management, including a proper response to the Act concerning Temporary Measures to Facilitate Financing for SMEs, etc. In order to further strengthen the ability of providing comprehensive solutions and enhance the brand of STB Group as a leading company of trust business in the country's financial community through the development and provision of the high-quality, unique products and services that are only possible to a trust bank, we focused on the development and provision of new products by establishing the "Business Research and Development Department" for cross-divisional product development. With the aim of further strengthening the ability of investment sales for retail investors, the Bank acquired Nikko Asset Management Co., Ltd. on October 1, 2009, in order to create one of the nation's largest asset management groups with a top-class share in the markets of both retail clients and institutional investors, and as a result, we refined systems to provide more high-value-added products and services with clients.

In November 2009, the Bank reached a basic agreement on the management integration with Chuo Mitsui Trust Group, subject to the approval of shareholders and relevant authorities. The both are to build up the new trust bank group which will combine both groups' personnel, know-how and other managerial resources and fuse their strengths, so as to provide its clients with better and swifter comprehensive solutions than ever before, based on the combination of its expertise and comprehensive capability. We aim to take a worldwide leap as the new trust bank group "The Trust Bank," which "takes pride as Japan's leading trust bank group and boasts the largest scale and the highest status by combining banking, asset management and administration and real estate businesses," which emphasizes maintaining a strong relationship of trust with its clients and will aim to move onto the global stage.

(3) Management Targets, Strategies, and Issues to be Addressed

As we experienced the period of global financial and economic turmoil, clients' issues regarding finance and assets are becoming increasingly advanced and complex, increasing the need for the professional services provided by trust banks capable of proposing the provision of comprehensive solutions to meet their various requests.

In order to deal with such social requests and meet the expectations of clients, STB Group will further strengthen the ability of providing comprehensive solution.

To this end, the Bank will expedite measures aimed at creating "The Trust Bank" group and solidify the foundation for the future advancement of STB Group, by focusing STB Group's resources on the following issues:

(Strengthening Business Strategies)

In the Retail Financial Services Business, we will further enhance the wealth management business, which provides wealthy clients with comprehensive solutions for asset management and administration, while focusing on investment sales centering on management consulting for investment trusts and insurances in further coordination with STB Asset Management Co., Ltd. and Nikko Asset Management Co., Ltd. In addition, we will expand the credit business for retail clients, such as housing and business loans, and position it as a priority area in STB Group's credit portfolio.

In the Wholesale Financial Services Business, we will enhance our presence by strengthening our ability to provide solutions to clients' management issues, while strengthening business development in such fields as loans extended to Japanese companies overseas, overseas project finance in relation to Japanese companies, and sales finance-related business through the group companies. At the same time, we will focus on such business as investment sales for corporate clients and providing solutions for corporate welfare, along with the Retail Financial Services Business.

In the Real Estate Business, in order to fundamentally reinforce our ability to act as a real estate intermediary, we will innovate action models for sales persons, improve the business flow, establish a base of real estate clients and expand the volume of information. Also, we will provide more high-value-added services to clients by enhancing the real-estate originated services such as sales activity to overseas investors, real estate advisory business, consulting for environmentally friendly property and tenant sales.

In the Fiduciary Services Business, we will promote "consulting and multi-product strategy" for institutional investors by integrating and combining the pension, investment management, and securities processing services, so as to further increase the balance of fiduciary assets and enhance our presence in the industry. At the same time, we will utilize the management consulting skills, which have been acquired through service provision to institutional investors, in the field of service provision to retail clients, thereby strengthening the ability of investment sales and promoting strategies for the scope of businesses in a cooperative manner.

In the Global Markets Business, we will promote the stabilization of STB Group's profits through the proper financial management. Also, we will strive to develop systems for investment in overseas credit securities and enhance the function of STB Group's offices in Asia in order to promote a strategy for Asian markets.

(Discovering the Seeds of New Growth (Earnings Source))

We will explore the "seeds of new growth," which enables the sustainable future growth of STB Group. In addition to expanding the existing client base, we will work on the development of new markets for stable future growth, providing trust-specific solutions that may be made possible only by STB to a wide range of clients both at home and abroad.

Moreover, we will enhance STB Group's Asian/ global strategy with the aim of establishing trust-specific profit models to channel the growth of Asia into the growth of the Bank. We will also focus on the establishment of new business models in the field of environment-related business (environmentally friendly finance such as energy finance, environmentally friendly property, environmentally friendly asset management, etc.)

(Strengthening Consolidated Management Strategy and Developing the Management and Business Infrastructure)

We will utilize a variety of functions within STB Group, such as financing, consulting, asset management and consignment of works, including the asset management function of Nikko Asset Management Co., Ltd., which joined STB Group in the previous fiscal year. In doing so, we will promote the kind of business development across the entire STB Group that will facilitate the accurate provision of solutions to client needs in order to further enhance the profitability of STB Group as a whole, while developing management and business infrastructure to strike a balance between high added-value and efficiency.

At the same time, we will unite the whole group to develop management frameworks for the Act concerning Temporary Measures to Facilitate Financing for SMEs and further refine management structures for compliance risk.

With regard to the management integration with Chuo Mitsui Trust Group, we will steadily make preparation towards a smooth integration by promoting dialogue under the spirit of mutual trust and equality, while seeking new business models for the new trust bank group in a future-oriented manner.

4. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of Yen)

	As of March 31, 2009	As of March 31, 2010
Assets:		
Cash and Due from Banks	605,348	970,869
Call Loans and Bills Bought	9,597	86,485
Receivables under Securities Borrowing Transactions	295,941	-
Monetary Claims Bought	455,019	489,816
Trading Assets	1,089,812	761,850
Money Held in Trust	22,102	22,345
Securities	4,794,815	4,084,091
Loans and Bills Discounted	11,229,604	11,686,629
Foreign Exchanges	12,166	5,553
Lease Receivables and Investment Assets	668,368	650,540
Other Assets	1,411,193	1,203,651
Tangible Fixed Assets:	129,530	125,802
Buildings	33,405	31,893
Land	84,735	83,314
Lease Assets	204	169
Construction in Progress	944	1,618
Other	10,241	8,806
Intangible Fixed Assets:	142,913	170,043
Software	35,330	34,429
Goodwill	106,980	133,092
Other	602	2,520
Deferred Tax Assets	207,740	79,131
Customers' Liabilities for Acceptances and Guarantees	422,947	339,837
Allowance for Loan Losses	(166,971)	(125,598)
Total Assets	21,330,132	20,551,049
Liabilities:		
Deposits	11,909,027	12,251,117
Negotiable Certificates of Deposit	2,303,517	2,350,884
Call Money and Bills Sold	133,181	79,519
Payables under Repurchase Agreements	1,236,775	601,787
Trading Liabilities	131,605	97,945
Borrowed Money	1,460,149	1,172,338
Foreign Exchanges	532	31
Short-term Bonds Payable	333,561	438,667
Bonds Payable	556,622	531,815
Borrowed Money from Trust Account	547,115	430,969
Other Liabilities	1,002,600	771,305
Provision for Bonuses	6,100	10,051
Provision for Directors' Bonuses	-	411
Provision for Retirement Benefits	8,539	8,927
Provision for Reimbursement of Deposits	890	1,043
Provision for Contingent Loss	6,302	8,258
Provision for Relocation Expenses	698	379
Deferred Tax Liabilities	34	34
Deferred Tax Liabilities for Land Revaluation	5,878	5,778
Acceptances and Guarantees	422,947	339,837
Total Liabilities	20,066,080	19,101,104
Net Assets:		
Total Shareholders' Equity:	992,986	1,144,068
Capital Stock	287,537	342,037
Capital Surplus	242,555	297,052
Retained Earnings	463,346	505,444
Treasury Stock	(453)	(465)
Total Valuation and Translation Adjustments:	(119,080)	4,050
Valuation Difference on Available-for-Sale Securities	(102,248)	9,188
Deferred Gains or Losses on Hedges	(2,208)	9,440
Revaluation Reserve for Land	(4,511)	(4,655)
Foreign Currency Translation Adjustment	(10,111)	(9,922)
Minority Interests	390,146	301,826
Total Net Assets	1,264,052	1,449,945
Total Liabilities and Net Assets	21,330,132	20,551,049

(2) Consolidated Statements of Income

(Millions of Yen)

	Fiscal Year Ended March 31, 2009	**Fiscal Year Ended March 31, 2010**
Ordinary Income:		
Trust Fees	64,448	**53,062**
Interest Income:	371,801	**282,915**
Interest on Loans and Discounts	207,679	**177,986**
Interest and Dividends on Securities	140,904	**79,972**
Interest on Call Loans and Bills Bought	2,479	**230**
Interest on Receivables under Resale Agreements	-	**0**
Interest on Receivables under Securities Borrowing Transactions	289	**347**
Interest on Deposits with Banks	10,001	**1,480**
Other Inerest Income	10,446	**22,897**
Fees and Commissions	103,012	**130,711**
Trading Income	6,339	**15,672**
Other Ordinary Income	492,260	**352,699**
Other Income	24,259	**24,548**
Ordinary Income	1,062,122	**859,610**
Ordinary Expenses:		
Interest Expenses:	197,628	**100,023**
Interest on Deposits	92,882	**66,426**
Interest on Negotiable Certificates of Deposit	18,672	**6,431**
Interest on Call Money and Bills Sold	3,548	**696**
Interest on Payables under Repurchase Agreements	28,391	**2,559**
Interest on Payables under Securities Lending Transactions	550	**3**
Interest on Borrowings and Rediscounts	11,394	**7,727**
Interest on Short-term Bonds	2,381	**891**
Interest on Bonds	12,849	**12,412**
Other Inerest Expenses	26,957	**2,874**
Fees and Commissions Payments	27,351	**39,255**
Trading Expenses	58,367	**-**
Other Ordinary Expenses	316,830	**299,033**
General and Administrative Expenses	211,096	**222,344**
Other Expenses:	221,238	**50,805**
Provision of Allowance for Loan Losses	82,957	**-**
Other	138,280	**50,805**
Ordinary Expenses	1,032,512	**711,463**
Ordinary Profit	29,609	**148,147**
Extraordinary Income:	25,852	**19,943**
Gain on Disposal of Noncurrent Assets	1,644	**2,174**
Reversal of Allowance for Loan Losses	-	**7,330**
Recoveries of Written-off Claims	905	**1,355**
Other	23,301	**9,083**
Extraordinary Loss:	1,896	**34,932**
Loss on Disposal of Noncurrent Assets	1,476	**443**
Impairment Loss	419	**34,489**
Income before Income Taxes and Minority Interests	53,565	**133,157**
Income Taxes:	35,397	**66,400**
Current	45,937	**16,116**
Deferred	(10,540)	**50,283**
Minority Interests in Income	10,221	**13,576**
Net Income	7,946	**53,180**

(3) Consolidated Statements of Changes in Net Assets

(Millions of Yen)

	Fiscal Year Ended March 31, 2009	Fiscal Year Ended March 31, 2010
Shareholders' Equity:		
Capital Stock:		
Balance at the End of the Previous Period	287,537	287,537
Changes of Items during the Period:		
Issuance of New Shares	-	54,500
Total Changes of Items during the Period	-	54,500
Balance at the End of the Period	287,537	342,037
Capital Surplus:		
Balance at the End of the Previous Period	242,555	242,555
Changes of Items during the Period:		
Issuance of New Shares	-	54,500
Disposal of Treasury Stock	(0)	(3)
Total Changes of Items during the Period	(0)	54,496
Balance at the End of the Period	242,555	297,052
Retained Earnings:		
Balance at the End of the Previous Period	483,686	463,346
Changes of Items during the Period:		
Dividends from Surplus	(28,468)	(11,226)
Net Income	7,946	53,180
Disposal of Treasury Stock	(24)	-
Reversal of Revaluation Reserve for Land	206	143
Total Changes of Items during the Period	(20,339)	42,097
Balance at the End of the Period	463,346	505,444
Treasury Stock:		
Balance at the End of the Previous Period	(441)	(453)
Changes of Items during the Period:		
Purchase of Treasury Stock	(66)	(19)
Disposal of Treasury Stock	54	7
Total Changes of Items during the Period	(12)	(12)
Balance at the End of the Period	(453)	(465)
Total Shareholders' Equity:		
Balance at the End of the Previous Period	1,013,338	992,986
Changes of Items during the Period:		
Issuance of New Shares	-	109,000
Dividends from Surplus	(28,468)	(11,226)
Net Income	7,946	53,180
Purchase of Treasury Stock	(66)	(19)
Disposal of Treasury Stock	29	3
Reversal of Revaluation Reserve for Land	206	143
Total Changes of Items during the Period	(20,352)	151,082
Balance at the End of the Period	992,986	1,144,068

