

Explanatory Material

*3rd Quarter of Fiscal Year 2009
ended on December 31, 2009*

The Sumitomo Trust and Banking Co., Ltd.

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Regarding forward-looking statements contained in this material

This presentation material contains information that constitutes forward-looking statements. Such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and actual results may differ from those in the forward-looking statements as a result of various factors including but not limited to changes in managerial circumstances. By virtue of the aforementioned reasons, The Sumitomo Trust and Banking Co., Ltd. (referred to hereinafter as "Sumitomo Trust") hereby cautions against sole reliance on such forward-looking statements in making investment decisions.

Outline of the financial results

Financial results

<Non-consolidated>

(1) Net business profit before credit costs (cumulative total) decreased by 23.8 billion yen from the 3rd quarter of FY2008 (cumulative total) to 125.1 billion yen mainly due to the decrease in market-related profit including net gains on bonds which recorded a high-level profit in the previous fiscal year.

(2) On the other hand, net income (cumulative total) increased by 15.5 billion yen from the 3rd quarter of FY2008 (cumulative total) to 50.5 billion yen mainly due to the significant decrease in total substantial credit costs, in addition to the improvement in net gains on sales of stocks and other securities. And total substantial credit costs decreased by 14.9 billion yen from the 2nd quarter of FY2009 (cumulative total) to 17.7 billion yen mainly due to the decreased allowances resulting from the upgrades of some borrowers which were classified in doubtful category as of the end of September 2009.

<Consolidated>

(1) Net business profit before credit costs decreased by 40.2 billion yen from the 3rd quarter of FY2008 (cumulative total) to 141.0 billion yen not only because it declined on a non-consolidated basis, but because the gain of 8.9 billion yen resulting from retirement of perpetual subordinated bonds which was included in net business profit before credit costs on a non-consolidated basis was posted as extraordinary profit on a consolidated basis.

(2) Net income (cumulative total) increased by 31.8 billion yen from the 3rd quarter of FY2008 (cumulative total) to 52.2 billion yen due to the increase in non-consolidated net income, as well as the decrease in total substantial credit costs (20.8 billion yen) of group companies.

<Earnings forecast for FY2009>

(1) We keep the forecasts of ordinary profit and net income for FY2009 unchanged at the present time. But taking into account the performance of the 3rd quarter of FY2009 cumulative total, it is possible that the earning forecasts will be reviewed going forward. When the outlook of the earnings for FY2009 becomes more certain, we will announce revision of the forecasts in a timely manner, if necessary.

Assets and liabilities

<Balance of major accounts>

(Non-consolidated)

(1) The balance of loans as of the end of December 2009 decreased by 22.9 billion yen from the end of September 2009 to 11.7 trillion yen. Deposits, including the principal-guaranteed trust account, decreased by 135.7 billion yen to 12.2 trillion yen due to the decline in the corporate deposits, while the retail deposits increased.

<Assets classified under the Financial Reconstruction Law>

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

(1) The total balance of assets classified under the Financial Reconstruction Law decreased by 104.7 billion yen from the end of September 2009 to 204.5 billion yen owing to the upgrades and downgrades of some of the doubtful loans. The ratio of assets classified under the Financial Reconstruction Law to the total loan balance stands at 1.7%.

(2) Coverage ratio (collateral values and allowance for loan losses divided by corresponding asset balances) for doubtful loans as of the end of December 2009 stands at 88%, and that for substandard loans stands at 70%, both of which are high-level.

<Status of the securities with fair value>

(Consolidated)

(1) Net unrealized gains/losses of available-for-sale securities with fair value decreased by 20.5 billion yen from the end of September 2009 to the net gains of 58.6 billion yen mainly due to the decline in the unrealized gains of Japanese stocks.

<Status of the international credit investment securities>

(Non-consolidated)

(1) The balance of available-for-sale securities with fair value decreased by 9.5 billion yen from the end of September 2009 to 320.0 billion yen mainly owing to the sales and redemption, and unrealized gains/losses improved by 4.8 billion yen to the net gains of 4.1 billion yen.

(2) The balance of held-to-maturity debt securities decreased by 5.0 billion yen from the end of September 2009 to 279.8 billion yen mainly due to the redemption, and unrealized gains/losses improved by 8.2 billion yen to the net gains of 40.9 billion yen.

<Status of BIS capital adequacy ratio>

(1) Consolidated BIS capital adequacy ratio and consolidated Tier I capital ratio at the end of December 2009 are estimated to be 13.5 - 14.0% and mid-9% respectively. Figures as of December 2009 are now under calculation process and will be announced as finalized.

<Outline of the financial results>

(Billions of Yen)

	2QFY2009		3QFY2009		Change fm 3QFY2008	FY2009 Earnings Forecast
	(Cumulative total)	(Cumulative total)	(Cumulative total)	(Cumulative total)		
(Non-consolidated)						
Net business profit before credit costs	81.6	125.1	-23.8	155.0		
Total credit costs	-27.2	-14.4	8.6	-45.0		
Ordinary profit	31.1	76.4	23.9	75.0		
Net income	19.3	50.5	15.5	45.0		
(Consolidated)						
Net business profit before credit costs	87.7	141.0	-40.2	175.0		
Ordinary profit	33.4	92.1	40.0	80.0		
Net income	19.2	52.2	31.8	45.0		
(Total substantial credit costs)						
Consolidated	-40.8	-28.1	68.5	-70.0		
Non-consolidated	-32.7	-17.7	47.6	-55.0		
Domestic	-24.1	-11.3	9.1	-40.0		
International	-8.5	-6.4	38.4	-15.0		
Group companies	-8.1	-10.4	20.8	-15.0		

Note: "Total substantial credit costs" is a sum of "Total credit costs", costs in "Net gains on sales of stocks and other securities" and "Other non-recurring profit" which are related to investment in securities of domestic and overseas credit, and affiliates' total credit costs included in "Net income from affiliates by equity method".

