

2008

INTERIM REPORT

Six Months Ended September 30, 2008



Financial Highlights

Earnings

During the first half of fiscal year 2008, revenues in fiduciary services such as the pension trust service have shown solid strength, and the market-related income increased significantly. However, due primarily to substantial decreases in net fees and commissions for mutual funds and individual annuities sales, real-estate brokerage, etc., consolidated net business profit before credit costs decreased by 7.1 billion yen year-on-year to 95.3 billion yen.

Net income decreased by 9.3 billion yen year-on-year to 28.3 billion yen. This was attributable to the deterioration of net gains on sales of stocks caused by the fall of stock prices, an increase of total credit costs in group companies, and profit decline on non-consolidated basis caused by the absence of gains on return of securities from retirement benefit trusts, which was recognized as extraordinary profits during the interim period of the previous fiscal year.

In the light of business performance as described above, we have revised the projection of fiscal year 2008 business performance.

Financial Soundness

The balance of non-performing loans (disclosed under the Financial Reconstruction Law, banking and trust accounts combined, non-consolidated basis) of the first half of fiscal year 2008 decreased by 37.0 billion yen year-on-year to 70.0 billion yen, mainly because of a decrease in substandard loans. The non-performing loan ratio (the proportion of assets classified under the Financial Reconstruction Law to total loan balance) decreased by 0.3% year-on-year to 0.6%.

Capital (Net Assets)

We maintained a sufficient level of consolidated BIS capital adequacy ratio, though it decreased by 0.42% year-on-year to 11.42%, as capital decreased by 48.0 billion yen due primarily to a decrease in net unrealized gain on available-for-sale securities.

Tier I capital ratio also maintained a high level, increasing by 0.23% year-on-year to 7.56%, due to the capitalization of periodic earnings and the issuance of non-dilutive preferred securities.

Dividend Policy

The Sumitomo Trust and Banking Company, Limited* has adopted a performance-based dividend policy since fiscal year 2004. In the new midterm management plan starting from fiscal year 2008, Sumitomo Trust makes it a policy to maintain a dividend payout ratio of approximately 30%, taking into account the balance between dividends and investments for future growth.

Based on the assumption that we will achieve the projected consolidated net income of 60.0 billion yen, our annual dividends for fiscal year 2008 will be 17.00 yen per share (consolidated dividend payout ratio; 47.4%), the same as the previous year. Sumitomo Trust distributed interim dividends for fiscal year 2008 of 8.50 yen per share, which corresponded to the half of the aforementioned projected annual dividends.

* Hereinafter Sumitomo Trust or STB.

• Financial Highlights for the First Half Fiscal Year 2008

	Billions of Yen							
	Non-consolidated				Consolidated			
	Sep. 30, 2008	Sep. 30, 2007	Mar. 31, 2008	Year-on-Year	Sep. 30, 2008	Sep. 30, 2007	Mar. 31, 2008	Year-on-Year
Net Business Profit								
before Credit Costs*1	72.7	80.7	173.8	(7.9)	95.3	102.4	216.8	(7.1)
Total Substantial Credit Costs*2 ...	(10.3)	(36.0)	(75.5)	25.6	(24.5)	(38.6)	(83.5)	14.1
Net Gains on Stocks								
and Other Securities	(9.3)	4.6	4.2	(13.9)	(10.2)	4.6	(2.2)	(14.9)
Ordinary Profit	47.5	42.8	103.9	4.7	54.7	61.3	136.9	(6.5)
Net Income	30.3	31.9	69.9	(1.5)	28.3	37.7	82.3	(9.3)

*1 Consolidated net business profit before credit costs = Non-consolidated net business profit before credit costs + Subsidiary companies' ordinary profits (non-recurring effect adjusted) + Affiliates' ordinary profits (non-recurring effect adjusted) x Ratio of equity holdings - Intra-group transaction (dividends, etc.).

*2 Recoveries of written-off claims is included in Total Substantial Credit Costs from this fiscal year.

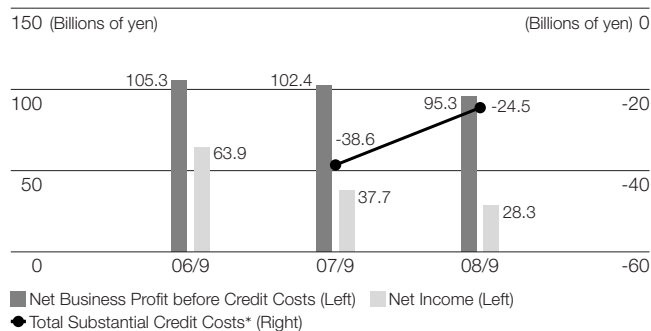
*3 Figures in () indicate minus figures.

• Dividends

	FY2006	FY2007	FY2008 (Forecast)
Common Stock Dividends per Share	17.00 yen	17.00 yen	17.00 yen
Interim Dividend	8.50 yen	8.50 yen	8.50 yen (actual)
Consolidated Net Income	103.8 billion yen	82.3 billion yen	60.0 billion yen
Consolidated Dividend Payout Ratio*	27.4%	34.6%	47.4%

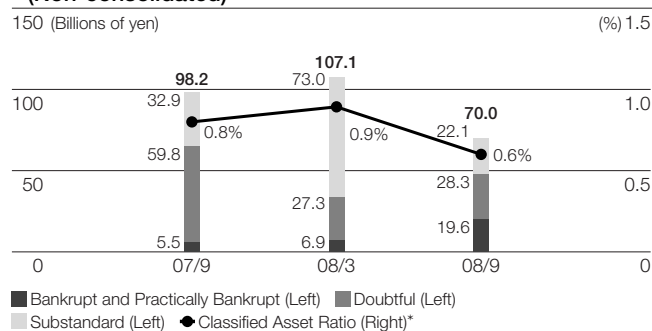
* Consolidated Dividend Payout Ratio = $\frac{\text{Cash Dividends (common stock)}}{\text{Consolidated Net Income}} \times 100$

• Consolidated Results



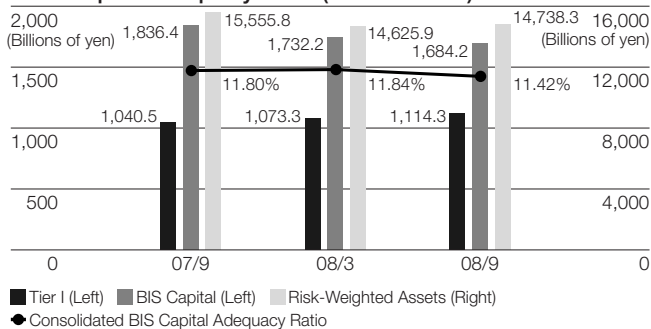
* Total substantial credit costs for September 30, 2006 is not calculated, since it was based on an old standard.

• Assets Classified under the Financial Reconstruction Law (Non-consolidated)

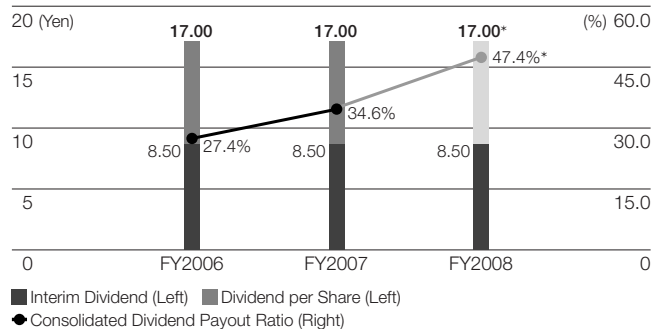


* Classified Asset Ratio: Percentage of Assets Classified under the Financial Reconstruction Law to Total Loan Balance

• BIS Capital, Risk-Weighted Assets, BIS Capital Adequacy Ratio (Consolidated)



• Dividend per Share and Consolidated Dividend Payout Ratio



* Forecast

Message from the President and CEO



The spread of the global financial crisis has transformed the business environment for Japanese banks including our own. Under these circumstances, while reviewing risks and tackling early discovery and solution of problems, we are determined anew to take full advantage of our diversified businesses to achieve the early recovery of business results.

Headwinds Hit Interim Earnings

Our consolidated net business profit before credit costs in the first half of the fiscal year 2008 declined by 7.1 billion yen year-on-year to 95.3 billion yen, due mainly to a steep drop in net fees and commissions from the slump in real estate brokerage, mutual funds as well as individual annuities sales, although the fiduciary services such as pension asset management showed a solid performance and treasury and financial products related business achieved a substantial profit.

Total substantial credit costs declined by 14.1 billion yen year-on-year to 24.5 billion yen. This includes 7.8 billion yen for disposal of losses on off-balance transactions such as interest rate swaps with the Lehman Brothers group and 14.1 billion yen for the provision of allowance for loan losses at consolidated subsidiaries.

In addition to the aforementioned, as the result of losses caused by the decline in stock prices and the absence of gains on return of securities from retirement benefit trusts, which was recognized as extraordinary profit in the previous year, our consolidated net income dropped by 9.3 billion yen to 28.3 billion yen.

Financial Soundness Indicators Remain Solid

The consolidated BIS capital adequacy ratio at the end of September 2008 decreased by 0.42 percentage point from 11.84% at the end of the previous fiscal year to 11.42%. The consolidated Tier I capital ratio, which represents the state of our core capital, rose by 0.23 percentage point from 7.33% to 7.56%.

The balance of non-performing loans at the end of September (disclosed under the Financial Reconstruction Law, banking and trust accounts combined, non-consolidated basis) declined by 37.0 billion yen from the end of the previous fiscal year to 70.0 billion yen. The non-performing loan ratio dropped by 0.3 percentage point from 0.9% to 0.6%. Loans to substandard debtors decreased on sale of overseas warehousing loans worth 42.0 billion yen and repayments by domestic borrowers.

Owing to the downturn in the domestic and the overseas economic conditions, loans to special mention debtors excluding substandard loans increased by 34.1 billion yen from the end of March 2008 to 785.4 billion yen. We will continue to strengthen our credit portfolio management together with our group companies.

Interim Dividends Remain Unchanged

We have kept dividends for the first half of fiscal year 2008 unchanged from the previous year's level of 8.50 yen per share. We also plan to keep annual dividends unchanged at the previous year's level of 17.00 yen per share, based on the consolidated net income forecast of 60.0 billion yen.

Flexible Strategy Responding to the Abrupt Shift in Economic and Financial Environment

While the world's financial institutions now face a severe "credit crunch" in the aftermath of the global "excess liquidity," we are willing to adopt a strategy that flexibly responds to such an abrupt shift in the business environment.

• Preemptive Recapitalization to Enhance Financial Base

As noted above, our consolidated BIS capital adequacy ratio and Tier I capital ratio have remained sufficient. In the current, increasingly uncertain situation, however, we have chosen to raise 70.0 billion yen in capital to "enhance the quality and quantity of our capital." Preferred securities will be issued in order to avoid the dilution of earnings per share. Tier I capital ratio is estimated to rise by 0.5% as a result of the planned recapitalization.

• Revision of Market-Based Loan Strategy

A new midterm management plan compiled in March called for a continued shift to market-based loan (non-relation-based loans such as project finance loans and asset backed securities (ABS) structured in both domestic and overseas financial markets) as a measure to improve the profitability and diversity of our credit portfolio. However, the market liquidity of market-based loan at home and abroad has declined substantially, causing problems in price transparency. At the same time, demand has been growing for relation-based corporate loans due to the increased difficulty even for large corporations in raising funds in the Japanese financial markets. There is clearly a tendency towards an improved corporate credit spreads. We now believe that we have to make a pause in the shift in the second half of fiscal year 2008. We will thus reduce market-based loan at home and abroad in the second half.

• Enhancing the Rebalancing of Corporate Loans

While we reconsider the market-based loan strategy, we plan to have approximately the same amount of relation-based loans to Japanese corporate customers. In a bid to increase the profitability of such loans, however, we are planning to rebalance the portfolio of 300.0 billion to 500.0 billion yen in such loans so that the amount of loans with better return will be increased, taking advantage of improved profit spreads for customers including Japanese companies operating overseas.

• No Change in Trust and Real Estate Business Strategy

Although the dampened investor sentiment is likely to affect our trust and real estate business operations in the short term, we believe that undervalued Japanese stock and real estate prices will work to expand needs for investment proposals and competitive products for investors at home and abroad. We will carefully mobilize all business resources for such priorities as the enhancement of investment sales and wealth management business, and development of comprehensive real estate business operations, in a bid to solidify our infrastructure for long-term growth.

Taking Maximum Advantage of Diversity, Creativity and Speed

Amid the global financial crisis, many financial institutions are forced to reconsider their profit-oriented business model known as leveraged management and return to the basics of financial services. We are confident that the situation now is in need of the customer-oriented business approach ("Trustee-ness"—unique quality of trust banks) that we have developed through fiduciary relations with customers.

At the same time, we have grown more confident of our business model of combined banking, trust and real estate. Now more than ever, we are determined anew to take full advantage of our diversified businesses. While reviewing risks and tackling early discovery and solution of problems, we are prepared to use our strengths of diversity, creativity and speed ("STB-ness"—unique quality of Sumitomo Trust) to the maximum advantage to flexibly overcome the current difficulties.

I would like to request the continued support of our shareholders and investors.

January 2009



Hitoshi Tsunekage President and CEO

Financial Section

Consolidated Balance Sheets

	Millions of Yen			Millions of U.S. Dollars (Note 1)
	Sep. 30, 2008 (unaudited)	Sep. 30, 2007	Mar. 31, 2008	Sep. 30, 2008
Assets:				
Cash and Due from Banks	¥ 744,784	¥ 694,569	¥ 891,560	\$ 7,190
Call Loans and Bills Bought	125,054	331,134	140,780	1,207
Receivables under Securities Borrowing Transactions	—	—	152,240	—
Monetary Claims Bought	502,795	685,817	581,167	4,854
Trading Assets (Notes 6)	920,630	725,509	1,078,192	8,887
Money Held in Trust	17,541	18,677	17,533	169
Securities (Notes 6 and 14)	5,180,046	6,137,291	4,602,451	50,005
Loans and Bills Discounted (Notes 1, 2, 3, 4, 5 and 6)	10,846,022	10,625,402	10,746,228	104,701
Foreign Exchanges	7,620	6,940	7,946	74
Lease Receivables and Investment Assets (Note 6)	647,885	—	—	6,254
Derivatives Other than for Trading-Assets	—	—	1,802,243	—
Other Assets (Notes 6 and 10)	1,286,792	2,133,397	1,414,171	12,422
Tangible Fixed Assets (Notes 8 and 9)	130,724	131,301	132,743	1,262
Intangible Fixed Assets	146,579	149,536	148,241	1,415
Deferred Tax Assets	101,713	20,239	83,050	982
Customers' Liabilities for Acceptances and Guarantees (Note 16)	374,662	537,799	488,865	3,617
Allowance for Loan Losses	(112,957)	(130,674)	(106,683)	(1,090)
Allowance for Investment Loss	—	(7,552)	—	—
Total Assets	¥ 20,919,895	¥ 22,059,389	¥ 22,180,734	\$ 201,949
Liabilities:				
Deposits (Note 6)	¥ 11,798,870	¥ 11,407,709	¥ 11,875,749	\$ 113,900
Negotiable Certificates of Deposit	2,314,045	2,499,886	2,456,695	22,339
Call Money and Bills Sold	263,750	224,046	140,152	2,546
Payables under Repurchase Agreements (Note 6)	1,486,026	1,286,855	790,588	14,345
Payables under Securities Lending Transactions (Note 6)	95,013	105,752	131,957	917
Trading Liabilities	41,609	75,300	338,217	402
Borrowed Money (Notes 6 and 11)	893,354	1,177,513	883,039	8,624
Foreign Exchanges	406	105	0	4
Short-term Bonds Payable	343,082	488,930	356,754	3,312
Bonds Payable (Note 12)	579,023	615,855	598,859	5,590
Borrowed Money from Trust Account	644,661	1,159,892	747,554	6,223
Derivatives Other than for Trading-Liabilities	—	—	1,620,494	—
Other Liabilities	700,768	1,023,868	437,776	6,765
Provision for Bonuses	6,299	6,143	6,272	61
Provision for Directors' Bonuses	—	—	75	—
Provision for Retirement Benefits	8,855	9,908	9,636	85
Provision for Reimbursement of Deposits	823	—	819	8
Provision for Contingent Loss	7,718	—	7,806	75
Provision for Relocation Expenses	2,118	—	2,243	20
Deferred Tax Liabilities	143	40,160	198	1
Deferred Tax Liabilities for Land Revaluation (Note 8)	5,979	6,113	6,021	58
Acceptances and Guarantees (Note 14)	374,662	537,799	488,865	3,617
Total Liabilities	¥ 19,567,212	¥ 20,665,842	¥ 20,899,780	\$ 188,891
Net Assets:				
Shareholders' Equity:	¥ 1,027,447	¥ 982,816	¥ 1,013,338	\$ 9,918
Capital Stock	287,537	287,537	287,537	2,776
Capital Surplus	242,555	242,559	242,555	2,341
Retained Earnings	497,834	453,158	483,686	4,806
Treasury Stock	(479)	(439)	(441)	(5)
Valuation and Translation Adjustments:	4,804	199,949	58,029	46
Valuation Difference on Available-for-Sale Securities	20,790	217,387	65,958	201
Deferred Gains or Losses on Hedges	(4,974)	(10,771)	1,107	(48)
Revaluation Reserve for Land (Note 8)	(4,366)	(4,168)	(4,306)	42
Foreign Currency Translation Adjustments	(6,644)	(2,498)	(4,729)	(64)
Minority Interests	320,431	210,781	209,586	3,093
Total Net Assets	¥ 1,352,683	¥ 1,393,547	¥ 1,280,954	\$ 13,058
Total Liabilities and Net Assets	¥ 20,919,895	¥ 22,059,389	¥ 22,180,734	\$ 201,949
	Sep. 30, 2008	Sep. 30, 2007	Mar. 31, 2008	Sep. 30, 2008
Number of Shares				
Authorized: Common Shares (Shares)	3,000,000,000	3,000,000,000	3,000,000,000	
Issued: Common Shares (Shares)	1,675,128,546	1,675,128,546	1,675,128,546	
Net Assets per Share (Unaudited) (Yen/U.S. Dollars (Note 1))	¥ 616.41	¥ 706.27	¥ 639.75	\$ 5.95

See accompanying notes.

	Millions of Yen			Millions of U.S. Dollars (Note 1)
	Six Months Ended Sep. 30, 2008 (unaudited)	Six Months Ended Sep. 30, 2007	Year Ended Mar. 31, 2008	Six Months Ended Sep. 30, 2008
Income:				
Trust Fees	¥ 36,379	¥ 36,737	¥ 74,628	\$ 351
Interest Income:				
Interest on Loans and Discounts	106,870	114,264	224,495	1,032
Interest and Dividends on Securities	78,870	74,216	155,468	761
Other Interest Income	12,512	12,859	25,689	121
	198,252	201,340	405,653	1,914
Fees and Commissions	53,151	68,702	131,132	513
Trading Income	2,477	6,886	16,288	24
Other Ordinary Income	198,187	196,717	418,847	1,913
Other Income (Note 1)	13,426	22,610	60,547	130
Total Income	¥ 501,875	¥ 532,994	¥ 1,107,099	\$ 4,845
Expenses:				
Interest Expenses:				
Interest on Deposits	¥ 61,294	¥ 72,447	¥ 136,129	\$ 592
Interest on Borrowings and Rediscounts	6,850	6,645	12,615	66
Other Interest Expenses	43,063	40,390	95,158	416
	111,207	119,483	243,903	1,074
Fees and Commissions Payments	14,817	13,646	28,829	143
Trading Expenses	11,751	489	2,885	113
Other Ordinary Expenses	156,957	181,440	364,225	1,515
General and Administrative Expenses	107,447	98,751	202,939	1,037
Other Expenses (Note 2)	42,763	48,344	118,044	413
Total Expenses	¥ 444,946	¥ 462,156	¥ 960,827	\$ 4,295
Income before Income Taxes	¥ 56,928	¥ 70,838	¥ 146,271	\$ 550
Income Taxes:				
Current	11,511	37,333	73,747	111
Deferred	12,914	(7,193)	(14,920)	125
Minority Interests in Income	4,179	2,980	5,098	40
Net Income	¥ 28,323	¥ 37,718	¥ 82,344	\$ 273

	Yen			U.S. Dollars (Note 1)
	Six Months Ended Sep. 30, 2008 (unaudited)	Six Months Ended Sep. 30, 2007	Year Ended Mar. 31, 2008	Six Months Ended Sep. 30, 2008
Net Income per Share	¥ 16.91	¥ 22.52	¥ 49.17	\$ 0.16
Net Income per Share (fully-diluted)	—	22.52	49.17	—

See accompanying notes.