(Millions of Yen)

	Fiscal Year Ended March 31, 2009	Fiscal Year Ended March 31, 2010
Valuation and Translation Adjustments:		
Valuation Difference on Available-for-Sale Securities:		
Balance at the End of the Previous Period	65,958	(102,248)
Changes of Items during the Period:		
Net Changes of Items other than Shareholders' Equity	(168,206)	111,436
Total Changes of Items during the Period	(168,206)	111,436
Balance at the End of the Period	(102,248)	9,188
Deferred Gains or Losses on Hedges:		
Balance at the End of the Previous Period	1,107	(2,208)
Changes of Items during the Period:		
Net Changes of Items other than Shareholders' Equity	(3,315)	11,648
Total Changes of Items during the Period	(3,315)	11,648
Balance at the End of the Period	(2,208)	9,440
Revaluation Reserve for Land:		
Balance at the End of the Previous Period	(4,306)	(4,511)
Changes of Items during the Period:		
Net Changes of Items other than Shareholders' Equity	(205)	(143)
Total Changes of Items during the Period	(205)	(143)
Balance at the End of the Period	(4,511)	(4,655)
Foreign Currency Translation Adjustment:		
Balance at the End of the Previous Period	(4,729)	(10,111)
Changes of Items during the Period:		
Net Changes of Items other than Shareholders' Equity	(5,381)	188
Total Changes of Items during the Period	(5,381)	188
Balance at the End of the Period	(10,111)	(9,922)
Total Valuation and Translation Adjustments:		
Balance at the End of the Previous Period	58,029	(119,080)
Changes of Items during the Period:		
Net Changes of Items other than Shareholders' Equity	(177,109)	123,130
Total Changes of Items during the Period	(177,109)	123,130
Balance at the End of the Period	(119,080)	4,050
Minority Interests:		
Balance at the End of the Previous Period	209,586	390,146
Changes of Items during the Period:		
Net Changes of Items other than Shareholders' Equity	180,560	(88,319)
Total Changes of Items during the Period	180,560	(88,319)
Balance at the End of the Period	390,146	301,826
Total Net Assets:		
Balance at the End of the Previous Period	1,280,954	1,264,052
Changes of Items during the Period:		
Issuance of New Shares	-	109,000
Dividends from Surplus	(28,468)	(11,226)
Net Income	7,946	53,180
Purchase of Treasury Stock	(66)	(19)
Disposal of Treasury Stock	29	3
Reversal of Revaluation Reserve for Land	206	143
Net Changes of Items other than Shareholders' Equity	3,450	34,810
Total Changes of Items during the Period	(16,902)	185,892
Balance at the End of the Period	1,264,052	1,449,945

(4) Consolidated Statements of Cash Flows

(Millions of Yen)

	Fiscal Year Ended March 31, 2009	**Fiscal Year Ended March 31, 2010**
Net Cash Provided by (Used in) Operating Activities:		
Income before Income Taxes and Minority Interests	53,565	**133,157**
Depreciation and Amortization	17,296	**17,734**
Impairment Losses	419	**34,489**
Amortization of Goodwill	8,528	**10,432**
Equity in Losses (Earnings) of Affiliates	2,122	**(1,316)**
Increase (Decrease) in Allowance for Loan Losses	60,315	**(41,373)**
Increase (Decrease) in Provision for Bonuses	(171)	**2,280**
Increase (Decrease) in Provision for Directors' Bonuses	(75)	**301**
Increase (Decrease) in Provision for Retirement Benefits	(1,097)	**(414)**
Increase (Decrease) in Provision for Reimbursement of Deposits	70	**153**
Increase (Decrease) in Provision for Contingent Loss	(1,504)	**1,955**
Increase (Decrease) in Provision for Relocation Expenses	(1,545)	**(319)**
Gain on Fund Management	(371,801)	**(282,915)**
Financing Expenses	197,628	**100,023**
Loss (Gain) Related to Securities	(18,231)	**(15,805)**
Loss (Gain) on Money Held in Trust	(179)	**(435)**
Foreign Exchange Losses (Gains)	193,576	**81,633**
Loss (Gain) on Disposal of Noncurrent Assets	(167)	**(1,731)**
Net Decrease (Increase) in Trading Assets	(11,620)	**329,775**
Net Increase (Decrease) in Trading Liabilities	(206,612)	**(33,659)**
Net Decrease (Increase) in Loans and Bills Discounted	(483,581)	**(456,046)**
Net Increase (Decrease) in Deposit	57,956	**341,285**
Net Increase (Decrease) in Negotiable Certificates of Deposit	(153,177)	**47,367**
Net Increase (Decrease) in Borrowed Money (excluding Subordinated Borrowings)	553,098	**(263,055)**
Net Decrease (Increase) in Deposit (excluding Deposit Paid to Bank of Japan)	103,588	**(10,739)**
Net Decrease (Increase) in Call Loans	236,598	**(24,130)**
Net Decrease (Increase) in Receivables under Securities Borrowing Transactions	(143,701)	**296,051**
Net Increase (Decrease) in Call Money	439,215	**(688,649)**
Net Increase (Decrease) in Payables under Securities Lending Transactions	(131,957)	**-**
Net Decrease (Increase) in Foreign Exchange-Assets	(4,219)	**6,612**
Net Increase (Decrease) in Foreign Exchange-Liabilities	532	**(501)**
Net Decrease (Increase) in Lease Receivables and Investment Assets	(4,321)	**17,828**
Net Increase (Decrease) in Short-term Bonds Payable	(24,537)	**21,890**
Increase (Decrease) in Straight Bonds-Issuance and Redemption	-	**1,000**
Net Increase (Decrease) in Borrowed Money from Trust Account	(200,439)	**(116,145)**
Proceeds from Fund Management	392,804	**285,001**
Payments for Finance	(186,724)	**(93,063)**
Other Net	90,954	**(21,738)**
Sub Total	462,606	**(323,068)**
Income Taxes Paid	(75,623)	**(25,244)**
Net Cash Provided by (Used in) Operating Activities	386,982	**(348,312)**
Net Cash Provided by (Used in) Investment Activities:		
Purchase of Securities	(10,255,117)	**(3,141,326)**
Proceeds from Sales of Securities	9,029,638	**2,797,640**
Proceeds from Redemption of Securities	531,404	**1,176,553**
Increase in Money Held in Trust	(12,000)	**-**
Decrease in Money Held in Trust	7,609	**192**
Purchase of Tangible Fixed Assets	(8,845)	**(5,115)**
Proceeds from Sales of Tangible Fixed Assets	4,602	**4,126**
Purchase of Intangible Fixed Assets	(15,288)	**(12,346)**
Proceeds from Sales of Intangible Fixed Assets	1,021	**5**
Purchase of Investments in Subsidiaries Resulting in Change in Scope of Consolidation	-	**(90,457)**
Purchase of Investments in Subsidiaries	-	**(8,478)**
Net Cash Provided by (Used in) Investment Activities	(716,975)	**720,794**
Net Cash Provided by (Used in) Financing Activities:		
Increase in Subordinated Borrowings	60,000	**20,000**
Decrease in Subordinated Borrowings	(35,000)	**(45,000)**
Proceeds from Issuance of Subordinated Bonds and Bonds with Subscription Rights to Shares	29,500	**58,704**
Payments for Redemption of Subordinated Bonds and Bonds with Subscription Rights to Shares	(41,900)	**(77,162)**
Proceeds from Issuance of Stock	-	**108,566**
Proceeds from Contributions by Minority Shareholders	180,055	**-**
Repayment to Minority Shareholders	-	**(83,000)**
Cash Dividends Paid	(28,473)	**(11,231)**
Cash Dividends Paid to Minority Shareholders	(9,404)	**(12,729)**
Purchase of Treasury Stock	(66)	**(19)**
Proceeds from Sales of Treasury Stock	29	**3**
Net Cash Provided by (Used in) Financing Activities	154,739	**(41,867)**
Effect of Exchange Rate Change on Cash and Cash Equivalents	(6,698)	**549**
Net Increase (Decrease) in Cash and Cash Equivalents	(181,951)	**331,163**
Cash and Cash Equivalents at the Beginning of the Period	487,255	**304,631**
Increase (Decrease) in Cash and Cash Equivalents Resulting from Consolidation of Subsidiaries	-	**603**
Decrease in Cash and Cash Equivalents Resulting from Exclusion of Subsidiaries from Consolidation	(671)	**-**
Cash and Cash Equivalents at the End of the Period	304,631	**636,398**

Notes to the Consolidated Financial Statements for the Fiscal Year 2009

All amounts less than one million yen are rounded down.

Note for the Going-Concern Assumption

There are no corresponding items.

Significant Accounting Policies and Practices

1. Scope of Consolidation

(1) Consolidated Subsidiaries 48 companies

Principal Companies

STB Leasing Co., Ltd
Sumishin Matsushita Financial Services Co., Ltd.
Nikko Asset Management Co., Ltd.
First Credit Corporation
Sumishin Realty Co., Ltd.
STB Asset Management Co., Ltd.
Sumitomo Trust and Banking Co. (U.S.A.)

Nikko Asset Management Co., Ltd. and 13 other companies were newly consolidated due to acquisition of shares and other factors in the current fiscal year.

STB Preferred Capital 1 (Cayman) Limited and another company were excluded from the scope of consolidation due to liquidation.

SMF Business Support Co., Ltd. was merged with Sumishin Matsushita Financial Services Co., Ltd.

The Bank has started to adopt ASBJ Implementation Guidance No.22 "Guidance on determining a subsidiary and an affiliate" (issued by ASBJ on May 13, 2008) from this period. This adoption did not affect the consolidated financial statements for this period.

(2) Unconsolidated Subsidiaries

Principal Companies

STB iFund I

Hummingbird Co., Ltd. and 42 other companies are operators of silent partnership for lease transactions and their assets and profits or losses do not belong to theselves substantially. Therefore, they were excluded from the scope of consolidation pursuant to Article 5, Paragraph 1, Item 2 of Consolidated Financial Statements Regulations.

Other unconsolidated subsidiaries are also excluded from the scope of consolidation because their total amounts in terms of Total assets, Ordinary income, Net income, Retained earnings, and others are so immaterial that they do not hinder a rational judgment of the Bank group's financial position and results of operations when excluded from the scope of consolidation.

2. Application of the Equity Method

(1) Affiliates Accounted for by the Equity Method 11 companies

Principal Companies

Japan Trustee Services Bank, Ltd.
SBI Sumishin Net Bank, Ltd.
BUSINEXT CORPORATION

Rongtong Fund Management Co., Ltd. and other 2 companies were newly accounted for by the equity method due to acquisition of shares in the current fiscal year.

(2) Unconsolidated Subsidiaries and Affiliates Not Accounted for by the Equity Method

Principal Companies

STB iFund I

Hummingbird Co., Ltd. and 42 other companies are operators of silent partnership for lease transactions and their assets and profits or losses do not belong to themselves substantially. Therefore, they were excluded from the scope of application of the equity method pursuant to Article 10, Paragraph 1, Item 2 of Consolidated Financial Statements Regulations.

Other unconsolidated subsidiaries and affiliates not accounted for by the equity method are also excluded from the scope of consolidation because their total amounts in terms of Net assets, Retained earnings and others are so immaterial that they do not have a significant impact to the consolidated financial statements when excluded from the scope of application of the equity method.