<Balance of major accounts>

(Non-consolidated)

(Ending balance of major accounts; banking a/c and principal guaranteed trust a/c combined)

(Billions of Yen)

	Dec. 2009	Sep. 2009	Mar. 2009	Change fm Sep. 2009	Change fm Mar. 2009
	Loans	11,700.3	11,723.2	11,768.4	-22.9
Deposits	12,205.5	12,341.3	12,086.6	-135.7	118.8

Note: Loans: all branches, Deposits: domestic branches

<Assets classified under the Financial Reconstruction Law>

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

(Billions of Yen)

	Dec. 2009	Change fm Sep. 2009	Change fm Mar. 2009	Coverage ratio (*1)	Reserve ratio (*2)
	Loans in bankrupt and practically bankrupt	38.4	12.3	10.4	100%
Doubtful loans	64.4	-177.8	-9.3	88%	74%
Substandard loans	101.7	60.8	86.9	70%	25%
Assets classified under the Financial Reconstruction Law	204.5	-104.7	88.0	81%	53%
Ratio to total loan balance	1.7%	-0.8%	0.8%		
Special mention (exc. substandard)	721.1	102.0	-124.2		

(*1) Coverage ratio for loan balance which is secured by collateral values and allowance for loan losses.

(*2) Reserve ratio for uncovered portion of loan balance (remaining loan balance after deduction of collateral values).

<Status of the securities with fair value>

(Consolidated)

(Available-for-sale securities with fair value)

(Billions of Yen)

	Dec. 2009	Book value (Fair value)	Net	Change of cost fm Sep. 2009	Change of net fm Sep. 2009
	Japanese stocks	419.6	461.7	42.1	-2.8
Japanese bonds	1,359.7	1,386.6	26.9	7.5	1.0
Others	1,824.6	1,814.2	-10.4	-50.7	4.8
Foreign bonds	1,416.2	1,406.3	-9.9	-2.4	-3.0
Total	3,604.0	3,662.6	58.6	-46.0	-20.5

<Status of the international credit investment securities>

(Non-consolidated)

(Available-for-sale securities with fair value)

(Billions of Yen)

	Cost (after impairment)		Unrealized gains/losses		
	Cost	Change fm Sep. 2009	Net	Change fm Sep. 2009	%
Asset-backed securities	63.7	-1.1	1.3	1.7	2.1%
Corporate bonds	256.3	-8.4	2.8	3.0	1.1%
Total	320.0	-9.5	4.1	4.8	1.3%

(Held-to-maturity debt securities with fair value)

Asset-backed securities	279.8	-5.0	40.9	8.2	14.6%
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<Status of BIS capital adequacy ratio>

(Consolidated)

	Dec. 2009 (Forecast)	Sep. 2009 (Actual)	Mar. 2009 (Actual)
BIS capital adequacy ratio	13.5 - 14.0%	14.17%	12.09%
Tier I capital ratio	mid-9%	9.88%	7.63%

1. Outline of the financial results

(Consolidated)

		Millions of Yen			
		3Q			Full FY2008
		FY2009 (Cumulative total)	FY2008 (Cumulative total)	Change	
(Gross profit before credit costs) (2 - 4)	1	(287,980)	(326,003)	(-38,023)	(438,706)
Gross profit	2	287,980	326,004	-38,023	438,707
Net trust fees	3	38,488	49,931	-11,442	64,448
Principal guaranteed trust a/c credit costs	4	-	0	-0	0
Trust fees from principal guaranteed trust a/c	5	4,284	7,083	-2,799	8,172
Other trust fees	6	34,204	42,846	-8,642	56,275
Net interest income	7	139,930	132,219	7,711	174,172
Net fees and commissions	8	59,260	53,860	5,399	75,661
Net trading income	9	11,953	-54,416	66,369	-52,027
Net other operating income	10	38,347	144,409	-106,061	176,452
General and administrative expenses	11	-149,510	-149,593	83	-201,068
(Excluding amortization of goodwill)	12	(-142,289)	(-143,193)	(904)	(-192,539)
Provision of general allowance for loan losses	13	-	-5,443	5,443	2,410
Banking a/c credit costs	14	-23,202	-47,029	23,827	-103,111
Net gains on sales of stocks and other securities	15	-8,297	-37,577	29,280	-48,370
Net income from affiliates by equity method	16	-41	-1,697	1,656	-2,122
Others	17	-14,756	-32,582	17,825	-56,835
Ordinary profit	18	92,172	52,080	40,091	29,609
Extraordinary profit	19	9,725	3,718	6,006	23,955
Reversal of allowance for loan losses	20	278	-	278	-
Recoveries of written-off claims	21	819	852	-33	905
Gain from partial redemption of employee retirement benefit trust	22	-	-	-	21,538
Gain on retirement of perpetual subordinated bonds	23	8,900	-	8,900	-
Income before income taxes	24	101,897	55,798	46,098	53,565
Income taxes-current	25	-18,951	-31,945	12,993	-45,937
Income taxes-deferred	26	-20,426	3,533	-23,959	10,540
Minority interest	27	-10,306	-6,982	-3,324	-10,221
Net income	28	52,212	20,404	31,808	7,946
Total credit costs (4 + 13 + 14 + 20 + 21)	29	-22,104	-51,619	29,515	-99,794
Total substantial credit costs (*2)	30	-28,177	-96,705	68,527	-170,098
(Difference from non-consolidated total substantial credit costs)	31	(-10,455)	(-31,332)	(20,876)	(-48,786)
Net business profit before credit costs (*3)	32	141,012	181,274	-40,262	241,153
(Difference from non-consolidated Net business profit before credit costs (Adjusted, *4))	33	(25,375)	(32,314)	(-6,938)	(40,131)
(Difference from non-consolidated Net business profit before credit costs)	34	(15,861)	(32,314)	(-16,452)	(40,131)

