

Explanatory Material

*3rd Quarter of Fiscal Year 2010
ended on Dec. 31, 2010*

The Sumitomo Trust and Banking Co., Ltd.

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Legal Disclaimer**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.

Summary of the financial results

Financial results

<Consolidated>

- (1) Net business profit before credit costs (cumulative total) decreased by 16.5 billion yen from 3QFY2009 (cumulative total) to 124.4 billion yen mainly due to the decrease in non-consolidated net interest income, etc., while net fees and commissions increased because of the full 9 months contribution of Nikko Asset Management.
- (2) Net income (cumulative total) increased by 24.6 billion yen from 3QFY2009 (cumulative total) to 76.8 billion yen due to the net income boosting factors resulting from the reorganization of subsidiaries in 2QFY2010, in addition to the contained total substantial credit costs.

<Non-consolidated>

- (1) Net business profit before credit costs (cumulative total) decreased by 33.7 billion yen from 3QFY2009 (cumulative total) to 91.3 billion yen due to the decrease in net interest income resulting from the decline in the market interest rates, in addition to the disappearance of one-time contributions such as dividend income from an overseas SPV and a gain on sales of international credit securities, etc. in the previous fiscal year.
- (2) Total credit costs (cumulative total) stood at a reversal of 1.8 billion yen, as the reversal of allowance for loan losses resulting from the decreased balance of loans to special mention debtors, etc. surpassed the provisions, etc. for new non-performing loans. Net income (cumulative total) increased by 13.6 billion yen from 3QFY2009 (cumulative total) to 64.1 billion yen due to the income boosting factors such as tax effect accounting, while posting impairment loss on shares of a subsidiary in 2QFY2010.

<Earnings and dividend forecasts for full FY2010>

- (1) The earnings and dividend forecasts for full FY2010 remain unchanged at this moment from those announced on November 12, 2010.

Assets and liabilities

<Balance of major accounts>

(Non-consolidated)

- (1) The balance of loans as of the end of December, 2010 decreased by 157.7 billion yen from the end of September, 2010 to 11.5 trillion yen against a backdrop of stagnant financial needs of domestic corporate clients. The balance of deposits decreased by 43.5 billion yen to 11.7 trillion yen over the same period due to the decline in corporate deposits, while individual 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 as of the end of December, 2010 increased by 14.1 billion yen from the end of September, 2010 to 175.6 billion yen mainly due to the increase in the balance of doubtful loans. The ratio of assets classified under the Financial Reconstruction Law to the total loan balance stood at 1.5%.
- (2) Coverage ratio (collateral values and allowance for loan losses divided by corresponding asset balances) as of the end of December, 2010 for doubtful loans and substandard loans stood at 89% and 72%, respectively, and that for the total assets classified under the Financial Reconstruction Law stood at 82%, all of which represent sufficient levels.
- (3) Loans to special mention debtors decreased by 109.0 billion yen from the end of September, 2010 to 404.8 billion yen mainly due to the reclassification and repayments of some of the domestic clients.

<Status of the available-for-sale securities with fair value>

(Non-consolidated)

- (1) Cost of available-for-sale securities increased by 471.8 billion yen from the end of September, 2010 mainly due to the increase in Japanese and foreign government bonds. Net unrealized gains/ losses improved by 10.6 billion yen to the net gains of 67.3 billion yen over the same period due to the recovery of share prices.
- (2) The balance of international credit securities decreased by 32.3 billion yen from the end of September, 2010 to 139.5 billion yen due to sales, redemption, etc., and net unrealized gains/ losses decreased by 0.4 billion yen to net gains of 12.6 billion yen over the same period.

<Status of BIS capital adequacy ratio>

- (1) Consolidated BIS capital adequacy ratio and consolidated Tier I capital ratio as of the end of December, 2010 are estimated to be mid-15% and approximately 11%, respectively. These figures are now in a calculation process and will be announced as finalized.

<Outline of the financial results>

	(Billions of Yen)			
	2QFY2010 (Cumulative total)	3QFY2010 (Cumulative total)	Change fm 3QFY2009	<For reference> FY2010 Earnings Forecast
(Consolidated)				
Net business profit before credit costs	83.0	124.4	-16.5	175.0
Ordinary profit	61.5	99.1	7.0	120.0
Extraordinary profit	-9.1	-8.9	-18.6	-----
Goodwill impairment loss	-6.0	-6.0	-6.0	-----
Net income	54.0	76.8	24.6	85.0
(Non-consolidated)				
Net business profit before credit costs	60.4	91.3	-33.7	135.0
Ordinary profit	42.6	69.6	-6.8	90.0
Extraordinary profit	-11.8	-13.3	-19.9	-15.0
Impairment loss on shares of subsidiary	-15.2	-15.2	-15.2	-----
Reversal of allowance for loan losses	4.8	3.1	-2.7	-----
Net income	48.4	64.1	13.6	75.0
Total credit costs	3.8	1.8	16.2	-20.0
(Total substantial credit costs)				
Consolidated	-9.9	-10.6	17.4	-35.0
Non-consolidated	-3.6	-5.8	11.9	-25.0
Domestic	0.3	-1.6	9.7	-20.0
International	-4.0	-4.1	2.2	-5.0
Group companies	-6.2	-4.8	5.5	-10.0