3. Balance Sheet Dates of Consolidated Subsidiaries

(1) Balance sheet dates of consolidated subsidiaries are as follows:

November 30 1 company

December 31	10 companies
January 31	4 companies
March 31	32 companies
April 30	1 company

(2) A subsidiary with a balance sheet date as of November 30 is consolidated based on its preliminary financial statements as of February 28. One of two subsidiaries with a balance sheet date as of December 31 is consolidated based on its preliminary financial statements as of February 28, and the other is done as of March 31. A subsidiary with a balance sheet date as of April 30 is consolidated based on its preliminary financial statements as of January 31.Other subsidiaries are consolidated based on the financial statements as of their balance sheet dates.

Two subsidiaries changed their balance sheet date from December 31 to March 31.

Necessary adjustments were made for any significant transactions between the balance sheet dates of the subsidiaries and the consolidated balance sheet date.

4. Special Purpose Entities within the Scope of Disclosure

Pursuant to Article 8, Paragraph 7 of the Financial Statements Regulations, notes for a special purpose entity which is not regarded as a subsidiary, are not stated considering its immateriality.

5. Valuation of Assets and Liabilities of the Consolidated Subsidiaries

All assets and liabilities of the consolidated subsidiaries are valued at fair value as of the dates of acquisition of subsidiaries.

6. Depreciation of Goodwill

Goodwill is amortized over the duration that is reasonably determined by each case within 20 years. However, it is expensed as incurred during the each fiscal year if deemed immaterial.

7. Accounting Policies

(1) Trading Account Activities

Trading account activities are conducted for short-term profit taking by market-making and sales arbitrages. Trading assets and liabilities include securities, commercial papers, and financial derivatives. The mark-to-market accounting method is adopted for such financial instruments, all of which are stated at fair values as “Trading Assets” or “Trading Liabilities” in the consolidated balance sheets. Gains and losses on trading transactions are shown as “Trading Income” or “Trading Expenses” on a trade date basis.

Trading account securities and monetary claims are stated at fair value of the balance sheet date and financial derivatives for trading activities, such as swaps, futures and options, are valued on the assumption that they are settled at the balance sheet date.

“Trading Income” and “Trading Expenses” include interests, changes in fair value of securities and monetary claims in the current period, and changes in values of financial derivatives on the assumption that they are settled at the balance sheet date.

(2) Evaluation of Securities

(a) Under the accounting standard for financial instruments, the Bank is required to explicitly determine the objectives of holding each security and classify them into (i) securities held for trading purposes (“Trading Securities”), (ii) debt securities intended to be held to maturity (“Held-to-Maturity Debt Securities”), (iii) equity securities issued by subsidiaries and affiliated companies, or (iv) all other securities that are not classified in any of the above categories (“Available-for-Sale Securities.”)

Held-to-maturity debt securities are carried at amortized cost, using the moving average method. Equity securities issued by subsidiaries and affiliated companies that are neither consolidated nor accounted for using the equity method are stated at moving average cost. Japanese stocks classified as Available-for-sale securities with fair value are revaluated at the average market price of the final month in the fiscal year. Available-for-sale securities with fair value other than Japanese stocks are revaluated at the balance sheet date. Available-for-sale securities for which no fair values are obtainable are carried at cost or amortized cost using the moving average method. Valuation difference on available-for-sale securities is recorded as a separate component of Net assets and reported in the consolidated balance sheets.

(b) Securities invested in money held in trust are revalued at the same method as securities mentioned above.

(3) Financial Derivatives

Financial derivatives other than trading purposes are valued on the assumption that they are settled at the balance sheet date (the mark-to-market accounting method).

(4) Depreciation Methods

(a) Tangible Fixed Assets（except lease assets）

Tangible fixed assets are depreciated using the declining-balance method over the following estimated useful lives. Buildings acquired on and after April 1, 1998, however, are depreciated using the straight-line method over the followings.

Buildings	: 3 to 60 years
Others	: 2 to 20 years

Tangible fixed asset of subsidiaries are depreciated mainly using the declining-balance method over the estimated useful lives.

(b) Intangible Fixed Assets (except lease assets)

Intangible fixed assets are depreciated using the straight-line method. Expenses related to software for internal use are capitalized in "Intangible Fixed Assets" and amortized over the estimated useful lives, generally 5 years.

(c) Lease Assets

Lease assets for finance leases without transfer of ownership in Tangible fixed assets are depreciated using the straight-line method over the lease term assuming no salvage value.

(5) Allowance for Loan Losses

As for the Bank, Allowance for loan losses is provided as detailed below, pursuant to the internal rules for self-assessment of assets' quality (hereinafter "Self-Assessment Rules") and the internal rules regarding allowance for possible credit losses.

For claims to debtors who are legally bankrupt or virtually bankrupt, the specific allowance is provided based on the amount of claims, deducting the amount expected to be collected through the disposal of collateral or execution of guarantees from book value after direct deduction described below.

For claims to debtors who are likely to become bankrupt, the specific allowance is provided for the amount considered to be necessary based on an overall solvency assessment, deducting the amount expected to be collected through the disposal of collateral or execution of guarantees.

Among for claims to debtors with more than certain amount of the Bank's claims to debtors, (i) who are likely to become bankrupt, (ii) to whom the Bank has Restructured loans, or 3) whom the Bank classifies as "Special Mention Debtors" other than substandard ones meeting certain credit criteria, where future cash flows from capital collection and interest receipt could be reasonably estimated, allowance is provided for the difference between the present value of expected future cash flows discounted at the original contracted interest rate before relaxing to support and the current book value of the claims.

For claims that are classified to the categories other than above, the general allowance is provided based on the historical loan-loss-ratio.

All claims are assessed by branches and credit supervision departments based on "Self-Assessment Rules" for self-assessment of assets' quality. The Corporate Risk Management Department, which is independent from the branches and the departments, subsequently conducts the audits of their assessments, and the allowance is adjusted to reflect the audit results.

As for the consolidated subsidiaries, allowance for loan losses for general claims is provided based on the historical loan-loss-ratio, and allowance for loan losses for specific claims is provided based on the amount expected to be uncollectible for each claim.

And for claims to debtors who are legally bankrupt or virtually bankrupt with collateral or guarantees, the expected uncollectible amount, net of amounts expected to be collected through the disposal of collateral or through the execution of guarantees, are directly deducted out of the original amount of claims. The deducted amount was 58,649 million yen.

(6) Provision for Bonuses

Provision for bonuses is provided for the estimated employees' bonuses attributable to the current fiscal year.

(7) Provision for Directors' Bonuses

Provision for directors' bonuses is provided for the estimated directors' bonuses attributable to the current fiscal year.

(8) Provision for Retirement Benefits

Provision for retirement benefits is provided based on the projected benefit obligation and the fair value of the plan assets at the respective balance sheet date. Prior service cost is recognized in income or expenses using the straight-line method over the average expected remaining service years (mainly 10 years.) Actuarial gains and losses are recognized in expenses using the straight-line method over the average expected remaining service years (mainly 10 years.)

The Bank has started to adopt ASBJ Statement No.19 "Partial Amendments to Accounting Standard for Retirement Benefits (Part3)" (issued by ASBJ on July 31, 2008) from this period. This adoption did not affect the consolidated financial statements for this period.

(9) Provision for Reimbursement of Deposits

Provision for reimbursement of deposits is provided for the deposits no longer accounted as deposit under certain conditions against the estimated future reimbursement requested by customers calculated based on the past reimbursement record.

(10) Provision for Contingent Loss

Provision for contingent loss is provided for possible contingent loss on transactions such as trust agreements based on individually estimated expected losses.

(11) Provision for Relocation Expenses

Provision for relocation expenses is provided for the reasonably estimated cost for integrating and jointly developing office buildings in the Tokyo metropolitan area.

(12) Foreign Currency Translation

Assets and liabilities denominated in foreign currencies are primarily translated into yen at the exchange rate at the balance sheet date, except for shares of an affiliate translated into yen at the exchange rate at the acquisition date. Assets and liabilities of overseas consolidated subsidiaries are translated into yen at the exchange rate at each of the balance sheet date.

(13) Accounting for Leases

As for the Bank and its domestic consolidated subsidiaries, transactions of finance leases without transfer of ownerships started before April 1, 2008 have been accounted for according to the same accounting treatment used in the operating leases. Besides, as for the domestic consolidated subsidiaries, the income and expenses for transactions of finance leases without transfer of ownerships were accounted for by the sales revenue and costs of goods sold when lease payments are collected.

(14) Derivatives and Hedge Accounting

(a) Interest Related Transactions

The Bank manages interest rate risk arising from various assets and liabilities, such as Loans, Bills discounted, Deposits, etc., by using financial derivatives transactions and applies deferred hedge accounting regulated by "Treatment for Accounting and Auditing of Application of Accounting Standard for Financial Instruments in Banking Industry" (the JICPA Industry Auditing Committee Report No.24, hereinafter "Report No.24"). In hedging activities to offset changes in the fair value of deposits, loans, etc., as hedged items, the Bank designates hedged items and interest rate swaps etc. as hedging transactions by grouping them by their maturities. As for cash-flow-hedge, the effectiveness of the hedge is assessed by confirming the correlation between the volatility factor of interest rate for hedged items and for hedging transactions.

In accordance with "Temporary Treatment for Accounting and Auditing concerning Application of Accounting Standard for Financial Instruments in Banking Industry" (the JICPA Industry Auditing Committee Report No.15), the Bank had adopted "Macro Hedge Accounting" to account for certain interest related derivatives, which were utilized to manage interest rate exposure of certain changes of transactions such as loans and deposits.

Deferred gains or losses on hedges resulted from "Macro Hedge Accounting" are amortized over the remaining period for each hedging transaction. At the balance sheet date, Deferred gains and losses on hedges (before net of taxes) resulted from "Macro Hedge Accounting" were 6,394 million yen and 7,295 million yen, respectively.

(b) Currency Related Transactions

The Bank manages foreign exchange risk arising from various assets and liabilities denominated in foreign currencies by using financial derivative transactions and applies deferred hedge accounting in accordance with "Treatment for Accounting and Auditing of Application of Accounting Standard for Foreign Currency Transactions in Banking Industry" (the JICPA Industry Auditing Committee Report No. 25, hereinafter "Report No.25"). The Bank designates specific currency swaps and foreign exchange swaps made to mitigate foreign exchange risks arising from monetary claims and debts denominated in foreign currencies as hedging transactions. The effectiveness of the hedge is assessed by confirming that the monetary claims and debts denominated in foreign currency that are hedged items exceed the position of those hedging transactions.

The Bank also applies fair value hedge to mitigate foreign currency exchange rate exposure in Available-for-sale securities denominated in foreign currencies (other than bonds) as "Portfolio Hedges" when hedged foreign currency securities are specified in advance to the inception of the transactions and spot liabilities and forward liabilities exist on a foreign currency basis that exceed acquisition costs of the foreign currency securities designated as hedged items.

(c) Internal Hedge Transactions and others

Gains and losses arisen from hedging instruments such as interest rate swaps and cross currency swaps between the consolidated companies and between the trading account and other accounts are either accounted as gains, losses or deferred as asset, liability or net asset and are not eliminated. This treatment is allowed by the Report No. 24 and 25, under which the Bank operated strictly and non-arbitrarily in conformity with the standard equivalent to the third-party cover transactions that are required for hedge qualification.

The Bank also applies the individual deferred hedge accounting to specific assets and liabilities. Consolidated subsidiaries apply the individual deferred hedge accounting, the individual fair value hedge accounting and the accrual-basis hedge accounting on interest rate swaps.

(15) National and Local Consumption Taxes

National and local consumption taxes of the Bank and consolidated subsidiaries are accounted for using the tax-exclusion method. However, consumption taxes not eligible for deduction such as those with purchasing properties are charged to expenses as incurred.

8. Scope of Cash and Cash Equivalents in the Consolidated Statement of Cash Flows

In preparing the consolidated statement of cash flows, cash and due from Bank of Japan in the case of the Bank, and cash and due from banks in the case of the consolidated subsidiaries, are considered to be Cash and cash equivalents.