Financial Section

Consolidated Statements of Changes in Net Assets

	Millions of Yen				
	Shareholders' Equity				
	Capital Stock	Capital Surplus	Retained Earnings	Treasury Stock	Total Shareholders' Equity
Six Months Ended September 30, 2008					
Balance at the End of Previous Period	¥ 287,537	¥ 242,555	¥ 483,686	¥ (441)	¥ 1,013,338
Changes of Items during the Period:					
Issuance of New Shares	—	—			—
Dividends from Surplus		—	(14,234)		(14,234)
Net Income			28,323		28,323
Purchase of Treasury Stock				(46)	(46)
Disposal of Treasury Stock		(0)	(1)	8	6
Reversal of Revaluation Reserve for Land			60		60
Decrease in Reserve for Overseas Investment Loss			0		0
Net Changes of Items Other than Shareholders' Equity					
Total Changes of Items during the Period	¥ —	¥ (0)	¥ 14,147	¥ (38)	¥ 14,108
Balance at the End of the Current Period	¥ 287,537	¥ 242,555	¥ 497,834	¥ (479)	¥ 1,027,447

	Millions of U.S. Dollars (Note 1)				
	Shareholders' Equity				
	Capital Stock	Capital Surplus	Retained Earnings	Treasury Stock	Total Shareholders' Equity
Six Months Ended September 30, 2008					
Balance at the End of Previous Period	\$ 2,776	\$ 2,341	\$ 4,669	\$ (4)	\$ 9,782
Changes of Items during the Period:					
Issuance of New Shares	—	—			—
Dividends from Surplus		—	(137)		(137)
Net Income			273		273
Purchase of Treasury Stock				(0)	(0)
Disposal of Treasury Stock		(0)	(0)	0	0
Reversal of Revaluation Reserve for Land			1		1
Decrease in Reserve for Overseas Investment Loss			0		0
Net Changes of Items Other than Shareholders' Equity					
Total Changes of Items during the Period	\$ —	\$ (0)	\$ 137	\$ (0)	\$ 136
Balance at the End of the Current Period	\$ 2,776	\$ 2,341	\$ 4,806	\$ (5)	\$ 9,918

See accompanying notes.

	Millions of Yen				
	Shareholders' Equity				
	Capital Stock	Capital Surplus	Retained Earnings	Treasury Stock	Total Shareholders' Equity
Six Months Ended September 30, 2007					
Balance at the End of Previous Period	¥ 287,517	¥ 242,538	¥ 429,674	¥ (389)	¥ 959,340
Changes of Items during the Period:					
Issuance of New Shares	19	19			39
Dividends from Surplus		—	(14,234)		(14,234)
Net Income			37,718		37,718
Purchase of Treasury Stock				(60)	(60)
Disposal of Treasury Stock		1	—	10	12
Net Changes of Items Other than Shareholders' Equity					
Total Changes of Items during the Period	¥ 19	¥ 20	¥ 23,484	¥ (49)	¥ 23,475
Balance at the End of the Current Period	¥ 287,537	¥ 242,559	¥ 453,158	¥ (439)	¥ 982,816

	Millions of Yen				
	Shareholders' Equity				
	Capital Stock	Capital Surplus	Retained Earnings	Treasury Stock	Total Shareholders' Equity
Year Ended March 31, 2008					
Balance at the End of Previous Period	¥ 287,517	¥ 242,538	¥ 429,674	¥ (389)	¥ 959,340
Changes of Items during the Period:					
Issuance of New Shares	19	19			39
Dividends from Surplus		—	(28,468)		(28,468)
Net Income			82,344		82,344
Purchase of Treasury Stock				(81)	(81)
Disposal of Treasury Stock		(2)	—	30	27
Reversal of Revaluation Reserve for Land			136		136
Decrease in Reserve for Overseas Investment Loss			(0)		(0)
Net Changes of Items Other than Shareholders' Equity					
Total Changes of Items during the Period	¥ 19	¥ 16	¥ 54,012	¥ (51)	¥ 53,997
Balance at the End of the Current Period	¥ 287,537	¥ 242,555	¥ 483,686	¥ (441)	¥ 1,013,338

See accompanying notes.

Millions of Yen						
Valuation and Translation Adjustments						
Valuation Difference on Available-for-Sale Securities	Deferred Gains or Losses on Hedges	Revaluation Reserve for Land	Foreign Currency Translation Adjustment	Total Valuation and Translation Adjustments	Minority Interests	Total Net Assets
¥ 65,958	¥ 1,107	¥ (4,306)	¥ (4,729)	¥ 58,029	¥ 209,586	¥ 1,280,954
						—
						(14,234)
						28,323
						(46)
						6
						60
						0
(45,167)	(6,081)	(60)	(1,915)	(53,225)	110,845	57,619
¥ (45,167)	¥ (6,081)	¥ (60)	¥ (1,915)	¥ (53,225)	¥ 110,845	¥ 71,728
¥ 20,790	¥ (4,974)	¥ (4,366)	¥ (6,644)	¥ 4,804	¥ 320,431	¥ 1,352,683

Millions of U.S. Dollars (Note 1)						
Valuation and Translation Adjustments						
Valuation Difference on Available-for-Sale Securities	Deferred Gains or Losses on Hedges	Revaluation Reserve for Land	Foreign Currency Translation Adjustment	Total Valuation and Translation Adjustments	Minority Interests	Total Net Assets
\$ 637	\$ 11	\$ (42)	\$ (46)	\$ 560	\$ 2,023	\$ 12,366
						—
						(137)
						273
						(0)
						0
						1
						0
(436)	(59)	(1)	(18)	(514)	1,070	556
\$ (436)	\$ (59)	\$ (1)	\$ (18)	\$ (514)	\$ 1,070	\$ 692
\$ 201	\$ (48)	\$ (42)	\$ (64)	\$ 46	\$ 3,093	\$ 13,058

Millions of Yen						
Valuation and Translation Adjustments						
Valuation Difference on Available-for-Sale Securities	Deferred Gains or Losses on Hedges	Revaluation Reserve for Land	Foreign Currency Translation Adjustment	Total Valuation and Translation Adjustments	Minority Interests	Total Net Assets
¥ 295,213	¥ (9,710)	¥ (4,168)	¥ (3,517)	¥ 277,817	¥ 210,749	¥ 1,447,907
						39
						(14,234)
						37,718
						(60)
						12
(77,826)	(1,060)	—	1,019	(77,867)	32	(77,835)
¥ (77,826)	¥ (1,060)	¥ —	¥ 1,019	¥ (77,867)	¥ 32	¥ (54,360)
¥ 217,387	¥ (10,771)	¥ (4,168)	¥ (2,498)	¥ 199,949	¥ 210,781	¥ 1,393,547

Millions of Yen						
Valuation and Translation Adjustments						
Valuation Difference on Available-for-Sale Securities	Deferred Gains or Losses on Hedges	Revaluation Reserve for Land	Foreign Currency Translation Adjustment	Total Valuation and Translation Adjustments	Minority Interests	Total Net Assets
¥ 295,213	¥ (9,710)	¥ (4,168)	¥ (3,517)	¥ 277,817	¥ 210,749	¥ 1,447,907
						39
						(28,468)
						82,344
						(81)
						27
						136
						(0)
(229,254)	10,817	(137)	(1,212)	(219,787)	(1,163)	(220,950)
¥ (229,254)	¥ 10,817	¥ (137)	¥ (1,212)	¥ (219,787)	¥ (1,163)	¥ (166,952)
¥ 65,958	¥ 1,107	¥ (4,306)	¥ (4,729)	¥ 58,029	¥ 209,586	¥ 1,280,954

Financial Section

Consolidated Statements of Cash Flows

	Millions of Yen			Millions of U.S. Dollars (Note 1)
	Six Months Ended Sep. 30, 2008 (unaudited)	Six Months Ended Sep. 30, 2007	Year Ended Mar. 31, 2008	Six Months Ended Sep. 30, 2008
Net Cash Provided by (Used in) Operating Activities:				
Income before Income Taxes	¥ 56,928	¥ 70,838	¥ 146,271	\$ 550
Depreciation	8,214	7,296	15,313	79
Losses on Impairment of Fixed Assets	127	29	170	1
Amortization of Goodwill	4,264	3,970	8,238	41
Equity in Losses (Earnings) of Affiliates	1,106	546	2,702	11
Increase (Decrease) in Allowance for Loan Losses	6,279	23,481	(503)	61
Increase (Decrease) in Allowance for Investment Loss	—	833	(6,718)	—
Increase (Decrease) in Provision for Bonuses	27	361	275	0
Increase (Decrease) in Provision for Directors' Bonuses	(75)	(85)	(10)	(1)
Increase (Decrease) in Provision for Retirement Benefits	(781)	(247)	(522)	(8)
Increase (Decrease) in Provision for Reimbursement of Deposits	3	—	819	0
Increase (Decrease) in Provision for Contingent Loss	(87)	—	7,806	(1)
Increase (Decrease) in Provision for Relocation Expenses	(125)	—	2,243	(1)
Gain on Fund Management	(198,252)	(201,340)	(405,653)	(1,914)
Financing Expenses	111,207	119,483	243,903	1,074
Loss (Gain) Related to Securities	(8,096)	(25,092)	3,666	(78)
Loss (Gain) on Money Held in Trust	(61)	1,292	2,378	(1)
Foreign Exchange Losses (Gains)	35,230	(14,851)	92,386	340
Loss (Gain) on Disposal of Fixed Assets	(1,586)	862	1,378	(15)
Net Decrease (Increase) in Trading Assets	157,562	(116,622)	(469,305)	1,521
Net Increase (Decrease) in Trading Liabilities	(296,608)	21,618	284,535	(2,863)
Net Decrease (Increase) in Loans and Bills Discounted	(99,794)	(35,840)	(156,667)	(963)
Net Increase (Decrease) in Deposit	(68,603)	43,163	518,377	(662)
Net Increase (Decrease) in Negotiable Certificates of Deposit	(142,649)	145,238	102,046	(1,377)
Net Increase (Decrease) in Borrowed Money excluding Subordinated Borrowings	40,972	141,208	(131,728)	396
Net Decrease (Increase) in Deposit (excluding Deposit Paid to Bank of Japan)	(30,611)	124,587	(58,073)	(296)
Net Decrease (Increase) in Call Loans	87,284	43,631	333,093	843
Net Decrease (Increase) in Receivables under Securities	—	—	—	—
Borrowing Transactions	152,240	—	(152,240)	1,470
Net Increase (Decrease) in Call Money	819,035	673,596	93,434	7,907
Net Increase (Decrease) in Payables under Securities Lending Transactions	(36,944)	(186,413)	(160,208)	(357)
Net Decrease (Increase) in Foreign Exchange-Assets	325	(322)	(1,327)	3
Net Increase (Decrease) in Foreign Exchange-Liabilities	406	100	(3)	4
Net Increase (Decrease) in Lease Receivables and Investment Assets	9,652	—	—	93
Net Increase (Decrease) in Short-term Bonds Payable	(14,533)	154,961	22,784	(140)
Increase (Decrease) in Straight Bonds-Issuance and Redemption	—	2,150	2,150	—
Net Increase (Decrease) in Borrowed Money from Trust Account	(102,893)	(159,655)	(571,993)	(993)
Proceeds from Fund Management	207,394	214,429	410,907	2,002
Payments for Finance	(93,968)	(117,017)	(242,958)	(907)
Other Net	(10,045)	(4,369)	5,100	(97)
Sub Total	¥ 592,545	¥ 931,823	¥ (57,930)	\$ 5,720
Income Taxes Paid	(37,018)	(66,297)	(95,829)	(357)
Net Cash Provided by (Used in) Operating Activities	¥ 555,527	¥ 865,526	¥ (153,759)	\$ 5,363
Net Cash Provided by (Used in) Investment Activities:				
Purchase of Securities	¥ (4,830,519)	¥ (4,835,041)	¥ (7,926,748)	\$ (46,631)
Proceeds from Sales of Securities	3,800,558	3,537,637	7,304,575	36,688
Proceeds from Redemption of Securities	257,645	440,622	853,548	2,487
Decrease in Money Held in Trust	53	61	119	1
Purchase of Tangible Fixed Assets	(3,399)	(4,028)	(10,915)	(33)
Proceeds from Sales of Tangible Fixed Assets	3,670	1,098	1,484	35
Purchase of Intangible Fixed Assets	(7,668)	(5,540)	(13,351)	(74)
Proceeds from Sales of Intangible Fixed Assets	—	24	24	—
Purchase of Investments in Subsidiaries Resulting in Change in Scope of Consolidation	—	(24,101)	(24,225)	—
Net Cash Provided by (Used in) Investment Activities	¥ (779,658)	¥ (889,267)	¥ 184,510	\$ (7,526)
Net Cash Provided by (Used in) Financing Activities:				
Increase in Subordinated Borrowings	—	45,000	45,000	—
Decrease in Subordinated Borrowings	(30,000)	(38,000)	(58,500)	(290)
Proceeds from Issuance of Subordinated Bonds and Bonds with Subscription Rights to Shares	28,500	89,518	89,527	275
Payments for Redemption Subordinated Bonds and Bonds with Subscription Rights to Shares	(41,900)	(26,900)	(26,900)	(404)
Proceeds from Issuance of Common Stock	—	39	39	—
Proceeds from Stock Issuance to Minority Shareholders	110,000	—	—	1,062
Cash Dividends Paid	(14,230)	(14,293)	(28,522)	(137)
Cash Dividends Paid to Minority Shareholders	(3,223)	(2,978)	(6,031)	(31)
Purchase of Treasury Stock	(46)	(60)	(81)	(0)
Proceeds from Sales of Treasury Stock	6	12	27	0
Net Cash Provided by (Used in) Financing Activities	¥ 49,105	¥ 52,336	¥ 14,559	\$ 474
Effect of Exchange Rate Change on Cash and Cash Equivalents	(2,361)	1,089	(1,295)	(23)
Net Increase in Cash and Cash Equivalents	¥ (177,386)	¥ 29,684	¥ 44,014	\$ (1,712)
Cash and Cash Equivalents at Beginning of Year	487,255	443,240	443,240	4,704
Cash and Cash Equivalents at End of (Half) Year (Notes 1 and 2)	¥ 309,868	¥ 472,925	¥ 487,255	\$ 2,991

See accompanying notes.

Basis of Presentation

The accompanying translated consolidated financial statements have been compiled from the audited consolidated financial statements that are prepared for Japanese domestic purposes in accordance with the Financial Instruments and Exchange Law of Japan (hereinafter the FIEL), the Banking Law of Japan and accounting principles and practices generally accepted in Japan (hereinafter Japanese GAAP). Certain parts of Japanese GAAP are partly different from International Financial Reporting Standards in terms of application and disclosure requirements.

The accounts of overseas subsidiaries of the Sumitomo Trust and Banking Company, Limited (hereinafter Sumitomo Trust) are based on their accounting records maintained in conformity with generally accepted accounting principles prevailing in the respective countries of domicile.

The accompanying consolidated financial statements have been restructured and translated into English (with some modifications and expanded descriptions for facilitation of understanding by readers outside Japan) from the consolidated financial statements in accordance with Japanese GAAP and filed with appropriate Local Finance Bureau of the Ministry of Finance as required by the FIEL. Some supplementary information included in the statutory Japanese consolidated financial statements, but not required for fair presentation, is not presented in the accompanying financial statements.

Sumitomo Trust, a Japanese corporation, maintains its records and prepares its financial statements in Japanese yen. The accompanying U.S. dollar financial statements have been translated from yen-base financial statements for convenience, and only as a matter of arithmetical computation, at the rate of 103.59 yen to 1.00 U.S. dollar, the exchange rate prevailing at the end of September, 2008. The translations would not be construed as representations that the Japanese yen amounts have been, could have been, or could in the future be, converted into U.S. dollars at this or any other rate of exchange.

In accordance with the FIEL, amounts of less than one million yen have been omitted. As a result, the totals in yen, and accordingly in U.S. dollars, shown in the consolidated financial statements do not necessarily agree with the sum of the individual amounts.

Certain amounts in prior periods have been reclassified to the current presentation.

Basic Significant Items in the Preparation of Consolidated Financial Statements

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 paper and financial derivatives.

The mark-to-market accounting method is adopted for such financial instruments, all of which are stated at fair value as "Trading Assets" or "Trading Liabilities" in the consolidated bal-

ance 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 the fair value at the balance sheet date and financial derivatives for trading activities, such as swaps, futures and options, are valued on the assumption that they were settled at the balance sheet date.

Regarding gains and losses on trading transactions, difference of the valuation differences of securities and monetary claims and that of the assumed settled value of financial derivatives are between the end of March 31, 2008 and the end of September 30, 2008 are added to the interest in the six months ended September 30, 2008.

2. Evaluation for Securities

Under the accounting standard for financial instruments, Sumitomo Trust is required to explicitly determine the objectives of holding each security and classify them into (1) securities held for trading purposes (hereinafter trading securities), (2) debt securities intended to be held to maturity (hereinafter held-to-maturity debt securities), (3) Equity securities issued by subsidiaries and affiliated companies, or (4) all other securities that are not classified in any of the above categories (hereinafter 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 first half fiscal year. Available-for-sale securities with fair value other than Japanese stocks are revaluated at the balance sheet date. Available-for-sale securities with no available fair value 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.

Securities invested in money held in trust, which is solely entrusted by Sumitomo Trust for security trading purpose, are revalued at the fair value.

3. Financial Derivatives other than Trading Purposes

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

4. Depreciation for Tangible Fixed Assets

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

Buildings: 3 to 60 years

Equipment: 2 to 20 years

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

5. Depreciation for Intangible Fixed Assets

Intangible fixed assets are depreciated primarily 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.

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

6. Depreciation for Lease Assets

Leased assets for finance leases without transfer of ownership in “Tangible Fixed Assets” and “Intangible Fixed Assets” are mainly depreciated using the straight-line method over the lease term assuming no salvage value.

7. Allowance for Loan Losses

As for Sumitomo Trust, 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 loan losses.

For claims to debtors who are legally bankrupt (due to bankruptcy, subject to the Japanese Civil Rehabilitation Law, suspension of transactions with banks by the rules of clearinghouses, etc.) or virtually bankrupt, the specific allowance is provided based on the amount of claims, after deduction of the amount expected to be collected through the disposal of collateral or execution of guarantees.

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, after deduction of the amount expected to be collected through the disposal of collateral or execution of guarantees.

For claims to debtors with more than certain amount of Sumitomo Trust’s claims to debtors, 1) who are likely to become bankrupt, 2) to whom Sumitomo Trust has Restructured loans, or 3) whom Sumitomo Trust 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, an 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 loss-ratio.

All claims are assessed by branches and the Global Credit Supervision Department based on the Self-Assessment Rules. The Corporate Risk Management Department, which is independent from the branches and the department, 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 is provided for general claims based on the historical loss-ratio, and Allowance for loan losses is provided individually for certain claims based on the amount expected to be uncollectible.

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 deducted directly out of the original amount of claims. The deducted amount was 39,565 million yen.

8. Provision for Bonuses

Provision for Bonuses is provided for the estimated employees’ bonuses attributable to the six months ended September 30, 2008.

9. 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 income or expenses using the straight-line method over the average expected remaining service years (mainly 10 years).

10. Provision for Reimbursement of Deposits

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

11. Provision for Contingent Loss

Provision for contingent loss is provided for possible contingent loss on trust transactions based on individually estimated expected losses. This provision, formerly included in “Allowance for Loan Losses” with the amount of 2,549 million yen, is presented as a separate item in the consolidated balance sheets from March 31, 2008 due to increase in its materiality.

12. Provision for Relocation Expenses

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

13. Foreign Currency Translation

Assets and liabilities denominated in foreign currencies are primarily translated into yen at the exchange rate at the balance sheet date.

Assets and liabilities of consolidated overseas subsidiaries are

translated into yen at the exchange rate at each of the balance sheet date.

14. Accounting for Leases

As for Sumitomo Trust 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 operating leases.

15. Hedge Accounting

(Interest Related Transactions)

Sumitomo Trust manages interest rate risk arising from various assets and liabilities, such as Loans, Bills discounted, Deposits, etc., by using financial derivative 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, hereafter Report No.24). In hedging activities to offset changes in fair value of Deposits, Loans, etc., as hedged items, Sumitomo Trust 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), Sumitomo Trust 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 hedge income (losses) resulted from “Macro Hedge Accounting” are amortized over the remaining period for each hedging transaction. At the balance sheet date, deferred hedge losses and income (before net of taxes) resulted from “Macro Hedge Accounting” were 20,252 million yen and 20,114 million yen, respectively.

(Currency Related Transactions)

Sumitomo Trust 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, hereafter Report No.25).

Sumitomo Trust 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 as hedged items exceed the position of those hedging transactions. Sumitomo Trust 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.

(Internal Hedge Transactions)

Gains and losses arisen from hedging instruments such as interest rate swaps and cross currency swaps among consolidated subsidiaries and between the trading account and other accounts are either accounted as income, 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 Sumitomo Trust operated strictly and non-arbitrarily in conformity with the standard equivalent to the third-party cover transactions that are required for hedge qualification.

(Others)

Sumitomo Trust 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.

16. National and Local Consumption Taxes

National and local consumption taxes of Sumitomo Trust and consolidated subsidiaries were 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.

Changes of Basic Significant Items in the Preparation of Consolidated Financial Statements

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

As “Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements” (The Accounting Standards Board of Japan (hereinafter ASBJ) Practical Issues Task Force No. 18) was adopted from the fiscal year beginning on or after April 1, 2008, Sumitomo Trust has started to adopt this practical solution from the first half of the fiscal year ended September 30, 2008.

This adoption did not affect the consolidated financial statements for the first half of the fiscal year ended September 30, 2008.

2. Accounting Standard for Lease Transactions

Although finance leases without transfer of ownerships had been accounted for according to the same accounting treatment used in the operating leases in the past, Sumitomo Trust started to adopt the accounting standards from the first half of the fiscal year ended September 30, 2008, which were “Accounting Standard for Lease

Transactions” (ASBJ Statement No.13) and “Guidance on Accounting Standard for Lease Transactions” (ASBJ Guidance No.16) took effect from the fiscal year beginning on or after April 1, 2008, detailed as follows.

(As lessee)

Depreciation method of lease assets based on transactions of finance leases without transfer of ownerships started on or after April 1, 2008 was mainly straight-line method over the lease term assuming no salvage value. On the other, transactions of finance leases without transfer of ownerships started before April 1, 2008 have continuously been accounted for according to the same accounting treatment used in operating leases.

