

*Explanatory Material*

*1st Quarter of Fiscal Year 2010  
ended on June 30, 2010*

*The Sumitomo Trust and Banking Co., Ltd.*

## Table of Contents

**Summary of the financial results**

Financial results	-----	Summary
Assets and liabilities	-----	Summary

**Financial figures**

1. Outline of the financial results	-----	1
2. Breakdown of profit by business	-----	3
(1) Gross business profit before credit costs		
(2) Net business profit before credit costs		
3. Forecast for full FY2010	-----	4
4. BIS capital adequacy ratio	-----	5
5. Ending balance of loans	-----	5
6. Ending balance of deposits classified by depositors (Domestic branches)	-----	5
7. Spread	-----	5
8. Assets classified under the Financial Reconstruction Law	-----	6
9. Unrealized gains/ losses on investment securities	-----	6
(1) Held-to-maturity debt securities with fair value		
(2) Available-for-sale securities with fair value		
10. Unrealized gains/ losses on derivative transactions	-----	7
11. Status of the international credit investment	-----	8
(1) Securities with fair value		
(2) Securities with no available fair value		
(3) Exposure to corporate loans		
(4) Total substantial credit costs (Losses related to international credit investments)		
12. Loans by industry	-----	9
13. Real estate non recourse loans	-----	9
14. Balance and sales volume of mutual fund/ individual annuity (For retail customers)	-----	9
15. Statements of trust account	-----	10
16. Breakdown of principal guaranteed trust a/c	-----	10

**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.

## Outline of the financial results

### Financial results

#### <Consolidated>

- (1) Net business profit before credit costs increased by 1.6 billion yen from 1QFY2009 to 44.1 billion yen mainly due to the increase in profit of Fiduciary services business and Real estate business etc., including the contribution of Nikko Asset Management which became a subsidiary last October.
- (2) Net income increased by 12.1 billion yen from 1QFY2009 to 24.3 billion yen, mainly because total substantial credit costs decreased significantly from 1QFY2009 on the parent bank level as well as group companies level, to the reversal of 3.0 billion yen.

#### <Non-consolidated>

- (1) Net business profit before credit costs decreased by 11.5 billion yen from 1QFY2009 to 34.2 billion yen, mainly due to the decrease in market-related profit which recorded a high-level in 1QFY2009, in addition to the disappearance of one-off dividend income (9.5 billion yen) in 1QFY2009 resulting from the gain on retirement of perpetual subordinated bonds, while sales fees of mutual funds and individual annuities and real estate brokerage fees recovered.
- (2) Net income increased by 8.1 billion yen from 1QFY2009 to 23.0 billion yen, because total substantial credit costs improved to the reversal of 2.4 billion yen mainly due to the reversal of allowance for loan losses resulting from the decreased balance of loans to special mention debtors.

#### <Earnings forecast for 1HFY2010 and FY2010>

- (1) Both consolidated and non-consolidated net income for 1HFY2010 and FY2010 are revised upward by 15.0 billion yen, respectively, based on the revision of tax effect from the accounting perspective and some other factors, resulting from the business restructuring announced today in "Execution of Business Transfer Agreement between Life Housing Loan, Ltd. and First Credit Corporation" and etc.. Consolidated and non-consolidated net business profit before credit costs and total credit costs for 1HFY2010 and FY2010 remain unchanged at this moment.
- (2) The interim and annual dividend forecasts for FY2010 will be reviewed and any revision, if necessary, will be announced in a timely manner, after taking into account the financial results of 1HFY2010 and outlook for FY2010 at the time.

### Assets and liabilities

#### <Balance of major accounts>

##### (Non-consolidated)

- (1) With a backdrop of stagnant corporate loan demand, non-consolidated loan balance decreased by 515.9 billion yen from the end of March 2010 to 11.6 trillion yen, mainly due to the decrease in loans to "Financial and insurance" and "Goods rental and leasing" industries. Meanwhile, deposits, including the principal guaranteed trust a/c, decreased by 336.3 billion yen to 11.7 trillion yen over the same period, mainly owing to the decline in deposits of corporations.

#### <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 June 2010 slightly increased by 2.4 billion yen from the end of March 2010 to 178.9 billion yen, due to the increase in substandard loans. The ratio of assets classified under the Financial Reconstruction Law to the total loan balance increased by 0.1% to 1.5% over the same period.