Changes in Significant Accounting Policies and Practice

(Accounting Standard for Financial Instruments)

The Bank has started to adopt ASBJ Statement No.10 "Accounting Standard for Financial Instruments" (issued by ASBJ on March 31, 2008) and ASBJ Implementation Guidance No.19 "Guidance on Disclosures about Fair Value of Financial Instruments" (issued by ASBJ on March 31, 2008) from this period. As a result, compared with the previous treatments, "Monetary Claims Bought" increased by 842 million yen, "Securities" increased by 851 million yen, "Deferred Tax Assets" decreased by 687 million yen, "Valuation Difference on Available-for-Sale Securities" increased by 1,006 million yen, and "Income before Income Taxes" increased by 1,314 million yen, respectively.

Notes to the Consolidated Balance Sheets

1. Investments in Stocks of Affiliated Companies
Investments in stocks of affiliated companies excluding consolidated subsidiaries were 72,067 million yen.

2. Delinquent Loans
Loans in bankruptcy proceedings and Other delinquent loans in "Loans and bills discounted" were 9,178 million yen and 90,643 million yen, respectively.
Loans in bankruptcy proceedings are non-accrual loans outstanding (not including direct write-off portion of loans) to borrowers who are legally bankrupt as defined in the Paragraph 1, Item 3 and 4 of Article 96 of "Enforcement Ordinance for the Corporation Tax Law" (Cabinet Order No.97, 1965.)
Other delinquent loans are non-accrual loans other than (i) loans in bankruptcy proceedings and (ii) loans of which interest payments are rescheduled in order to assist the restructuring of borrowers.

3. Loans More than Three Months Past Due
Loans more than three months past due amounted to 0 million yen.
Loans more than three months past due are those loans for which principal or interest payments are more than three months past due from the date succeeding the due date, excluding those loans classified as delinquent loans.

4. Restructured Loans
Restructured loans amounted 101,186 million yen.
Restructured loans are those loans whose terms have been relaxed to support borrowers who are in financial difficulties excluding delinquent loans and loans more than three months past due.

5. Total of Delinquent Loans, Loans More than Three Months Past Due and Restructured Loans
The total of Loans in bankruptcy proceedings, Other delinquent loans, Loans more than three months past due and Restructured loans amounted 201,010 million yen.
Those amounts described in Notes 2 to 5 are before deducting Allowance for loan losses.

6. Bills Discounted
The Bank treats Bills discounted as financial transaction, which are regulated by Report No. 24. The Bank holds the right to sell or pledge such bills discounted at its discretion and the total face value of these bills amounted to 4,113 million yen.

7. Assets Pledged as Collateral
Following parts of the assets were pledged as collateral:

Trading Assets	313,970	million yen
Securities	1,184,549	million yen
Loans and Bills Discounted	697,247	million yen
Lease Receivables and Investment Assets	1,124	million yen
Other Assets	11,175	million yen

Corresponding liabilities of the assets pledged as collateral:

Deposits	24,461	million yen
Payables under Repurchase Agreements	601,787	million yen
Borrowed Money	374,660	million yen

In addition to the items outlined above, "Securities" of 680,002 million yen and "Other Assets" of 172 million yen were pledged mainly as collateral in substitution for settlement of cash or margin of future markets. "Other " includes margin of future markets of 1,565 million yen, security deposits of 17,281 million yen and cash collateral for derivative transactions of 56,139 million yen.

8. Commitment Line Contracts on Overdrafts and Loans
Commitment line contracts on overdrafts and loans are agreements to loan up to committed limit as long as there have been no breach of contracts upon the customers' request. The balance of unused commitment line contracts was 8,224,299 million yen, including 6,843,296 million yen of those either maturing within 1 year or unconditionally cancelable.
Because most of these contracts expire without being drawn down, the balance of unused commitment line contracts itself does not necessarily represent future cash flows of the Bank and its subsidiaries. In addition, most of these contracts contain clauses allowing the Bank and its subsidiaries to reject requests or reduce committed limits, when there are reasonable reasons such as changes in financial condition, needs to protect claims and other similar necessities. The Bank and its subsidiaries may request their customers to provide collateral such as real estate or securities at the time of the contract, and may ask them to amend clauses or take measures to secure soundness of the credit thereinafter through periodical internal monitoring procedures that have already been in place.

9. Revaluation Reserve for Land
In accordance with the "Act on Revaluation of Land" (Law No.34, promulgated on March 31, 1998, hereinafter the "Act"), the Bank revaluated land used for business operations. Net unrealized losses on revaluation deducted by "Deferred Tax Liabilities for Land Revaluation" are recorded as "Revaluation Reserve for Land" in "Net Assets."

Revaluation Date: March 31, 1999

Revaluation method as stipulated in the Article 3, Paragraph 3 of the Act:

Revaluations are based on land prices of standardized premises as specified by the Article 2, Paragraph 1 of the "Enforcement Order on Act on Revaluation of Land", and the land prices specified in the Article 4 of the Act after relevant adjustments.

Difference between the fair value on March 31, 2010 of the land for business operations revaluated in accordance with the Article 10 of the Act and its book value after revaluation was 9,246 million yen.

10. Accumulated Depreciation of Tangible Fixed Assets

Accumulated depreciation of Tangible fixed assets was 102,509 million yen.

11. Tax Qualified Deferred Gains on Tangible Fixed Assets

Total tax qualified deferred gains on tangible fixed assets, which is allowed by the tax law, was 27,650 million yen.

12. Borrowed Money

Borrowed money includes subordinate debt of 125,000 million yen.

13. Bonds Payable

Bonds payable include subordinate bonds of 515,815 million yen.

14. Principal of Guaranteed Trust Account

Principals of Jointly-operated money trusts ("JOMTs") and Loan trust, whose repayment of the principal is guaranteed by the Bank, were 584,105 million yen and 73,486 million yen, respectively.

15. Guarantee Liabilities for Privately-offered Corporate Bonds

The Bank guaranteed 91,029 million yen of corporate bonds in "Securities" which were privately offered (subject to the Article 2, Paragraph 3 of the "Financial Instruments and Exchange Law.")

16. Net Assets per Common Share

Net assets per common share was 619.15 yen.

17. Lease Assets

Other than Tangible assets in the consolidated balance sheets, the Bank uses a part of computer systems applying finance lease contracts where the ownership deemed not transferred.

18. Projected Pension Obligations

Projected pension obligations and others were as follows.

Projected Pension Obligations	(234,388)	million yen
Plan Assets (Fair Value)	264,099	million yen
Unfunded projected benefit obligation	29,711	million yen
Unrecognized net actuarial gain or loss	71,325	million yen
Unrecognized prior service costs (net)	670	million yen
Net amount recorded on the consolidated balance sheets	101,707	million yen
Prepaid pension	110,635	million yen
Provision for retirement benefits	(8,927)	million yen

Notes to Consolidated Statements of Income

1. Other Income

"Other Income" includes gains on sale of stocks and other securities of 13,422 million yen.

2. Other Expenses

"Other expenses" includes losses on devaluation of stocks and other securities of 18,743 million yen, losses on investment in associations 8,970 million yen, and written-off of loans of 6,332 million yen.

3. Extraordinary Income

"Extraordinary income" represents gain on partial retirement of GBP denominated perpetual subordinated bonds issued by STB Finance Cayman Limited on May 29, 2009, after partial repayment on May 26, 2009.

4. Impairment Loss

"Impairment Loss" includes goodwill impairment loss of 34,438 million yen on the Bank's investment in its subsidiary, First Credit Corporation. The Bank considers the business of First Credit Corporation as one impairment group.

With continuous stagnation of real estate market conditions, newly provided amount and the balance of real estate-secured loans, its major product, have underrun its target. Based on the condition, the Bank revised earnings forecast of the subsidiary for the fiscal year 2010 onward, and made reduction of book value of the goodwill to the estimated collectible value, for which the Bank accounted as Impairment Loss.

The collectible value of the goodwill is based on the utility value, and is calculated by discounting future cash flows with a rate of 9.25%.

5. Net Income per Common Share

Net income per common share was 30.17 yen.

Notes to Consolidated Statements of Changes in Net Assets

1. Issued Shares and Treasury Stock

Issued shares and Treasury stock are as follows:

(Thousands of Shares)

	Number of Shares Outstanding at the End of Previous Period	Increase	Decrease	Number of Shares Outstanding at the End of Current Period	Note
Number of Issued Shares:					
Common Share	1,675,128	-	-	1,675,128	
The First Series of Class 2 Preferred Shares	-	109,000	-	109,000	Note 1
Total	1,675,128	109,000	-	1,784,128	
Treasury Stock:					
Common Share	525	39	8	556	Notes 2, 3

Notes:
1. The First Series of Class 2 Preferred Shares increased by 109,000 thousand due to issuance by way of third-party allotment.
2. Treasury stock increased by 39 thousand due to requests for redemption of odd-lot stocks.
3. Treasury stock decreased by 8 thousand due to requests for additional purchase of odd-lot stocks.

2. Dividends

(1) Dividends are as follows:

Resolution	Type of Shares	Millions of Yen Total Dividends Payments	Yen Dividends per Share	Record Date	Effective Date of Distribution
June 26, 2009 Ordinary General Meeting of Shareholders	Common Share	2,511	1.50	March 31, 2009	June 29, 2009
November 13, 2009 Board of Director's meeting	Common Share	8,372	5.00	September 30, 2009	December 4, 2009
	The First Series of Class 2 Preferred Shares	341	3.13	September 30, 2009	December 4, 2009

(2) Dividends, which record date is by this period and effective date of distribution is after the end of this period, are as follows.
The Bank is planning to make the following proposal to the ordinary general meeting of shareholders to be held on June 29, 2010.

Resolution	Type of Shares	Millions of Yen Total Dividends Payments	Resources Allotted for the Distribution	Yen Dividends per Share	Record Date	Effective Date of Distribution
June 29, 2010 Ordinary General Meeting of Shareholders	Common Share	8,372	Retained Earnings	5.00	March 31, 2010	June 30, 2010
	The First Series of Class 2 Preferred Shares	2,305	Retained Earnings	21.15	March 31, 2010	June 30, 2010

Notes to Consolidated Statements of Cash Flows

1.Reconciliation of Cash and Cash Equivalents

	(Millions of Yen)
Cash and Due from Banks	970,869
Due from Banks (excluding due from Bank of Japan)	(334,470)
Cash and Cash Equivalents	636,398

2.Assets and Liabilities of the Newly Consolidated Subsidiaries as the Result of Acquisition Shares

For the fiscal year ended March 31, 2010, reconciliation of assets, liabilities and cash flows related to the acquisition of Nikko Asset Management

Assets	63,636
Including Securities	21,281
Liabilities	(16,636)
Minority Interests	(1,681)
Goodwill	71,172
Acquisition Price of Nikko Asset Management's Shares	116,491
Cash and Cash Equivalents (Nikko Asset Management Co., Ltd.)	26,034
Net Cash Used in the Nikko Asset Management's Shares Acqusition	90,457

(Financial Instruments)

1. Circumstances of Financial Instruments

(1) Investing and Funding Policy for Financial Instruments

Our group provides financial services businesses of which the core is trust banking such as banking, trust, and real estate.

Through these businesses, Our group mainly raises funds from individuals and corporates by means of deposits, borrowed money, and bonds, and mainly invest in loans and securities. Thus our financial assets and liabilities are mainly exposed to the risk of interest rate fluctuations. To manage the risk, our group operates the Asset-Liability Management (ALM) and, in addition, make derivative transactions in such management processes.

We also operate trading activities of securities and derivatives, and distinguishes “Trading Account” from the other Account (hereinafter “Banking Account”) pursuing to Article 13, Paragraph 6.3 of Ordinance for Enforcement of Banking Law. A part of subsidiaries also trades securities.