(*1) Due to the reversal of reserves, the amount is included in the extraordinary income.

(*2) Total substantial credit costs (30) = (29) + Costs included in (15) (17) which are related to investment in securities of domestic and overseas credit + Affiliates' total credit costs included in (16).

(*3) Consolidated net business profit before credit costs (32) = 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.).

(*4) For 3QFY2009, the dividend income from subsidiary resulting from the gain on retirement of perpetual subordinated bonds (23) (8,900 million yen) is eliminated.

<Number of subsidiaries/ affiliates>

	Dec. 2009	Sep. 2009	Mar. 2009	Change from Sep. 2009
Consolidated subsidiaries	48	37	37	11
Affiliates (subject to the equity method)	11	9	8	2

(Non-consolidated)

		Millions of Yen			
		3Q			Full FY2008
		FY2009 (Cumulative total)	FY2008 (Cumulative total)	Change	
Gross business profit before credit costs (2 - 4)	1	220,692	247,087	-26,395	334,312
(Gross profit)	2	(220,692)	(247,088)	(-26,395)	(334,312)
Net trust fees	3	38,566	49,931	-11,364	64,478
Principal guaranteed trust a/c credit costs	4	-	0	-0	0
Trust fees from principal guaranteed trust a/c	5	4,284	7,083	-2,799	8,172
Other trust fees	6	34,282	42,846	-8,564	56,305
Net interest income	7	135,674	116,901	18,772	155,677
Net fees and commissions	8	25,192	17,695	7,496	28,323
Net trading income	9	11,953	-54,416	66,369	-52,027
Net other operating income	10	9,306	116,975	-107,669	137,861
Net gains on foreign exchange transactions	11	-3,928	12,231	-16,159	11,828
Net gains on bonds	12	17,119	104,475	-87,356	119,415
Net gains from derivatives other than for trading or hedging	13	-4,609	-109	-4,500	3,517
General and administrative expenses	14	-95,541	-98,126	2,585	-133,289
Net business profit before credit costs (1 + 14)	15	125,150	148,960	-23,809	201,022
(Excluding net gains on bonds) (15 - 12)	16	(108,031)	(44,484)	(63,546)	(81,607)
Provision of general allowance for loan losses	17	-	-1,852	1,852	7,624
Net business profit	18	125,150	147,109	-21,958	208,647
Net non-recurring profit	19	-48,667	-94,609	45,941	-170,673
Net gains on sales of stocks and other securities	20	-8,126	-35,720	27,593	-46,661
Banking a/c net credit costs	21	-21,144	-22,030	885	-63,490
Others	22	-19,396	-36,859	17,462	-60,521
Ordinary profit	23	76,483	52,499	23,983	37,973
Extraordinary profit	24	6,571	1,958	4,612	23,565
Reversal of allowance for loan losses (*1)	25	5,912	-	5,912	-
Recoveries of written-off claims	26	817	850	-32	901
Gain from partial redemption of employee retirement benefit trust	27	-	-	-	21,538
Income before income taxes	28	83,054	54,458	28,595	61,538
Income taxes-current	29	-10,928	-24,434	13,505	-36,132
Income taxes-deferred	30	-21,581	4,950	-26,531	13,529
Net income	31	50,544	34,974	15,569	38,936
Total credit costs (4 + 17 + 21 + 25 + 26)	32	-14,414	-23,031	8,616	-54,964
Total substantial credit costs (*2)	33	-17,721	-65,372	47,651	-121,312
Losses related to domestic credit investments	34	-11,319	-20,496	9,176	-48,174
Losses related to international credit investments	35	-6,401	-44,876	38,474	-73,137

(*1) Due to the reversal of reserves, the amount is included in the extraordinary income.

(*2) Total substantial credit costs (33) = (32) + Costs included in (20) (22) which are related to investment in securities of domestic and overseas credit.

