

April 17, 2007

The Sumitomo Trust & Banking Co., Ltd.

Court decision on a lawsuit in which The Sumitomo Trust & Banking Co., Ltd. sought reimbursement of tax paid in respect of certain repurchase transactions

The Sumitomo Trust & Banking Co., Ltd. ("STB") received from the Director of the Kojimachi Tax Office in 2002 a notification of withholding tax payment (and a notification of additional tax in respect of non-payment of such withholding tax), with regard to certain repurchase transactions STB conducted in overseas markets in the past. Disputing the alleged legal basis for the imposition of such withholding tax payment as notified, STB filed with the Director of the Kojimachi Tax Office a request for reinvestigation and revocation of such notification, and then with the President of National Tax Tribunal a petition for reexamination and revocation of such notification (both denied). STB subsequently filed a lawsuit in the Tokyo District Court against the Japanese Government and the Director of Kojimachi Tax Office seeking reimbursement of tax paid in this respect, which amount is approximately 6.3 billion yen, and revocation of the notification of withholding tax payment from the Director of the Kojimachi Tax Office.

Today, the Tokyo District Court ruled in favor of STB. The defendants may file an appeal to the High Court within two weeks from the date of the service of the decision.

There will be no revisions on STB's earnings forecast for FY2006.

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