- (2) In contrast, loans to special mention debtors decreased by 60.3 billion yen from the end of March 2010 to 563.9 billion yen, mainly owing to the repayments, etc..

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

##### (Consolidated)

- (1) Net unrealized gains/ losses of available-for-sale securities with fair value decreased by 35.9 billion yen from the end of March 2010 to the net gains of 58.3 billion yen, mainly due to the decreased net unrealized gains of Japanese stocks resulting from the decline in stock prices.

#### <Status of the international credit securities investment>

##### (Non-consolidated)

- (1) The balance of available-for-sale securities with fair value decreased by 28.8 billion yen from the end of March 2010 to 247.1 billion yen, mainly due to redemptions. Net unrealized gains/ losses of those securities improved by 0.7 billion yen to the net gains of 8.1 billion yen over the same period.
- (2) The balance of held-to-maturity debt securities with fair value decreased by 26.3 billion yen from the end of March 2010 to 236.3 billion yen, mainly due to redemptions, etc.. Net unrealized gains/ losses of those securities decreased by 4.9 billion yen to the net gains of 40.5 billion yen over the same period.

#### <Status of BIS capital adequacy ratio (Consolidated)>

- (1) Consolidated BIS capital adequacy ratio and consolidated Tier I capital ratio at the end of June 2010 are expected to be 14.0 - 14.5% and 10.0 - 10.5%, respectively. They are now in a calculation process and will be announced as finalized.

#### <Financial results>

(in billions of Yen)

	1QFY2010	1QFY2009	Change
<b>(Consolidated)</b>			
Net business profit before credit costs	44.1	42.5	1.6
Ordinary profit	39.9	16.7	23.1
Net income	24.3	12.1	12.1
<b>(Non-consolidated)</b>			
Net business profit before credit costs	34.2	45.7	-11.5
Ordinary profit	29.3	22.6	6.6
Net income	23.0	14.8	8.1
Total credit costs	2.7	-3.0	5.7
<b>(Total substantial credit costs)</b>			
Consolidated	3.0	-14.2	17.3
Non-consolidated	2.4	-9.5	12.0
Domestic	2.5	-1.2	3.7
International	-0.0	-8.3	8.2
Group companies	0.6	-4.6	5.3

(\*) "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".

#### <Earnings forecast for 1HFY2010 and FY2010>

(in billions of Yen)

	1HFY2010		Full FY2010	
	Amendment forecast	Change fm previous forecast	Amendment forecast	Change fm previous forecast
<b>(Consolidated)</b>				
Ordinary profit	45.0	-	110.0	-
Net income	40.0	15.0	75.0	15.0
<b>(Non-consolidated)</b>				
Ordinary profit	35.0	-	85.0	-
Net income	35.0	15.0	65.0	15.0

#### <Balance of major accounts>

##### (Ending balance of major accounts)

(in billions of Yen)

	June 2010	Mar. 2010	Change
Loans	11,668.2	12,184.2	-515.9
Deposits	11,764.1	12,100.5	-336.3

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)

(in billions of Yen)

	June 2010			Mar. 2010	Change fm Mar. 2010
	Coverage ratio	Reserve ratio			
Loans in bankrupt and practically bankrupt	16.7	100%	100%	17.6	-0.9
Doubtful loans	61.7	86%	77%	61.2	0.5
Substandard loans	100.5	71%	22%	97.7	2.8
Assets classified under the Financial Reconstruction Law	178.9	79%	56%	176.5	2.4
Ratio to total loan balance	1.5%	-----	-----	1.4%	0.1%
Special mention (exc. substandard)	563.9	-----	-----	624.2	-60.3

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

##### (Consolidated)

(in billions of Yen)

	June 2010			
	Cost	Change fm Mar. 2010	Book value (Fair value)	Net
Japanese stocks	430.0	3.3	468.7	38.6
Japanese bonds	1,716.0	123.0	1,737.9	21.9
Others	1,220.0	-280.7	1,217.8	-2.2
Foreign bonds	796.0	-274.5	803.7	7.6
Total	3,366.1	-154.2	3,424.5	58.3

#### <Status of the international credit securities investment>

##### (Non-consolidated)

##### (Available-for-sale securities with fair value)

(in billions of Yen)

	June 2010			
	Cost (after impairment)	Change fm Mar. 2010	Unrealized gains/ losses	%
Asset-backed securities	29.9	-4.1	2.5	8.4%
Corporate bonds	217.2	-24.7	5.6	2.6%
Total	247.1	-28.8	8.1	3.3%

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

Asset-backed securities	236.3	-26.3	40.5	17.1%
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(\*) Unamortized amount of unrealized gains/ losses resulting from reclassification is -70.1 billion yen as of the end of June 2010.