(2) Detail and Risk of Financial Instruments

(a) Trading Account

Our group trades over-the-counter (hereinafter “OTC”) and listed derivatives in addition to trading securities. These derivatives are exposed to the interest rate fluctuation risks, foreign exchange rate fluctuation risks, securities price fluctuation risks, credit risks, and others.

(b) Banking Account

Major financial asset of our group is loan to domestic corporates and individuals, which are exposed to the credit risks arising from defaults of contracts by customers.

Securities mainly consist of stocks, bonds, and mutual funds, which are held for held-to-maturity, investing or business promoting purposes. These securities are exposed to the risks of issuers’ credits, interest rate fluctuations, and market price fluctuations.

Deposits from individuals and corporates, borrowed money, and bonds are exposed to liquidity risks of incapability of repayment at these due dates caused under particular environment such as lack of market liquidity.

We make OTC and listed derivative transactions related to interest rates, foreign exchange rates, stock prices, bond prices, and credit spreads.

To manage the interest-rate fluctuation risk, a major risk, arising from various assets and liabilities, such as loans, deposits, etc., we treat those assets and liabilities within the comprehensive administration framework, categorizes them according to attribution of interest-rate fluctuation risk, and applies hedge accounting using interest rate swaps as hedging instruments. In a part of assets and liabilities, the Bank also applies hedge accounting based on each transaction.

To manage the risk of foreign exchange rate fluctuation arising from various financial assets and liabilities denominated in foreign currencies, we applie hedge accounting to the hedged items using currency swaps as hedging instruments.

We also apply fair value hedges as portfolio hedge to mitigate foreign currency exchange rate exposure in available-for-sale securities denominated in foreign currencies (other than bonds) using spot liabilities and spot potion of forward liabilities in a foreign currency basis as hedging instruments.

The details of hedge accounting are described in “Significant Accounting Policies and Practices”.

Derivatives which do not meet requirements of hedge accounting are exposed to the interest rate fluctuation risks, foreign exchange rate fluctuation risks, market price fluctuation risks, credit risks, etc.

(3) Risk Management Framework of Financial Instruments

We consider that the basis of risk management is to ensure the effectiveness of PDCA (Plan, Do, Check, Action) cycles for each risk category across the board according to the “Risk Management Policy” set by the Board of Directors.

Risk management frameworks of each risk category are as below.

(a) Management of Credit Risk

Credit risk is the risk of defaults of our debtors or counter parties that causes us to incur financial losses on financial instruments which we provide, and mainly arise from debts including loans and bills discounted and securities. Credit risk is the most basic risk involved in the “credit creation function”—the basic function of finance. We are stepping up our efforts to make our credit risk management framework more sophisticated, and eager to meet new, but sound capital demand, and continue to diversify our credit portfolios and build stronger client foundations.

(i) Risk Management Policy

The basic policy of our credit risk management calls for “a diversified credit portfolio” and “strict credit management for individual credits.”

For the former, we place limits on credit exposures of each customers, and also look into the impact of credit risk realization of large obligors and particular degree of concentration on industry sectors with large credit exposures, assessing risk amounts of them. And more, we make efforts to mitigate credit concentration risk by managing, on a country-by-country basis, the diversification of the overall credit portfolio.

For the latter, on the other hand, we manage individual credits in a more elaborate manner through the operation of credit screening, self-assessment and internal credit ratings. Credit ratings that indicate the credit status of obligors and the gradual possibility of defaults, provide the basis for credit screening of individual transactions and credit portfolio management. Through that self assessment, we evaluate continuously our customers, such as financial condition, cash schedule, repayment capacity based on earning capacity, collectability of receivables.

(ii) Risk Management Framework of Credit Risk

Board of Directors decides on important matters related to credit risk management when establishing semiannual management plans. Based on reports on credit risk management (including the results of asset assessment), Board of Directors decides on the credit strategy and economic capital plan, and approves standards for self-assessment, and we ensure the soundness of assets. As for screening and credit management of projects, Credit Supervision Departments, and braches stand apart and check-and-balance framework performs. And more, Research Department applies credit ratings based on industry research and research on credit strength of individual companies along with quantitative analysis, from a neutral standpoint. Councils such as Executive Committee, Credit Risk Committee which take place regularly, also deliberate material matters of managing/ operating credit risks. Check-and-balance framework, councils' discussion, and more, the validation of this credit risk management/ operation by Corporate Risk Management Department build up appropriate management framework of risk management.

(b) Management of Market Risk

Market risk is the "risk of incurring losses due to fluctuations in the value of assets/ liabilities or revenues thereof, either due to fluctuations of items, such as interest rates, stock prices, foreign exchange rates, commodities, credit spreads, or owing to fluctuations in the value of other assets."

(i) Risk Management Policy

We recognize market risks as the source of profits, and our basic management policy is to proactively take risks within the allowable range and appropriately manage them in a manner that can maximize returns.

(ii) Risk Management Framework

The Board of Directors approves and determines the ALM Basic Plan and a risk management plan as important matters related to market risks under management plans. The Executive Committee deliberates and decides the ALM Basic Plan and a risk management plan referred by the ALM Committee. The ALM Committee plans the ALM Basic Plan on the company-wide comprehensive risk operational management for assets/ liabilities as well as a risk management plan related to market and liquidity risk.

The role of Corporate Risk Management Department includes the monitoring of conditions of market risk managed under the ALM Basic Plan, measuring of risk amount and profits/ losses, and planning and promoting market and liquidity risk management measures. It monitors the status of observance of risk limits and loss limits. The department reports its findings to the members of the ALM Committee on a daily basis, and periodically to the ALM Committee as well as the Board of Directors.

(iii) Market Risk Management Approach

We employ Value at Risk (VaR) as a measure of market risk. VaR uses historical actual market fluctuation performance to statistically predict the maximum expected losses under specific conditions. Based on the internal model developed on our own, we measure VaR and also manage risks by calculating various risk management indicators and carrying out simulations.

Our measurement of VaR using the internal model, in principle, basically employs the variance-covariance method, and at the same time also uses the historical simulation methods for calculating some risks (nonlinear risks, etc.) such as in option transactions. By category, market risk can be classified into interest rates fluctuation risk, stock price fluctuation risk, foreign exchange rate fluctuation risk, etc. We calculate market risk by simply adding up all risk categories without considering the correlation between these categories.

(c) Management of Liquidity Risk

Liquidity risk is the "risk of loss caused in a situation where it becomes difficult to secure necessary funds or becomes obligatory to raise funds at interest rates significantly higher than usual, due to maturity mismatches between investment and funding and/ or an unexpected outflow of funds (funding risk)."

(i) Risk Management Policy

With respect to liquidity risk, we set a basic policy to manage it by setting an appropriate limit to avoid this risk by taking our own fund-raising capabilities into account.

(ii) Risk Management Framework

The Board of Directors approves and determines the ALM Basic Plan and a risk management plan as important matters related to liquidity risk under management plans. The Executive Committee deliberates and decides the ALM Basic Plan and a risk management plan referred by the ALM Committee. The ALM Committee plans the ALM Basic Plan on the company-wide comprehensive risk operational management for assets/ liabilities as well as a risk management plan related to liquidity risk.

The role of Corporate Risk Management Department includes the monitoring of conditions of market and liquidity risks managed under the ALM Basic Plan, and planning and promoting liquidity risk management measures. The department reports its findings to the members of the ALM Committee, and periodically to the ALM Committee as well as the Board of Directors.

(iii) Liquidity Risk Management Approach

We manage funding risk on a daily basis by setting an upper limit on the daily financing gap (the amount of funds required) and check whether future financing gaps, including planned investment amounts, can be covered by assets easily convertible into cash and funds to be raised from the market, and conduct monitoring to ensure proper cash flow.

In addition to the management described above, we perform liquidity stress tests based on various scenarios which assume stress unique to us and overall market stress. We are confirming that even if unexpected situations occur, there are sufficient liquid assets. We have also established three different settings for managing funding risk — "normal times," " times of concern" and "times of emergency" — depending on the financing liquidity condition, and developed liquidity contingency plans for the "times of concern" and "times of emergency."

(4) Supplementary Explanation about Fair Value of Financial Instruments

The fair values of financial instruments traded in markets are based on quoted market prices. The other financial instruments, for which no market prices are available, the fair values include the rationally calculated values. Some prerequisites are adopted to measure the rationally calculated values, and the use of different prerequisites, such as methodologies or assumptions, could lead to different measurements of fair value.

2. Fair Values of Financial Instruments

A table below shows book values, fair values and difference of financial instruments as of March 31, 2010. A part of financial instruments, for which no fair values are obtainable such as unlisted stocks, are excluded from the table. (Please see a footnote (Note 2).)

For the financial instruments immaterial in terms of monetary amounts held by the subsidiaries, carrying amounts are regarded as its fair values.

(Millions of Yen)

	Book Value	Fair Value	Difference
(1) Cash and Due from Banks (*1)	970,811	970,811	-
(2) Call Loans and Bills Bought	86,485	86,485	-
(3) Monetary Claims Bought (*1)	475,542	475,514	62
(4) Trading Assets			
Trading Securities	498,787	498,787	-
(5) Money Held in Trust	10,345	10,345	-
(6) Securities			
Held-to-Maturity Debt Securities	546,618	600,355	53,737
Available-for-Sale Securities	3,365,042	3,365,042	-
(7) Loans and Bills Discounted	11,686,629		
Allowance for Loan Losses (*2)	(99,501)		
	11,587,128	11,704,466	117,338
(8) Foreign Exchanges	5,553	5,553	-
(9) Lease Receivables and Investment Assets (*1)	644,505	656,442	11,937
Total Assets	18,190,730	18,373,806	183,075
(1) Deposits	12,251,117	12,249,932	(1,184)
(2) Negotiable Certificates of Deposit	2,350,884	2,350,884	-
(3) Call Money and Bills Sold	79,519	79,519	-
(4) Payables under Repurchase Agreements	601,787	601,787	-
(5) Borrowed Money	1,172,338	1,184,449	12,110
(6) Foreign Exchanges	31	31	-
(7) Short-term Bonds Payable	438,667	438,667	-
(8) Bonds Payable	531,815	541,117	9,302
(9) Borrowed Money from Trust Account	430,969	430,969	-
Total Liabilities	17,857,132	17,877,359	20,227
Derivatives (*3)			
Held for other than Hedge Accounting	203,093	203,093	-
Held for Hedge Accounting	105,230	105,230	-
Total Derivatives	308,323	308,323	-

(*1) As for Allowance for loan losses for Cash and due from banks, Monetary claims bought, and Lease receivables and investment assets, we deduct allowances directly from their book values, considering less materiality of its amounts against them.

(*2) As for Loans and bills discounted, we deduct general allowance for loan losses and specific allowance for loan losses.

(*3) As for derivatives, both amounts in trading assets/ liabilities and other assets/ liabilities on the balance sheet are stated on a net basis.

(Note 1) Measurement Method of Fair Value of Financial Instruments

Assets

(1) Cash and Due from Banks

For the fair values of cash and due from banks with no maturity, the carrying amount is regarded as good approximation to its fair value. For the fair values of cash and due from banks with maturities, the carrying amount is regarded as good approximation to its fair value since its contractual term is short (less than 1 year).

(2) Call Loans and Bills Bought

For the fair values of call loans and bills bought, the carrying amount is regarded as good approximation to its fair value since its contractual term is short (less than 1 year).

(3) Monetary Claims Bought

The fair values of monetary claims bought are based on quoted price on dealers association such as Japan Securities Dealers Association or dealer price quotations.

For all other claims, determining fair value, the Bank employs discount cash flow methods where future cash flows are discounted by the rate determined by internal ratings and maturities.

(4) Trading Assets

The fair values of trading assets are based on quoted price on dealers association or dealer price quotations.

For short-term corporate bonds, determining fair value, the Bank employs discount cash flow methods.

(5) Money Held in Trust

The fair values of securities entrusted to the money held in trust for securities investing purpose are based on quoted prices on exchange.

The notes about money held in trust classified according to the purpose are described in "(Money Held in Trust)".