2. Breakdown of profit by business (Gross business profit before credit costs)

(Non-consolidated)

	Billions of Yen		
	3QFY2009	3QFY2008	Change
	(Cumulative total)	(Cumulative total)	
Retail financial services	54.5	59.5	-4.9
Wholesale financial services	74.5	72.0	2.5
Stock transfer agency services	10.9	15.1	-4.1
Global Markets	63.5	107.8	-44.2
Fiduciary services	35.3	41.2	-5.9
Pension asset management	26.6	27.5	-0.9
Securities processing services	8.8	13.7	-4.9
Real estate	6.4	8.3	-1.9
Fees paid for outsourcing	-16.0	-20.0	4.0
Stock transfer agency services	-5.1	-9.7	4.6
Fiduciary services	-10.8	-10.2	-0.6
Others (*)	2.4	-21.8	24.2
Gross business profit before credit costs	220.6	247.0	-26.3

(*) Managerial accounting basis. Net of dividend income, cost of capital sourcing and adjustment as a result of reclassifying some non-recurring profit into gross business profit for certain business are included. Dividend income which is generated by retirement of perpetual subordinated bonds (8.9 billion yen) is included in 3QFY2009.

3. Forecast for full FY2009

We keep the forecasts of ordinary profit and net income for FY2009 unchanged at the present time. But taking into account the performance of the 3rd quarter of FY2009 cumulative total, it is possible that the earning forecasts will be reviewed going forward. When the outlook of the earnings for FY2009 becomes more certain, we will announce revision of the forecasts in a timely manner, if necessary.

	Billions of Yen				
	Forecast for	3QFY2009	1HFY2009	Full FY2008	Change
	FY2009	(Actual)	(Actual)	(Actual)	
(A)	(Cumulative total)	(Actual)	(B)	(A) - (B)	
<u>(Consolidated)</u>					
Net business profit before credit costs	175.0	141.0	87.7	241.1	-66.1
Ordinary profit	80.0	92.1	33.4	29.6	50.3
Net income	45.0	52.2	19.2	7.9	37.0
Dividend per common share (Yen)	10.00	5.00	5.00	10.00	-
Consolidated dividend payout ratio (%) (*)	39.5%	-----	-----	210.7%	-171.2%
<u>(Non-consolidated)</u>					
Net business profits before credit costs	155.0	125.1	81.6	201.0	-46.0
Total credit costs	-45.0	-14.4	-27.2	-54.9	9.9
Other non-recurring profit	-35.0	-27.5	-22.7	-107.1	72.1
Ordinary profit	75.0	76.4	31.1	37.9	37.0
Net income	45.0	50.5	19.3	38.9	6.0
<u>(Total substantial credit costs)</u>					
Consolidated	-70.0	-28.1	-40.8	-170.0	100.0
Non-consolidated	-55.0	-17.7	-32.7	-121.3	66.3
Domestic	-40.0	-11.3	-24.1	-48.1	8.1
International	-15.0	-6.4	-8.5	-73.1	58.1
Group companies	-15.0	-10.4	-8.1	-48.7	33.7

(*) Consolidated dividend payout ratio

= { Total amount of dividends for common shares / (Consolidated net income - Total amount of dividends for preferred shares) } X 100

Note: Forecast is subject to change

4. BIS capital adequacy ratio

(Consolidated)

	Dec. 2009 (Forecast)	Sep. 2009 (Actual)
BIS capital adequacy ratio	13.5 - 14.0%	14.17%
Tier I capital ratio	mid-9%	9.88%

Figures as of Dec. 2009 are now under the calculation process and will be announced as finalized.

5. Ending balance of loans

(Non-consolidated)

	Millions of Yen				
	Dec. 2009	Sep. 2009	Mar. 2009	Change from Sep. 2009	Change from Mar. 2009
Banking account	11,475,946	11,472,216	11,488,687	3,730	-12,741
Principal guaranteed trust account	224,357	250,998	279,719	-26,641	-55,361
Total	11,700,303	11,723,215	11,768,406	-22,911	-68,103

6. Ending balance of domestic deposits classified by depositors (Domestic branches)

(Non-consolidated)

	Millions of Yen				
	Dec. 2009	Sep. 2009	Mar. 2009	Change from Sep. 2009	Change from Mar. 2009
Individuals	8,907,318	8,875,825	8,641,695	31,493	265,623
Deposits (*)	8,366,536	8,335,095	8,055,573	31,440	310,962
Trust principal (Principal guaranteed)	540,782	540,729	586,122	53	-45,339
Corporations and other organizations	2,483,340	2,593,345	2,499,264	-110,005	-15,923
Deposits (*)	2,308,510	2,409,045	2,318,700	-100,534	-10,189
Trust principal (Principal guaranteed)	174,829	184,300	180,563	-9,470	-5,733
Others	814,870	872,137	945,730	-57,266	-130,859
Total	12,205,529	12,341,308	12,086,689	-135,778	118,839

(*) Excluding NCDs and offshore accounts

7. Spread

Domestic banking a/c

(Non-consolidated)

	Percentage points				
	3QFY2009 (Cumulative total)			3QFY2008	Change (A) - (B)
	(A)	3QFY2009	1HFY2009	(Cumulative total) (B)	
Average yield on interest-earning assets (A)	1.37	1.26	1.43	1.58	-0.21
Loans and bills discounted (B)	1.47	1.44	1.48	1.61	-0.14
Securities	1.28	0.77	1.53	2.09	-0.81
Average yield on interest-bearing liabilities (C)	0.54	0.52	0.54	0.64	-0.10
Deposits (D)	0.54	0.52	0.55	0.60	-0.06
Gross margin (A) - (C)	0.83	0.74	0.89	0.94	-0.11
Loan-deposit margin (B) - (D)	0.93	0.92	0.93	1.01	-0.08