#### <Status of BIS capital adequacy ratio>

##### (Consolidated)

	June 2010 (Forecast)	Mar. 2010 (Actual)
BIS capital adequacy ratio	14.0 - 14.5%	13.85%
Tier I capital ratio	10.0 - 10.5%	9.86%

### Summary

**1. Outline of the financial results**

(Consolidated)

		Millions of Yen			
		1Q			Full FY2009
		FY2010	FY2009	Change	
(Gross profit before credit costs) (2 - 4)	1	<b>(95,927)</b>	(90,702)	(5,225)	(397,105)
Gross profit	2	<b>95,927</b>	90,702	5,225	397,105
Net trust fees	3	<b>12,000</b>	12,713	-713	53,062
Principal guaranteed trust a/c credit costs	4	-	-	-	-
Trust fees from principal guaranteed trust a/c	5	<b>1,105</b>	1,714	-609	5,577
Other trust fees	6	<b>10,894</b>	10,998	-104	47,484
Net interest income	7	<b>36,953</b>	44,688	-7,734	182,892
Net fees and commissions	8	<b>24,292</b>	16,062	8,229	91,455
Net trading income	9	<b>78</b>	3,527	-3,449	15,672
Net other operating income	10	<b>22,602</b>	13,709	8,893	54,023
General and administrative expenses	11	<b>-53,895</b>	-47,520	-6,374	-205,333
(Excluding amortization of goodwill)	12	<b>(-51,718)</b>	(-45,388)	(-6,329)	(-194,900)
Provision of general allowance for loan losses	13	-	4,722	-4,722	-
Banking a/c net credit costs	14	<b>-886</b>	-11,625	10,739	-9,969
Net gains on sales of stocks and other securities	15	<b>-1,367</b>	-6,950	5,582	-7,379
Net income from affiliates by equity method	16	<b>933</b>	-788	1,721	1,316
Others	17	<b>-735</b>	-11,747	11,012	-27,592
<b>Ordinary profit</b>	18	<b>39,975</b>	<b>16,791</b>	<b>23,183</b>	<b>148,147</b>
Extraordinary profit	19	<b>2,400</b>	9,418	-7,018	-14,989
Reversal of allowance for loan losses (*1)	20	<b>3,106</b>	-	3,106	7,330
Recoveries of written-off claims	21	<b>50</b>	46	4	1,355
Gain on retirement of perpetual subordinated bonds	22	-	9,469	-9,469	9,083
Goodwill impairment loss	23	-	-	-	-34,438
Income before income taxes	24	<b>42,375</b>	26,210	16,165	133,157
Income taxes-current	25	<b>-11,878</b>	-10,285	-1,592	-16,116
Income taxes-deferred	26	<b>-2,935</b>	-112	-2,822	-50,283
Minority interest	27	<b>-3,221</b>	-3,614	393	-13,576
<b>Net income</b>	28	<b>24,339</b>	<b>12,196</b>	<b>12,143</b>	<b>53,180</b>
<b>Total credit costs (4 + 13 + 14 + 20 + 21)</b>	29	<b>2,270</b>	-6,856	9,127	-1,284
<b>Total substantial credit costs (*2)</b>	30	<b>3,074</b>	-14,278	17,352	-4,238
(Difference from non-consolidated total substantial credit costs)	31	<b>(633)</b>	(-4,684)	(5,317)	(-11,718)
<b>Net business profit before credit costs (*3)</b>	32	<b>44,151</b>	<b>42,536</b>	<b>1,615</b>	<b>197,888</b>
(Difference from non-consolidated net business profit before credit costs (Adjusted, *4))	33	<b>(9,880)</b>	<b>(6,270)</b>	<b>(3,610)</b>	<b>(31,952)</b>
(Difference from non-consolidated net business profit before credit costs)	34	(9,880)	(-3,244)	(13,124)	(22,438)

(\*1) Due to the reversal of reserves, the amount is included in the extraordinary income for 1QFY2010 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 1QFY2009 and Full FY2009, the dividend income from subsidiary resulting from the gain on retirement of perpetual subordinated bonds (22) (9,469 million yen and 9,083 million yen, respectively) is eliminated.