(As lessor)

The accounting treatment of finance leases without transfer of ownerships whose transactions started on or after April 1, 2008 was changed to one as same as sales transactions net gains or losses of whom were recognized as interest equivalents allocated appropriately for the fiscal periods. On the other, as for the transactions of finance leases without transfer of ownerships started before April 1, 2008, amounts of leasing fixed assets offset by its accumulated depreciations were reclassified as “Lease Receivables and Investment Assets” at April 1, 2008 as beginning balance. As a result, compared with that were calculated by the former treatment, “Lease Receivables and Investment Assets” were increased by 647,855 million yen, “Tangible Fixed Assets” by 7 million yen, “Intangible Fixed Assets” by 1 million yen, and “Other Liabilities” by 652 million yen. “Other Assets” were decreased by 646,894 million yen. Ordinary profit and income before income taxes were increased by 346 million yen, respectively.

Change in the Presentation of the Consolidated Balance Sheets

1. Financial Derivatives

On “Trading assets” and “Trading liabilities,” or “Derivatives other than for trading-assets” and “Derivatives other than for trading-liabilities,” the derivatives transactions which meets the conditions stated in “Practical Guidelines for Financial Instruments Accounting” are offset from the first quarter of fiscal year ended September 30, 2008, aiming to state the mitigated amounts of credit risk on individual transactions appropriately. “Trading assets” and “Trading liabilities” decreased by 536,724 million yen and so as to “Derivatives other than for trading-assets” and “Derivatives other than for trading-liabilities” by 742,951 million yen due to the offset.

Notes for the Balance Sheets

1. Delinquent Loans

“Loans in Bankruptcy Proceedings” and “Other Delinquent Loans” were 12,814 million yen and 74,270 million yen, respectively.

Loans in bankruptcy proceedings are non-accrual loans outstanding (not including direct write-off portion of loans) to bor-

rowers 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 1) loans in bankruptcy proceedings and 2) loans of which interest payments are rescheduled in order to assist the restructuring of borrowers.

2. Loans more than Three Months Past Due

“Loans more than Three Months Past Due” amounted to 1 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.

3. Restructured Loans

“Restructured Loans” amounted 37,069 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.

4. 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 124,156 million yen. Note that those amounts described in Notes 1 to 3 are before deducting Reserve for possible loan losses.

5. Bills Discounted

Sumitomo Trust treats Bills discounted as financial transaction, which are regulated by the JICPA Industry Auditing Committee Report No.24. Sumitomo Trust holds the right to sell or pledge such bills discounted at its discretion and the total face value of these bills amounted to 4,509 million yen.

6. Assets Pledged as Collateral

Following parts of the assets were pledged as collateral:

Trading Assets	424,024 million yen
Securities	1,794,433 million yen
Loans and Bills Discounted	245,578 million yen
Lease Receivables and Investment Assets	6,184 million yen
Other Assets	20,300 million yen

Corresponding Liabilities of the Assets Pledged as Collateral:

Deposits	38,372 million yen
Payables under	
Repurchase Agreements	1,486,026 million yen
Payables under	
Securities Lending Transactions	95,013 million yen
Borrowed Money	246,953 million yen

In addition to the items outlined above, “Securities” of 696,760 million yen and “Other Assets” of 197 million yen were pledged mainly as collateral in substitution for settlement of cash or margin of future markets. “Other Assets” includes margin of future markets of 4,472 million yen, security deposits of 16,688 million yen and cash collateral for derivative transactions of 2,166 million yen.

7. 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 8,137,314 million yen, including 6,631,783 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 Sumitomo Trust and its subsidiaries. In addition, most of these contracts contain clauses allowing Sumitomo Trust 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. Sumitomo Trust and its subsidiaries may request the customer to provide collateral such as real estate or securities at the time of the contract, and may ask customers to amend clauses or take measures to secure soundness of the credit thereafter through periodical internal monitoring procedures that have already been in place.

8. Revaluation Reserve for Land

In accordance with the “Act on Revaluation of Land” (Law No.34, promulgated on March 31, 1998, hereafter the Act), Sumitomo Trust revaluated land used for business operations. Net unrealized losses on revaluation deducted by “Deferred Tax Liabilities for Land Revaluations” are recorded as “Revaluation Reserve for Land, Net of Taxes” in “Net Assets.”

Revaluation Date: March 31, 1999

Revaluation method as stipulated in the Paragraph 3, Article 3 of the Act: Revaluations are based on land prices of standardized premises as specified by the Paragraph 1, Article 2 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.

9. Accumulated Depreciation of Tangible Fixed Assets

Accumulated depreciation of Tangible fixed assets was 103,641 million yen.

10. Other Assets

“Other Assets” in the consolidated balance sheets includes the amount of 6,316 million yen of the provisional withholding tax payment as Sumitomo Trust received a reassessment notice from the tax office claiming Sumitomo Trust’s responsibility for

collecting withholding tax on some of its repurchase agreement transactions. After a petition, Sumitomo Trust filed a lawsuit in the Tokyo District Court on March 31, 2005, and won the case on April 17, 2007. Although the defendant appealed to the Tokyo High Court on May 1, 2007, its appeal was dismissed on March 12, 2008. Though it filed the final appeal on March 26, 2008, the Supreme Court decided not to accept the appeal on October 28, 2008, and this decision meant that Sumitomo Trust won the case. Therefore, the whole amount of the payment is expected to be returned.

11. Borrowed Money

Borrowed money includes subordinate debt of 95,000 million yen.

12. Bonds Payable

Bonds payable include subordinate bonds of 564,023 million yen.

13. Principal of Guaranteed Trust Account

Principals of Jointly-operated money trusts (“JOMTs”) and Loan trust, whose repayment of the principal is guaranteed by Sumitomo Trust, were 667,174 million yen and 203,534 million yen, respectively.

14. Guarantee Liabilities for Privately-offered Corporate Bonds

Sumitomo Trust guaranteed 115,720 million yen of corporate bonds in “Securities” which were privately offered (subject to the Paragraph 3, Article 2 of the “Financial Instruments and Exchange Law”) at the end of September, 2008.

Notes for the Statements of Income

1. Other Income

“Other Income” includes Gains on sale of stocks and other securities of 3,612 million yen and Gains on stock-related derivatives trading of 2,501 million yen.

2. Other Expenses

“Other Expenses” includes Losses on devaluation of stocks and other securities of 12,611 million yen, Provision for reserve for possible loan losses of 11,371 million yen and Losses on written-offs of 4,774 million yen.

Notes for the Statement of Changes in Net Assets

1. Issued Share and Treasury Stock

Issued share 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
September 30, 2008				
Number of Issued Shares:				
Common Stock	1,675,128	—	—	1,675,128
Treasury Stock:				
Common Stock	477	62	8	531

Notes: 1. Treasury stock increased by 62 thousand due to requests for redemption of odd-lot stocks.

2. Treasury stock decreased by 8 thousand due to requests for additional purchase of odd-lot stocks.

2. Dividends

Dividends are as follows:

Resolution	Type of Shares	Cash Dividends Declared	Cash Dividends per Share	Record Date	Effective Date
		Millions of Yen	Yen		
June 27, 2008 Ordinary General Meeting of Shareholders	Common Stock	¥ 14,234	¥ 8.50	March 31, 2008	June 30, 2008

Dividends, which record date is within this interim period and effective date of distribution is after the end of the first half fiscal year, are as follows:

Resolution	Type of Shares	Cash Dividends Declared	Resources allotted for the distribution	Cash Dividends per Share	Record Date	Effective Date
		Millions of Yen		Yen		
November 14, 2008 Board of Directors' meeting	Common Stock	¥ 14,234	Other Retained Earnings	¥ 8.50	September 30, 2008	December 5, 2008

Notes for the Statements of Cash Flows

1. Cash and Cash Equivalents

In preparing the consolidated statement of cash flows, Cash

2. Reconciliation of Cash and Cash Equivalents

	Millions of Yen	Millions of U.S. Dollars (Note 1)
Cash and Due from Banks	¥ 744,784	\$ 7,190
Due from Banks (excluding due from Bank of Japan)	(434,916)	(4,198)
Cash and Cash Equivalents	¥ 309,868	\$ 2,991

and due from Bank of Japan in the case of Sumitomo Trust, and Cash and due from banks in the case of the consolidated subsidiaries, are considered “Cash and Cash Equivalents.”

Subsequent Events (As of December 18, 2008)

1. STB Preferred Capital 4 (Cayman) Limited

Sumitomo Trust held a meeting of its Board of Directors on May 26, 2008 and resolved to establish a wholly owned subsidiary in the Cayman Islands named “STB Preferred Capital 4 (Cayman) Limited” (hereinafter Preferred Capital 4). Preferred Capital 4 became a specified subsidiary of Sumitomo Trust by the issuance of preferred securities on June 24, 2008.

(a) Company Information

1) Company Name

STB Preferred Capital 4 (Cayman) Limited

2) Purpose of the Establishment and Business Information

The purpose of the establishment of Preferred Capital 4 is to issue preferred securities and to make subordinated loans to Sumitomo Trust. All amount of the issuance, which is used for Sumitomo Trust’s capital injection, is expected to increase Sumitomo Trust’s Tier I capital under BIS capital adequacy requirements after the necessary procedures based on related laws and ordinances.

Capital Stock

Common Shares:

1,600 million yen

Preferred Securities:

110,000 million yen

(b) Total Outstanding Shares and Securities, Shareholders

1) Common Shares:

1,600,000 Shares

100% owned by Sumitomo Trust

2) Preferred Securities:

11,000 Shares

100% owned by entities other than Sumitomo Trust

Non-voting securities

2. STB Preferred Capital 5 (Cayman) Limited

Sumitomo Trust held a meeting of its Board of Directors on November 26, 2008 and resolved to establish a wholly owned subsidiary in the Cayman Islands named “STB Preferred Capital 5 (Cayman) Limited” (hereinafter Preferred Capital 5). Preferred Capital 5 became a specified subsidiary of Sumitomo Trust by the issuance of preferred securities on December 18, 2008.

(a) Company Information

1) Company Name

STB Preferred Capital 5 (Cayman) Limited

2) Purpose of the Establishment and Business Information

The purpose of the establishment of Preferred Capital 5 is to issue preferred securities and to make subordinated loans to Sumitomo Trust. All amount of the issuance, which is used for Sumitomo Trust’s capital injection, is expected to increase Sumitomo Trust’s Tier I capital under BIS capital adequacy requirements after the necessary procedures based on related laws and ordinances.

Capital Stock

Common Shares:

900 million yen

Preferred Securities:

70,000 million yen

(b) Total Outstanding Shares and Securities, Shareholders

1) Common Shares:

900,000 Shares

100% owned by Sumitomo Trust

2) Preferred Securities:

7,000 Shares

100% owned by entities other than Sumitomo Trust

Non-voting securities

	Millions of Yen			Millions of U.S. Dollars (Note 1)
	Sep. 30, 2008	Sep. 30, 2007	Mar. 31, 2008	Sep. 30, 2008
Assets:				
Loans and Bills Discounted	¥ 381,818	¥ 557,023	¥ 447,059	\$ 3,686
Securities	7,325,120	11,441,244	11,508,943	70,713
Money Held in Trust	61,964,219	54,895,358	61,015,610	598,168
Securities Held in Custody Accounts	440,051	408,264	434,419	4,248
Money Claims	9,391,818	7,875,375	8,908,810	90,663
Tangible Fixed Assets	4,396,803	4,086,658	4,343,235	42,444
Intangible Fixed Assets	34,175	28,553	33,370	330
Other Claims	2,596,617	2,946,768	2,822,637	25,066
Call Loans	4,700	4,500	45,100	45
Loans to Banking Account	644,661	1,159,892	747,554	6,223
Cash and Due from Banks	213,755	239,413	227,355	2,063
Total Assets	¥ 87,393,741	¥ 83,643,053	¥ 90,534,098	\$ 843,650
Liabilities:				
Money Trusts	¥ 20,927,526	¥ 22,866,716	¥ 25,545,526	\$ 202,023
Pension Trusts	6,510,079	7,423,644	7,100,851	62,845
Property Formation Benefit Trusts	9,107	7,612	7,203	88
Loan Trusts	206,543	551,296	278,182	1,994
Securities Investment Trusts	22,537,130	19,636,728	21,484,220	217,561
Money Entrusted, other than Money Trusts	2,912,094	3,160,930	3,042,883	28,112
Securities Trusts	16,514,452	14,439,200	15,885,157	159,421
Money Claim Trusts	9,076,530	7,514,162	8,638,407	87,620
Equipment Trusts	—	437	—	—
Land and Fixtures Trusts	56,377	143,721	149,581	544
Composite Trusts	8,643,900	7,898,602	8,402,083	83,443
Other Trusts	0	0	0	0
Total Liabilities	¥ 87,393,741	¥ 83,643,053	¥ 90,534,098	\$ 843,650

See accompanying notes.

Risk Managed Loans

(1) Banking Account	Millions of Yen			Millions of U.S. Dollars (Note 1)
	Sep. 30, 2008	Sep. 30, 2007	Mar. 31, 2008	Sep. 30, 2008
Loans in Bankruptcy Proceedings	¥ 12,814	¥ 1,310	¥ 1,126	\$ 124
% to Total Loans	0.11%	0.01%	0.01%	
Other Delinquent Loans	74,270	93,228	56,110	717
% to Total Loans	0.68%	0.87%	0.52%	
Loans more than Three Months Past Due	1	170	4	0
% to Total Loans	0.00%	0.00%	0.00%	
Restructured Loans	37,069	33,485	77,668	358
% to Total Loans	0.34%	0.31%	0.72%	
Total Loans Outstanding	¥ 10,846,022	¥ 10,625,402	¥ 10,746,228	\$ 104,701
Direct Reduction	39,565	38,946	32,227	382
(2) Guaranteed Trust Account	Millions of Yen			Millions of U.S. Dollars (Note 1)
	Sep. 30, 2008	Sep. 30, 2007	Mar. 31, 2008	Sep. 30, 2008
Loans in Bankruptcy Proceedings	¥ 26	¥ —	¥ —	\$ 0
% to Total Loans	0.00%	—	—	
Other Delinquent Loans	14,243	3,077	14,656	137
% to Total Loans	4.76%	0.74%	4.45%	
Loans more than Three Months Past Due	—	—	—	—
% to Total Loans	—	—	—	
Restructured Loans	275	770	745	3
% to Total Loans	0.09%	0.18%	0.22%	
Total Loans Outstanding	¥ 299,134	¥ 415,437	¥ 328,913	\$ 2,888

Definitions:

- (1) 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 Corporate Tax Law" (Cabinet Order No.97, 1965).
- (2) Other delinquent loans are non-accrual loans other than 1) loans in bankruptcy proceedings and 2) loans of which interest payments are rescheduled in order to assist the restructuring of borrowers.
- (3) 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 loans in bankruptcy proceedings and other delinquent loans.
- (4) 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.

Note: Guaranteed trust, the principals of which are guaranteed, are constituted by "Loan Trusts" and Jointly-Operated Money Trusts ("JOMTs") included in "Money Trusts."

Allowance

(1) Banking Account	Millions of Yen			Millions of U.S. Dollars (Note 1)
	Sep. 30, 2008	Sep. 30, 2007	Mar. 31, 2008	Sep. 30, 2008
Allowance for Loan Losses				
General Allowance	¥ (85,731)	¥ 99,927	¥ (93,609)	\$ (828)
Specific Loan Loss Allowance	(27,226)	29,995	(13,074)	(263)
Allowance for Loans to Borrowers in Specific Foreign Countries	—	750	—	—
Total	¥ (112,957)	¥ 130,674	¥ (106,683)	\$ (1,090)

(2) Guaranteed Trust Account	Millions of Yen			Millions of U.S. Dollars (Note 1)
	Sep. 30, 2008	Sep. 30, 2007	Mar. 31, 2008	Sep. 30, 2008
Allowance for Possible Impairment of Principal (Loan Trusts)	¥ 1,417	¥ 3,467	¥ 1,839	\$ 14
Allowance for Possible Impairment of Principal (JOMTs)	330	1,175	924	3
Total	¥ 1,747	¥ 4,643	¥ 2,763	\$ 17

Credit Costs

(1) Banking Account	Millions of Yen			Millions of U.S. Dollars (Note 1)
	Six Months Ended Sep. 30, 2008	Six Months Ended Sep. 30, 2007	Year Ended Mar. 31, 2008	Six Months Ended Sep. 30, 2008
Allowance for Loan Losses	¥ (8,786)	¥ 23,251	¥ 17,023	\$ (85)
Expenses Relating to Problem Loans	25,573	12,188	(3,673)	247
Claims Written-Off	4,774	9,620	6,102	46
Provision for Specific Reserve	20,157	788	(14,888)	195
Provision for Reserve for Borrowers in Specific Foreign Countries	—	46	(614)	—
Others	640	1,733	5,727	6
Extraordinary Income				
Recoveries of Written-off Claims	(695)	(389)	—	(7)
Total	¥ 16,090	¥ 35,049	¥ 13,349	\$ 155

(2) Guaranteed Trust Account	Millions of Yen			Millions of U.S. Dollars (Note 1)
	Sep. 30, 2008	Sep. 30, 2007	Mar. 31, 2008	Sep. 30, 2008
Claims Written-Off	¥ —	¥ —	¥ (11)	\$ —
Losses on Sale of Loans	(0)	—	—	(0)
Total	¥ (0)	¥ —	¥ (11)	\$ (0)

Total Credit Costs	¥ 16,090	¥ 35,049	¥ 13,338	\$ 155
Total Substantial Credit Costs	¥ 24,519	¥ 38,687	¥ 83,536	\$ 237
Losses Related to Overseas Credit Investment	10,735	9,705	82,781	104

Notes: 1. Credit costs in banking account are included in "Other Expenses" on the consolidated statements of income.

2. Credit costs in guaranteed trust accounts are reflected in "Trust Fees" after deduction of such costs.

3. Total substantial credit costs = Total credit costs + credit investment related costs of Net gains on sales of stocks and other securities and Others.

Valuation Difference on Securities

(1) Held-to-Maturity Debt Securities with Fair Value	Millions of Yen			Millions of U.S. Dollars (Note 1)
	Sep. 30, 2008	Sep. 30, 2007	Mar. 31, 2008	Sep. 30, 2008
Government Bonds	¥ 4,118	¥ 202	¥ 7,906	\$ 40
Local Government Bonds	0	(0)	0	0
Short-term Corporate Bonds	—	—	—	—
Corporate Bonds	(24)	(607)	38	(0)
Other Securities	29	18	34	0
Foreign Bonds	29	18	34	0
Total	¥ 4,123	¥ (386)	¥ 7,980	\$ 40

(2) Available-for-Sale Securities with Fair Value	Millions of Yen			Millions of U.S. Dollars (Note 1)
	Sep. 30, 2008	Sep. 30, 2007	Mar. 31, 2008	Sep. 30, 2008
Stocks	¥ 174,279	¥ 420,062	¥ 191,163	\$ 1,682
Bonds	(10,846)	(5,673)	(552)	(105)
Government Bonds	(8,579)	(3,414)	971	(83)
Local Government Bonds	(68)	(28)	182	(1)
Short-term Corporate Bonds	—	—	—	—
Corporate Bonds	(2,198)	(2,230)	(1,706)	(21)
Other Securities	(125,422)	(49,069)	(79,785)	(1,211)
Foreign Stocks	393	1,248	738	4
Foreign Bonds	(110,409)	(61,723)	(69,003)	(1,066)
Others	(15,407)	11,405	(11,519)	(149)
Total	¥ 38,010	¥ 365,319	¥ 110,826	\$ 367

Risk Management

Capital Adequacy Ratio

Consolidated

We calculate the BIS capital adequacy ratio on both a consolidated and non-consolidated basis in line with provisions of Article 14-2 of the Banking Law and on the basis of calculation formulae prescribed under the criteria for judging whether a bank's capital adequacy ratio is appropriate in light of assets held (the Financial Services Agency 2006 Notification No.19, hereinafter referred to as the "Notification"). Applying uniform international standards, we have adopted the Foundation Internal Ratings-Based (IRB) Approach for the calculation of credit risk-weighted assets and the Standardized Approach for the calculation of operational risk, and also introduced market risk regulations.