(6) Securities

The fair values of stocks are based on quoted prices on exchange, and the fair values of bonds are based on quoted prices on exchange, quoted price on dealers association, or dealer price quotations. The fair values of mutual funds are based on reference prices.

For private placement bond with no market value, determining fair value, the Bank employs discount cash flow methods where future cash flows are discounted by the rate determined by internal ratings and maturities.

For floating rate Japanese government bonds, the rationally calculated values are regarded as fair values. The rationally calculated values are offered by third parties independent of the Bank and whose price definition parameters are interest rates of government bonds, swaption volatilities thereof and others, and valuation models such as the discounted cash flow method and option pricing models among others.

For a share of asset-backed securities for overseas credit investment, the rationally calculated values are regarded as fair values. The scope of this treatment is a part of overseas RMBS, CARDs and others. The pricing model to evaluate the "rationally calculated value" based on the management's rational estimation is the discounted cash flows method, and the parameters are default rates, recovery rates, pre-payment rates, discount rates, etc.

The notes about securities classified according to the purpose are described in "(Securites)".

(7) Loans and Bills Discounted

The fair values of loan for corporate customer are based on discount cash flow methods that discount future cash flows by the rate, determined by internal ratings and by maturities, assumed if the Bank executes the new loan in the same condition at balance sheet date.

The fair values of loan for individuals are based on discount cash flow methods that discount future cash flows by the rate, determined by contractual terms and by maturities, assumed if the Bank executes the new loan in the same condition at balance sheet date. For the floating-rate loans for individuals, the carrying amount is regarded as good approximation to its fair value because of its contractual features where the rate reflects market interest swiftly and the carrying amounts are fully covered by the collateral pledged or guarantees.

For the loans with no maturity, whose contractual term are limited in the carrying amount to the collateral pledged or guarantees, the carrying amount is regarded as good approximation to its fair value because of its maturity assumed and condition of interest.

For all loans to debtors who are legally bankrupt, virtually bankrupt or likely to become bankrupt, the fair values of the loans are based on the amount deducted not expected to be collected from the original amount of claim as good approximation, since the amounts not expected to be collected for loans to those debtors are measured by present value of projected future cash flows or based on the amount expected to be collected through the disposal of collateral or execution of guarantees.

(8) Foreign Exchanges

The foreign exchanges are constituted by due from foreign banks (our accounts), due from foreign banks (their accounts), foreign bills bought and foreign bills receivable. For the foreign exchanges, the carrying amount is regarded as good approximation to its fair value since those are no maturity or its contractual term is short enough.

(9) Lease Receivables and Investment Assets

The fair values of lease receivable and investment asset are based on discount cash flow methods that discount future cash flows by the rate, determined by internal ratings and maturities, assumed if the Bank or subsidiaries executed the new transaction in the same condition at balance sheet date.

<u>Liabilities</u>

(1) Deposits

For the demand deposits, the payment amount if the Bank were made a request for paying out at the balance sheet date (carrying amount) is regarded as its fair value.

The fair values of Yen fixed-rate time deposits are based on discount cash flow methods with each product that discount future cash flows by the rate assumed if the Bank executes the new deposits in the same condition at balance sheet date.
For the fair values of foreign currency fixed-rate time deposits, the carrying amount is regarded as good approximation to its fair value since most of those contractual term is short (less than 1 year).
For the floating rate time deposits, the carrying amount is regarded as good approximation to its fair value because of its rate reflects market interest rate in a short time.

(2) Negotiable Certificate of Deposit
For the negotiable certificates of deposits, the carrying amount is regarded as good approximation to its fair value.

(3) Call Money and Bills Sold and (4) Payables under Repurchase Agreements
For the fair values of call money and bills sold and payables under repurchase agreements, the carrying amount is regarded as good approximation to its fair value since most of its contractual term is short (less than 1 year).

(5) Borrowed Money
The fair value of borrowed money are based on discount cash flow methods that discount future cash flows by the rate assumed if the Bank borrowed the new funds in the same condition at balance sheet date.
For debt of which remaining term is short (less than 1 year), the carrying amount is regarded as good approximation to its fair value.
For the fair value of floating rate borrowed money held in subsidiaries, the carrying amount is regarded as good approximation to its fair value since its interest rate reflects market interest in a short time and credit condition are not change significantly after the borrowing.

(6) Foreign Exchanges
The foreign exchanges are constituted by due to foreign banks (their accounts) that are non-maturity debt, and due to foreign banks (our accounts) of which contractual term is short (less than 1 year), so these carrying amounts are regarded as good approximation to its fair values.

(7) Short Term Bonds Payable
For the fair values of short term bonds payable, the carrying amount is regarded as good approximation of its fair value since its contractual term is short (less than 1 year).

(8) Bonds Payable
The fair values of bond payable are based on dealer price quotations if the quotation is available. For all other debts, determining fair value, the Bank uses discount cash flow methods where future cash flows are discounted by the rate assumed if the Bank or its subsidiaries issued the new bond in the same condition at balance sheet date.

(9) Borrowed Money from Trust Account
For the fair values of borrowed money from trust account, the payment amount if the Bank were made a request for paying out at the balance sheet date (carrying amount) is regarded as its fair value since those are non-maturity debt and its interest rate reflects new funding rate in a short time.

Derivatives
The fair values of listed derivatives transactions are based on the closing prices on the exchange or dealer price quotations.
The fair values of over-the-counter derivative transactions are calculated mainly using discounted cash flow method and option pricing models, etc.

(Note 2) Table below shows our major instruments for which no fair values are obtainable, and these are excluded from the main table.

(Millions of Yen)

Item	Book Value
1 Unlisted stocks (*1) (*2)	47,651
2 Investments in associations (*3)	53,909

(*1) Unlisted stocks are excluded from the fair value disclosure since it has no quoted market price and no fair value is obtainable.
(*2) For the fiscal year ended March 31 2010, unlisted stocks amounted of 2,122 million yen are written off.
(*3) A part of the investment in associations of which partnership assets constitutes instruments for which no fair values are obtainable in the same manner as stocks are excluded from the fair value disclosure.

(Securities)

This information includes a part of "Trading Assets" (*e.g.* trading account securities and short-term corporate bonds) and a part of "Monetary Claims Bought" (*e.g.* loan backed trust deeds) in addition to "Securities" at the consolidated balance sheets.

1. Trading Securities (as of March 31, 2010)

(Millions of Yen)

Item	Valuation Difference Reflected on the Statements of Income
Trading Securities	235

2. Held-to-Maturity Debt Securities with Fair Value (as of March 31, 2010)

(Millions of Yen)

Item	Book Value	Fair Value	Difference
Transactions which Fair Value is larger than Book Value			
Japanese Government Bonds	235,989	244,037	8,047
Japanese Local Government Bonds	-	-	-
Japanese Short-term Corporate Bonds	-	-	-
Japanese Corporate Bonds	23,286	23,392	105
Others	273,115	319,960	46,845
Foreign Bonds	273,115	319,960	46,845
Subtotal	532,391	587,390	54,999
Transactions which Fair Value is smaller than Book Value			
Japanese Government Bonds	57	56	(0)
Japanese Local Government Bonds	-	-	-
Japanese Short-term Corporate Bonds	-	-	-
Japanese Corporate Bonds	-	-	-
Others	14,169	12,907	(1,261)
Foreign Bonds	14,169	12,907	(1,261)
Subtotal	14,226	12,964	(1,261)
Total	546,618	600,355	53,737

(Note) There are no Held-to-maturity debts securities for which no fair values are obtainable.

3. Available-for-Sale Securities (as of March 31, 2010)

(Millions of Yen)

Item	Book Value	Acquisition Cost	Difference
Transactions which Fair Value is larger than Book Value			
Japanese Stocks	345,398	246,377	99,020
Japanese Bonds	1,001,159	974,156	27,003
Japanese Government Bonds	765,441	740,650	24,791
Japanese Local Government Bonds	4,328	4,306	21
Japanese Short-term Corporate Bonds	-	-	-
Japanese Corporate Bonds	231,389	229,198	2,190
Others	600,356	571,837	28,518
Foreign Stocks	550	140	410
Foreign Bonds	394,609	383,181	11,428
Others	205,196	188,516	16,680
Subtotal	1,946,914	1,792,371	154,542
Transactions which Fair Value is smaller than Book Value			
Japanese Stocks	146,464	180,343	(33,879)
Japanese Bonds	617,179	618,798	(1,619)
Japanese Government Bonds	450,472	450,676	(204)
Japanese Local Government Bonds	7,501	7,541	(39)
Japanese Short-term Corporate Bonds	-	-	-
Japanese Corporate Bonds	159,205	160,580	(1,375)
Others	904,219	928,949	(24,730)
Foreign Stocks	-	-	-
Foreign Bonds	671,744	687,460	(15,715)
Others	232,475	241,489	(9,014)
Subtotal	1,667,862	1,728,092	(60,229)
Total	3,614,777	3,520,463	94,313

(Note) The major instruments and book values of the Available-for-sale securities for which no fair values are obtainable are described in "(Financial Instruments)".

4. Held-to-Maturity Debt Securities Sold during the Fiscal Year 2009 (from April 1, 2009 to March 31, 2010)

There are no corresponding items.

5. Available-for-Sale Securities Sold during the Fiscal Year 2009 (from April 1, 2009 to March 31, 2010)

(Millions of Yen)

Item	Amounts Sold	Gain	Loss
Japanese Stocks	18,854	8,544	62
Japanese Bonds	1,285,400	7,684	2,939
Japanese Government Bonds	1,256,797	7,421	2,938
Japanese Local Government Bonds	12,067	104	1
Japanese Short-term Corporate Bonds	-	-	-
Japanese Corporate Bonds	16,535	159	0
Others	1,426,148	28,579	11,793
Foreign Bonds	1,216,264	24,574	7,106
Others	209,884	4,005	4,687
Total	2,730,403	44,808	14,795

(Note) The available-for-sale securities for which no fair values are obtainable are included.

6. Securities Reclassified by Holding Purpose (as of March 31, 2010)

Some asset-backed securities for overseas credit investment that have been classified as Available-for-sale securities were reclassified into Held-to-maturity debt securities. This reclassification is based on the judgement that the recent financial market circumstances are recognized as "rare circumstances where the entity has been experiencing difficulties continuously in selling debt securities at fairly valued prices for a certain period of time, because of an extreme decline of the market liquidity caused by unexpectedly significant change in the markets environment," considering the recent situations such as significant stagnation of transactions in the asset-backed security markets for overseas credit investment. The Bank made the decision and reclassified to Held-to-maturity debt securities at 288,058 million yen, which was the fair value at the point of reclassification, on December 26, 2008.

(Millions of Yen)

Item	Fair Value	Book Value	Valuation Difference on Available-for-Sale Securities on the Consolidated Balance Sheet
Foreign Bonds	308,150	262,660	(46,815)

(Note) During current consolidated fiscal year, some of the bonds held as Held-to-maturity debt securities (1,831 million yen) failed to meet the company's criteria of Held-to-maturity debt securities due to the downgrade of credit rating. As a result, these bonds have been reclassified into Available-for-sale securities.

7. Impairment of Securities

Available-for-sale securities at fair value other than trading securities are written off when their respective fair value declines significantly compared to their costs and the decline is not temporary at the fiscal year end, and the valuation differences are recognized as losses.

For the year ended March 31, 2010, 13,578 millions of yen, which includes 12,224 millions of yen of stocks, 651 million of yen of foreign bonds and 701 millions of yen of others, were written off.

According to the Self-Assessment Rules, a "Remarkable Decline in the Fair Value" is recognized which the classification of issuers is as follows:

- Issuers whose classification is ordinary: Fair value is 50% or more lower than cost.
- Issuers whose classification is other than ordinary: Fair value is 30% or more lower than cost.

In addition to the above, a portion of securities were deemed impaired when fair value declined by more than 30% but less than 50% of cost continuously over a specified period.