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. 2010	Sep. 2010	Mar. 2010	Change fm Sep. 2010	Change fm Mar. 2010
Loans	11,590.8	11,748.5	12,184.2	-157.7	-593.3
Deposits	11,778.8	11,822.3	12,100.5	-43.5	-321.7

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. 2010	Change fm Sep. 2010	Change fm Mar. 2010	Coverage ratio (*1)	Reserve ratio (*2)
Loans in bankrupt and practically bankrupt	8.3	-2.0	-9.3	100%	100%
Doubtful loans	83.8	17.0	22.5	89%	76%
Substandard loans	83.5	-0.9	-14.1	72%	18%
Assets classified under the Financial Reconstruction Law	175.6	14.1	-0.9	82%	55%
Ratio to total loan balance	1.5%	0.2%	0.1%	-----	-----
Special mention (exc. substandard)	404.8	-109.0	-219.4	-----	-----

(*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 available-for-sale securities with fair value>

(Non-consolidated)

	(Billions of Yen)			
	Dec. 2010		Net	
	Cost	Book value (Fair value)	Change fm Sep. 2010	Change fm Sep. 2010
Japanese stocks	429.8	0.8	478.4	48.5
Japanese bonds	1,800.3	126.9	1,822.4	22.1
Others	1,342.0	344.0	1,338.6	-3.3
Foreign bonds	894.6	316.3	892.8	-1.8
International credit securities	139.5	-32.3	152.2	12.6
Total	3,572.1	471.8	3,639.5	67.3

<Status of BIS capital adequacy ratio>

(Consolidated)

	Dec. 2010 (Forecast)	Sep. 2010 (Actual)	Mar. 2010 (Actual)
BIS capital adequacy ratio	Mid - 15%	14.71%	13.85%
Tier I capital ratio	Approx. 11%	10.48%	9.86%

1. Outline of the financial results

(Consolidated)

		Millions of Yen			
		3Q			Full FY2009
		FY2010 (Cumulative total)	FY2009 (Cumulative total)	Change	
(Gross profit before credit costs) (2 - 4)	1	(279,912)	(287,980)	(-8,067)	(397,105)
Gross profit	2	279,912	287,980	-8,067	397,105
Net trust fees	3	37,673	38,488	-815	53,062
Principal guaranteed trust a/c credit costs	4	-	-	-	-
Trust fees from principal guaranteed trust a/c	5	2,948	4,284	-1,335	5,577
Other trust fees	6	34,724	34,204	520	47,484
Net interest income	7	112,494	139,930	-27,436	182,892
Net fees and commissions	8	76,431	59,260	17,171	91,455
Net trading income	9	6,809	11,953	-5,144	15,672
Net other operating income	10	46,503	38,347	8,156	54,023
General and administrative expenses	11	-161,596	-149,510	-12,086	-205,333
(Excluding amortization of goodwill)	12	(-155,166)	(-142,289)	(-12,876)	(-194,900)
Provision of general allowance for loan losses	13	15,761	-	15,761	-
Banking a/c credit costs	14	-20,594	-23,202	2,608	-9,969
Net gains on sales of stocks and other securities	15	-2,217	-8,297	6,079	-7,379
Net income from affiliates by equity method	16	1,995	-41	2,036	1,316
Others	17	-14,066	-14,756	690	-27,592
Ordinary profit	18	99,193	92,172	7,021	148,147
Extraordinary profit	19	-8,961	9,725	-18,686	-14,989
Reversal of allowance for loan losses (*1)	20	-	278	-278	7,330
Recoveries of written-off claims	21	1,132	819	313	1,355
Gain on retirement of perpetual subordinated bonds	22	-	8,900	-8,900	9,083
Goodwill impairment loss	23	-6,041	-	-6,041	-34,438
Income before income taxes	24	90,232	101,897	-11,665	133,157
Income taxes-current	25	-24,713	-18,951	-5,762	-16,116
Income taxes-deferred	26	21,068	-20,426	41,495	-50,283
Minority interest	27	-9,734	-10,306	572	-13,576
Net income	28	76,852	52,212	24,639	53,180
Total credit costs (4 + 13 + 14 + 20 + 21)	29	-3,700	-22,104	18,404	-1,284
Total substantial credit costs (*2)	30	-10,682	-28,177	17,494	-4,238
(Difference from non-consolidated total substantial credit costs)	31	(-4,867)	(-10,455)	(5,588)	(-11,718)
Net business profit before credit costs (*3)	32	124,498	141,012	-16,514	197,888
(Difference from non-consolidated Net business profit before credit costs (Adjusted, *4))	33	(33,107)	(25,375)	(7,731)	(31,952)
(Difference from non-consolidated Net business profit before credit costs)	34	(33,107)	(15,861)	(17,246)	(22,438)

(*1) Due to the reversal of reserves, the amount is included in the extraordinary income for 3QFY2009 (Cumulative total) and Full FY2009.