BIS Capital Adequacy Ratio

	Millions of Yen		
	Sep. 30, 2008	Sep. 30, 2007	Mar. 31, 2008
Tier I			
Capital Stock	¥ 287,537	¥ 287,537	¥ 287,537
Noncumulative Perpetual Preferred Stock	—	—	—
Deposit for Subscriptions to Shares	—	—	—
Capital Surplus	242,555	242,559	242,555
Retained Earnings	497,833	453,156	483,685
Treasury Stock (Deduction)	479	439	441
Deposit for Subscriptions to Treasury Stock	—	—	—
Expected Distributed Amount (Deduction)	14,234	14,234	14,234
Net Unrealized Loss on Available-for-Sale Securities (Deduction)	—	—	—
Foreign Currency Translation Adjustments	(6,644)	(2,498)	(4,729)
Share Warrants	—	—	—
Minority Interests	237,254	210,397	209,362
Noncumulative Preferred Securities Issued by Overseas Special Purpose Companies	210,000	183,000	183,000
Business Rights Equivalents (Deduction)	—	—	—
Goodwill Equivalents (Deduction)	111,244	119,777	115,508
Equivalent to Intangible Fixed Assets Recorded through Business Combination (Deduction)	—	—	—
Equivalent to the Increase in the Capital Associated with Securitization Transactions (Deduction)	—	—	—
Equivalent to 50% of the Excess of Expected Loss over Qualifying Allowance (Deduction)	18,274	16,165	14,918
Total Tier I before Deduction of Deferred Tax Assets (Aggregate Sum of Items Above)	1,114,302	1,040,536	1,073,308
Deducted Amounts of Deferred Tax Assets (Deduction) *1	—	—	—
Total (A)	1,114,302	1,040,536	1,073,308
Noncumulative Preferred Securities Attached with Step-up Interest Rate Clause*2 (a)	156,000	100,000	100,000
Tier II			
45% of Net Unrealized Gain on Available-for-Sale Securities	14,440	167,000	48,096
45% of Revaluation Reserve for Land	725	875	771
General Allowance for Loan Losses	7,069	6,942	3,213
Excess of Qualifying Allowance over Expected Loss	—	—	—
Debt Capital	647,026	746,355	708,859
Perpetual Subordinated Debt *3	266,150	331,200	314,195
Subordinated Term Debt and Fixed-term Preferred Stock *4	380,876	415,155	394,664
Total	669,262	921,173	760,940
Included in Capital (B)	669,262	921,173	760,940
Tier III			
Subordinated Short-term Debt	—	—	—
Included in Capital (C)	—	—	—
Items for Deduction			
Items for Deduction*5 (D)	99,297	125,257	101,958
Total Qualifying Capital			
(A)+(B)+(C)-(D) (E)	1,684,267	1,836,452	1,732,290
Risk-Weighted Assets			
Asset (On-balance Sheet) Items	11,907,818	12,676,642	11,722,611
Off-balance Sheet Transaction Items	1,904,390	2,042,620	2,022,727
Amount of Credit Risk-Weighted Assets (F)	13,812,209	14,719,262	13,745,339
Amount of Market Risk Equivalents (H)/8% (G)	203,320	135,417	162,263
(Reference) Market Risk Equivalents (H)	16,265	10,833	12,981
Amount of Operational Risk Equivalents (J)/8% (I)	722,800	701,187	718,385
(Reference) Operational Risk Equivalents (J)	57,824	56,095	57,470
Amount Obtained by Multiplying by 12.5 the Excess of the Amount Obtained by Multiplying the Old Required Capital by the Rate Prescribed by the Notification over the New Required Capital (K)	—	—	—
Total ((F)+(G)+(I)+(K)) (L)	¥ 14,738,329	¥ 15,555,868	¥ 14,625,988
BIS Capital Adequacy Ratio = E/L x 100 (%)	11.42	11.80	11.84
Tier I Capital Ratio = A/L x 100 (%)	7.56	6.68	7.33
Ratio of Noncumulative Preferred Securities with Step-up Interest Rate Clauses to Tier I Capital = a/A x 100 (%)	13.99	9.61	9.31

*1 As of September 30, 2008, deferred tax assets total ¥101,570 million in net terms. The upper limit on the inclusion of deferred tax assets in capital is ¥222,860 million.

*2 Listed in the Notification Article 5, Paragraph 2, i.e. stocks and other securities with high probability of redemptions through such measures as attachment of step-up interest rate clauses (including noncumulative preferred securities issued by overseas special purpose companies).

*3 Debt capital listed in the Notification Article 6, Paragraph 1, 4 that have all of the characteristics listed below:

- (1) Paid-up debts unsecured and subordinate to other debts
- (2) Not redeemable, except for certain cases
- (3) Used for compensation of loss while continuing business
- (4) Allowed to defer interest payment obligations

*4 Listed in the Notification Article 6, Paragraph 1, 5 and 6. However, subordinated term debts are limited to those with an original maturity of over five years.

*5 Listed in the Notification Article 8, Paragraph 1, 1 through 6, and include the amounts equivalent to intentional holdings of other financial institutions' capital funding means and the amounts equivalent to investments in those provided for under the Notification Article 8, Paragraph 1, 2.

*6 We received an external audit by KPMG AZSA & Co. on the calculation of the consolidated BIS capital adequacy ratio in line with 'Agreed Upon Methods for the Implementation of Capital Adequacy Ratio Audits' (Pronouncement 30 of the Japanese Institute of Certified Public Accountants, Bank Auditing Committee, June 12, 2007).

The external audit is not part of the accounting audit of the consolidated financial statements but was conducted on parts of the internal risk management framework concerning the calculation of the consolidated BIS capital adequacy ratio under agreed-upon examination procedures and is a report of the results. It thus does not represent an opinion by the external auditor regarding the consolidated BIS capital adequacy ratio itself or parts of the internal control which concern the ratio.

Details of preferred securities issued by overseas special purpose companies included in the Tier I of capital for consolidated BIS capital adequacy ratio calculation are the following:

1. Issuer	STB Preferred Capital (Cayman) Limited	STB Preferred Capital 2 (Cayman) Limited	STB Preferred Capital 3 (Cayman) Limited	STB Preferred Capital 4 (Cayman) Limited
2. Description of Securities	Noncumulative Preferred Securities	Same as on the left	Same as on the left	Same as on the left
3. Maturity	Perpetual (the Securities may be redeemed in whole or in part on any dividend payment date on or after ten years from the issuance at the option of the Issuer subject to the prior approval of the holders of the ordinary shares and applicable regulatory requirements).	Perpetual (the Securities may be redeemed in whole or in part on any dividend payment date on or after seven years from the issuance at the option of the Issuer subject to the prior approval of the holders of the ordinary shares and applicable regulatory requirements).	Perpetual (the Securities may be redeemed in whole or in part on any dividend payment date on or after ten years from the issuance at the option of the Issuer subject to the prior approval of the holders of the ordinary shares and applicable regulatory requirements).	Same as on the left
4. Dividend Rate	Floating Rate (Non Step-up)	<1st year - 10th year > Fixed Rate <Thereafter> Step-up Floating Rate	Same as on the left	Series A <1st year - 10th year > Fixed Rate <Thereafter> Step-up Floating Rate Series B <1st year - 10th year > Fixed Rate <Thereafter> Non Step-up Floating Rate
5. Issue Amount	¥83 billion	¥50 billion	¥50 billion	Series A ¥56 billion Series B ¥54 billion
6. Issue Date	March 26, 1999	December 7, 2005	March 2, 2007	June 24, 2008
7. Outline of Dividend Payment	Dividends are payable by the Issuer in the presence of distributable amount of the Bank in conformity with the calculation of preferred shares of the bank. If the Bank pays any dividends on any of its common stock with respect to any financial year of the Bank, then the Issuer will be required to pay full dividends on the Securities for the applicable year.	Same as on the left	Same as on the left	Same as on the left
8. Dividend Limitation	Dividends will not be paid if any of certain criteria have met. The criteria include the following: When the Bank did not pay dividend on any class of preferred shares. When the Bank's BIS capital adequacy ratio or Tier I capital ratio is to decline below the minimum percentages required by Japanese banking regulations.	Same as on the left	Same as on the left	Same as on the left
9. Rights to the Remaining Assets	The Securities are intended to provide holders, through the perpetual subordinated loan to the Bank, with rights to remaining assets that are the same as those to which holders would be entitled if they had purchased noncumulative nonvoting perpetual preferred stock issued directly by the Bank.	Same as on the left	Same as on the left	Same as on the left

Scope of Consolidation

Consolidated

Companies that are Subject to Deduction Items Listed in the Notification, Article 8, Paragraph 1, 2 (a) through (c)

	Sep. 30, 2008	Sep. 30, 2007
Companies that Failed to Meet the Regulatory Required Capital and Shortfall Amounts	Not applicable	Not applicable

Capital Adequacy

Consolidated

(1) Amount of Required Capital against Credit Risk (excluding equity exposures to which the IRB Approach is applied and exposures held in funds)

	Millions of Yen	
	Sep. 30, 2008	Sep. 30, 2007
Portfolios to which the Standardized Approach is Applied	¥ 134,812	¥ 223,572
Retail Exposures	—	82,846
Exposures to Business Units Set for Phased Roll-Out Application	108,327	114,002
Exposures Excluded from Application	26,485	26,723
Portfolios to which the IRB Approach is Applied and the Breakdown by Portfolio	923,798	877,893
Corporate Exposures	725,109	737,955
Sovereign Exposures	25,545	31,215
Bank Exposures	28,765	25,902
Residential Mortgage Exposures	47,735	—
Qualifying Revolving Retail Exposures	612	—
Other Retail Exposures	12,989	—
Purchased Receivables	60,319	70,801
Other Assets	22,720	12,018
Securitization Exposures	47,639	97,724
Exposures to which the Standardized Approach is Applied	—	24,867
Exposures to which the IRB Approach is applied	47,639	72,856

Note: From March 31, 2008, retail exposure (including that for securitization exposures securitized by retail exposures) for the parent company, along with retail exposure for Sumishin Guaranty Company Limited and Sumishin Card Company, Limited, is being presented using the IRB approach instead of the standardized approach.

(2) Amount of Required Capital against Credit Risk concerning Equity Exposures to which the IRB Approach is Applied

	Millions of Yen	
	Sep. 30, 2008	Sep. 30, 2007
Equity Exposures	¥ 87,751	¥ 99,636
PD/LGD Approach	14,023	13,189
Simple Risk Weight Method of the Market-Based Approach	20,808	15,494
Internal Models Method of the Market-Based Approach	—	—
Transitional Measures	52,919	70,953

(3) Amount of Required Capital against Credit Risk concerning Exposures Held in Funds

	Millions of Yen	
	Sep. 30, 2008	Sep. 30, 2007
	¥ 87,368	¥ 100,057

(4) Amount of Required Capital against Market Risk

	Millions of Yen	
	Sep. 30, 2008	Sep. 30, 2007
Market Risk	¥ 16,265	¥ 10,833
Amount of Required Capital by Category under the Standardized Approach	2,340	2,008
Interest Rate Risk	1,830	1,525
Equity Position Risk	—	—
Foreign Exchange Risk	509	482
Commodities Risk	—	—
Options Transactions	—	—
Internal Models Approach	13,925	8,824

(5) Amount of Required Capital against Operational Risk

	Millions of Yen	
	Sep. 30, 2008	Sep. 30, 2007
Standardized Approach	¥ 57,824	¥ 56,095

(6) Total Required Capital

	Millions of Yen	
	Sep. 30, 2008	Sep. 30, 2007
Total Required Capital	¥ 1,179,066	¥ 1,244,469

Credit Risk

Consolidated

(1) Balance of Exposures Related to Credit Risk (excluding exposures held in funds and securitization exposures)

	Millions of Yen				
	Sep. 30, 2008				
	Credit Risk Exposures				Exposures 3 Months or Longer Overdue or Exposures in Default
	Loans, Commitments and Other Off-balance Sheet Exposures other than Derivatives	Securities	Over-The-Counter Derivatives		
Japan	¥ 16,702,099	¥ 14,075,072	¥ 2,441,066	¥ 185,959	¥ 89,776
Outside Japan	3,276,292	889,507	1,634,734	752,050	9,499
Total for Regions	¥ 19,978,391	¥ 14,964,580	¥ 4,075,800	¥ 938,010	¥ 99,275
Manufacturing	2,604,214	2,183,421	404,017	16,775	6,370
Agriculture	3,935	2,895	1,019	21	—
Forestry	200	200	—	—	—
Fishing	8,434	8,254	133	46	1,797
Mining	15,432	15,181	—	250	—
Construction	201,339	192,343	8,575	420	3,111
Energy and Utilities	213,020	162,735	49,347	937	—
Communication	231,597	217,554	13,832	209	3,592
Transportation	858,038	734,437	114,159	9,441	—
Wholesale and Retail	1,443,899	1,359,027	78,712	6,159	7,758
Finance and Insurance	2,049,607	1,729,249	148,275	172,083	194
Real Estate	2,207,512	1,989,911	212,077	5,523	29,497
Various Services	1,219,306	1,191,174	24,750	3,382	5,107
Local Public Bodies	108,809	85,698	23,110	—	—
Individuals	2,105,731	2,105,731	—	—	14,237
Others	6,707,313	2,986,764	2,997,789	722,758	27,609
Total for Industry Sectors	¥ 19,978,391	¥ 14,964,580	¥ 4,075,800	¥ 938,010	¥ 99,275
One Year or Shorter	4,877,968	4,458,809	355,554	63,605	—
Over One Year to less than Five Years	7,563,915	5,599,597	1,610,953	353,364	—
Five Years or Longer	7,536,506	4,906,173	2,109,292	521,040	—
Total for All Durations	¥ 19,978,391	¥ 14,964,580	¥ 4,075,800	¥ 938,010	—
Average Balance during the Period	¥ 19,980,601	¥ 15,068,401	¥ 3,924,852	¥ 987,347	—

Notes: 1 Exposures subject to the calculation of credit risk-weighted assets excluding those subject to funds, securitization, other assets and those excluded from the application.

2 "Others" in the industry sectors include non-residents and state public services. Exposures for the duration of over five years include those with no fixed maturities.

3 Average balance during the period is the average figure of those as of September 30, 2007; March 31, 2008; and September 30, 2008.

4 Data for exposure as of September 30, 2007 represents amounts before credit risk offset effects of netting contracts allowed under the law and the netting against the company's cash balance, but subsequent data represents amounts after the effects of these items from March 31, 2008.

5 Data for exposure as of September 30, 2007 represents exposures to both original creditors and debtors in loan participations, but subsequent data represents only exposures to original debtors from March 31, 2008.

6 Data for exposure as of September 30, 2007 has been restated to conform to September 30, 2008 standards.

	Millions of Yen				
	Sep. 30, 2007				
	Credit Risk Exposures				Exposures 3 Months or Longer Overdue or Exposures in Default
	Loans, Commitments and Other Off-balance Sheet Exposures other than Derivatives	Securities	Over-The-Counter Derivatives		
Japan	¥ 17,246,898	¥ 14,162,647	¥ 2,949,867	¥ 134,383	¥ 116,988
Outside Japan	3,433,856	876,506	1,700,249	857,100	1,572
Total for Regions	¥ 20,680,754	¥ 15,039,153	¥ 4,650,116	¥ 991,483	¥ 118,560
Manufacturing	2,754,350	2,150,819	593,496	10,033	7,014
Agriculture	3,886	3,022	850	13	—
Forestry	258	258	—	—	—
Fishing	9,762	9,378	365	18	—
Mining	17,167	17,093	—	73	—
Construction	232,052	218,611	12,996	444	3,744
Energy and Utilities	247,940	192,759	54,340	839	—
Communication	190,148	172,043	17,940	163	5,508
Transportation	870,625	726,184	138,178	6,262	17,809
Wholesale and Retail	1,499,133	1,368,333	123,235	7,564	38,261
Finance and Insurance	2,007,550	1,754,047	141,760	111,741	—
Real Estate	2,034,396	1,854,762	174,948	4,685	22,434
Various Services	1,344,751	1,315,754	25,919	3,076	6,458
Local Public Bodies	142,428	106,741	35,686	—	—
Individuals	2,009,945	2,009,945	—	—	6,101
Others	7,316,355	3,139,395	3,330,396	846,563	11,226
Total for Industry Sectors	¥ 20,680,754	¥ 15,039,153	¥ 4,650,116	¥ 991,483	¥ 118,560
One Year or Shorter	4,877,907	4,477,806	319,272	80,827	
Over One Year to less than Five Years	7,163,427	5,344,776	1,447,107	371,544	
Five Years or Longer	8,639,419	5,216,570	2,883,736	539,112	
Total for All Durations	¥ 20,680,754	¥ 15,039,153	¥ 4,650,116	¥ 991,483	

Notes: 1 Exposures subject to the calculation of credit risk-weighted assets excluding those subject to funds, securitization, other assets and those excluded from the application.
2 "Others" in the industry sectors include non-residents and state public services. Exposures for the duration of over five years include those with no fixed maturities.

(2) General Allowance for Loan Losses

	Millions of Yen			
	Sep. 30, 2008	Sep. 30, 2007	Mar. 31, 2008	Change from Sep. 30, 2007
	Balance	Balance	Balance	
General Allowance for Loan Losses	¥ 85,731	¥ 99,927	¥ 93,609	¥ (7,877)

(3) Specific Allowance for Loan Losses (breakdown by region, industry sector)

	Millions of Yen			
	Sep. 30, 2008	Sep. 30, 2007	Mar. 31, 2008	Change from Sep. 30, 2007
	Balance	Balance	Balance	
Japan	¥ 19,381	¥ 29,586	¥ 13,074	¥ 6,306
Outside Japan	7,845	409	—	7,845
Total for Regions	¥ 27,226	¥ 29,995	¥ 13,074	¥ 14,151
Manufacturing	1,533	1,307	1,202	331
Agriculture	0	—	—	0
Forestry	0	—	—	0
Fishing	0	—	—	0
Mining	7	—	—	7
Construction	2,157	352	153	2,004
Energy and Utilities	8	—	4	3
Communication	70	803	55	15
Transportation	107	12,130	3	104
Wholesale and Retail	629	1,289	1,415	(786)
Finance and Insurance	1	—	6	(4)
Real Estate	5,725	2,727	2,957	2,768
Various Services	2,322	2,027	885	1,437
Local Public Bodies	1,581	3,164	1,575	5
Individuals	3,743	3,372	3,025	718
Others	9,335	2,820	1,790	7,545
Total for Industry Sectors	¥ 27,226	¥ 29,995	¥ 13,074	¥ 14,151

(4) Allowance for Loan Losses from Borrowers in Specified Foreign Countries (breakdown by industry sector)

	Millions of Yen			
	Sep. 30, 2008	Sep. 30, 2007	Mar. 31, 2008	Change from Sep. 30, 2007
	Balance	Balance	Balance	
Manufacturing	¥ —	¥ 29	¥ —	¥ —
Agriculture	—	—	—	—
Forestry	—	—	—	—
Fishing	—	—	—	—
Mining	—	94	—	—
Construction	—	—	—	—
Energy and Utilities	—	—	—	—
Communication	—	—	—	—
Transportation	—	—	—	—
Wholesale and Retail	—	33	—	—
Finance and Insurance	—	575	—	—
Real Estate	—	—	—	—
Various Services	—	—	—	—
Local Public Bodies	—	—	—	—
Individuals	—	—	—	—
Others	—	17	—	—
Total for Industry Sectors	¥ —	¥ 750	¥ —	¥ —

(5) Amount of Written-off Loans (breakdown by industry sector)

	Millions of Yen			
	Six Months Ended Sep. 30, 2008		Six Months Ended Sep. 30, 2007	
Manufacturing	¥	67	¥	211
Agriculture		0		—
Forestry		—		—
Fishing		16		—
Mining		—		—
Construction		41		300
Energy and Utilities		0		—
Communication		469		1
Transportation		2		—
Wholesale and Retail		32		4,177
Finance and Insurance		2		16
Real Estate		3		28
Various Services		77		35
Local Public Bodies		—		—
Individuals		375		228
Others		3,683		4,620
Total for Industry Sectors	¥	4,774	¥	9,620

(6) Amount of Exposures by Risk-Weight Category (Standardized Approach)

	Millions of Yen			
	Sep. 30, 2008		Sep. 30, 2007	
	Subject to Rating		Subject to Rating	
Balance of Exposures to which the Standardized Approach is Applied after				
Allowing for the Credit Risk Mitigation Effect by Risk-Weight Category ...	¥ 2,273,764	¥ 140,983	¥ 4,181,769	¥ 145,735
0%	247,820	—	283,754	—
10%	1,059	—	972	—
20%	355,261	22,941	401,923	28,477
35%	29,006	—	1,157,495	—
50%	73,754	58,269	65,536	55,782
100%	1,550,268	59,773	2,261,600	61,443
150%	16,594	—	10,486	31
Amounts Deducted from Capital under				
the Notification, Article 8, Paragraph 1, 3 and 6	¥ —	—	¥ —	—

Note: From March 31, 2008, retail exposure is not covered by the standardized approach with a switch to the IRB approach.

(7) Amount of Exposures by Risk-Weight Category (IRB Approach)

	Millions of Yen	
	Sep. 30, 2008	Sep. 30, 2007
Specialized Lending under the Slotting Criteria	¥ 1,267,550	¥ 1,220,649
High-Volatility Commercial Real Estate Exposures	281,759	218,241
Maturities of 2.5 years or Longer	153,896	88,723
Strong 95%	28,417	29,959
Good 120%	103,078	31,040
Satisfactory 140%	22,400	27,724
Weak 250%	—	—
Default 0%	—	—
Maturities of less than 2.5 Years	127,862	129,517
Strong 70%	16,464	46,550
Good 95%	54,104	50,479
Satisfactory 140%	57,293	32,487
Weak 250%	—	—
Default 0%	—	—
Other Exposures	¥ 985,791	¥ 1,002,408
Maturities of 2.5 years or Longer	727,976	678,340
Strong 70%	343,184	319,159
Good 90%	198,870	211,902
Satisfactory 115%	167,995	133,136
Weak 250%	17,926	2,183
Default 0%	—	11,959
Maturities of less than 2.5 Years	257,814	324,068
Strong 50%	69,849	131,446
Good 70%	103,131	106,958
Satisfactory 115%	82,283	85,436
Weak 250%	60	82
Default 0%	2,490	144
Equity Exposures to which the Simple Risk Weight Method of the Market-Based Approach is Applied	¥ 65,854	¥ 49,977
Listed Stocks 300%	18,034	17,191
Unlisted Stocks 400%	47,820	32,786

Application of the IRB Approach

(1) The Probability of Default (PD), Loss Given Default (LGD), weighted average of Risk Weights (RW), Exposure At Default (EAD) of On-balance sheet asset items (On_EAD), and EAD of Off-balance sheet asset items (Off_EAD) by obligor category for Corporate Exposures

	Millions of Yen				
	Sep. 30, 2008				
	PD	LGD	RW	On_EAD	Off_EAD
Ratings 1 – 4	0.06%	45.85%	23.11%	¥ 2,067,039	¥ 742,265
Ratings 5 – 6	0.91%	44.81%	72.29%	4,381,833	800,903
Ratings 7 – 8	19.14%	44.18%	218.16%	691,877	101,093
Ratings 8- – 10	100.00%	44.68%	—	65,510	2,554
Total	3.04%	45.08%	69.19%	¥ 7,206,260	¥ 1,646,816

Note: Specialized lending and purchased receivables are excluded.