8. Assets classified under the Financial Reconstruction Law (After partial direct written-off)

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

	Millions of Yen					
	Dec. 2009		Sep. 2009	Mar. 2009	Change from Sep. 2009	
	Coverage ratio(*1)	Reserve ratio(*2)				
Assets classified under the Financial Reconstruction Law	204,459	81%	53%	309,159	116,441	-104,700
Loans in bankrupt and practically bankrupt	38,362	100%	100%	26,094	27,969	12,268
Doubtful loans	64,445	88%	74%	242,212	73,748	-177,766
Substandard loans (A)	101,650	70%	25%	40,852	14,723	60,797
Ordinary assets	12,040,390	-----	-----	11,959,395	12,363,321	80,995
Loans to substandard debtors (excluding substandard loans) (B)	37,570	-----	-----	10,981	13,215	26,588
Loans to special mention debtors (excluding (A) and (B))	683,544	-----	-----	608,122	832,133	75,422
Loans to ordinary debtors	11,319,275	-----	-----	11,340,291	11,517,972	-21,016
Total loan balance	12,244,849	-----	-----	12,268,555	12,479,763	-23,705
(Ratio to total loan balance)	(1.7%)	-----	-----	(2.5%)	(0.9%)	(-0.8%)
Loans to substandard debtors (A)+(B)	139,220	-----	-----	51,833	27,939	87,386

(*1) Coverage ratio for loan balance which is secured by collateral values and allowance for loan losses.

(*2) Reserve ratio for uncovered portion of loan balance (remaining loan balance after deduction of collateral values).

9. Unrealized gains/ losses of investment securities

(1) Held-to-maturity debt securities with fair value
(Consolidated)

	Millions of Yen							
	Dec. 2009			Sep. 2009			Change of book value	Change of net
	Book value	Fair value	Net	Book value	Fair value	Net		
Japanese government bonds	251,231	260,272	9,041	251,370	259,876	8,505	-139	535
Japanese local government bonds	-	-	-	-	-	-	-	-
Japanese corporate bonds	23,287	23,428	141	23,287	23,456	168	-0	-27
Others	296,883	337,950	41,067	285,178	317,925	32,747	11,704	8,320
Foreign bonds	296,883	337,950	41,067	285,178	317,925	32,747	11,704	8,320
Total	571,401	621,652	50,250	559,836	601,258	41,421	11,565	8,828

Note 1: Prices of some of the overseas asset-backed securities have been changed from the prices collected from outside companies (broker or information vender) (herein after "market prices") to the rationally calculated prices. As a result, "Fair value" of the "Foreign bonds" has increased by 3,769 million yen as of the end of Dec. 2009.

Note 2: During 3QFY2009, some of the bonds held as "Held-to-maturity debt securities" (1,831 million yen) failed to meet the company's criteria of "Held-to-maturity debt securities" due to the downgrade of credit rating. As a result, these bonds have been reclassified into "Available-for-sale securities".

(Non-consolidated)

	Millions of Yen							
	Dec. 2009			Sep. 2009			Change of book value	Change of net
	Book value	Fair value	Net	Book value	Fair value	Net		
Japanese government bonds	250,867	259,900	9,033	251,023	259,522	8,498	-156	534
Japanese local government bonds	-	-	-	-	-	-	-	-
Japanese corporate bonds	23,287	23,428	141	23,287	23,456	168	-0	-27
Others	296,663	337,699	41,035	284,944	317,659	32,715	11,719	8,320
Foreign bonds	296,663	337,699	41,035	284,944	317,659	32,715	11,719	8,320
Total	570,817	621,028	50,211	559,254	600,637	41,382	11,563	8,828

Note 1: Prices of some of the overseas asset-backed securities have been changed from the market prices to the rationally calculated prices. As a result, "Fair value" of the "Foreign bonds" has increased by 3,769 million yen as of the end of Dec. 2009.

Note 2: During 3QFY2009, some of the bonds held as "Held-to-maturity debt securities" (1,831 million yen) failed to meet the company's criteria of "Held-to-maturity debt securities" due to the downgrade of credit rating. As a result, these bonds have been reclassified into "Available-for-sale securities".

(2) Available-for-sale securities with fair value
(Consolidated)

	Millions of Yen							
	Dec. 2009			Sep. 2009			Change of cost	Change of net
	Cost	Book value	Net	Cost	Book value	Net		
Japanese stocks	419,608	461,784	42,175	422,508	491,183	68,675	-2,899	-26,499
Japanese bonds	1,359,755	1,386,658	26,903	1,352,184	1,378,026	25,841	7,570	1,061
Government bonds	1,247,162	1,273,833	26,671	1,243,276	1,269,102	25,826	3,885	845
Local government bonds	16,059	16,112	53	9,401	9,434	33	6,658	19
Corporate bonds	96,533	96,712	178	99,506	99,489	-17	-2,973	196
Others	1,824,694	1,814,253	-10,441	1,875,435	1,860,107	-15,327	-50,740	4,885
Foreign stocks	138	524	385	136	458	322	2	63
Foreign bonds	1,416,243	1,406,314	-9,928	1,418,654	1,411,736	-6,918	-2,411	-3,010
Others	408,313	407,414	-898	456,644	447,913	-8,731	-48,331	7,832
Total	3,604,058	3,662,695	58,637	3,650,128	3,729,318	79,189	-46,069	-20,552

Note 1: Including NCDs in "Cash and Due from Banks", trust beneficiary certificates backed by loans in "Monetary Claims Bought" and so on, as well as securities.