(*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 and Full FY2009, the dividend income from subsidiary resulting from the gain on retirement of perpetual subordinated bonds (22) (8,900 million yen and 9,083 million yen, respectively) is eliminated.

<Number of subsidiaries/ affiliates>

	Dec. 2010	Sep. 2010	Mar. 2010	Change from Sep. 2010
Consolidated subsidiaries	45	45	48	-
Affiliates (subject to the equity method)	11	12	11	-1

(Non-consolidated)

		Millions of Yen			
		3Q			Full FY2009
		FY2010 (Cumulative total)	FY2009 (Cumulative total)	Change	
Gross business profit before credit costs (2 - 4)	1	186,496	220,692	-34,195	304,668
(Gross profit)	2	(186,496)	(220,692)	(-34,195)	(304,668)
Net trust fees	3	37,697	38,566	-868	53,140
Principal guaranteed trust a/c credit costs	4	-	-	-	-
Trust fees from principal guaranteed trust a/c	5	2,948	4,284	-1,335	5,577
Other trust fees	6	34,749	34,282	466	47,562
Net interest income	7	101,139	135,674	-34,534	179,660
Net fees and commissions	8	24,503	25,192	-688	39,999
Net trading income	9	7,055	11,953	-4,898	15,672
Net other operating income	10	16,101	9,306	6,795	16,195
Net gains on foreign exchange transactions	11	2,890	-3,928	6,818	-3,891
Net gains on bonds	12	15,472	17,119	-1,647	24,470
Net gains from derivatives other than for trading or hedging	13	-5,583	-4,609	-974	-6,769
General and administrative expenses	14	-95,106	-95,541	434	-129,219
Net business profit before credit costs (1 + 14)	15	91,390	125,150	-33,760	175,449
(Excluding net gains on bonds) (15 - 12)	16	(75,917)	(108,031)	(-32,113)	(150,978)
Provision of general allowance for loan losses	17	-	-	-	-
Net business profit	18	91,390	125,150	-33,760	175,449
Net non-recurring profit	19	-21,771	-48,667	26,896	-47,943
Net gains on sales of stocks and other securities	20	-2,241	-8,126	5,884	-7,839
Banking a/c net credit costs	21	-2,440	-21,144	18,704	-6,905
Others	22	-17,088	-19,396	2,307	-33,198
Ordinary profit	23	69,618	76,483	-6,864	127,506
Extraordinary profit	24	-13,365	6,571	-19,936	-49,784
Net gains on disposal of fixed assets (*1)	25	-612	-128	-483	-302
Reversal of allowance for loan losses (*2)	26	3,152	5,912	-2,760	14,003
Recoveries of written-off claims	27	1,129	817	312	1,352
Impairment loss on shares of subsidiary	28	-15,211	-	-15,211	-
Costs related to the Management Integration (*1)	29	-2,293	-	-2,293	-
Provision of allowance for investment loss	30	-	-	-	-64,808
Income before income taxes	31	56,253	83,054	-26,800	77,721
Income taxes-current	32	-15,971	-10,928	-5,042	-5,074
Income taxes-deferred	33	23,869	-21,581	45,451	-50,956
Net income	34	64,152	50,544	13,608	21,691
Total credit costs (4 + 17 + 21 + 26 + 27)	35	1,840	-14,414	16,255	8,451
Total substantial credit costs (*3)	36	-5,815	-17,721	11,906	7,480
Losses related to domestic credit investments	37	-1,616	-11,319	9,702	10,670
Losses related to international credit investments	38	-4,198	-6,401	2,203	-3,190

(*1) Costs related to the Management Integration in total (2,795 million yen) = (29) + Part of the costs included in (25) which are related to the Management Integration.

(*2) Due to the reversal of reserves, the amount is included in the extraordinary income for 3QFY2010 (Cumulative total), 3QFY2009 (Cumulative total) and Full FY2009.

(*3) Total substantial credit costs (36) = (35) + Costs included in (20) (22) which are related to investment in securities of domestic and overseas credit.