## &lt;Number of subsidiaries/ affiliates&gt;

	June 2010	Mar. 2010	Change
Consolidated subsidiaries	<b>46</b>	48	-2
Affiliates (subject to the equity method)	<b>12</b>	11	1

(Non-consolidated)

		Millions of Yen			
		1Q			Full FY2009
		FY2010	FY2009	Change	
Gross business profit before credit costs (2 - 4)	1	65,771	77,274	-11,503	304,668
(Gross profit)	2	(65,771)	(77,274)	(-11,503)	(304,668)
Net trust fees	3	12,000	12,791	-791	53,140
Principal guaranteed trust a/c credit costs	4	-	-	-	-
Trust fees from principal guaranteed trust a/c	5	1,105	1,714	-609	5,577
Other trust fees	6	10,894	11,076	-182	47,562
Net interest income	7	33,969	50,613	-16,644	179,660
Net fees and commissions	8	7,110	7,488	-377	39,999
Net trading income	9	78	3,527	-3,449	15,672
Net other operating income	10	12,613	2,853	9,760	16,195
Net gains on foreign exchange transactions	11	1,965	-1,841	3,806	-3,891
Net gains on bonds	12	12,712	4,284	8,428	24,470
Net gains from derivatives other than for trading or hedging	13	-4,721	-114	-4,607	-6,769
General and administrative expenses	14	-31,500	-31,494	-6	-129,219
<b>Net business profit before credit costs (1 + 14)</b>	15	<b>34,271</b>	<b>45,780</b>	<b>-11,509</b>	<b>175,449</b>
(Excluding net gains on bonds) (15 - 12)	16	(21,558)	(41,496)	(-19,937)	(150,978)
Provision of general allowance for loan losses	17	-	-	-	-
Net business profit	18	34,271	45,780	-11,509	175,449
Net non-recurring profit	19	-4,945	-23,114	18,168	-47,943
Net gains on sales of stocks and other securities	20	-1,367	-6,773	5,406	-7,839
Banking a/c net credit costs	21	-513	-3,694	3,181	-6,905
Others	22	-3,063	-12,645	9,581	-33,198
<b>Ordinary profit</b>	23	<b>29,325</b>	<b>22,666</b>	<b>6,659</b>	<b>127,506</b>
Extraordinary profit	24	4,001	601	3,399	-49,784
Reversal of allowance for loan losses (*1)	25	3,184	612	2,571	14,003
Recoveries of written-off claims	26	49	45	3	1,352
Income before income taxes	27	33,327	23,268	10,058	77,721
Income taxes-current	28	-8,495	-7,381	-1,113	-5,074
Income taxes-deferred	29	-1,795	-1,032	-762	-50,956
<b>Net income</b>	30	<b>23,036</b>	<b>14,854</b>	<b>8,181</b>	<b>21,691</b>
<b>Total credit costs (4 + 17 + 21 + 25 + 26)</b>	31	<b>2,719</b>	<b>-3,036</b>	<b>5,756</b>	<b>8,451</b>
<b>Total substantial credit costs (*2)</b>	32	<b>2,440</b>	<b>-9,594</b>	<b>12,035</b>	<b>7,480</b>
Losses related to domestic credit investments	33	2,536	-1,224	3,761	10,670
Losses related to international credit investments	34	-96	-8,369	8,273	-3,190

(\*1) Due to the reversal of reserves, the amount is included in the extraordinary income for 1QFY2010, 1QFY2009 and Full FY2009.

(\*2) Total substantial credit costs (32) = (31) + 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		
	1QFY2010	1QFY2009	Change
Retail financial services	19.5	18.6	0.8
Wholesale financial services	21.8	23.3	-1.4
Stock transfer agency services	3.9	3.9	0.0
Global Markets	17.6	23.2	-5.6
Fiduciary services	11.2	11.8	-0.5
Pension asset management	8.3	8.9	-0.6
Securities processing services	2.9	2.8	0.0
Real estate	2.5	1.9	0.5
Fees paid for outsourcing	-5.8	-4.8	-1.0
Stock transfer agency services	-2.1	-1.9	-0.2
Fiduciary services	-3.8	-2.9	-0.8
Others (*)	-1.0	3.3	-4.3
<b>Gross business profit before credit costs</b>	<b>65.7</b>	<b>77.2</b>	<b>-11.5</b>