	Millions of Yen				
	Sep. 30, 2007				
	PD	LGD	RW	On_EAD	Off_EAD
Ratings 1 – 4	0.06%	45.86%	23.97%	¥ 1,985,790	¥ 847,955
Ratings 5 – 6	1.02%	45.08%	76.23%	4,374,314	846,549
Ratings 7 – 8	19.86%	45.00%	219.95%	605,440	94,433
Ratings 8- – 10	100.00%	45.00%	—	93,342	13,325
Total	3.39%	45.32%	69.95%	¥ 7,058,888	¥ 1,802,263

Note: Specialized lending and purchased receivables are excluded.

(2) The Probability of Default (PD), Loss Given Default (LGD), weighted average of Risk Weights (RW), Exposure At Default (EAD) of On-balance sheet asset items (On_EAD), and EAD of Off-balance sheet asset items (Off_EAD) by obligor category for Sovereign Exposures

	Millions of Yen				
	Sep. 30, 2008				
	PD	LGD	RW	On_EAD	Off_EAD
Ratings 1 – 4	0.01%	45.00%	9.05%	¥ 3,166,089	¥ 32,260
Ratings 5 – 6	1.65%	45.00%	136.44%	11,155	1,900
Ratings 7 – 8	14.68%	44.86%	231.02%	2,877	—
Ratings 8- – 10	—	—	—	—	—
Total	0.03%	45.00%	9.77%	¥ 3,180,122	¥ 34,160

Note: Specialized lending and purchased receivables are excluded.

	Millions of Yen				
	Sep. 30, 2007				
	PD	LGD	RW	On_EAD	Off_EAD
Ratings 1 – 4	0.01%	45.00%	9.29%	¥ 3,582,069	¥ 53,996
Ratings 5 – 6	1.41%	45.00%	105.54%	23,673	1,899
Ratings 7 – 8	15.19%	45.00%	231.51%	6,791	0
Ratings 8- – 10	—	—	—	—	—
Total	0.05%	45.00%	10.37%	¥ 3,612,533	¥ 55,895

Note: Specialized lending and purchased receivables are excluded.

(3) The Probability of Default (PD), Loss Given Default (LGD), weighted average of Risk Weights (RW), Exposure At Default (EAD) of On-balance sheet asset items (On_EAD), and EAD of Off-balance sheet asset items (Off_EAD) by obligor category for Bank Exposures

	Millions of Yen				
	Sep. 30, 2008				
	PD	LGD	RW	On_EAD	Off_EAD
Ratings 1 – 4	0.04%	46.55%	18.32%	¥ 778,870	¥ 832,079
Ratings 5 – 6	0.48%	46.44%	60.55%	35,025	41,462
Ratings 7 – 8	21.40%	70.03%	411.33%	1,843	—
Ratings 8- – 10	100.00%	45.00%	—	194	—
Total	0.10%	46.57%	20.66%	¥ 815,933	¥ 873,542

Note: Specialized lending and purchased receivables are excluded.

	Millions of Yen				
	Sep. 30, 2007				
	PD	LGD	RW	On_EAD	Off_EAD
Ratings 1 – 4	0.04%	45.38%	17.35%	¥ 721,503	¥ 877,593
Ratings 5 – 6	0.70%	47.18%	66.96%	32,319	28,289
Ratings 7 – 8	—	—	—	—	—
Ratings 8- – 10	—	—	—	—	—
Total	0.06%	45.44%	19.16%	¥ 753,823	¥ 905,883

Note: Specialized lending and purchased receivables are excluded.

(4) The Probability of Default (PD), weighted average of Risk Weights (RW) and balance of Equity Exposures to which the PD/LGD approach is applied by obligor category

	Millions of Yen		
	Sep. 30, 2008		
	PD	RW	Balance
Ratings 1 – 4	0.06%	108.07%	¥ 28,968
Ratings 5 – 6	0.29%	158.24%	87,663
Ratings 7 – 8	9.40%	461.59%	117
Ratings 8- – 10	100.00%	—	134
Total	0.36%	145.93%	¥ 116,883

	Millions of Yen		
	Sep. 30, 2007		
	PD	RW	Balance
Ratings 1 – 4	0.06%	108.90%	¥ 30,801
Ratings 5 – 6	0.36%	170.37%	74,743
Ratings 7 – 8	14.68%	524.97%	75
Ratings 8- – 10	100.00%	—	19
Total	0.30%	152.67%	¥ 105,639

(5) The Probability of Default (PD), Loss Given Default (LGD), weighted average of Risk Weights (RW), Exposure At Default (EAD) of On-balance sheet asset items (On-EAD), EAD of Off-balance sheet asset items (Off-EAD), Undrawn Commitment, and weighted average of Credit Conversion Factor (CCF) applied to Undrawn Commitment for Retail Exposures by exposure pool

	Millions of Yen						
	Sep. 30, 2008						
	PD	LGD	RW	On_EAD	Off_EAD	Undrawn Commitment	CCF
Residential Mortgage							
Current	0.35%	53.65%	31.60%	¥ 1,450,909	¥ 104,578	¥ 225	75%
Overdue	37.46%	53.65%	323.23%	5,558	110	—	—
Default	100.00%	49.10%	—	5,857	92	—	—
Qualifying Revolving Retail							
Current	1.46%	100.00%	53.88%	7,039	3,578	70,588	5%
Overdue	—	—	—	—	—	—	—
Default	—	—	—	—	—	—	—
Other Retail (consumer)							
Current	1.09%	53.14%	54.61%	118,677	8,163	125,475	5%
Overdue	27.58%	53.38%	141.42%	3,146	139	316	17%
Default	100.00%	47.06%	—	3,318	741	127	24%
Other Retail (commercial)							
Current	0.36%	54.39%	34.28%	91,351	8,091	150	75%
Overdue	15.54%	54.39%	115.27%	849	206	—	—
Default	100.00%	50.12%	—	1,089	574	—	—
Total	1.22%	53.89%	34.44%	¥ 1,687,797	¥ 126,277	¥ 196,883	69%

Notes: 1 LGD estimates include EL default amounts for exposures in default.

2 "Overdue" denotes credits less than 3 months overdue.

	Millions of Yen						
	Mar. 31, 2008						
	PD	LGD	RW	On_EAD	Off_EAD	Undrawn Commitment	CCF
Residential Mortgage							
Current	0.34%	53.65%	31.32%	¥ 1,438,443	¥ 108,771	¥ 130	75%
Overdue	37.46%	53.65%	323.23%	5,977	64	—	—
Default	100.00%	49.04%	—	6,077	92	—	—
Qualifying Revolving Retail							
Current	1.46%	100.00%	53.88%	7,465	3,697	72,777	5%
Overdue	—	—	—	—	—	—	—
Default	—	—	—	—	—	—	—
Other Retail (consumer)							
Current	1.09%	53.15%	54.63%	120,900	8,259	124,720	5%
Overdue	27.59%	53.56%	141.92%	3,317	173	352	17%
Default	100.00%	48.18%	—	1,200	770	152	23%
Other Retail (commercial)							
Current	0.36%	54.39%	34.28%	89,197	8,898	95	75%
Overdue	15.54%	54.39%	115.27%	783	89	—	—
Default	100.00%	50.09%	—	1,434	577	—	—
Total	1.15%	53.92%	34.34%	¥ 1,674,797	¥ 131,396	¥ 198,228	69%

Notes: 1 LGD estimates include EL default amounts for exposures in default.

2 "Overdue" denotes credits less than 3 months overdue.

(6) Losses in the Previous Period and Comparison of Losses in the Current Period with those in the Previous Period

	Millions of Yen				
	Six Months Ended Sep. 30, 2008		Six Months Ended Sep. 30, 2007		Change in Actual Credit Losses
	Actual Credit Losses	Writebacks	Actual Credit Losses	Writebacks	
Corporate Exposures	¥ 8,893	¥ (10,020)	¥ 26,260	¥ (11,646)	¥ (17,367)
Sovereign Exposures	0	(1)	(27)	(27)	26
Bank Exposures	15	—	—	—	15
Equity Exposures under the PD/LGD Approach	—	—	—	—	—
Retail Exposures	1,578	(1,224)	—	—	1,578

Note: Of credit costs, only those that can be identified as stemming from specified asset classes are shown in the table. From fiscal year 2007, Retail Exposures are being presented with the switch to the IRB approach.

Factor Analysis

Losses in the first half of fiscal year 2008 decreased ¥15.7 billion year-on-year, the main reason for which being the reversal of general allowances for loan losses made for special mention debtors.

(7) Estimated Credit Losses

	Millions of Yen	
	Estimated Credit Losses	Actual Credit Losses
Corporate Exposures	¥ 139,738	¥ (19,543)
Sovereign Exposures	620	(4)
Bank Exposures	587	15
Equity Exposures under the PD/LGD Approach	408	—
Retail Exposures	11,053	1,872

Notes: 1 Estimated credit losses are the average of estimates calculated as of March 31, 2007; September 30, 2007; March 31, 2008 and September 30, 2008. Estimated credit losses for retail exposures are the average estimates calculated as of March 31, 2008 and September 30, 2008.

2 Actual credit losses are the sum of losses for one year beginning from September 30, 2008.

Credit Risk Mitigation Measures

Consolidated

Exposures to which Credit Risk Mitigation Measures are Applied

	Millions of Yen			
	Sep. 30, 2008			
	Eligible Financial Collateral	Other Eligible IRB Collateral	Guarantees	Credit Derivatives
Portfolios to which the Standardized Approach is Applied	¥ 28,796	¥ —	¥ —	¥ —
Portfolios to which the IRB Approach is Applied	1,629,794	121,069	135,373	40,000
Corporate Exposures	166,943	121,028	39,726	—
Sovereign Exposures	170	41	92,425	—
Bank Exposures	1,462,680	—	3,221	40,000
Residential Mortgage Exposures	—	—	—	—
Qualifying Revolving Retail Exposures	—	—	—	—
Other Retail Exposures	—	—	—	—

Note: From March 31, 2008, the scope of credit risk mitigation measures has been enlarged.

	Millions of Yen	
	Sep. 30, 2007	
	Eligible Financial Collateral	Credit Derivatives
Portfolios to which the Standardized Approach is Applied	¥ 24,756	¥ —
Portfolios to which the IRB Approach is Applied	1,404,772	40,000
Corporate Exposures	93,243	40,000
Sovereign Exposures	150	—
Bank Exposures	1,311,378	—

Derivative Products and Long Settlement Transactions

Consolidated

Derivative Products

	Millions of Yen	
	Sep. 30, 2008	Sep. 30, 2007
Aggregate Sum of Amounts of Gross Reconstruction Costs (limited only to those not below zero)	¥ 1,747,559	¥ 868,308
Aggregate Sum of Gross Add-On Amounts	1,379,516	932,951
Credit Equivalents (Gross)	¥ 3,127,076	¥ 1,801,260

Note: Credit equivalents are calculated with the current exposure approach.

	Millions of Yen	
	Sep. 30, 2008	Sep. 30, 2007
Foreign Exchange Related	¥ 702,987	¥ 283,001
Interest Rate Related	2,423,405	1,517,991
Gold Related	—	—
Equity Related	—	—
Precious Metals (Excluding Gold) Related	—	—
Other Commodities Related	—	—
Credit Derivatives	683	266
Total	¥ 3,127,076	¥ 1,801,260
Effect of Mitigating Credit Equivalents due to Close-out Netting Contracts (Deduction)	(2,188,626)	(809,514)
Total	¥ 938,449	¥ 991,745
Effect of Mitigation by Collateral under the Credit Risk Mitigation Measures (Deduction)	—	—
Total	¥ 938,449	¥ 991,745

	Millions of Yen			
	Sep. 30, 2008		Sep. 30, 2007	
	Providing of Protection	Purchase of Protection	Providing of Protection	Purchase of Protection
Notional Principal Amounts of Credit Derivatives				
Subject to the Calculation of Credit Equivalents				
Credit Default Swaps	¥ 80,000	¥ 40,000	¥ 80,000	¥ 40,000
Total Return Swaps	—	—	—	—
First-to-Default Credit Derivatives	—	—	—	—
Second-to-Default Credit Derivatives	—	—	—	—

	Millions of Yen	
	Sep. 30, 2008	Sep. 30, 2007
Notional Principal Amounts used to Allow for the Effect of Credit Risk Mitigation Measures	¥ 40,000	¥ 40,000

Long Settlement Transactions

Not applicable with respect to as of September 30, 2008 and as of September 30, 2007

Securitization Exposures (Originator)

Consolidated

First Half of Fiscal Year 2008

(1) Outline of Securitizations during the First Half of Fiscal Year 2008, Type and Status of Principal Underlying Assets
Not applicable

(2) Amounts of Securitization Exposures Held and Breakdown of Principal Underlying Assets by Type

	Millions of Yen			
	Sep. 30, 2008			
	Exposure Amounts	Aggregate Sum of Underlying Assets		
Asset Transfer-Type Securitization Transaction		Synthetic Securitization Transaction		
Housing Loans	¥ 302	¥ 24,956	¥ 24,956	¥ —
Credit Card Loans, Consumer Loans	—	—	—	—
Auto Loans, Other Loans to Individuals	—	—	—	—
Commercial Real Estate-Secured Loans	—	—	—	—
Loans and Bonds to Corporates	—	—	—	—
Claims on Lease Payments	—	—	—	—
Accounts Receivable, Other Claims on Corporates	—	—	—	—
Total	¥ 302	¥ 24,956	¥ 24,956	¥ —

(3) Cumulative Total for the First Half of Fiscal Year 2008 of Principal Underlying Assets Overdue for Three Months or Longer or in Default Related to Securitization Exposures Held, Cumulative Total of Losses for the First Half of Fiscal Year 2008, and their Breakdowns by Type of Principal Underlying Assets

	Millions of Yen			
	Sep. 30, 2008			
	Cumulative Total of Underlying Assets Overdue for Three Months or Longer or in Default		Cumulative Total Losses for First Half of Fiscal Year 2008	
Housing Loans	¥ 60	¥ 62		
Credit Card Loans, Consumer Loans	—	—		
Auto Loans, Other Loans to Individuals	—	—		
Commercial Real Estate-Secured Loans	—	—		
Loans and Bonds to Corporates	—	—		
Claims on Lease Payments	—	—		
Accounts Receivable, Other Claims on Corporates	—	—		
Total	¥ 60	¥ 62		

(4) Balance and Amounts of Required Capital of Securitization Exposures Held by Risk-Weight Category

	Millions of Yen	
	Sep. 30, 2008	
	Balance	Required Capital
Risk-Weight Category (IRB Approach)	¥ 302	¥ 302
20% or less	—	—
over 20% and 100% or less	—	—
over 100% and less than 1,250%	—	—
Capital Deduction	302	302
Risk-Weight Category (Standardized Approach)	—	—
20% or less	—	—
over 20% and 100% or less	—	—
over 100% and less than 1,250%	—	—
Capital Deduction	—	—
Total	¥ 302	¥ 302

(5) Amount Equivalent to the Increase in Capital Following Securitization and Breakdown by Type of Principal Underlying Assets

Not applicable

(6) Amount of Securitization Exposures by Type of Principal Underlying Assets Deducted from Capital under Provisions of the Notification Article 247

	Millions of Yen
	Sep. 30, 2008
Housing Loans	¥ 302
Credit Card Loans, Consumer Loans	—
Auto Loans, Other Loans to Individuals	—
Commercial Real Estate-Secured Loans	—
Loans and Bonds to Corporates	—
Claims on Lease Payments	—
Accounts Receivable, Other Claims on Corporates	—
Total	¥ 302

(7) Items by Type of Principal Underlying Assets of Securitization Exposures with Early Redemption Clauses

Not applicable

(8) Amounts of Losses/Gains on Sale in Association with Securitization Transactions Recognized during the First Half of Fiscal Year 2008 and Breakdown by Type of Principal Underlying Assets

Not applicable

(9) Amounts of Credit Risk-Weighted Assets Calculated with the Application of Transitional Measures with respect to Securitization Exposures

Not applicable

Securitization Exposures (Originator)

Consolidated

First Half of Fiscal Year 2007

(1) Outline of Securitizations during the First Half of Fiscal Year 2007, Type and Status of Principal Underlying Assets

We conducted the following single securitization transaction as an originator during the first half of fiscal year 2007.

Date of Securitization:	July 2007		
Type of Underlying Assets:	Mortgage loans		
Aggregate Sum of Underlying Assets:	¥30,202 million (at the time of securitization), ¥29,117 million (as of the end of September 2007)		
Type of Transaction:	Asset transfer-type securitization transaction		
Rating Agency:	Moody's Investors Service, Inc. (Moody's) Standard & Poors Rating Services (S&P)		
Initial Issue Amount:	Class A	¥ 3,000 million	(Aaa/Moody's, AAA/S&P)
	Class B	¥23,570 million	(A2/Moody's, A/S&P)
	Class C	¥ 3,330 million	(no rating)
	Subordinated Earnings Right	¥ 302 million	(no rating)
Date of Redemption:	December 2036		

We hold part of the exposures related to this securitization transaction, and quantitative data in (2)–(9) below include data related to this securitization transaction.

(2) Amounts of Securitization Exposures Held and Breakdown of Principal Underlying Assets by Type

	Millions of Yen			
	Sep. 30, 2007			
	Exposure Amounts	Aggregate Sum of Underlying Assets		
		Asset Transfer-Type Securitization Transaction	Synthetic Securitization Transaction	
Housing Loans	¥ 302	¥ 29,117	¥ 29,117	¥ —
Credit Card Loans, Consumer Loans	—	—	—	—
Auto Loans, Other Loans to Individuals	—	—	—	—
Commercial Real Estate-Secured Loans	—	—	—	—
Loans and Bonds to Corporates	—	—	—	—
Claims on Lease Payments	—	—	—	—
Accounts Receivable, Other Claims on Corporates	—	—	—	—
Total	¥ 302	¥ 29,117	¥ 29,117	¥ —

(3) Cumulative Total for the First Half of Fiscal Year 2007 of Principal Underlying Assets Overdue for Three Months or Longer or in Default Related to Securitization Exposures Held, Cumulative Total of Losses for the First Half of Fiscal Year 2007, and their Breakdowns by Type of Principal Underlying Assets.

Not applicable

(4) Balance and Amounts of Required Capital of Securitization Exposures Held by Risk-Weight Category

	Millions of Yen	
	Sep. 30, 2007	
	Balance	Required Capital
Risk-Weight Category (IRB Approach)	¥ —	¥ —
20% or less	—	—
over 20% and 100% or less	—	—
over 100% and less than 1,250%	—	—
Capital Deduction	—	—
Risk-Weight Category (Standardized Approach)	302	302
20% or less	—	—
over 20% and 100% or less	—	—
over 100% and less than 1,250%	—	—
Capital Deduction	302	302
Total	¥ 302	¥ 302

(5) Amount Equivalent to the Increase in Capital Following Securitization and Breakdown by Type of Principal Underlying Assets
Not applicable

(6) Amount of Securitization Exposures by Type of Principal Underlying Assets Deducted from Capital under Provisions of the Notification Article 247

	Millions of Yen
	Sep. 30, 2007
Housing Loans	¥ 302
Credit Card Loans, Consumer Loans	—
Auto Loans, Other Loans to Individuals	—
Commercial Real Estate-Secured Loans	—
Loans and Bonds to Corporates	—
Claims on Lease Payments	—
Accounts Receivable, Other Claims on Corporates	—
Total	¥ 302

(7) Items by Type of Principal Underlying Assets of Securitization Exposures with Early Redemption Clauses
Not applicable

(8) Amounts of Losses/Gains on Sale in Association with Securitization Transactions Recognized during the First Half of Fiscal Year 2007 and Breakdown by Type of Principal Underlying Assets

	Millions of Yen
	Sep. 30, 2007
Housing Loans	¥ (30)
Credit Card Loans, Consumer Loans	—
Auto Loans, Other Loans to Individuals	—
Commercial Real Estate-Secured Loans	—
Loans and Bonds to Corporates	—
Claims on Lease Payments	—
Accounts Receivable, Other Claims on Corporates	—
Total	¥ (30)

(9) Amounts of Credit Risk-Weighted Assets Calculated with the Application of Transitional Measures with respect to Securitization Exposures
Not applicable

Securitization Exposures (Investor)

Consolidated

(1) Amount of Securitization Exposures Held and Breakdown of Principal Underlying Assets by Type

	Millions of Yen	
	Sep. 30, 2008	Sep. 30, 2007
	Exposure	Exposure
Housing Loans	¥ 507,756	¥ 627,680
Credit Card Loans, Consumer Loans	171,692	239,660
Auto Loans, Other Loans to Individuals	13,477	41,100
Commercial Real Estate-Secured Loans	88,530	101,556
Loans and Bonds to Corporates	296,514	579,970
Claims on Lease Payments	106,109	133,848
Accounts Receivable, Other Claims on Corporates	8,493	5,990
Total	¥ 1,192,574	¥ 1,729,807

(2) Balance and Amounts of Required Capital of Securitization Exposures Held by Risk-Weight Category

	Millions of Yen			
	Sep. 30, 2008		Sep. 30, 2007	
	Balance	Required Capital	Balance	Required Capital
Risk-Weight Category (IRB Approach)	¥ 1,192,574	¥ 47,337	¥ 821,365	¥ 72,856
20% or less	1,026,135	8,028	651,279	5,312
over 20% and 100% or less	121,826	6,843	90,609	4,030
over 100% and less than 1,250%	21,300	9,154	28,202	12,238
Capital Deduction	23,311	23,311	51,274	51,274
Risk-Weight Category (Standardized Approach)	—	—	908,441	24,565
20% or less	—	—	711,267	11,380
over 20% and 100% or less	—	—	197,173	13,185
over 100% and less than 1,250%	—	—	—	—
Capital Deduction	—	—	—	—
Total	¥ 1,192,574	¥ 47,337	¥ 1,729,807	¥ 97,422

Note: From March 31, 2008, exposure for securitization exposures securitized by retail exposures is being presented using the IRB approach instead of the Standardized Approach.