2. Breakdown of profit by business (Preliminary)**(1) Gross business profit before credit costs**

(Non-consolidated)

	Billions of Yen		
	3QFY2010 (Cumulative total)	3QFY2009 (Cumulative total)	Change
Retail financial services	52.1	54.5	-2.3
Wholesale financial services	65.1	74.5	-9.3
Stock transfer agency services	10.4	10.9	-0.4
Global Markets	46.3	63.5	-17.2
Fiduciary services	34.6	35.3	-0.7
Pension asset management	26.0	26.6	-0.5
Securities processing services	8.6	8.8	-0.1
Real estate	8.2	6.4	1.8
Fees paid for outsourcing	-17.0	-16.0	-1.0
Stock transfer agency services	-5.5	-5.1	-0.4
Fiduciary services	-11.4	-10.8	-0.5
Others (*)	-2.9	2.4	-5.3
Gross business profit before credit costs	186.4	220.6	-34.1

(2) Net business profit before credit costs

(Non-consolidated)

	Billions of Yen		
	3QFY2010 (Cumulative total)	3QFY2009 (Cumulative total)	Change
Retail financial services	5.9	9.4	-3.4
Wholesale financial services	43.2	52.9	-9.7
Global Markets	39.6	56.8	-17.2
Fiduciary services	11.9	12.9	-0.9
Real estate	3.8	1.7	2.1
Others (*)	-13.1	-8.6	-4.5
Gross business profit before credit costs	91.3	125.1	-33.7

(Consolidated)

	Billions of Yen		
	3QFY2010 (Cumulative total)	3QFY2009 (Cumulative total)	Change
Retail financial services	8.6	11.8	-3.1
Wholesale financial services	63.8	70.7	-6.9
Global Markets	39.6	56.8	-17.2
Fiduciary services	20.1	16.6	3.5
Real estate	4.6	1.5	3.1
Others (*)	-12.3	-16.3	4.1
Gross business profit before credit costs	124.4	141.0	-16.5

Note: Above table is made based on "Accounting Standard for Disclosures about Segments of an Enterprise and Related Information (The Accounting Standards Board of Japan ("ASBJ") Statement No.17 (Revised 2009)).

(*) Net of dividend income, cost of capital sourcing and head office expense is included. Dividend income which is generated by retirement of perpetual subordinated bonds (8.9 billion yen) is included in 3QFY2009 (Cumulative total).

3. Forecast for full FY2010

The earnings and dividend forecasts for full FY2010 remain unchanged from those announced on November 12, 2010.

As announced on November 12, 2010, the year-end dividend per share for FY2010 will be calculated and paid by deducting the interim dividend per share from the annual dividend (*1) per share based on the dividend policy which targets consolidated dividend payout ratio of 30% level.

(*1) Annual dividend is a sum of the interim dividend and year-end dividend for FY2010.

	Billions of Yen				
	Forecast for FY2010 (A)	3QFY2010 (Actual) (Cumulative total)	1HFY2010 (Actual)	Full FY2009 (Actual) (B)	Change (A) - (B)
(Consolidated)					
Net business profit before credit costs	175.0	124.4	83.0	197.8	-22.8
Ordinary profit	120.0	99.1	61.5	148.1	-28.1
Net income	85.0	76.8	54.0	53.1	31.8
Dividend on common shares per share (Yen)	12.00	6.00	6.00	10.00	2.0
Consolidated dividend payout ratio (%) (*2)	25.0%	-----	-----	33.1%	-8.1%
(Non-consolidated)					
Net business profits before credit costs	135.0	91.3	60.4	175.4	-40.4
Total credit costs (*3)	-20.0	-2.4	-1.6	-6.9	-13.0
Other non-recurring profit	-25.0	-19.3	-16.0	-41.0	16.0
Ordinary profit	90.0	69.6	42.6	127.5	-37.5
Extraordinary profit/ loss	-15.0	-13.3	-11.8	-49.7	34.7
Total credit costs	0.0	4.2	5.5	15.3	-15.3
Net income	75.0	64.1	48.4	21.6	53.3
(Total substantial credit costs)					
Consolidated	-35.0	-10.6	-9.9	-4.2	-30.7
Non-consolidated	-25.0	-5.8	-3.6	7.4	-32.4
Domestic	-20.0	-1.6	0.3	10.6	-30.6
International	-5.0	-4.1	-4.0	-3.1	-1.8
Group companies	-10.0	-4.8	-6.2	-11.7	1.7

(*2) Consolidated dividend payout ratio

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

(*3) Reversal of allowance for loan losses, which is included in "Extraordinary profit", is excluded.

Note: Forecast is subject to change

4. BIS capital adequacy ratio

(Consolidated)

	Dec. 2010 (Forecast)	Sep. 2010 (Actual)
BIS capital adequacy ratio	Mid - 15%	14.71%
Tier I capital ratio	approx. 11%	10.48%

Figures as of December 2010 are now in a calculation process and will be announced as finalized.