Note 2: Prices of floating rate government bond and some of the overseas asset-backed securities have been changed from the market prices to the rationally calculated prices. As a result, "Book value" of "Government bonds" has increased by 14,718 million yen, and "Book value" of "Foreign bonds" has increased by 683 million yen.

(Non-consolidated)

	Millions of Yen							
	Dec. 2009			Sep. 2009			Change of cost	Change of net
	Cost	Book value	Net	Cost	Book value	Net		
Japanese stocks	419,548	461,616	42,068	422,448	490,982	68,534	-2,899	-26,466
Japanese bonds	1,359,755	1,386,658	26,903	1,352,184	1,378,026	25,841	7,570	1,061
Government bonds	1,247,162	1,273,833	26,671	1,243,276	1,269,102	25,826	3,885	845
Local government bonds	16,059	16,112	53	9,401	9,434	33	6,658	19
Corporate bonds	96,533	96,712	178	99,506	99,489	-17	-2,973	196
Others	1,800,231	1,788,899	-11,332	1,858,520	1,843,165	-15,354	-58,288	4,022
Foreign stocks	135	317	181	133	285	151	2	29
Foreign bonds	1,393,584	1,383,627	-9,956	1,402,021	1,395,447	-6,574	-8,436	-3,382
Others	406,511	404,954	-1,557	456,365	447,433	-8,932	-49,854	7,375
Total	3,579,535	3,637,174	57,639	3,633,152	3,712,174	79,021	-53,617	-21,382

Note 1: Including NCDs in "Cash and Due from Banks", trust beneficiary certificates backed by loans in "Monetary Claims Bought" and so on, as well as securities.

Note 2: Prices of floating rate government bond and some of the overseas asset-backed securities have been changed from the market prices to the rationally calculated prices. As a result, "Book value" of "Government bonds" has increased by 14,718 million yen, and "Book value" of "Foreign bonds" has increased by 683 million yen.

10. Unrealized gains/ losses of derivative transaction

(Non-consolidated)

	Millions of Yen					
	Hedge accounting applied (deferred gains/ losses)			Hedge accounting not applied (unrealized gains/ losses)		
	Dec. 2009	Sep. 2009	Change	Dec. 2009	Sep. 2009	Change
Interest rate related	27,738	25,473	2,265	94,650	95,648	-998
Interest rate swaps	27,738	25,473	2,265	164,966	161,308	3,658
Currency related	2,335	2,706	-371	26,103	24,525	1,577
Stock related	-6,266	-6,719	452	-266	99	-366
Bond related	-	-	-	-58	-140	82
Credit related	-	-	-	-1,344	-1,253	-91
Total	23,807	21,460	2,346	119,083	118,880	202

11. Status of the international credit investment

(1) Securities with fair value

1) Available-for-sale securities

(Non-consolidated)

	Billions of Yen, millions of U.S. Dollars							
	Dec. 2009							
	Cost (after impairment)					Unrealized gains/ losses (*1), (*2)		
	North America	Europe	Change from Sep. 2009	Change from Sep. 2009				
							%	
Asset-backed securities	1	63.7	11.1	50.8	-1.1	1.3	1.7	2.1%
(in U.S. Dollars)	2	(691)	(120)	(552)	(-26)	(14)	(18)	(2.1%)
Securities backed by non-securitized assets	3	62.8	10.2	50.8	-0.4	-2.6	-0.5	-4.3%
RMBS exc. Subprime related RMBS	4	20.0	-	18.7	-1.8	-1.5	0.5	-7.9%
CMBS (Commercial mortgage)	5	20.3	-	20.3	1.6	-3.5	-1.2	-17.7%
CARDS (Credit card receivables)	6	5.2	5.2	-	0.1	1.3	0.3	26.5%
Other ABSs	7	12.1	4.0	7.6	-0.2	-0.1	-0.4	-1.2%
CDO mezzanine	8	1.2	0.8	0.4	0.0	1.5	0.3	124.7%
Synthetic CDO	9	3.7	0.0	3.6	-0.1	-0.3	-0.1	-8.8%
ABS-CDO (resecuritization)	10	0.1	0.1	-	-0.6	0.0	0.0	23.1%
CLO equities	11	0.6	0.6	0.0	0.0	3.9	2.2	604.9%
SIV Capital notes	12	0.0	0.0	-	-0.0	-	-	-%
Corporate bonds	13	256.3	21.2	102.9	-8.4	2.8	3.0	1.1%
(in U.S. Dollars)	14	(2,783)	(230)	(1,118)	(-150)	(31)	(33)	(1.1%)
Bonds issued by financial institutions	15	66.4	11.4	31.7	-2.5	-2.7	1.3	-4.2%
Total	16	320.0	32.3	153.8	-9.5	4.1	4.8	1.3%
(in U.S. Dollars)	17	(3,475)	(350)	(1,671)	(-177)	(45)	(52)	(1.3%)

(*1) As a result of using rationally calculated prices instead of market prices, "Book value" of asset-backed securities increased by 0.6 billion yen.