(3) Amount of Securitization Exposures by Type of Principal Underlying Assets Deducted from Capital under Provisions of the Notification Article 247

	Millions of Yen	
	Sep. 30, 2008	Sep. 30, 2007
Housing Loans	¥ —	¥ —
Credit Card Loans, Consumer Loans	2,543	—
Auto Loans, Other Loans to Individuals	—	—
Commercial Real Estate-Secured Loans	—	—
Loans and Bonds to Corporates	20,767	51,274
Claims on Lease Payments	—	—
Accounts Receivable, Other Claims on Corporates	—	—
Total	¥ 23,311	¥ 51,274

(4) Amounts of Credit Risk-Weighted Assets Calculated with the Application of Transitional Measures with respect to Securitization Exposures

Not applicable

(1) End of Period Value at Risk (VaR) and Maximum, Minimum and Mean VaR for the Period

• Market Risk in the First Half of FY2008

	Banking Account	Trading Account
As of Sep. 30, 2008	¥ 131.2 billion	¥ 1.7 billion
Maximum	145.8 billion	2.1 billion
Minimum	84.7 billion	0.4 billion
Mean	117.0 billion	1.0 billion

(For the October, 2007 - September, 2008 Period)

• Market Risk in the First Half of FY2007

	Banking Account	Trading Account
As of Sep. 30, 2007	¥ 100.0 billion	¥ 0.5 billion
Maximum	103.7 billion	1.3 billion
Minimum	81.8 billion	0.3 billion
Mean	90.5 billion	0.6 billion

(For the October, 2006 - September, 2007 Period)

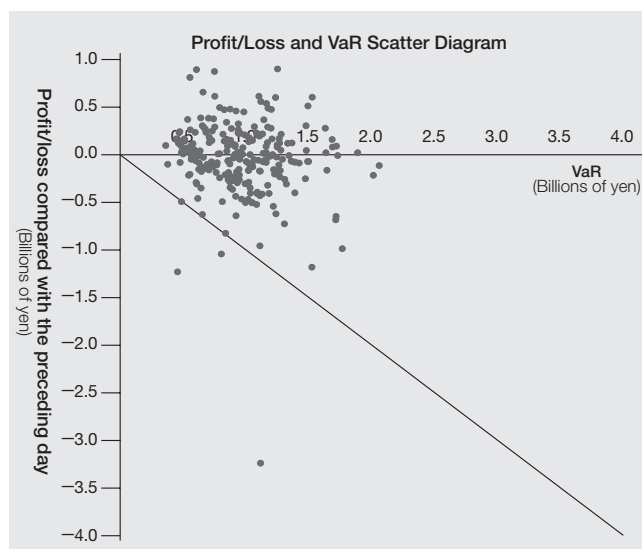
VaR Measurement Standards

Banking Account	Confidence Interval: One-tailed 99%	Time Horizon: 21 business days	Observation Period: One Year
Trading Account	Confidence Interval: One-tailed 99%	Time Horizon: 1 business day	Observation Period: One Year

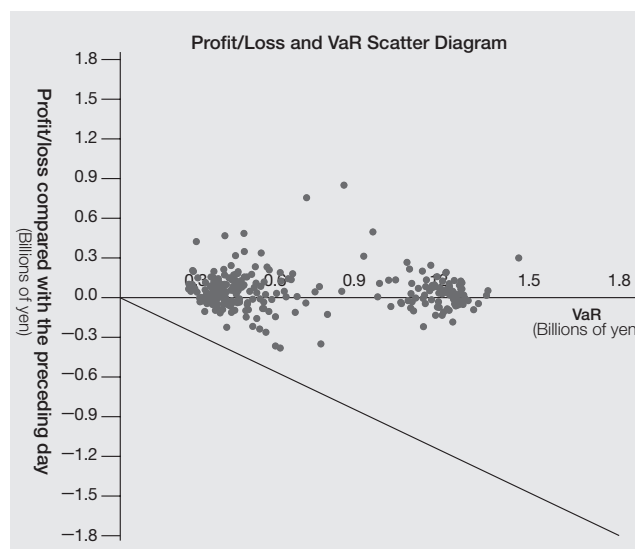
(2) Results of Back Testing and Reasons for Large Deviations between Actual Losses and VaR

• Back Testing of the Trading Account

First Half of FY 2008



First Half of FY 2007



Note: As shown above, for the first half of fiscal year 2008 back testing of the trading account shows three instances of losses in excess of VaR, one of which shows large deviations between actual losses and VaR due to the abrupt decline in US dollar interest rates caused by the bankruptcy of Lehman Brothers on September 15, 2008. Back testing on our position concerning overall market risks shows four instances of losses in excess of VaR.

Capital Subscriptions or Equity Exposures in the Banking Account

Consolidated

	Millions of Yen							
	Sep. 30, 2008				Sep. 30, 2007			
	Book Value		Market Value		Book Value		Market Value	
Consolidated Book and Market Values* ¹								
Listed Equity Exposures	¥	642,503	¥	642,503	¥	914,935	¥	914,935
Capital Subscriptions or Equity Exposures not included in "Listed Equity Exposures"		75,262		75,262		74,853		74,853
Amounts of Gains/Losses on Sale and Written-off of Capital Subscriptions or Equity Exposures* ^{1,2}	Gains/Losses	Gains	Losses	Written-off	Gains/Losses	Gains	Losses	Written-off
	(10,205)	3,612	1,206	12,611	4,695	7,646	813	2,138
Amounts of Unrealized Gains/Losses Recognized in the Consolidated Balance Sheets and not Recognized in the Consolidated Statements of Income				174,673				421,310
Amounts of Unrealized Gains/Losses not Reported in the Consolidated Balance Sheets and Statements of Income				Not applicable				Not applicable

*1 Figures for Available-for-Sale Securities include only Japanese and foreign stocks.

*2 Interim Consolidated Statements of Income figures for gains/losses on stock holdings and related written-off.

	Millions of Yen			
	Sep. 30, 2008	Sep. 30, 2007		
Amounts by Portfolio Category*	¥	806,737	¥	992,328
Outstanding Shares Held		624,000		836,711
Portfolios Adopting the Market-Based Approach		65,854		49,977
Portfolios Adopting the PD/LGD Approach		116,883		105,639

*Amounts by portfolio category show exposures subject to the calculation of credit risk-weighted assets.

Amounts Held in Funds

Consolidated

	Millions of Yen			
	Sep. 30, 2008	Sep. 30, 2007		
Aggregate Sum of Exposures Held in Funds	¥	358,676	¥	422,272
Look-through Approach		212,718		242,947
Simple Majority Formula		50,565		60,115
Investment Criteria Formula		19,023		23,138
Internal Models Approach		—		—
Probability Approach		74,675		88,756
Others		1,692		7,314

Note: Exposures subject to the calculation of credit risk-weighted assets are shown.

Interest Rate Risk in the Banking Account

Consolidated

Gains/Losses and Changes in Economic Value due to Interest Rate Shocks under the Internal Control System used by the Consolidated Group

- Outlier Ratio

	Sep. 30, 2008	Sep. 30, 2007
Overall Amount of Interest Rate Risk	¥ 132.1 billion	¥ 191.2 billion
Outlier Ratio	7.4%	9.7%

Notes: 1 Our interest rate fluctuation scenario assumes an interest rate shock consisting of the 1st and 99th percentile of the fluctuation range measured for a one year time horizon and a minimum observation period of five years.

2 Our risk measurement method uses the interest rate sensitivity approach. Core deposits are defined as the lowest of the following three items, as an upper limit, for the five-year maturity (an average term of 2.5 years): 1) the lowest balance of deposits in the past five years, 2) the balance left after deducting the maximum annual outflow of deposits in the past five years from the current balance of deposits, or 3) the amount equivalent to 50% of the current balance of deposits.

Capital Adequacy Ratio

Non-consolidated

BIS Capital Adequacy Ratio

	Millions of Yen		
	Sep. 30, 2008	Sep. 30, 2007	Mar. 31, 2008
Tier I			
Capital Stock	¥ 287,537	¥ 287,537	¥ 287,537
Noncumulative Perpetual Preferred Stock	—	—	—
Deposit for Subscriptions to Shares	—	—	—
Legal Capital Surplus	242,555	242,555	242,555
Other Capital Surplus	—	4	0
Legal Retained Earnings	46,580	46,580	46,580
Other Retained Earnings	396,839	357,001	380,726
Others	210,475	182,999	182,999
Treasury Stock	479	439	441
Deposit for Subscriptions to Treasury Stock	—	—	—
Expected Distributed Amount (Deduction)	14,234	14,234	14,234
Net Unrealized Loss on Available-for-Sale Securities (Deduction)	—	—	—
Subscription Rights to Shares	—	—	—
Business Rights Equivalents (Deduction)	—	—	—
Goodwill Equivalents (Deduction)	—	—	—
Equivalent to Intangible Fixed Assets Recorded through Business Combination (Deduction)	—	—	—
Equivalent to the Increase in the Capital Associated with Securitization Transactions (Deduction)	—	—	—
Equivalent to 50% of the Excess of Expected Loss over Qualifying Allowance (Deduction)	19,681	16,077	16,467
Total Tier I before Deduction of Deferred Tax Assets (Aggregate Sum of Items Above)	1,149,593	1,085,928	1,109,255
Deducted Amount of Deferred Tax Assets (Deduction) ^{*1}	—	—	—
Total (A)	1,149,593	1,085,928	1,109,255
Noncumulative Preferred Securities Attached with Step-up Interest Rate Clause ^{*2} (a)	156,000	100,000	100,000
Tier II			
45% of Net Unrealized Gain on Available-for-Sale Securities	14,485	166,261	47,378
45% of Revaluation Reserve for Land	725	875	771
General Allowance for Loan Losses	—	2,013	—
Excess of Qualifying Allowance over Expected Loss	—	—	—
Debt Capital	647,026	746,355	708,859
Perpetual Subordinated Debt ^{*3}	266,150	331,200	314,195
Subordinated Term Debt and Fixed-term Preferred Stock ^{*4}	380,876	415,155	394,664
Total	662,237	915,505	757,009
Included in Capital (B)	662,237	915,505	757,009
Tier III			
Subordinated Short-term Debt	—	—	—
Included in Capital (C)	—	—	—
Items for Deduction			
Items for Deduction ^{*5} (D)	104,034	105,550	100,377
Total Qualifying Capital			
((A) + (B) + (C) - (D)) (E)	1,707,796	1,895,883	1,765,887
Risk-Weighted Assets			
Asset (On-balance Sheet) Items	11,334,724	12,085,410	11,133,407
Off-balance Sheet Transaction Items	1,947,828	2,101,334	2,063,356
Amount of Credit Risk-Weighted Assets (F)	13,282,553	14,186,744	13,196,764
Amount of Market Risk Equivalents ((H)/8%) (G)	196,949	129,384	158,819
(Reference) Market Risk Equivalents (H)	15,755	10,350	12,705
Amount of Operational Risk Equivalents ((J)/8%) (I)	550,390	558,595	552,025
(Reference) Operational Risk Equivalents (J)	44,031	44,687	44,162
Amount Obtained by Multiplying by 12.5 the Excess of the Amount Obtained by Multiplying the Old Required Capital by the Rate Prescribed by the Notification over the New Required Capital (K)	—	—	—
Total ((F)+(G)+(I)+(K)) (L)	¥ 14,029,893	¥ 14,874,723	¥ 13,907,609
BIS Capital Adequacy Ratio = E/L x 100 (%)	12.17	12.74	12.69
Tier I Capital Ratio = A/L x 100 (%)	8.19	7.30	7.97
Ratio of Noncumulative Preferred Securities with Step-up Interest Rate Clauses to Tier I Capital = a/A x 100 (%)	13.57	9.20	9.01

*1 As of September 30, 2008, deferred tax assets total ¥82,766 million in net terms. The upper limit on the inclusion of deferred tax assets in capital is ¥229,918 million.

*2 Listed in the Notification Article 17, Paragraph 2, i.e. stocks and other securities with high probability of redemptions through such measures as attachment of step-up interest rate clauses (including Noncumulative preferred securities issued by overseas special purpose companies).

*3 Debt capital listed in the Notification Article 18, Paragraph 1, 4 that have all of the characteristics listed below:

- (1) Paid-up debts unsecured and subordinate to other debts
- (2) Not redeemable except for certain cases
- (3) Used for compensation of loss while continuing business
- (4) Allowed to defer interest payment obligations

*4 Listed in the Notification Article 18, Paragraph 1, 5 and 6. However, subordinated term debts are limited to those with an original maturity of over five years.

*5 Listed in the Notification Article 20, Paragraph 1, 1 through 5, and include the amounts equivalent to intentional holdings of other financial institutions' capital funding means.

*6 We received an external audit by KPMG AZSA & Co. of the calculation of the non-consolidated BIS capital adequacy ratio in line with 'Agreed Upon Methods for the Implementation of Capital Adequacy Ratio Audits' (Pronouncement 30 of the Japanese Institute of Certified Public Accountants, Bank Auditing Committee, June 12, 2007). The external audit is not part of the accounting audit of the non-consolidated financial statements but was conducted on part of the internal risk management framework concerning the calculation of the non-consolidated BIS capital adequacy ratio under agreed-upon examination procedures and is a report of the results. It thus does not represent the opinion of the external auditor regarding the non-consolidated BIS capital adequacy ratio itself or parts of the internal control which concern the ratio.

Details of preferred securities issued by overseas special purpose companies included in “Others” of the Tier I of capital for non-consolidated BIS capital adequacy ratio calculation are the following:

1. Issuer	STB Preferred Capital (Cayman) Limited	STB Preferred Capital 2 (Cayman) Limited	STB Preferred Capital 3 (Cayman) Limited	STB Preferred Capital 4 (Cayman) Limited
2. Description of Securities	Noncumulative Preferred Securities	Same as on the left	Same as on the left	Same as on the left
3. Maturity	Perpetual (the Securities may be redeemed in whole or in part on any dividend payment date on or after ten years from the issuance at the option of the Issuer subject to the prior approval of the holders of the ordinary shares and applicable regulatory requirements).	Perpetual (the Securities may be redeemed in whole or in part on any dividend payment date on or after seven years from the issuance at the option of the Issuer subject to the prior approval of the holders of the ordinary shares and applicable regulatory requirements).	Perpetual (the Securities may be redeemed in whole or in part on any dividend payment date on or after ten years from the issuance at the option of the Issuer subject to the prior approval of the holders of the ordinary shares and applicable regulatory requirements).	Same as on the left
4. Dividend Rate	Floating Rate (Non Step-up)	<1st year - 10th year > Fixed Rate <Thereafter> Step-up Floating Rate	Same as on the left	Series A <1st year - 10th year > Fixed Rate <Thereafter> Step-up Floating Rate Series B <1st year - 10th year > Fixed Rate <Thereafter> Non Step-up Floating Rate
5. Issue Amount	¥83 billion	¥50 billion	¥50 billion	Series A ¥56 billion Series B ¥54 billion
6. Issue Date	March 26, 1999	December 7, 2005	March 2, 2007	June 24, 2008
7. Outline of Dividend Payment	Dividends are payable by the Issuer in the presence of distributable amount of the Bank in conformity with the calculation of preferred shares of the bank. If the Bank pays any dividends on any of its common stock with respect to any financial year of the Bank, then the Issuer will be required to pay full dividends on the Securities for the applicable year.	Same as on the left	Same as on the left	Same as on the left
8. Dividend Limitation	Dividends will not be paid if any of certain criteria have met. The criteria include the following: When the Bank did not pay dividend on any class of preferred shares. When the Bank's BIS capital adequacy ratio or Tier I capital ratio is to decline below the minimum percentages required by Japanese banking regulations.	Same as on the left	Same as on the left	Same as on the left
9. Rights to the Remaining Assets	The Securities are intended to provide holders, through the perpetual subordinated loan to the Bank, with rights to remaining assets that are the same as those to which holders would be entitled if they had purchased noncumulative nonvoting perpetual preferred stock issued directly by the Bank.	Same as on the left	Same as on the left	Same as on the left

Capital Adequacy

Non-consolidated

(1) Amount of Required Capital against Credit Risk (excluding equity exposures to which the IRB Approach is applied and exposures held in funds)

	Millions of Yen	
	Sep. 30, 2008	Sep. 30, 2007
Portfolios to which the Standardized Approach is Applied	¥ 18,177	¥ 100,615
Retail Exposures	—	82,846
Exposures to Business Units Set for Phased Roll-Out Application	—	—
Exposures Excluded from Application	18,177	17,769
Portfolios to which the IRB Approach is Applied and the Breakdown by Portfolio	1,000,172	961,025
Corporate Exposures	725,109	737,700
Sovereign Exposures	25,545	31,215
Bank Exposures	28,757	25,899
Residential Mortgage Exposures	47,077	—
Qualifying Revolving Retail Exposures	612	—
Other Retail Exposures	12,685	—
Purchased Receivables	56,010	67,027
Other Assets	104,373	99,182
Securitization Exposures	46,434	78,951
Exposures to which the Standardized Approach is Applied	—	24,821
Exposures to which the IRB Approach is Applied	46,434	54,129

Note: From March 31, 2008, retail exposure (including that for securitization exposures securitized by retail exposures) for the parent company is being presented using the IRB approach instead of the Standardized Approach.

(2) Amount of Required Capital against Credit Risk concerning Equity Exposures to which the IRB Approach is Applied

	Millions of Yen	
	Sep. 30, 2008	Sep. 30, 2007
Equity Exposures	¥ 84,999	¥ 96,798
PD/LGD Approach	14,023	13,189
Simple Risk Weight Method of the Market-Based Approach	18,454	13,116
Internal Models Method of the Market-Based Approach	—	—
Transitional Measures	52,521	70,492

(3) Amount of Required Capital against Credit Risk concerning Exposures Held in Funds

	Millions of Yen	
	Sep. 30, 2008	Sep. 30, 2007
	¥ 87,368	¥ 100,057

(4) Amount of Required Capital against Market Risk

	Millions of Yen	
	Sep. 30, 2008	Sep. 30, 2007
Market Risk	¥ 15,755	¥ 10,350
Amount of Required Capital by Category under the Standardized Approach	1,830	1,525
Interest Rate Risk	1,830	1,525
Equity Position Risk	—	—
Foreign Exchange Risk	—	—
Commodities Risk	—	—
Options Transactions	—	—
Internal Models Approach	13,925	8,824

(5) Amount of Required Capital against Operational Risk

	Millions of Yen	
	Sep. 30, 2008	Sep. 30, 2007
Standardized Approach	¥ 44,031	¥ 44,687

(6) Total Required Capital

	Millions of Yen	
	Sep. 30, 2008	Sep. 30, 2007
Total Required Capital	¥ 1,122,391	¥ 1,189,977

Credit Risk

Non-consolidated

(1) Balance of Exposures Related to Credit Risk (excluding exposures held in funds and securitization exposures)

	Millions of Yen				
	Sep. 30, 2008				
	Credit Risk Exposures				Exposures 3 Months or Longer Overdue or Exposures in Default
	Loans, Commitments and Other Off-balance Sheet Exposures other than Derivatives	Securities	Over-The-Counter Derivatives		
Japan	¥ 15,179,437	¥ 12,564,754	¥ 2,429,425	¥ 185,257	¥ 72,408
Outside Japan	3,243,710	856,974	1,634,727	752,009	9,499
Total for Regions	¥ 18,423,148	¥ 13,421,728	¥ 4,064,152	¥ 937,266	¥ 81,908
Manufacturing	2,570,306	2,150,018	403,512	16,775	6,370
Agriculture	3,935	2,895	1,019	21	—
Forestry	200	200	—	—	—
Fishing	8,434	8,254	133	46	1,797
Mining	15,432	15,181	—	250	—
Construction	193,312	184,316	8,575	420	3,111
Energy and Utilities	212,936	162,652	49,347	937	—
Communication	209,488	195,467	13,811	209	3,592
Transportation	833,058	710,375	113,241	9,441	—
Wholesale and Retail	1,428,282	1,343,480	78,641	6,159	7,758
Finance and Insurance	2,036,707	1,723,287	142,080	171,339	194
Real Estate	2,089,166	1,872,424	211,219	5,523	29,497
Various Services	1,201,720	1,173,669	24,668	3,382	5,107
Local Public Bodies	108,809	85,698	23,110	—	—
Individuals	1,902,691	1,902,691	—	—	13,464
Others	5,608,665	1,891,116	2,994,790	722,758	11,014
Total for Industry Sectors	¥ 18,423,148	¥ 13,421,728	¥ 4,064,152	¥ 937,266	¥ 81,908
One Year or Shorter	4,693,040	4,273,917	355,554	63,569	
Over One Year to less than Five Years	7,162,232	5,198,518	1,610,953	352,759	
Five Years or Longer	6,567,876	3,949,293	2,097,644	520,937	
Total for All Durations	¥ 18,423,148	¥ 13,421,728	¥ 4,064,152	¥ 937,266	
Average Balance during the Period	¥ 18,387,921	¥ 13,488,587	¥ 3,912,332	¥ 987,001	

Notes: 1 Exposures subject to the calculation of credit risk-weighted assets excluding those subject to funds, securitization, other assets and those excluded from the application.