5. Ending balance of loans

(Non-consolidated)

	Millions of Yen				
	Dec. 2010	Sep. 2010	Mar. 2010	Change from Sep. 2010	Change from Mar. 2010
Banking account	11,418,978	11,550,246	11,921,476	-131,267	-502,498
Principal guaranteed trust account	171,861	198,338	262,731	-26,477	-90,870
Total	11,590,839	11,748,584	12,184,208	-157,744	-593,368

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

(Non-consolidated)

	Millions of Yen				
	Dec. 2010	Sep. 2010	Mar. 2010	Change from Sep. 2010	Change from Mar. 2010
Individuals	9,027,264	8,897,132	8,882,693	130,132	144,571
Deposits (*)	8,575,047	8,447,655	8,394,937	127,391	180,109
Trust principal (Principal guaranteed)	452,217	449,477	487,756	2,740	-35,538
Corporations and other	2,118,031	2,323,767	2,474,290	-205,735	-356,258
Deposits (*)	1,966,022	2,174,272	2,304,454	-208,249	-338,432
Trust principal (Principal guaranteed)	152,009	149,494	169,835	2,514	-17,825
Others	633,529	601,492	743,560	32,036	-110,030
Total	11,778,825	11,822,392	12,100,543	-43,566	-321,718

(*) Excluding NCDs and offshore accounts

7. Spread

Domestic banking a/c

(Non-consolidated)

	Percentage points				
	3QFY2010 (Cumulative total)			3QFY2009 (Cumulative total)	Change (a) - (b)
	(a)	3QFY2010	1HFY2010	(b)	
Average yield on interest-earning assets (A)	1.24	1.25	1.24	1.37	-0.13
Loans and bills discounted (B)	1.31	1.28	1.32	1.47	-0.16
Securities	0.97	1.08	0.92	1.28	-0.31
Average yield on interest-bearing liabilities (C)	0.45	0.44	0.46	0.54	-0.09
Deposits (D)	0.45	0.43	0.46	0.54	-0.09
Gross margin (A) - (C)	0.79	0.81	0.78	0.83	-0.04
Loan-deposit margin (B) - (D)	0.86	0.85	0.86	0.93	-0.07

8. Balance and sales volume of mutual fund/ individual annuity (For retail customers)

(Non-consolidated)

	Billions of Yen					
	Balance			Sales volume		
	Dec. 2010	Sep. 2010	Change	FY2010 (from Oct. to Dec.)	FY2009 (from Apr. to Sep.)	FY2009 (from Oct. to Mar.)
Mutual fund	1,014.3	1,017.1	-2.7	91.4	130.3	133.9
Fund wrap	46.5	42.9	3.6	9.2	14.8	12.0
Individual annuity	767.1	750.7	16.4	12.2	77.3	82.7
Total	1,828.0	1,810.7	17.2	112.9	222.5	228.7

9. 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. 2010			Sep. 2010	Mar. 2010	Change from Sep. 2010
	Coverage ratio (*1)	Reserve ratio (*2)				
Assets classified under the Financial Reconstruction Law	175,614	82%	55%	161,540	176,475	14,073
Loans in bankrupt and practically bankrupt	8,312	100%	100%	10,332	17,582	-2,020
Doubtful loans	83,770	89%	76%	66,789	61,223	16,980
Substandard loans (A)	83,531	72%	18%	84,418	97,668	-886
Ordinary assets	11,894,029	-----	-----	12,065,051	12,508,847	-171,021
Loans to substandard debtors (excluding substandard loans) (B)	29,871	-----	-----	29,944	37,420	-73
Loans to special mention debtors (excluding (A) and (B))	374,949	-----	-----	483,849	586,761	-108,900
Loans to ordinary debtors	11,489,208	-----	-----	11,551,257	11,884,665	-62,048
Total loan balance	12,069,644	-----	-----	12,226,592	12,685,323	-156,948
(Ratio to total loan balance)	(1.5%)	-----	-----	(1.3%)	(1.4%)	(0.2%)
Loans to substandard debtors (A)+(B)	113,403	-----	-----	114,363	135,089	-959

(*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).

10. Unrealized gains/ losses on investment securities

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

	Millions of Yen							
	Dec. 2010			Sep. 2010			Change of book value	Change of net
	Book value	Fair value	Net	Book value	Fair value	Net		
Japanese government bonds	189,807	198,617	8,810	209,843	220,363	10,520	-20,036	-1,710
Japanese local government bonds	-	-	-	-	-	-	-	-
Japanese corporate bonds	-	-	-	20,896	20,922	26	-20,896	-26
Others	242,903	282,424	39,521	260,954	301,678	40,723	-18,051	-1,202
Foreign bonds	237,903	277,409	39,506	255,954	296,673	40,719	-18,051	-1,212
Total	432,710	481,042	48,331	491,695	542,965	51,270	-58,984	-2,939

Note: 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 decreased by 1,062 million yen as of the end of December 2010.