(*2) "Cost" and "Unrealized gains/ losses" of asset-backed securities and corporate bonds guaranteed by "Monoline" insurance companies are 2.6 billion yen and 0.3 billion yen, respectively, as of the end of Dec. 2009.

(*3) There are no securities issued by government sponsored enterprises (Fannie Mae, Freddie Mac, FHLB).

2) Held-to-maturity debt securities

(Non-consolidated)

	Billions of Yen, millions of U.S. Dollars							
	Dec. 2009							
	Cost					Unrealized gains/ losses (*1), (*2)		
	North America	Europe	Change from Sep. 2009	Change from Sep. 2009				
							%	
Asset-backed securities	18	279.8	136.5	143.3	-5.0	40.9	8.2	14.6%
(in U.S. Dollars)	19	(3,039)	(1,483)	(1,556)	(-118)	(445)	(82)	(14.6%)
RMBS exc. Subprime related RMBS	20	100.0	-	100.0	-4.4	8.2	0.5	8.3%
CARDS (Credit card receivables)	21	47.7	42.3	5.3	-0.2	10.4	0.6	21.9%
CLO (Corporate loans)	22	131.1	93.3	37.8	1.8	22.2	7.0	17.0%
Other ABSs	23	0.8	0.8	-	-2.1	-0.0	-0.0	-2.1%

(*1) As a result of using rationally calculated prices instead of market prices, "Fair value" of asset-backed securities increased by 3.7 billion yen.

(*2) Unamortized amount of unrealized gains/ losses resulting from reclassification is -83.6 billion yen as of the end of Dec. 2009.

(*3) Vintage of RMBS: 2007: 12.95%, 2006: 29.80%, 2005 and before: 57.25%

(*4) Some of the asset-backed securities (1.8 billion yen) failed to meet the company's criteria of "Held-to-maturity debt securities" due to the downgrade of credit rating. As a result, these asset-backed securities have been reclassified into "Available-for-sale securities".

3) Credit ratings

(Non-consolidated)

	Billions of Yen						
	Dec. 2009						
	Cost (after impairment)						
	AAA	AA	A	BBB	BB and below		
Available-for-sale securities	24	320.0	22.0	51.6	129.2	88.9	28.1
Asset-backed securities	25	63.7	22.0	20.3	7.9	9.2	4.0
Corporate bonds	26	256.3	-	31.2	121.2	79.6	24.1
Held-to-maturity debt securities	27	279.8	65.6	137.5	37.0	39.7	-

(2) Securities with no available fair value

(Non-consolidated)

	Billions of Yen				
	Dec. 2009				
	Cost (after impairment)				
	North America	Europe	Change from Sep. 2009		
Securities with no available fair value	28	23.1	8.9	6.8	1.9

(3) Exposure to corporate loans

(Non-consolidated)

	Billions of Yen, millions of U.S. Dollars							
	Dec. 2009							
	Balance					Internal Credit Ratings (*2)		
	North America	Europe	Change from Sep. 2009	1-4	5-6	7-8		
Corporate loans (*1)	29	253.6	126.9	52.0	-9.7	76.1	148.2	28.4
(in U.S. Dollars)	30	(2,755)	(1,379)	(564)	(-164)	(827)	(1,610)	(309)

(*1) There are no subprime related loans.

(*2) Internal Credit Ratings: 1-6: Ordinary debtors, 7-8: Special mention debtors (except for Substandard debtors)

(4) Total substantial credit costs (Losses related to international credit investments)

(Non-consolidated)

	Billions of Yen			
	3QFY2009 (Cumulative total)			
	Losses on sale	Losses on devaluation		
Asset-backed securities	31	-2.9	-1.0	-1.8
Corporate bonds	32	-0.4	-0.4	-
Corporate loans and others	33	-3.0	-3.4	-0.1
Total	34	-6.4	-4.9	-2.0

12. Loans by industry

(Non-consolidated)

	Millions of Yen						
	Dec. 2009				Sep. 2009		
	Banking a/c	Trust a/c	Banking + Trust a/c		Banking a/c	Trust a/c	Banking + Trust a/c
			Change from Sep. 2009				
Domestic Branches (excluding offshore)	10,696,020	224,357	10,920,377	1,502	10,667,876	250,998	10,918,875
Manufacturing	1,858,151	13,981	1,872,133	-991	1,858,837	14,287	1,873,124
Agriculture, forestry, fisheries, mining, quarrying of stone and gravel	23,650	-	23,650	593	23,057	-	23,057
Construction	131,834	-	131,834	29,536	102,298	-	102,298
Electricity, gas, heat supply and water	153,510	516	154,026	-2,733	156,217	542	156,760
Information and communications	160,842	-	160,842	-4,114	164,957	-	164,957
Transport and postal activities	703,103	9,531	712,635	-16,730	719,833	9,531	729,365
Wholesale and retail trade	934,046	3,882	937,928	-5,648	940,334	3,242	943,567
Finance and insurance	1,645,442	33,000	1,678,442	71,884	1,573,558	33,000	1,606,558
Real estate	1,833,004	33,846	1,866,850	-47,739	1,880,456	34,133	1,914,589
Goods rental and leasing	791,141	37,000	828,141	-107,207	874,349	61,000	935,349
Others	2,461,291	92,598	2,553,890	84,653	2,373,974	95,261	2,469,236
Overseas branches and offshore	779,925	-	779,925	-24,414	804,339	-	804,339
Total	11,475,946	224,357	11,700,303	-22,911	11,472,216	250,998	11,723,215

Note1: Above table is made based on the categorization of "Survey on loans by industry" of Bank of Japan.