2 "Others" in the industry sectors include non-residents and state public services. Exposures for the duration of over five years include those with no fixed maturities.

3 Average balance during the period is the average figure of those as of September 30, 2007; March 31, 2008; and September 30, 2008.

4 Data for exposure as of September 30, 2007 represents amounts before credit risk offset effects of netting contracts allowed under the law and the netting against the company's cash balance, but subsequent data represents amounts after the effects of these items from March 31, 2008.

5 Data for exposure as of September 30, 2007 represents exposures to both original creditors and debtors in loan participations, but subsequent data represents only exposures to original debtors from March 31, 2008.

6 Data for exposure as of September 30, 2007 has been restated to conform to September 30, 2008 standards.

	Millions of Yen				
	Sep. 30, 2007				
	Credit Risk Exposures				Exposures 3 Months or Longer Overdue or Exposures in Default
	Loans, Commitments and Other Off-balance Sheet Exposures other than Derivatives	Securities	Over-The-Counter Derivatives		
Japan	¥ 15,687,064	¥ 12,617,928	¥ 2,934,987	¥ 134,148	¥ 108,995
Outside Japan	3,405,356	848,057	1,700,249	857,049	1,572
Total for Regions	¥ 19,092,421	¥ 13,465,986	¥ 4,635,237	¥ 991,197	¥ 110,568
Manufacturing	2,722,811	2,119,281	593,496	10,033	7,014
Agriculture	3,886	3,022	850	13	—
Forestry	258	258	—	—	—
Fishing	9,762	9,378	365	18	—
Mining	17,167	17,093	—	73	—
Construction	226,113	212,671	12,996	444	3,744
Energy and Utilities	247,847	192,666	54,340	839	—
Communication	178,249	160,222	17,863	163	5,508
Transportation	841,188	701,372	133,553	6,262	17,809
Wholesale and Retail	1,484,305	1,353,719	123,020	7,564	38,261
Finance and Insurance	1,999,488	1,746,692	141,340	111,455	—
Real Estate	1,901,517	1,724,671	172,160	4,685	22,434
Various Services	1,323,646	1,295,610	24,958	3,076	6,458
Local Public Bodies	142,426	106,739	35,686	—	—
Individuals	1,861,389	1,861,389	—	—	6,101
Others	6,132,361	1,961,194	3,324,603	846,563	3,234
Total for Industry Sectors	¥ 19,092,421	¥ 13,465,986	¥ 4,635,237	¥ 991,197	¥ 110,568
One Year or Shorter	4,690,656	4,295,365	314,524	80,766	
Over One Year to less than Five Years	7,115,871	5,301,021	1,443,531	371,318	
Five Years or Longer	7,285,893	3,869,600	2,877,180	539,112	
Total for All Durations	¥ 19,092,421	¥ 13,465,986	¥ 4,635,237	¥ 991,197	

Notes: 1 Exposures subject to the calculation of credit risk-weighted assets excluding those subject to funds, securitization, other assets and those excluded from the application.

2 "Others" in the industry sectors include overseas and state public services. Exposures for the duration of over five years include those with no fixed maturities.

(2) General Allowance for Loan Losses

	Millions of Yen			
	Sep. 30, 2008	Sep. 30, 2007	Mar. 31, 2008	Change from Sep. 30, 2007
	Balance	Balance	Balance	
General Allowance for Loan Losses	¥ 76,959	¥ 94,998	¥ 88,437	¥ (11,478)

(3) Specific Allowance for Loan Losses (breakdown by region, industry sector)

	Millions of Yen			
	Sep. 30, 2008	Sep. 30, 2007	Mar. 31, 2008	Change from Sep. 30, 2007
	Balance	Balance	Balance	
Japan	¥ 10,183	¥ 24,808	¥ 8,361	¥ 1,821
Outside Japan	7,845	409	—	7,845
Total for Regions	¥ 18,028	¥ 25,217	¥ 8,361	¥ 9,666
Manufacturing	1,110	1,254	1,154	(43)
Agriculture	—	—	—	—
Forestry	—	—	—	—
Fishing	—	—	—	—
Mining	—	—	—	—
Construction	1,112	128	119	992
Energy and Utilities	—	—	—	—
Communication	25	768	36	(10)
Transportation	—	12,104	—	—
Wholesale and Retail	117	1,018	1,344	(1,227)
Finance and Insurance	—	—	—	—
Real Estate	2,364	2,220	1,438	925
Various Services	926	1,252	544	382
Local Public Bodies	1,575	3,164	1,575	—
Individuals	1,567	978	745	821
Others	9,227	2,329	1,402	7,824
Total for Industry Sectors	¥ 18,028	¥ 25,217	¥ 8,361	¥ 9,666

(4) Allowance for Loan Losses from Borrowers in Specified Foreign Countries (breakdown by industry sector)

	Millions of Yen			
	Sep. 30, 2008	Sep. 30, 2007	Mar. 31, 2008	Change from Sep. 30, 2007
	Balance	Balance	Balance	
Manufacturing	¥ —	¥ 29	¥ —	¥ —
Agriculture	—	—	—	—
Forestry	—	—	—	—
Fishing	—	—	—	—
Mining	—	94	—	—
Construction	—	—	—	—
Energy and Utilities	—	—	—	—
Communication	—	—	—	—
Transportation	—	—	—	—
Wholesale and Retail	—	33	—	—
Finance and Insurance	—	575	—	—
Real Estate	—	—	—	—
Various Services	—	—	—	—
Local Public Bodies	—	—	—	—
Individuals	—	—	—	—
Others	—	17	—	—
Total for Industry Sectors	¥ —	¥ 750	¥ —	¥ —

(5) Amount of Written-off Loans (breakdown by industry sector)

	Millions of Yen	
	Six Months Ended Sep. 30, 2008	Six Months Ended Sep. 30, 2007
Manufacturing	¥ 0	¥ 211
Agriculture	—	—
Forestry	—	—
Fishing	16	—
Mining	—	—
Construction	—	300
Energy and Utilities	—	—
Communication	468	1
Transportation	—	—
Wholesale and Retail	0	4,177
Finance and Insurance	—	—
Real Estate	1	8
Various Services	0	35
Local Public Bodies	—	—
Individuals	203	179
Others	3,477	4,359
Total for Industry Sectors	¥ 4,167	¥ 9,273

(6) Amount of Exposures by Risk-Weight Category (Standardized Approach)

	Millions of Yen			
	Sep. 30, 2008		Sep. 30, 2007	
	Subject to Rating		Subject to Rating	
Balance of Exposures to which the Standardized Approach is Applied after				
Allowing for the Credit Risk Mitigation Effect by Risk-Weight Category ...	¥ 238,099	¥ —	¥ 2,016,905	¥ —
0%	—	—	15,096	—
10%	—	—	—	—
20%	13,594	—	17,732	—
35%	—	—	1,124,882	—
50%	—	—	—	—
100%	224,505	—	856,699	—
150%	—	—	2,493	—
Amounts Deducted from Capital under				
the Notification, Article 20, Paragraph 1, 2 and 5	¥ —	—	¥ —	—

Note: From March 31, 2008, retail exposure is not covered by the standardized approach with a switch to the IRB approach.

(7) Amount of Exposures by Risk-Weight Category (IRB Approach)

	Millions of Yen	
	Sep. 30, 2008	Sep. 30, 2007
Specialized Lending under the Slotting Criteria	¥ 1,267,550	¥ 1,220,649
High-Volatility Commercial Real Estate Exposures	281,759	218,241
Maturities of 2.5 years or Longer	153,896	88,723
Strong 95%	28,417	29,959
Good 120%	103,078	31,040
Satisfactory 140%	22,400	27,724
Weak 250%	—	—
Default 0%	—	—
Maturities of less than 2.5 Years	127,862	129,517
Strong 70%	16,464	46,550
Good 95%	54,104	50,479
Satisfactory 140%	57,293	32,487
Weak 250%	—	—
Default 0%	—	—
Other Exposures	¥ 985,791	¥ 1,002,408
Maturities of 2.5 years or Longer	727,976	678,340
Strong 70%	343,184	319,159
Good 90%	198,870	211,902
Satisfactory 115%	167,995	133,136
Weak 250%	17,926	2,183
Default 0%	—	11,959
Maturities of less than 2.5 Years	257,814	324,068
Strong 50%	69,849	131,446
Good 70%	103,131	106,958
Satisfactory 115%	82,283	85,436
Weak 250%	60	82
Default 0%	2,490	144
Equity Exposures to which the Simple Risk Weight Method of the Market-Based Approach is Applied	¥ 58,899	¥ 42,916
Listed Stocks 300%	17,972	16,986
Unlisted Stocks 400%	40,926	25,930

Application of the IRB Approach

(1) The Probability of Default (PD), Loss Given Default (LGD), weighted average of Risk Weights (RW), Exposure At Default (EAD) of On-balance sheet asset items (On_EAD), and EAD of Off-balance sheet asset items (Off_EAD) by obligor category for Corporate Exposures

	Millions of Yen				
	Sep. 30, 2008				
	PD	LGD	RW	On_EAD	Off_EAD
Ratings 1 – 4	0.06%	45.85%	23.11%	¥ 2,067,039	¥ 742,265
Ratings 5 – 6	0.91%	44.81%	72.29%	4,381,833	800,903
Ratings 7 – 8	19.14%	44.18%	218.16%	691,877	101,093
Ratings 8- – 10	100.00%	44.68%	—	65,510	2,554
Total	3.04%	45.08%	69.19%	¥ 7,206,260	¥ 1,646,816

Note: Specialized lending and purchased receivables are excluded.

	Millions of Yen				
	Sep. 30, 2007				
	PD	LGD	RW	On_EAD	Off_EAD
Ratings 1 – 4	0.06%	45.86%	23.97%	¥ 1,985,790	¥ 847,955
Ratings 5 – 6	1.02%	45.08%	76.21%	4,372,163	846,549
Ratings 7 – 8	19.86%	45.00%	219.95%	605,440	94,433
Ratings 8- – 10	100.00%	45.00%	—	93,342	13,325
Total	3.39%	45.32%	69.94%	¥ 7,056,736	¥ 1,802,263

Note: Specialized lending and purchased receivables are excluded.

(2) The Probability of Default (PD), Loss Given Default (LGD), weighted average of Risk Weights (RW), Exposure At Default (EAD) of On-balance sheet asset items (On_EAD), and EAD of Off-balance sheet asset items (Off_EAD) by obligor category for Sovereign Exposures

	Millions of Yen				
	Sep. 30, 2008				
	PD	LGD	RW	On_EAD	Off_EAD
Ratings 1 – 4	0.01%	45.00%	9.05%	¥ 3,166,089	¥ 32,260
Ratings 5 – 6	1.65%	45.00%	136.44%	11,155	1,900
Ratings 7 – 8	14.68%	44.86%	231.02%	2,877	—
Ratings 8- – 10	—	—	—	—	—
Total	0.03%	45.00%	9.77%	¥ 3,180,122	¥ 34,160

Note: Specialized lending and purchased receivables are excluded.

	Millions of Yen				
	Sep. 30, 2007				
	PD	LGD	RW	On_EAD	Off_EAD
Ratings 1 – 4	0.01%	45.00%	9.29%	¥ 3,582,069	¥ 53,996
Ratings 5 – 6	1.41%	45.00%	105.54%	23,673	1,899
Ratings 7 – 8	15.19%	45.00%	231.51%	6,791	0
Ratings 8- – 10	—	—	—	—	—
Total	0.05%	45.00%	10.37%	¥ 3,612,533	¥ 55,895

Note: Specialized lending and purchased receivables are excluded.

(3) The Probability of Default (PD), Loss Given Default (LGD), weighted average of Risk Weights (RW), Exposure At Default (EAD) of On-balance sheet asset items (On_EAD), and EAD of Off-balance sheet asset items (Off_EAD) by obligor category for Bank Exposures

	Millions of Yen				
	Sep. 30, 2008				
	PD	LGD	RW	On_EAD	Off_EAD
Ratings 1 – 4	0.04%	46.55%	18.33%	¥ 777,714	¥ 832,079
Ratings 5 – 6	0.48%	46.44%	60.55%	35,025	41,462
Ratings 7 – 8	21.40%	70.03%	411.33%	1,843	—
Ratings 8- – 10	100.00%	45.00%	—	194	—
Total	0.10%	46.57%	20.67%	¥ 814,777	¥ 873,542

Note: Specialized lending and purchased receivables are excluded.

	Millions of Yen				
	Sep. 30, 2007				
	PD	LGD	RW	On_EAD	Off_EAD
Ratings 1 – 4	0.04%	45.38%	17.35%	¥ 721,099	¥ 877,593
Ratings 5 – 6	0.70%	47.18%	66.96%	32,319	28,289
Ratings 7 – 8	—	—	—	—	—
Ratings 8- – 10	—	—	—	—	—
Total	0.06%	45.44%	19.16%	¥ 753,418	¥ 905,883

Note: Specialized lending and purchased receivables are excluded.

(4) The Probability of Default (PD), weighted average of Risk Weights (RW) and balance of Equity Exposures to which the PD/LGD approach is applied by obligor category

	Millions of Yen		
	Sep. 30, 2008		
	PD	RW	Balance
Ratings 1 – 4	0.06%	108.07%	¥ 28,968
Ratings 5 – 6	0.29%	158.24%	87,663
Ratings 7 – 8	9.40%	461.59%	117
Ratings 8- – 10	100.00%	—	134
Total	0.36%	145.93%	¥ 116,883

	Millions of Yen		
	Sep. 30, 2007		
	PD	RW	Balance
Ratings 1 – 4	0.06%	108.90%	¥ 30,801
Ratings 5 – 6	0.36%	170.37%	74,743
Ratings 7 – 8	14.68%	524.97%	75
Ratings 8- – 10	100.00%	—	19
Total	0.30%	152.67%	¥ 105,639

(5) The Probability of Default (PD), Loss Given Default (LGD), weighted average of Risk Weights (RW), Exposure At Default (EAD) of On-balance sheet asset items (On-EAD), EAD of Off-balance sheet asset items (Off-EAD), Undrawn Commitment, and weighted average of Credit Conversion Factor (CCF) applied to Undrawn Commitment for Retail Exposures by exposure pool

	Millions of Yen						
	Sep. 30, 2008						
	PD	LGD	RW	On_EAD	Off_EAD	Undrawn Commitment	CCF
Residential Mortgage							
Current	0.34%	53.65%	31.42%	¥ 1,450,909	¥ 98,186	¥ 225	75%
Overdue	37.46%	53.65%	323.23%	5,558	110	—	—
Default	100.00%	48.74%	—	5,416	92	—	—
Qualifying Revolving Retail							
Current	1.46%	100.00%	53.88%	7,039	3,578	70,588	5%
Overdue	—	—	—	—	—	—	—
Default	—	—	—	—	—	—	—
Other Retail (consumer)							
Current	1.21%	53.19%	59.55%	111,695	2,521	10,790	7%
Overdue	27.58%	53.38%	141.42%	3,146	139	316	17%
Default	100.00%	46.11%	—	3,084	741	127	24%
Other Retail (commercial)							
Current	0.36%	54.39%	34.28%	91,351	8,091	150	75%
Overdue	15.54%	54.39%	115.27%	849	206	—	—
Default	100.00%	49.85%	—	991	574	—	—
Total	1.19%	53.90%	34.48%	¥ 1,680,041	¥ 114,242	¥ 82,197	69%

Notes: 1 LGD estimates include EL default amounts for exposures in default.

2 "Overdue" denotes credits less than 3 months overdue.

	Millions of Yen						
	Mar. 31, 2008						
	PD	LGD	RW	On_EAD	Off_EAD	Undrawn Commitment	CCF
Residential Mortgage							
Current	0.34%	53.65%	31.13%	¥ 1,438,443	¥ 101,906	¥ 130	75%
Overdue	37.46%	53.65%	323.23%	5,977	64	—	—
Default	100.00%	48.74%	—	5,702	92	—	—
Qualifying Revolving Retail							
Current	1.46%	100.00%	53.88%	7,465	3,697	72,777	5%
Overdue	—	—	—	—	—	—	—
Default	—	—	—	—	—	—	—
Other Retail (consumer)							
Current	1.21%	53.20%	59.51%	113,761	2,690	11,059	7%
Overdue	27.59%	53.56%	141.92%	3,317	173	349	17%
Default	100.00%	46.06%	—	893	770	152	23%
Other Retail (commercial)							
Current	0.36%	54.39%	34.28%	89,197	8,898	95	75%
Overdue	15.54%	54.39%	115.27%	783	89	—	—
Default	100.00%	49.85%	—	1,328	577	—	—
Total	1.11%	53.92%	34.38%	¥ 1,666,870	¥ 118,961	¥ 84,564	69%

Notes: 1 LGD estimates include EL default amounts for exposures in default.

2 "Overdue" denotes credits less than 3 months overdue.

(6) Losses in the Previous Period and Comparison of Losses in the Current Period with those in the Previous Period

	Millions of Yen				
	Six Months Ended Sep. 30, 2008		Six Months Ended Sep. 30, 2007		Change in Actual Credit Losses
	Actual Credit Losses	Writebacks	Actual Credit Losses	Writebacks	
Corporate Exposures	¥ 8,893	¥ (10,020)	¥26,260	¥ (11,646)	¥ (17,367)
Sovereign Exposures	0	(1)	(27)	(27)	26
Bank Exposures	15	—	—	—	15
Equity Exposures under the PD/LGD Approach	—	—	—	—	—
Retail Exposures	1,236	(1,213)	—	—	1,236

Note: Of credit costs, only those that can be identified as stemming from specified asset classes are shown in the table. From fiscal year 2007, Retail Exposures are being presented with the switch to the IRB approach.

Factor Analysis

Losses in the first half of fiscal year 2008 decreased ¥16.0 billion year-on-year, the main reason for which being the reversal of general allowances for loan losses made for special mention debtors.

(7) Estimated Credit Losses

	Millions of Yen	
	Estimated Credit Losses	Actual Credit Losses
Corporate Exposures	¥ 139,691	¥ (19,543)
Sovereign Exposures	620	(4)
Bank Exposures	587	15
Equity Exposures under the PD/LGD Approach	408	—
Retail Exposures	10,571	1,530

Notes: 1 Estimated credit losses are the average of estimates calculated as of March 31, 2007; September 30, 2007; March 31, 2008 and September 30, 2008. Estimated credit losses for retail exposures are the average estimates calculated as of March 31, 2008 and September 30, 2008.

2 Actual credit losses are the sum of losses for one year beginning from September 30, 2008.

Credit Risk Mitigation Measures

Non-consolidated

Exposures to which Credit Risk Mitigation Measures are Applied

	Millions of Yen			
	Sep. 30, 2008			
	Eligible Financial Collateral	Other Eligible IRB Collateral	Guarantees	Credit Derivatives
Portfolios to which the Standardized Approach is Applied	¥ —	¥ —	¥ —	¥ —
Portfolios to which the IRB Approach is Applied	1,629,794	121,069	135,373	40,000
Corporate Exposures	166,943	121,028	39,726	—
Sovereign Exposures	170	41	92,425	—
Bank Exposures	1,462,680	—	3,221	40,000
Residential Mortgage Exposures	—	—	—	—
Qualifying Revolving Retail Exposure	—	—	—	—
Other Retail Exposures	—	—	—	—

Note: From March 31, 2008, the scope of credit risk mitigation measures has been enlarged.

	Millions of Yen	
	Sep. 30, 2007	
	Eligible Financial Collateral	Credit Derivatives
Portfolios to which the Standardized Approach is Applied	¥ 6,072	¥ —
Portfolios to which the IRB Approach is Applied	1,404,772	40,000
Corporate Exposures	93,243	40,000
Sovereign Exposures	150	—
Bank Exposures	1,311,378	—

Derivative Products and Long Settlement Transactions

Non-consolidated

Derivative Products

	Millions of Yen	
	Sep. 30, 2008	Sep. 30, 2007
Aggregate Sum of Amounts of Gross Reconstruction Costs (limited only to those not below zero)	¥ 1,747,409	¥ 871,070
Aggregate Sum of Gross Add-On Amounts	1,382,661	937,750
Credit Equivalents (Gross)	¥ 3,130,070	¥ 1,808,820

Note: Credit equivalents are calculated with the current exposure approach.