(Non-consolidated)

	Millions of Yen							
	Dec. 2010			Sep. 2010			Change of book value	Change of net
	Book value	Fair value	Net	Book value	Fair value	Net		
Japanese government bonds	189,451	198,254	8,802	209,507	220,018	10,510	-20,056	-1,708
Japanese local government bonds	-	-	-	-	-	-	-	-
Japanese corporate bonds	-	-	-	20,896	20,922	26	-20,896	-26
Others	242,699	282,187	39,487	260,739	301,432	40,692	-18,039	-1,205
Foreign bonds	237,699	277,172	39,472	255,739	296,427	40,687	-18,039	-1,215
Total	432,151	480,441	48,290	491,143	542,373	51,229	-58,992	-2,939

Note: 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 decreased by 1,062 million yen as of the end of December 2010.

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

	Millions of Yen							
	Dec. 2010			Sep. 2010			Change of cost	Change of net
	Cost	Book value	Net	Cost	Book value	Net		
Japanese stocks	429,891	478,574	48,683	429,051	454,182	25,130	839	23,552
Japanese bonds	1,780,322	1,802,442	22,120	1,653,366	1,677,821	24,455	126,956	-2,334
Government bonds	1,320,369	1,340,776	20,407	1,245,513	1,267,684	22,171	74,855	-1,764
Local government bonds	19,510	19,642	132	16,859	17,180	321	2,651	-189
Corporate bonds	440,443	442,023	1,580	390,993	392,955	1,962	49,449	-381
Others	1,359,243	1,357,604	-1,639	1,016,739	1,025,788	9,048	342,503	-10,688
Foreign stocks	122	439	316	126	407	281	-3	35
Foreign bonds	905,178	903,185	-1,993	589,960	601,998	12,038	315,218	-14,032
Others	453,941	453,979	37	426,653	423,382	-3,271	27,288	3,308
Total	3,569,457	3,638,621	69,164	3,099,158	3,157,792	58,634	470,299	10,530

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
As a result, "Book value" of "Government bonds" has increased by 9,838 million yen, and "Book value" of "Foreign bonds" has increased by 35 million yen.

(Non-consolidated)

	Millions of Yen							
	Dec. 2010			Sep. 2010			Change of cost	Change of net
	Cost	Book value	Net	Cost	Book value	Net		
Japanese stocks	429,831	478,412	48,580	428,991	454,030	25,038	839	23,542
Japanese bonds	1,800,322	1,822,429	22,107	1,673,366	1,697,806	24,440	126,956	-2,332
Government bonds	1,320,369	1,340,776	20,407	1,245,513	1,267,684	22,171	74,855	-1,764
Local government bonds	19,510	19,642	132	16,859	17,180	321	2,651	-189
Corporate bonds	460,443	462,010	1,567	410,993	412,940	1,947	49,449	-379
Others	1,342,037	1,338,663	-3,374	997,970	1,005,192	7,222	344,067	-10,596
Foreign stocks	120	268	148	123	223	100	-3	48
Foreign bonds	894,689	892,887	-1,801	578,377	590,560	12,182	316,311	-13,984
Others	447,227	445,507	-1,720	419,468	414,408	-5,060	27,759	3,339
Total	3,572,191	3,639,504	67,313	3,100,328	3,157,029	56,700	471,862	10,612

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
As a result, "Book value" of "Government bonds" has increased by 9,838 yen, and "Book value" of "Foreign bonds" has increased by 35 million yen.

11. Unrealized gains/ losses on derivative transaction

(Non-consolidated)

	Millions of Yen					
	Hedge accounting applied (deferred gains/ losses)			Hedge accounting not applied (unrealized gains/ losses)		
	Dec. 2010	Sep. 2010	Change	Dec. 2010	Sep. 2010	Change
Interest rate related	3,333	-861	4,194	80,922	90,121	-9,198
Interest rate swaps	3,333	-861	4,194	136,197	150,641	-14,443
Currency related	889	1,502	-612	14,102	14,964	-862
Stock related	-	-	-	-45	-48	3
Bond related	-	-	-	95	-86	182
Credit related	-	-	-	203	-1,333	1,537
Total	4,222	641	3,581	95,278	103,617	-8,338

12. Status of the international credit investment

(1) Securities with fair value

1) Available-for-sale securities

(Non-consolidated)