Note2: Trust a/c is principal guaranteed trust a/c.

13. Real estate non recourse loans (Banking a/c)

(Non-consolidated)

	Billions of Yen				
	Dec. 2009	Sep. 2009	Mar. 2009	Change from Sep. 2009	Change from Mar. 2009
	Real estate non recourse loans	858.6	882.2	905.9	-23.5

Note: Addition to the listed above, there are loans to REIT (285.7 billion yen) and investment in CMBS (32.7 billion yen) as of Dec. 2009.

14. Balance and sales volume of mutual fund/ individual annuity (for retail customers)

(Non-consolidated)

	Billions of Yen					
	Balance			Sales volume		
	Dec. 2009	Sep. 2009	Change	FY2009		FY2008
				(from Oct. to Dec.)	(from Apr. to Sep.)	(from Oct. to Mar.)
Mutual fund	1,074.8	1,042.6	32.1	67.4	87.2	40.5
Individual annuity	640.3	617.4	22.9	27.1	50.0	36.3
Total	1,715.2	1,660.1	55.0	94.6	137.2	76.9

15. Statements of trust account

(Non-consolidated)

	Millions of Yen				
	Dec. 2009	Sep. 2009	Mar. 2009	Change from Sep. 2009	Change from Mar. 2009
Loans and bills discounted	361,378	378,542	369,126	-17,164	-7,748
Securities	438,720	319,078	351,435	119,642	87,284
Money held in trust	60,704,586	63,708,157	65,304,242	-3,003,570	-4,599,655
Securities held in custody accounts	384,155	395,066	420,212	-10,911	-36,056
Money claims	10,195,737	9,808,542	9,524,281	387,195	671,455
Tangible fixed assets	4,471,716	4,465,727	4,485,986	5,989	-14,269
Intangible fixed assets	37,719	37,714	37,706	4	13
Other claims	1,413,880	1,418,253	1,505,504	-4,372	-91,623
Call loans	5,300	3,900	32,700	1,400	-27,400
Loans to banking account	531,585	1,056,013	547,115	-524,427	-15,529
Cash and due from banks	245,614	281,646	192,657	-36,031	52,956
Other assets	-	1	-	-1	-
Total assets	78,790,396	81,872,644	82,770,968	-3,082,248	-3,980,572
Money trusts	12,175,900	12,926,169	13,679,006	-750,269	-1,503,105
Pension trusts	5,155,309	5,087,975	5,999,483	67,334	-844,173
Property formation benefit trusts	9,250	9,360	9,268	-109	-17
Loan trusts	109,287	123,950	161,907	-14,663	-52,619
Securities investment trusts	23,852,103	24,240,029	24,659,872	-387,926	-807,769
Money entrusted, other than money trusts	2,366,618	2,384,805	2,439,777	-18,187	-73,158
Securities trusts	16,214,411	18,447,758	17,200,893	-2,233,346	-986,481
Money claim trusts	10,036,562	9,614,558	9,271,464	422,003	765,097
Land and fixtures trusts	44,091	44,656	51,863	-564	-7,771
Composite trusts	8,826,860	8,993,378	9,297,432	-166,518	-470,572
Other trusts	0	0	0	-	-
Total liabilities	78,790,396	81,872,644	82,770,968	-3,082,248	-3,980,572

The amount of retrusted assets (Dec. 2009: 60,660,387 million yen) to Japan Trustee Services Bank, Ltd. as a securities processing is included in Money held in trust.

16. Breakdown of principal guaranteed trust a/c

(Non-consolidated)

	Millions of Yen					
	Dec. 2009	Sep. 2009	Mar. 2009	Change from Sep. 2009	Change from Mar. 2009	
Money trusts	Loans and bills discounted	224,357	250,998	279,719	-26,641	-55,361
	Securities	48	48	48	-	-
	Others	385,628	352,835	328,380	32,792	57,247
	Total assets	610,034	603,883	608,148	6,150	1,885
	Principal	607,931	602,992	607,193	4,939	738
	Reserves for JOMT (Jointly-operated money trust)	545	545	631	-	-85
	Others	1,557	345	323	1,211	1,233
	Total liabilities	610,034	603,883	608,148	6,150	1,885
Loan trusts	Loans and bills discounted	-	-	-	-	-
	Securities	-	-	-	-	-
	Others	109,293	123,955	161,923	-14,662	-52,630
	Total assets	109,293	123,955	161,923	-14,662	-52,630
	Principal	107,681	122,038	159,492	-14,356	-51,811
	Reserves for loan trust	703	793	1,011	-89	-307
	Others	908	1,124	1,419	-215	-510
Total liabilities	109,293	123,955	161,923	-14,662	-52,630	