	Millions of Yen	
	Sep. 30, 2008	Sep. 30, 2007
Foreign Exchange Related	¥ 706,341	¥ 290,453
Interest Rate Related	2,423,046	1,518,100
Gold Related	—	—
Equity Related	—	—
Precious Metals (Excluding Gold) Related	—	—
Other Commodities Related	—	—
Credit Derivatives	683	266
Total	¥ 3,130,070	¥ 1,808,820
Effect of Mitigating Credit Equivalents due to Close-out Netting Contracts (Deduction)	(2,188,626)	(809,514)
Total	¥ 941,444	¥ 999,305
Effect of Mitigation by Collateral under the Credit Risk Mitigation Measures (Deduction)	—	—
Total	¥ 941,444	¥ 999,305

	Millions of Yen			
	Sep. 30, 2008		Sep. 30, 2007	
	Providing of Protection	Purchase of Protection	Providing of Protection	Purchase of Protection
Notional Principal Amounts of Credit Derivatives				
Subject to the Calculation of Credit Equivalents				
Credit Default Swaps	¥ 80,000	¥ 40,000	¥ 80,000	¥ 40,000
Total Return Swaps	—	—	—	—
First-to-Default Credit Derivatives	—	—	—	—
Second-to-Default Credit Derivatives	—	—	—	—

	Millions of Yen	
	Sep. 30, 2008	Sep. 30, 2007
Notional Principal Amounts used to Allow for the Effect of Credit Risk Mitigation Measures	¥ 40,000	¥ 40,000

Long Settlement Transactions

Not applicable with respect to as of September 30, 2008 and as of September 30, 2007

Securitization Exposures (Originator)

Non-consolidated

First Half of Fiscal Year 2008

(1) Outline of Securitizations during the First Half of Fiscal Year 2008, Type and Status of Principal Underlying Assets
Not applicable

(2) Amounts of Securitization Exposures Held and Breakdown of Principal Underlying Assets by Type

	Millions of Yen			
	Sep. 30, 2008			
	Exposure Amounts	Aggregate Sum of Underlying Assets		
Asset Transfer-Type Securitization Transaction		Synthetic Securitization Transaction		
Housing Loans	¥ 302	¥ 24,956	¥ 24,956	¥ —
Credit Card Loans, Consumer Loans	—	—	—	—
Auto Loans, Other Loans to Individuals	—	—	—	—
Commercial Real Estate-Secured Loans	—	—	—	—
Loans and Bonds to Corporates	—	—	—	—
Claims on Lease Payments	—	—	—	—
Accounts Receivable, Other Claims on Corporates	—	—	—	—
Total	¥ 302	¥ 24,956	¥ 24,956	¥ —

(3) Cumulative Total for the First Half of Fiscal Year 2008 of Principal Underlying Assets Overdue for Three Months or Longer or in Default Related to Securitization Exposures Held, Cumulative Total of Losses for the First Half of Fiscal Year 2008, and their Breakdowns by Type of Principal Underlying Assets

	Millions of Yen	
	Sep. 30, 2008	
	Cumulative Total of Underlying Assets Overdue for Three Months or Longer or in Default	Cumulative Total Losses for Fiscal Year 2007
Housing Loans	¥ 60	¥ 62
Credit Card Loans, Consumer Loans	—	—
Auto Loans, Other Loans to Individuals	—	—
Commercial Real Estate-Secured Loans	—	—
Loans and Bonds to Corporates	—	—
Claims on Lease Payments	—	—
Accounts Receivable, Other Claims on Corporates	—	—
Total	¥ 60	¥ 62

(4) Balance and Amounts of Required Capital of Securitization Exposures Held by Risk-Weight Category

	Millions of Yen	
	Sep. 30, 2008	
	Balance	Required Capital
Risk-Weight Category (IRB Approach)	¥ 302	¥ 302
20% or less	—	—
over 20% and 100% or less	—	—
over 100% and less than 1,250%	—	—
Capital Deduction	302	302
Risk-Weight Category (Standardized Approach)	—	—
20% or less	—	—
over 20% and 100% or less	—	—
over 100% and less than 1,250%	—	—
Capital Deduction	—	—
Total	¥ 302	¥ 302

(5) Amount Equivalent to the Increase in Capital Following Securitization and Breakdown by Type of Principal Underlying Assets

Not applicable

(6) Amounts of Securitization Exposures by Type of Principal Underlying Assets Deducted from Capital under Provisions of the Notification Article 247

	Millions of Yen
	Sep. 30, 2008
Housing Loans	¥ 302
Credit Card Loans, Consumer Loans	—
Auto Loans, Other Loans to Individuals	—
Commercial Real Estate-Secured Loans	—
Loans and Bonds to Corporates	—
Claims on Lease Payments	—
Accounts Receivable, Other Claims on Corporates	—
Total	¥ 302

(7) Items by Type of Principal Underlying Assets of Securitization Exposures with Early Redemption Clauses

Not applicable

(8) Amounts of Losses/Gains on Sale in Association with Securitization Transactions Recognized during the First Half of Fiscal Year 2008 and Breakdown by Type of Principal Underlying Assets

Not applicable

(9) Amounts of Credit Risk-Weighted Assets Calculated with the Application of Transitional Measures with respect to Securitization Exposures

Not applicable

Securitization Exposures (Originator)

Non-consolidated

First Half of Fiscal Year 2007

(1) Outline of Securitizations during the First Half of Fiscal Year 2007, Type and Status of Principal Underlying Assets

We conducted the following single securitization transaction as an originator during the first half of fiscal year 2007.

Date of Securitization:	July 2007		
Type of Underlying Assets:	Mortgage loans		
Aggregate Sum of Underlying Assets:	¥30,202 million (at the time of securitization), ¥29,117 million (as of the end of September 2007)		
Type of Transaction:	Asset transfer-type securitization transaction		
Rating Agency:	Moody's Investors Service, Inc. (Moody's) Standard & Poors Rating Services (S&P)		
Initial Issue Amount:	Class A	¥ 3,000 million	(Aaa/Moody's, AAA/S&P)
	Class B	¥23,570 million	(A2/Moody's, A/S&P)
	Class C	¥ 3,330 million	(no rating)
	Subordinated Earnings Right	¥ 302 million	(no rating)
Date of Redemption:	December 2036		

We hold part of the exposures related to this securitization transaction, and quantitative data in (2)–(9) below include data related to this securitization transaction.

(2) Amounts of Securitization Exposures Held and Breakdown of Principal Underlying Assets by Type

	Millions of Yen			
	Sep. 30, 2007			
	Exposure Amounts	Aggregate Sum of Underlying Assets		
		Asset Transfer-Type Securitization Transaction	Synthetic Securitization Transaction	
Housing Loans	¥ 302	¥ 29,117	¥ 29,117	¥ —
Credit Card Loans, Consumer Loans	—	—	—	—
Auto Loans, Other Loans to Individuals	—	—	—	—
Commercial Real Estate-Secured Loans	—	—	—	—
Loans and Bonds to Corporates	—	—	—	—
Claims on Lease Payments	—	—	—	—
Accounts Receivable, Other Claims on Corporates	—	—	—	—
Total	¥ 302	¥ 29,117	¥ 29,117	¥ —

(3) Cumulative Total for the First Half of Fiscal Year 2007 of Principal Underlying Assets Overdue for Three Months or Longer or in Default Related to Securitization Exposures Held, Cumulative Total of Losses for the First Half of Fiscal Year 2007, and their Breakdowns by Type of Principal Underlying Assets.

Not applicable

(4) Balance and Amounts of Required Capital of Securitization Exposures Held by Risk-Weight Category

	Millions of Yen	
	Sep. 30, 2007	
	Balance	Required Capital
Risk-Weight Category (IRB Approach)	¥ —	¥ —
20% or less	—	—
over 20% and 100% or less	—	—
over 100% and less than 1,250%	—	—
Capital Deduction	—	—
Risk-Weight Category (Standardized Approach)	302	302
20% or less	—	—
over 20% and 100% or less	—	—
over 100% and less than 1,250%	—	—
Capital Deduction	302	302
Total	¥ 302	¥ 302

(5) Amount Equivalent to the Increase in Capital Following Securitization and Breakdown by Type of Principal Underlying Assets
Not applicable

(6) Amount of Securitization Exposures by Type of Principal Underlying Assets Deducted from Capital under Provisions of the Notification Article 247

	Millions of Yen
	Sep. 30, 2007
Housing Loans	¥ 302
Credit Card Loans, Consumer Loans	—
Auto Loans, Other Loans to Individuals	—
Commercial Real Estate-Secured Loans	—
Loans and Bonds to Corporates	—
Claims on Lease Payments	—
Accounts Receivable, Other Claims on Corporates	—
Total	¥ 302

(7) Items by Type of Principal Underlying Assets of Securitization Exposures with Early Redemption Clauses
Not applicable

(8) Amounts of Losses/Gains on Sale in Association with Securitization Transactions Recognized during the First Half of Fiscal Year 2007 and Breakdown by Type of Principal Underlying Assets

	Millions of Yen
	Sep. 30, 2007
Housing Loans	¥ (30)
Credit Card Loans, Consumer Loans	—
Auto Loans, Other Loans to Individuals	—
Commercial Real Estate-Secured Loans	—
Loans and Bonds to Corporates	—
Claims on Lease Payments	—
Accounts Receivable, Other Claims on Corporates	—
Total	¥ (30)

(9) Amounts of Credit Risk-Weighted Assets Calculated with the Application of Transitional Measures with respect to Securitization Exposures
Not applicable

Securitization Exposures (Investor)

Non-consolidated

(1) Amounts of Securitization Exposures Held and Breakdown of Principal Underlying Assets by Type

	Millions of Yen	
	Sep. 30, 2008	Sep. 30, 2007
	Exposure	Exposure
Housing Loans	¥ 507,756	¥ 627,680
Credit Card Loans, Consumer Loans	171,692	239,660
Auto Loans, Other Loans to Individuals	12,977	38,239
Commercial Real Estate-Secured Loans	88,530	101,556
Loans and Bonds to Corporates	295,329	561,312
Claims on Lease Payments	103,233	122,144
Accounts Receivable, Other Claims on Corporates	8,493	5,990
Total	¥ 1,188,013	¥ 1,696,585

(2) Balance and Amounts of Required Capital of Securitization Exposures Held by Risk-Weight Category

	Millions of Yen			
	Sep. 30, 2008		Sep. 30, 2007	
	Balance	Required Capital	Balance	Required Capital
Risk-Weight Category (IRB Approach)	¥ 1,188,013	¥ 46,132	¥ 791,004	¥ 54,129
20% or less	1,022,759	8,008	639,574	5,243
over 20% and 100% or less	121,826	6,843	90,609	4,030
over 100% and less than 1,250%	21,300	9,154	28,202	12,238
Capital Deduction	22,126	22,126	32,617	32,617
Risk-Weight Category (Standardized Approach)	—	—	905,580	24,519
20% or less	—	—	708,407	11,334
over 20% and 100% or less	—	—	197,173	13,185
over 100% and less than 1,250%	—	—	—	—
Capital Deduction	—	—	—	—
Total	¥ 1,188,013	¥ 46,132	¥ 1,696,585	¥ 78,649

Note: From March 31, 2008, exposure for securitization exposures securitized by retail exposures is being presented using the IRB approach instead of the Standardized Approach.

(3) Amount of Securitization Exposures by Type of Principal Underlying Assets Deducted from Capital under Provisions of the Notification Article 247

	Millions of Yen	
	Sep. 30, 2008	Sep. 30, 2007
Housing Loans	¥ —	¥ —
Credit Card Loans, Consumer Loans	2,543	—
Auto Loans, Other Loans to Individuals	—	—
Commercial Real Estate-Secured Loans	—	—
Loans and Bonds to Corporates	19,583	32,617
Claims on Lease Payments	—	—
Accounts Receivable, Other Claims on Corporates	—	—
Total	¥ 22,126	¥ 32,617

(4) Amounts of Credit Risk-Weighted Assets Calculated with the Application of Transitional Measures with respect to Securitization Exposures

Not applicable

(1) End of Period Value at Risk (VaR) and Maximum, Minimum and Mean VaR for the Period

• Market Risk in the First Half of FY2008

	Banking Account	Trading Account
As of Sep. 30, 2008	¥ 126.6 billion	¥ 1.7 billion
Maximum	141.2 billion	2.1 billion
Minimum	81.2 billion	0.4 billion
Mean	112.3 billion	1.0 billion

(For the October, 2007 - September, 2008 Period)

• Market Risk in the First Half of FY2007

	Banking Account	Trading Account
As of Sep. 30, 2007	¥ 97.1 billion	¥ 0.5 billion
Maximum	100.4 billion	1.3 billion
Minimum	80.0 billion	0.3 billion
Mean	87.8 billion	0.6 billion

(For the October, 2006 - September, 2007 Period)

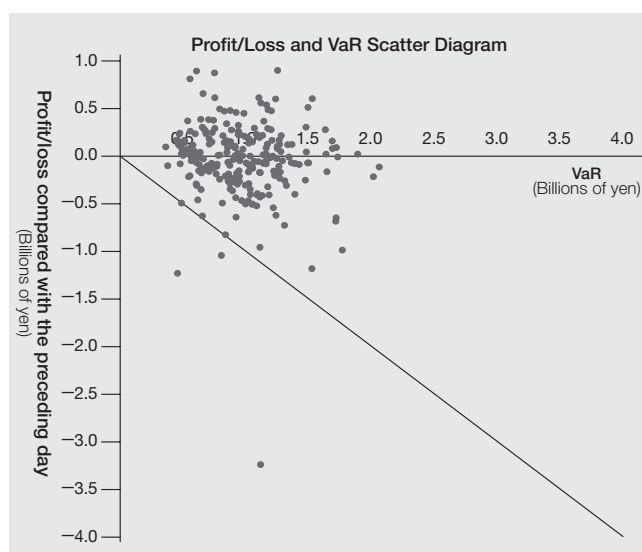
VaR Measurement Standards

Banking Account	Confidence Interval: One-tailed 99%	Time Horizon: 21 business days	Observation Period: One Year
Trading Account	Confidence Interval: One-tailed 99%	Time Horizon: 1 business day	Observation Period: One Year

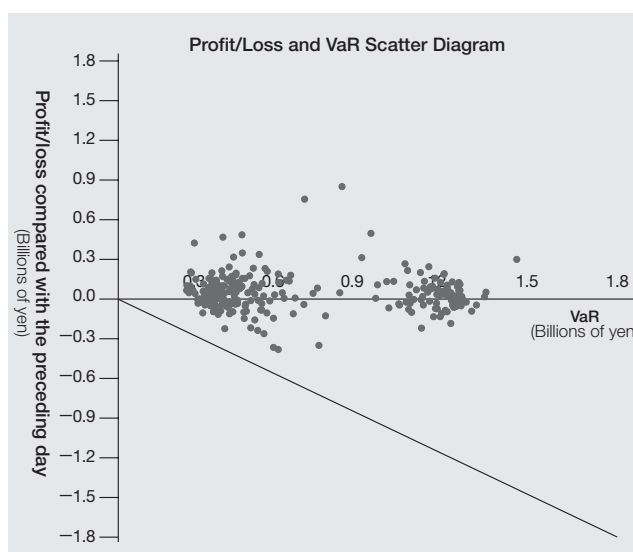
(2) Results of Back Testing and Reasons for Large Deviations between Actual Losses and VaR

• Back Testing of the Trading Account

First Half of FY 2008



First Half of FY 2007



Note: As shown above, for the first half of fiscal year 2008 back testing of the trading account shows three instances of losses in excess of VaR, one of which shows large deviations between actual losses and VaR due to the abrupt decline in US dollar interest rates caused by the bankruptcy of Lehman Brothers on September 15, 2008. Back testing on our position concerning overall market risks shows four instances of losses in excess of VaR.

Capital Subscriptions or Equity Exposures in the Banking Account

Non-consolidated

	Millions of Yen							
	Sep. 30, 2008				Sep. 30, 2007			
	Book Value		Market Value		Book Value		Market Value	
Non-consolidated Book and Market Values *1								
Listed Equity Exposures	¥ 642,085		¥ 642,085		¥ 914,172		¥ 914,172	
Capital Subscriptions or Equity Exposures not included in "Listed Equity Exposures"	74,759		74,759		74,171		74,171	
Amounts of Gains/Losses on Sale and Written-off of Capital Subscriptions or Equity Exposures *1,2	Gains/Losses	Gains	Losses	Written-off	Gains/Losses	Gains	Losses	Written-off
	(9,325)	3,594	1,151	11,768	4,614	7,554	811	2,129
Amounts of Unrealized Gains/Losses Recognized in the Non-consolidated Balance Sheets and not Recognized in the Non-consolidated Statements of Income	174,348				420,740			
Amounts of Unrealized Gains/Losses not Reported in the Non-consolidated Balance Sheets and Statements of Income ...	Not applicable				Not applicable			

*1 Figures for Available-for-Sale Securities include only Japanese and foreign stocks.

*2 Interim Non-consolidated Statements of Income figures for gains/losses on stock holdings and related written-off.

	Millions of Yen	
	Sep. 30, 2008	Sep. 30, 2007
	Amounts by Portfolio Category*	¥ 795,090
Outstanding Shares Held	619,307	831,276
Portfolios Adopting the Market-Based Approach	58,899	42,916
Portfolios Adopting the PD/LGD Approach	116,883	105,639

*Amounts by portfolio category show exposures subject to the calculation of credit risk-weighted assets.

Amounts Held in Funds

Non-consolidated

	Millions of Yen	
	Sep. 30, 2008	Sep. 30, 2007
Aggregate Sum of Exposures Held in Funds	¥ 358,676	¥ 422,272
Look-through Approach	212,718	242,947
Simple Majority Formula	50,565	60,115
Investment Criteria Formula	19,023	23,138
Internal Models Approach	—	—
Probability Approach	74,675	88,756
Others	1,692	7,314

Note: Exposures subject to the calculation of credit risk-weighted assets are shown.

Interest Rate Risk in the Banking Account

Non-consolidated

Gains/Losses and Changes in Economic Value due to Interest Rate Shocks under the Internal Control System used by the Parent Company

• Outlier Ratio

	Sep. 30, 2008	Sep. 30, 2007
Overall Amount of Interest Rate Risk	¥ 118.0 billion	¥ 177.1 billion
Outlier Ratio	6.5%	8.9%

Notes: 1 Our interest rate fluctuation scenario assumes an interest rate shock consisting of the 1st and 99th percentile of the fluctuation range measured for a one year time horizon and a minimum observation period of five years.

2 Our risk measurement method uses the interest rate sensitivity approach. Core deposits are defined as the lowest of the following three items, as an upper limit, for the five-year maturity (an average term of 2.5 years): 1) the lowest balance of deposits in the past five years, 2) the balance left after deducting the maximum annual outflow of deposits in the past five years from the current balance of deposits, or 3) the amount equivalent to 50% of the current balance of deposits.

STB Basic Information

Corporate Data

as of September 30, 2008

Head Office

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Telephone: 81-6-6220-2121

Tokyo Office

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9-2, Marunouchi 1-chome,
Chiyoda-ku, Tokyo 100-6611, Japan
Telephone: 81-3-3286-1111

Date of Establishment

July 1925

Paid-in Capital

¥287,537 million

Number of Employees

5,921

Independent Public Accountants

KPMG AZSA & Co.

Authorized Stock (Thousands)

Common Stock: 3,000,000

Issued Stock (Thousands)

Common Stock: 1,675,128

Number of Stockholders

Common Stock: 44,463

STB Basic Information

Board of Directors, Executive Officers and Auditors

as of December 31, 2008

Chairman of the Board

Atsushi Takahashi*1

Vice Chairman

Takaaki Hatabe*1

President and CEO

Hitoshi Tsunekage*1

Senior Executive Officer

Akio Otsuka*1

Kiyoshi Mukohara*1

Teruhiko Sugita*1

Tomoaki Ando*1

Managing Executive Officer

Shuichi Kusakawa*1

Rikiya Hattori*1
General Manager, Real Estate Business Development Dept.

Hidehiko Asai

Mitsuru Nawata
General Manager, Global Credit Supervision Dept.

Hideo Amemiya

Sumikazu Tsutsui*1

Tetsuo Ohkubo*1

Fuminari Suzuki

Koichi Hozumi

Junichi Sayato*1

Yasuyuki Yagi

Executive Officer

Takeshi Kataoka

General Manager, Corporate Business Dept. I, Osaka

Shigemasa Shibata

Masayuki Imanaka

General Manager, Tokyo Corporate Business Dept. II

Yukihiro Kitano

Ibuki Mori

Kazunori Hino

General Manager, Stock Transfer Agency Dept.

Tatsuya Tsuboi

General Manager, Internal Audit Dept.

Kouji Nohara

Regional Executive, Nagoya / General Manager, Nagoya Branch

Koji Inagaki

General Manager, Tokyo Corporate Business Dept. I

Seiichiro Nemoto

General Manager, Asset Management Dept.

Koji Yosomiya

President and CEO, First Credit Corporation (Subsidiary of Sumitomo Trust)

Takashi Imai

General manager, Kyoto Branch

Keiji Tanaka

Regional Executive, Americas / General Manager, New York Branch

Standing Statutory Auditor

Masaru Suzuki

Statutory Auditor

Koichi Takamura*2

Hiroshi Noguchi

Hitoshi Maeda*2

Koji Hirao*2

*1 Directors

*2 External Auditors

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as of December 31, 2008

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Telex: 20717

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Facsimile: 82-2-757-8721

STB Basic Information**Subsidiaries and Affiliated Companies**

as of December 31, 2008

JAPAN

The Sumishin Shinko Company Limited
Sumishin Guaranty Company Limited
First Credit Corporation
STB Leasing & Financial Group Co., Ltd.
STB Leasing Co., Ltd.
STB Wealth Partners Co., Limited
Life Housing Loan, Ltd.
Sumishin Business Service Company, Limited
STB Real Estate Investment Management Co., Ltd.
STB Business Partners Co., Ltd.
Japan TA Solution, Ltd.
Sumishin Matsushita Financial Services Co., Ltd.
Sumishin Life Card Company, Limited
Sumishin Card Company, Limited
STB Investment Corporation
Sumishin Information Service Company Limited
STB Asset Management Co., Ltd.
STB Research Institute Co., Ltd.
Sumishin Realty Company, Limited
SBI Sumishin Net Bank, Ltd.

Japan Pension Operation Service, Ltd.
BUSINEXT CORPORATION
Human Resource Management Service & Consulting Co., Ltd.
Top REIT Asset Management Co., Ltd.
Japan Trustee Services Bank, Ltd.
Japan Trustee Information Systems, Ltd.

OVERSEAS

The Sumitomo Trust Finance (H.K.) Limited
Sumitomo Trust and Banking (Luxembourg) S.A.
Sumitomo Trust and Banking Co. (U.S.A.)
STB Consulting (China) Co., Ltd.
STB Omega Investment Limited
STB Finance Cayman Limited
STB Preferred Capital (Cayman) Limited
STB Preferred Capital 2 (Cayman) Limited
STB Preferred Capital 3 (Cayman) Limited
STB Preferred Capital 4 (Cayman) Limited
STB Preferred Capital 5 (Cayman) Limited
Fresco Asset Funding Corporation



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