		Billions of Yen						
		Dec. 2010						
		Cost (after impairment)				Unrealized gains/ losses (*1), (*2)		
		North America	Europe	Change from Sep.	Change from Sep. 2010	%		
Asset-backed securities	1	7.4	1.4	5.7	-0.4	8.0	1.9	107.3%
RMBS (Residential mortgage)	2	1.2	-	1.0	-0.0	-0.0	-0.0	-3.8%
CMBS (Commercial mortgage)	3	4.6	-	4.6	-0.2	-0.2	0.1	-5.4%
CARDS (Credit card receivables)	4	0.8	0.8	-	-0.0	-0.0	0.0	-0.2%
CLO Equities	5	0.5	0.5	0.0	-0.0	8.2	1.8	1384.9%
Corporate bonds	6	132.0	9.1	32.9	-31.9	4.6	-2.4	3.5%
Bonds issued by financial institutions	7	23.9	2.5	12.5	-10.0	-0.3	-0.0	-1.6%
Total	8	139.5	10.6	38.6	-32.3	12.6	-0.4	9.1%

(*1) As a result of using rationally calculated prices instead of market prices, "Book value" of asset-backed securities increased by 0.0 billion yen.

(*2) "Cost" and "Unrealized gains/ losses" of asset-backed securities and corporate bonds guaranteed by "Monoline" insurance companies are 0.0 billion yen and 0.0 billion yen, respectively, as of the end of December 2010.

Note: There are no securities issued by government sponsored enterprises (Fannie Mae, Freddie Mac, FHLLB).

2) Held-to-maturity debt securities

(Non-consolidated)

		Billions of Yen						
		Dec. 2010						
		Cost				Unrealized gains/ losses (*1), (*2)		
		North America	Europe	Change from Sep.	Change from Sep. 2010	%		
Asset-backed securities	9	210.2	109.1	101.1	-18.0	38.0	-1.5	18.1%
RMBS (Residential mortgage)	10	67.4	-	67.4	-8.8	9.9	-0.4	14.7%
CARDS (Credit card receivables)	11	28.0	25.8	2.1	-4.8	6.4	-1.1	22.9%
CLO (Corporate loans)	12	114.6	83.1	31.5	-4.0	21.7	0.1	18.9%

(*1) As a result of using rationally calculated prices instead of market prices, "Fair value" of asset-backed securities decreased by 1.0 billion yen.

(*2) Unamortized amount of unrealized gains/ losses resulting from reclassification increased by 5.3 billion yen from the end of September 2010 to -61.1 billion yen.

Note: Vintage of RMBS: 2007: 10.99%, 2006: 36.50%, 2005 and before: 52.51%

3) Credit ratings

(Non-consolidated)

		Billions of Yen						
		Dec. 2010						
		Cost (after impairment)						
		AAA	AA	A	BBB	BB and below		
Available-for-sale securities	13	139.5	3.8	17.2	61.9	41.9	14.6	
Asset-backed securities	14	7.4	3.8	1.8	0.3	0.8	0.6	
Corporate bonds	15	132.0	-	15.3	61.6	41.0	14.0	
Held-to-maturity debt securities	16	210.2	78.1	57.4	53.7	20.8	-	

(2) Securities with no available fair value

(Non-consolidated)

		Billions of Yen				
		Dec. 2010				
		Cost (after impairment)				
		North America	Europe	Change from Sep.		
Securities with no available fair value	17	20.3	8.7	6.5	-0.5	

(3) Exposure to corporate loans

(Non-consolidated)

		Billions of Yen						
		Dec. 2010						
		Balance				Internal Credit Ratings (*2)		
		North America	Europe	Change from Sep.	1-4	5-6	7-8	
Corporate loans (*1)	18	182.7	90.6	25.0	-20.6	65.5	100.0	17.1

(*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		
		3QFY2010 (Cumulative total)		
		Losses on sale	Losses on devaluation	
Asset-backed securities	19	-2.7	-2.7	-
Corporate bonds	20	-2.2	-2.2	-
Corporate loans and others	21	0.7	-0.5	-
Total	22	-4.1	-5.5	-

13. Loans by industry

(Non-consolidated)

	Millions of Yen						
	Dec. 2010				Sep. 2010		
	Banking a/c	Trust a/c (*)	Banking + Trust a/c	Change from Sep. 2010	Banking a/c	Trust a/c (*)	Banking + Trust a/c
Domestic Branches (excluding offshore accounts)	10,541,254	171,861	10,713,115	-145,065	10,659,843	198,338	10,858,181
Manufacturing	1,840,991	13,559	1,854,551	36,983	1,803,901	13,665	1,817,567
Agriculture, forestry, fisheries, mining, quarrying of stone and gravel gathering	23,438	-	23,438	-603	24,041	-	24,041
Construction	115,199	-	115,199	13,928	101,271	-	101,271
Electricity, gas, heat supply and water	194,898	323	195,222	2,401	192,497	323	192,821
Information and communications	195,243	-	195,243	-249	195,493	-	195,493
Transport and postal activities	698,773	10,009	708,783	-20,194	718,967	10,009	728,977
Wholesale and retail trade	882,563	2,482	885,045	-8,381	891,185	2,242	893,427
Finance and insurance	1,505,322	33,000	1,538,322	-110,634	1,615,957	33,000	1,648,957
Real estate	1,716,588	29,965	1,746,554	-32,706	1,748,612	30,648	1,779,260
Goods rental and leasing	616,932	1,000	617,932	-70,822	664,255	24,500	688,755
Others	2,751,302	81,519	2,832,822	45,212	2,703,659	83,949	2,787,609
Overseas branches and offshore accounts	877,723	-	877,723	-12,679	890,402	-	890,402
Total	11,418,978	171,861	11,590,839	-157,744	11,550,246	198,338	11,748,584