(Money Held in Trust)

1. Money Held in Trust for Trading Purpose (as of March 31, 2010)

(Millions of Yen)

Item	Book Value	Valuation Difference Reflected on the Statements of Income
Money Held in Trust for Trading Purpose	10,345	(1)

2. Money Held in Trust being Held-to-Maturity (as of March 31, 2010)

There are no corresponding items.

3. Other Money Held in Trust (other than for Trading Purpose and being Held-to-Maturity) (as of March 31, 2010)

(Millions of Yen)

Item	Book Value	Acquisition Cost	Difference	Positive Difference	Negative Difference
Other Money Held in Trust	12,000	12,000	-	-	-

(Note) There were no securities with fair value included in entrusted assets of the other money held in trust (other than for trading purpose and being held to maturity) at March 31, 2010.

(Valuation Difference on Available-for-Sale Securities)

The table below shows component items of "Valuation Difference on Available-for-Sale Securities" in the consolidated balance sheets.

Millions of Yen	***March 31, 2010***
Valuation Difference	**15,274**
Available-for-Sale Securities	15,274
Other Money Held in Trust	-
(-) Amount Equivalent to Deferred Tax Liabilities	**6,050**
Total (before adjustment for Minority Interests)	**9,223**
(-) Minority Interests	**276**
(+) Parent Company's portions in Available-for-Sale Securities owned by its affiliates	**240**
Valuation Difference on Available-for-Sale Securities	**9,188**

Notes:

1. Valuation difference does not include 11 million yen, which was expensed as the result of the fair value hedging.
2. Valuation difference includes foreign currency translation adjustments on foreign securities for which no fair values are obtainable and investment in associations.
3. The unamortized balance of the valuation difference at the end of the fiscal year which occurred on the reclassification by holding purpose of some securities is included in Available-for-Sale Securities of Valuation Difference.

Segment Information (Consolidated)

1. Business Segment

Fiscal Year Ended March 31, 2010 (Millions of Yen)

	Trust Banking Business	Leasing Business	Financial-Related Business	Total	Elimination	Consolidated
I Ordinary Income	488,784	320,379	69,329	878,493	(18,882)	859,610
Customers	471,235	320,017	68,357	859,610	-	859,610
Intersegment	17,549	362	971	18,882	(18,882)	-
Ordinary Expenses	352,619	308,321	63,285	724,225	(12,762)	711,463
Ordinary Profit (Loss)	136,165	12,058	6,043	154,267	(6,120)	148,147
II Total Assets, Depreciation, Impairment and Capital Expenditures						
Total Assets	19,665,344	1,122,425	349,882	21,137,653	(586,603)	20,551,049
Depreciation	15,806	1,323	604	17,734	-	17,734
Impairment	29	0	34,458	34,489	-	34,489
Capital Expenditures	16,293	1,010	158	17,462	-	17,462

Notes:
1. Business segment is determined by the principal business of each consolidated subsidiary.
2. The primary content of each business segment is as follows:
   (1) Trust Banking Business: trust banking and its supplemental and associated businesses.
   (2) Leasing Business: leasing business
   (3) Financial-Related Business: real estate secured loan, investment management and advisory businesses, credit cards and other businesses.
3. The table above lists ordinary income and ordinary profit, instead of gross sales and business profit of company in other industries.
4. Capital Expenditures include IT related investments.
5. Impairment on "Finacial-Related Business" includes goodwill impairment loss of 34.4 billion yen on the Bank's investment in its subsidiary, First Credit Corporation.

2. Geographic Segment

Fiscal Year Ended March 31, 2010 (Millions of Yen)

	Japan	Americas	Europe	Asia/Oceania	Total	Elimination	Consolidated
I Ordinary Income	812,276	46,798	31,952	16,127	907,154	(47,543)	859,610
Customers	791,591	24,959	29,372	13,687	859,610	-	859,610
Intersegment	20,685	21,838	2,579	2,439	47,543	(47,543)	-
Ordinary Expenses	687,535	24,843	21,878	14,164	748,422	(36,959)	711,463
Ordinary Profit (Loss)	124,740	21,954	10,073	1,962	158,731	(10,584)	148,147
II Total Assets	19,529,133	1,534,849	741,839	592,541	22,398,364	(1,847,314)	20,551,049

Notes:
1. The table above lists ordinary income and ordinary profit, which are classified each regions into geographic proximity, similarity of economic activities and relationship of business activities, instead of gross sales and business profit of companies in other industries.
2. Americas includes United States, Europe includes United Kingdom and Asia/Oceania includes Singapore.

3. Ordinary Income from Overseas Operations

(Millions of Yen)

	Ordinary Income from Overseas Operations (A)	Consolidated Ordinary Income (B)	(A)/(B)
Fiscal Year Ended March 31, 2010	68,019	859,610	7.9%

Notes:
1. The table above lists a breakdown of ordinary income and ordinary profit instead of gross sales and ordinary profit of companies in other industries.
2. Ordinary income from overseas operations consists of income from transactions of overseas branches of the Bank and overseas consolidated subsidiaries (excluding internal ordinary income between the consolidated companies). As these extensive transactions are not categorized by transaction party, geographic segment information is not presented.

Related Party Transactions

There are no material transaction with related parties to be reported for the fiscal year ended March 31, 2010.

Per Share Information

		Fiscal Year Ended March 31, 2010
Net Assets per Common Share	Yen	619.15
Net Income per Common Share	Yen	30.17

Notes:
1. The calculation basis of Net Income per Common Share is as follows.

		Fiscal Year Ended March 31, 2010
Net Income per Common Share:		
Net Income	Millions of Yen	53,180
Net Income Unavailable to Common Shareholders	Millions of Yen	2,646
Including Dividens on Preferred Shares	Millions of Yen	2,646
Net Income Available to Common Shareholders	Millions of Yen	50,533
Average Common Shares Outstanding	Thousands of Shares	1,674,587

2. The calculation basis of Net Assets per Common Share is as follows.

		As of March 31, 2010
Net Assets	Millions of Yen	1,449,945
Deduction from Net Assets	Millions of Yen	413,131
Including Issue Amount of Preferred Shares	Millions of Yen	109,000
Including Dividens on Preferred Shares	Millions of Yen	2,305
Including Minority Interests	Millions of Yen	301,826
Net Income Available to Common Shareholders	Millions of Yen	1,036,813
Common Shares Outstanding	Thousands of Shares	1,674,571

3. Net income per common share(fully diluted) is not stated as there are no potentially dilutive securities for the fiscal year ended March 31, 2010.

(Abbreviation of Disclosure)

Notes for "Lease Transactions," "Income Taxes," "Derivatives Transactions," "Employee Retirement Benefits," and "Stock Options" are omitted as the necessity of disclosure was considered to be not important from the viewpoint of purpose of the brief financial statements (Kessan Tanshin.)

5. Non-Consolidated Financial Statements

(1) Non-Consolidated Balance Sheets

(Millions of Yen)

	As of March 31, 2009	As of March 31, 2010
Assets:		
Cash and Due from Banks:	578,240	828,856
Cash	58,594	65,661
Due from Banks	519,645	763,194
Call Loans and Bills Bought	500	86,485
Receivables under Securities Borrowing Transactions	286,844	-
Monetary Claims Bought	364,291	266,748
Trading Assets:	1,090,257	808,394
Trading Account Securities	8,554	9,661
Derrivatives of Trading Securities	27	41
Securities Related to Trading Transactions	19	7
Trading-related Financial Derivatives	355,012	263,766
Other Trading Assets	726,643	534,918
Money Held in Trust	22,102	22,345
Securities:	5,091,016	4,474,366
Government Bonds	1,768,616	1,451,625
Local Government Bonds	11,766	11,829
Corporate Bonds	426,797	448,890
Stocks	747,850	956,829
Other Securities	2,135,986	1,605,191
Loans and Bills Discounted :	11,488,687	11,921,476
Bills Discounted	4,184	4,113
Loans on Bills	288,766	242,833
Loans on Deeds	9,648,887	9,981,067
Overdrafts	1,546,849	1,693,462
Foreign Exchanges:	12,166	5,553
Due from Foreign Banks (Our Accounts)	12,166	5,553
Other Assets:	1,042,226	821,649
Domestic Exchange Settlment Account, Debit	447	432
Prepaid Expenses	266	45
Accrued Income	72,543	61,280
Initial Margins of Futures Markets	1,369	1,565
Variation Margin of Futures Markets	483	553
Derrivatives other than for Trading-Assets	535,080	407,611
Receivables for Securities Transactions	100,033	35,420
Other	332,001	314,739
Tangible Fixed Assets:	115,011	113,235
Buildings	28,368	27,344
Land	76,739	76,721
Lease Assets	190	149
Construction in Progress	944	1,618
Other	8,767	7,401
Intangible Fixed Assets:	24,265	26,350
Software	23,728	23,937
Other	536	2,412
Deferred Tax Assets	191,282	59,507
Customers' Liabilities for Acceptances and Guarantees	567,015	387,202
Allowance for Loan Losses	(136,880)	(104,843)
Allowance for Investment Loss	(1,185)	(65,993)
Total Assets	20,735,842	19,651,334

(Millions of Yen)

	As of March 31, 2009	As of March 31, 2010
Liabilities:		
Deposits:	11,906,026	12,216,451
Current Deposits	188,755	276,786
Ordinary Deposits	1,544,025	1,772,683
Deposits at Notice	45,369	33,509
Time Deposits	9,789,382	9,837,327
Other Deposits	338,493	296,143
Negotiable Certificates of Deposit	2,313,517	2,371,884
Call Money and Bills Sold	163,641	86,494
Payables under Repurchase Agreements	1,236,775	601,787
Trading Liabilities:	131,702	98,134
Derivatives of Securities Related to Trading Transactions	41	2
Trading-related Financial Derivatives	131,660	98,131
Borrowed Money:	1,534,606	1,033,815
Borrowings from Other Banks	1,534,606	1,033,815
Foreign Exchanges:	665	253
Due to Foreign Banks (Their Accounts)	644	250
Foreign Bills Sold	0	0
Foreign Bills Payable	20	2
Short-term Bonds Payable	248,259	318,456
Bonds Payable	289,882	344,900
Borrowed Money from Trust Account	547,115	430,969
Other Liabilities:	915,509	640,552
Domestic Excange Settlement Account, Credit	453	333
Income Taxes Payable	3,571	964
Accrued Expenses	96,247	100,392
Unearned Revenue	2,820	2,323
Variation Margins of Futures Markets	2,521	-
Derivatives other than for Trading-liabilities	459,000	263,316
Lease Obligations	201	160
Payables under Financial Derivatives Transactions	276,793	246,766
Other	73,899	26,295
Provision for Bonuses	3,995	3,989
Provision for Directors' Bonuses	-	70
Provision for Retirement Benefits	214	223
Provision for Reimbursement of Deposits	890	1,043
Provision for Contingent Loss	6,302	8,258
Provision for Relocation Expenses	698	379
Deferred Tax Liabilities for Land Revaluation	5,878	5,778
Acceptances and Guarantees	567,015	387,202
Total Liabilities	19,872,697	18,550,644
Net Assets:		
Total Shareholders' Equity:	967,177	1,086,770
Capital Stock	287,537	342,037
Capital Surplus:	242,555	297,052
Legal Capital Surplus	242,555	242,555
Other Capital Surplus	-	54,496
Retained Earnings:	437,538	448,147
Legal Retained Earnings	46,580	48,323
Other Retained Earnings:	390,957	399,823
Reserve for Overseas Investment Loss	0	0
Other Voluntary Reserve	341,870	371,870
Retained Earnings Brought Forward	49,087	27,953
Treasury Stock	(453)	(465)
Total Valuation and Translation Adjustments:	(104,032)	13,919
Valuation Difference on Available-for-Sale Securities	(97,893)	8,281
Deferred Gains or Losses on Hedges	(1,627)	10,293
Revaluation Reserve for Land	(4,511)	(4,655)
Total Net Assets	863,145	1,100,690
Total Liabilities and Net Assets	20,735,842	19,651,334

(2) Non-Consolidated Statements of Income

(Millions of Yen)