Note 1: Above table is made based on the categorization of "Survey on loans by industry" of Bank of Japan.

(*) Trust a/c is principal guaranteed trust a/c.

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

(Non-consolidated)

	Billions of Yen				
	Dec. 2010	Sep. 2010	Mar. 2010	Change from Sep. 2010	Change from Mar. 2010
Loan balance	788.9	801.0	831.3	-12.0	-42.3

Note: Addition to the listed above, there are loans to REIT (265.3 billion yen) and investment in CMBS (12.8 billion yen) as of the end of December 2010.

15. Statements of trust account

(Non-consolidated)

	Millions of Yen				
	Dec. 2010	Sep. 2010	Mar. 2010	Change from Sep. 2010	Change from Mar. 2010
Loans and bills discounted	322,211	340,101	398,476	-17,889	-76,264
Securities	539,656	433,810	554,630	105,846	-14,973
Money held in trust	65,268,471	64,756,947	61,043,709	511,524	4,224,762
Securities held in custody accounts	319,259	346,238	372,763	-26,979	-53,504
Money claims	9,211,688	9,449,021	10,226,782	-237,332	-1,015,093
Tangible fixed assets	4,356,997	4,368,325	4,418,089	-11,328	-61,092
Intangible fixed assets	37,599	37,721	37,721	-122	-122
Other claims	1,551,971	1,555,146	1,598,623	-3,175	-46,652
Call loans	16,900	5,800	30,900	11,100	-14,000
Loans to banking account	479,097	464,563	430,969	14,533	48,127
Cash and due from banks	200,654	190,507	195,020	10,147	5,634
Total assets	82,304,508	81,948,184	79,307,687	356,324	2,996,820
Money trusts	13,227,744	13,185,214	12,284,982	42,530	942,762
Pension trusts	5,998,602	5,952,037	5,435,133	46,564	563,469
Property formation benefit trusts	8,614	8,603	8,521	11	92
Loan trusts	31,103	43,136	74,774	-12,032	-43,671
Securities investment trusts	25,332,941	25,133,439	23,576,929	199,502	1,756,011
Money entrusted, other than money trusts	2,018,678	1,919,210	2,406,475	99,468	-387,797
Securities trusts	17,296,309	17,133,025	16,414,987	163,283	881,322
Money claim trusts	9,203,972	9,389,060	10,116,344	-185,088	-912,372
Land and fixtures trusts	42,040	42,318	43,940	-277	-1,899
Composite trusts	9,144,499	9,142,137	8,945,597	2,362	198,902
Other trusts	0	0	0	-	-
Total liabilities	82,304,508	81,948,184	79,307,687	356,324	2,996,820

Note: The amount of re-trusted assets to Japan Trustee Services Bank, Ltd. as a securities processing is included in Money held in trust:

Dec. 2010: 65,231,222 million yen, Sep. 2010: 64,719,989 million yen, Mar. 2010: 61,007,191 million yen

16. Breakdown of principal guaranteed trust a/c

(Non-consolidated)

	Millions of Yen					
	Dec. 2010	Sep. 2010	Mar. 2010	Change from Sep. 2010	Change from Mar. 2010	
Money trusts	Loans and bills discounted	171,861	198,338	262,731	-26,477	-90,870
	Securities	48	48	48	-	-
	Others	403,583	359,277	322,386	44,306	81,197
	Total assets	575,493	557,664	585,166	17,829	-9,673
	Principal	573,658	556,579	584,105	17,078	-10,446
	Reserves for JOMT (Jointly-operated money trust)	406	406	437	-	-31
	Others	1,429	678	623	750	805
Total liabilities	575,493	557,664	585,166	17,829	-9,673	
Loan trusts	Loans and bills discounted	-	-	-	-	-
	Securities	-	-	-	-	-
	Others	31,103	43,136	74,780	-12,032	-43,676
	Total assets	31,103	43,136	74,780	-12,032	-43,676
	Principal	30,567	42,392	73,486	-11,824	-42,918
	Reserves for loan trust	290	367	604	-76	-313
	Others	244	376	689	-131	-444
Total liabilities	31,103	43,136	74,780	-12,032	-43,676	