	Fiscal Year Ended March 31, 2009	**Fiscal Year Ended March 31, 2010**
Ordinary Income:		
Trust Fees	64,478	**53,140**
Interest Income:	357,584	**289,366**
Interest on Loans and Discounts	197,606	**169,564**
Interest and Dividends on Securities	141,161	**96,155**
Interest on Call Loans and Bills Bought	1,147	**207**
Interest on Receivables under Resale Agreements	-	**0**
Interest on Receivables under Securities Borrowing Transactions	277	**335**
Interest on Bills Bought	26	**-**
Interest on Deposits	9,247	**1,438**
Interest on Interest Swaps	-	**17,741**
Other Inerest Income	8,118	**3,923**
Fees and Commissions:	67,808	**72,782**
Fees and Commissions on Domestic and Foreign Exchanges	936	**797**
Other Fees and Commissions	66,872	**71,985**
Trading Income:	6,339	**15,672**
Gains on Trading Account Securities Transactions	196	**130**
Income from Securities and Derivatives Related to Trading Transactions	-	**118**
Income from Trading-related Financial Derivatives Transactions	-	**13,630**
Other Trading Income	6,143	**1,793**
Other Ordinary Income:	161,302	**38,619**
Gains on Foreign Exchange Transactions	11,828	**-**
Gains on Sales of Bonds	142,135	**32,257**
Gains on Redemption of Bonds	721	**3,975**
Income from Derivatives other than for Trading or Hedging	3,517	**-**
Other	3,100	**2,386**
Other Income:	18,641	**15,606**
Gain on Sales of Stocks and Other Securities	7,214	**12,779**
Gain on Money Held in Trust	606	**435**
Other	10,820	**2,391**
Ordinary Income	676,156	**485,189**

(Millions of Yen)

	Fiscal Year Ended March 31, 2009	**Fiscal Year Ended March 31, 2010**
Ordinary Expenses:		
Interest Expenses:	202,009	**109,822**
Interest on Deposits	91,043	**66,436**
Interest on Negotiable Certificates of Deposit	18,759	**6,510**
Interest on Call Money and Bills Sold	3,655	**825**
Interest on Payables under Repurchase Agreements	28,391	**2,559**
Interest on Payables under Securities Lending Transactions	550	**3**
Interest on Borrowings and Rediscounts	24,052	**22,347**
Interest on Short-term Bonds	1,875	**677**
Interest on Bonds	5,777	**6,545**
Interest on Interest Swaps	19,707	**-**
Other Inerest Expenses	8,195	**3,917**
Fees and Commissions Payments:	39,485	**32,783**
Fees and Commissions on Domestic and Foreign Exchanges	431	**400**
Other Fees and Commissions	39,053	**32,382**
Trading Expenses:	58,367	**-**
Expenses on Securities and Derivatives Related to Trading Transactions	1,401	**-**
Expenses on Trading-related Financial Derivatives Transactions	56,965	**-**
Other Ordinary Expenses:	23,440	**22,424**
Loss on Foreign Exchange Transactions	-	**3,891**
Loss on Sales of Bonds	12,286	**9,934**
Loss on Redemption of Bonds	-	**1,828**
Loss on Devaluation of Bonds	11,154	**-**
Expenses on Derivatives other than for Trading or Hedging	-	**6,769**
General and Administrative Expenses	143,417	**145,906**
Other Expenses:	171,462	**46,745**
Provision of Allowance for Loan Losses	39,446	**-**
Written-off of Loans	11,045	**3,274**
Losses on Sales of Stocks and Other Securities	3,631	**2,048**
Losses on Devaluation of Stocks and Other Securities	50,244	**18,571**
Loss on Money Held in Trust	427	**-**
Other	66,666	**22,851**
Ordinary Expenses	638,182	**357,682**
Ordinary Profit	37,973	**127,506**
Extraordinary Income:	25,042	**15,378**
Gain on Disposal of Noncurrent Assets	839	**22**
Reversal of Allowance for Loan Losses	-	**14,003**
Recoveries of Written-off Claims	901	**1,352**
Other	23,301	**-**
Extraordinary Loss:	1,477	**65,163**
Loss on Disposal of Noncurrent Assets	1,135	**325**
Impairment Loss	341	**29**
Other	-	**64,808**
Income before Income Taxes and Minority Interests	61,538	**77,721**
Income Taxes:	22,602	**56,030**
Current	36,132	**5,074**
Deferred	(13,529)	**50,956**
Net Income	38,936	**21,691**

(3) Non-Consolidated Statements of Changes in Net Assets

(Millions of Yen)

	Fiscal Year Ended March 31, 2009	Fiscal Year Ended March 31, 2010
Shareholders' Equity:		
Capital Stock:		
Balance at the End of the Previous Period	287,537	287,537
Changes of Items during the Period:		
Issuance of New Shares	-	54,500
Total Changes of Items during the Period	-	54,500
Balance at the End of the Period	287,537	342,037
Capital Surplus:		
Legal Capital Surplus:		
Balance at the End of the Previous Period	242,555	242,555
Changes of Items during the Period:		
Issuance of New Shares	-	54,500
Transfer to Other Capital Surplus	-	(54,500)
Total Changes of Items during the Period	-	-
Balance at the End of the Period	242,555	242,555
Other Capital Surplus:		
Balance at the End of the Previous Period	0	-
Changes of Items during the Period:		
Transfer from Legal Capital Surplus	-	54,500
Disposal of Treasury Stock	(0)	(3)
Total Changes of Items during the Period	(0)	54,496
Balance at the End of the Period	-	54,496
Total Capital Surplus:		
Balance at the End of the Previous Period	242,555	242,555
Changes of Items during the Period:		
Issuance of New Shares	-	54,500
Disposal of Treasury Stock	(0)	(3)
Total Changes of Items during the Period	(0)	54,496
Balance at the End of the Period	242,555	297,052
Retained Earnings:		
Legal Retained Earnings:		
Balance at the End of the Previous Period	46,580	46,580
Changes of Items during the Period:		
Dividends from Surplus	-	1,742
Total Changes of Items during the Period	-	1,742
Balance at the End of the Period	46,580	48,323
Other Retained Earnings:		
Balance at the End of the Previous Period	380,308	390,957
Changes of Items during the Period:		
Dividends from Surplus	(28,468)	(12,968)
Net Income	38,936	21,691
Disposal of Treasury Stock	(24)	-
Reversal of Revaluation Reserve for Land	206	143
Total Changes of Items during the Period	10,649	8,865
Balance at the End of the Period	390,957	399,823
Total Retained Earnings:		
Balance at the End of the Previous Period	426,888	437,538
Changes of Items during the Period:		
Dividends from Surplus	(28,468)	(11,226)
Net Income	38,936	21,691
Disposal of Treasury Stock	(24)	-
Reversal of Revaluation Reserve for Land	206	143
Total Changes of Items during the Period	10,649	10,608
Balance at the End of the Period	437,538	448,147

(Millions of Yen)

	Fiscal Year Ended March 31, 2009	**Fiscal Year Ended March 31, 2010**
Treasury Stock:		
Balance at the End of the Previous Period	(441)	**(453)**
Changes of Items during the Period:		
Purchase of Treasury Stock	(66)	**(19)**
Disposal of Treasury Stock	54	**7**
Total Changes of Items during the Period	(12)	**(12)**
Balance at the End of the Period	(453)	**(465)**
Total Shareholders' Equity:		
Balance at the End of the Previous Period	956,540	**967,177**
Changes of Items during the Period:		
Issuance of New Shares	-	**109,000**
Dividends from Surplus	(28,468)	**(11,226)**
Net Income	38,936	**21,691**
Purchase of Treasury Stock	(66)	**(19)**
Disposal of Treasury Stock	29	**3**
Reversal of Revaluation Reserve for Land	206	**143**
Total Changes of Items during the Period	10,636	**119,593**
Balance at the End of the Period	967,177	**1,086,770**
Valuation and Translation Adjustments:		
Valuation Difference on Available-for-Sale Securities:		
Balance at the End of the Previous Period	65,936	**(97,893)**
Changes of Items during the Period:		
Net Changes of Items other than Shareholders' Equity	(163,829)	**106,174**
Total Changes of Items during the Period	(163,829)	**106,174**
Balance at the End of the Period	(97,893)	**8,281**
Deferred Gains or Losses on Hedges:		
Balance at the End of the Previous Period	1,629	**(1,627)**
Changes of Items during the Period:		
Net Changes of Items other than Shareholders' Equity	(3,256)	**11,921**
Total Changes of Items during the Period	(3,256)	**11,921**
Balance at the End of the Period	(1,627)	**10,293**
Revaluation Reserve for Land:		
Balance at the End of the Previous Period	(4,306)	**(4,511)**
Changes of Items during the Period:		
Net Changes of Items other than Shareholders' Equity	(205)	**(143)**
Total Changes of Items during the Period	(205)	**(143)**
Balance at the End of the Period	(4,511)	**(4,655)**
Total Valuation and Translation Adjustments:		
Balance at the End of the Previous Period	63,259	**(104,032)**
Changes of Items during the Period:		
Net Changes of Items other than Shareholders' Equity	(167,291)	**117,951**
Total Changes of Items during the Period	(167,291)	**117,951**
Balance at the End of the Period	(104,032)	**13,919**
Total Net Assets:		
Balance at the End of the Previous Period	1,019,800	**863,145**
Changes of Items during the Period:		
Issuance of New Shares	-	**109,000**
Dividends from Surplus	(28,468)	**(11,226)**
Net Income	38,936	**21,691**
Purchase of Treasury Stock	(66)	**(19)**
Disposal of Treasury Stock	29	**3**
Reversal of Revaluation Reserve for Land	206	**143**
Net Changes of Items other than Shareholders' Equity	(167,291)	**117,951**
Total Changes of Items during the Period	(156,654)	**237,545**
Balance at the End of the Period	863,145	**1,110,690**

The Sumitomo Trust & Banking Co., Ltd.
May 14, 2010

Changes in Directors and Executive Officers
(As of June 29, 2010)

The Sumitomo Trust & Banking Co., Ltd. hereby notifies the following changes of Directors and Executive Officers.

1	Retiring Representative Directors	
	(Currently Representative Director, Vice Chairman)	Takaaki Hatabe
	(Currently Representative Director, Senior Executive Officer)	Tomoaki Ando
2	Candidate for Directors	
	Director, Managing Executive Officer (Currently Managing Executive Officer)	Fuminari Suzuki
	Director, Managing Executive Officer (Currently Managing Executive Officer)	Koichi Hozumi
3	Changes in Executive Officers	
	(1) Candidate for Managing Executive Officers	
	Managing Executive Officer (Currently Executive Officer, Regional Executive for Nagoya and GM of Nagoya Branch)	Kouji Nohara
	Managing Executive Officer (Currently Executive Officer, Director and President of First Credit Corporation)	Koji Yosomiya
	Managing Executive Officer (Currently Representative Director and President of SBI Sumishin Net Bank, Ltd.)	Yoshikazu Tanaka
	(2) Candidate for Executive Officers	
	Executive Officer (Currently GM of Corporate Business Department I, Osaka)	Kunihiko Tsuneyoshi
	Executive Officer (Currently GM of Kobe Branch)	Toshio Yamasaki
	Executive Officer (Currently GM of Planning and Coordination Department)	Akihiko Shirayama

	Executive Officer (Currently GM of Global Credit Supervision Department I)	Hideaki Kosone
	Executive Officer (Currently GM of Financial Management Department)	Tadashi Nishimura
	Executive Officer (Currently GM of Corporate Planning Department)	Masahiro Tsuchiya
	Executive Officer (Currently GM of Integration Promotion Department)	Toru Takakura
	(3) Retiring Executive Officers	
	(Currently Managing Executive Officer)	Mitsuru Nawata
	(Currently Executive Officer)	Ibuki Mori
	(Currently Executive Officer, GM of Tokyo Corporate Business Department I)	Koji Inagaki
	(Currently Executive Officer)	Seiichiro Nemoto
	(Currently Executive Officer, GM of Osaka Business Department)	Toshifumi Aga

GM : General Manager