**(2) Net business profit before credit costs**

(Non-consolidated)

	Billions of Yen		
	1QFY2010	1QFY2009	Change
Retail financial services	3.8	2.8	1.0
Wholesale financial services	14.3	15.6	-1.3
Global Markets	15.3	20.9	-5.5
Fiduciary services	3.5	4.3	-0.8
Real estate	1.1	0.2	0.9
Others (*)	-3.7	2.1	-5.8
<b>Net business profit before credit costs</b>	<b>34.2</b>	<b>45.7</b>	<b>-11.5</b>

(Consolidated)

	Billions of Yen		
	1QFY2010	1QFY2009	Change
Retail financial services	4.7	3.5	1.1
Wholesale financial services	21.0	20.3	0.6
Global Markets	15.3	20.9	-5.5
Fiduciary services	5.4	4.7	0.7
Real estate	1.4	-0.2	1.5
Others (*)	-3.6	-6.7	3.1
<b>Net business profit before credit costs</b>	<b>44.1</b>	<b>42.5</b>	<b>1.6</b>

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 etc. is included. Dividend income which is generated by retirement of perpetual subordinated bonds (9.4 billion yen) is included in 1QFY2009.

### 3. Forecast for FY2010

Both consolidated and non-consolidated earnings forecasts for the first half FY2010 are revised upward, taking into account a certain profit based on the expected revision of tax effect from the accounting perspective and some other factors, resulting from the business restructuring announced today in "Execution of Business Transfer Agreement between Life Housing Loan, Ltd. and First Credit Corporation". Those for the full FY2010 are also revised upward in line with the revised earnings forecasts for the first half FY2010.

Consolidated and non-consolidated net business profit before credit costs and total credit costs for the first half FY2010 and the full FY2010 remain unchanged at this moment.

The interim and annual dividend forecasts for FY2010 will be reviewed and any revision, if necessary, will be announced in a timely manner, after taking into account the financial results of the first half of FY2010 and outlook for FY2010 at the time.

	Billions of Yen				
	Forecast for FY2010		1QFY2010 (Actual)	FY2009 (Actual) (B)	Change (A)-(B)
	Full FY2010 (A)	1HFY2010			
<b>(Consolidated)</b>					
Net business profit before credit costs	<b>175.0</b>	75.0	44.1	197.8	-22.8
Ordinary profit	<b>110.0</b>	45.0	39.9	148.1	-38.1
Net income	<b>75.0</b>	40.0	24.3	53.1	21.8
Dividend on common stock per share (Yen)	<b>10.00</b>	5.00	-	10.00	-
Consolidated dividend payout ratio (%) (*)	<b>23.8%</b>	-----	-----	33.1%	-9.3%
<b>(Non-consolidated)</b>					
Net business profit before credit costs	<b>140.0</b>	60.0	34.2	175.4	-35.4
Total credit costs	<b>-30.0</b>	-10.0	2.7	8.4	-38.4
Other non-recurring profit	<b>-25.0</b>	-15.0	-4.4	-41.0	16.0
Ordinary profit	<b>85.0</b>	35.0	29.3	127.5	-42.5
Net income	<b>65.0</b>	35.0	23.0	21.6	43.3
<b>(Total substantial credit costs)</b>					
Consolidated	<b>-45.0</b>	-20.0	3.0	-4.2	-40.7
Non-consolidated	<b>-35.0</b>	-15.0	2.4	7.4	-42.4
Domestic	<b>-30.0</b>	-10.0	2.5	10.6	-40.6
International	<b>-5.0</b>	-5.0	-0.0	-3.1	-1.8
Group companies	<b>-10.0</b>	-5.0	0.6	-11.7	1.7

(\*) 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)

	<b>June 2010 (Forecast)</b>	Mar. 2010 (Actual)
BIS capital adequacy ratio	<b>14.0 - 14.5%</b>	13.85%
Tier I capital ratio	<b>10.0 - 10.5%</b>	9.86%

Figures as of June 2010 are now under the calculation process and will be announced as finalized.

**5. Ending balance of loans**

(Non-consolidated)

	Millions of Yen				
	<b>June 2010</b>	Mar. 2010	Sep. 2009	Change from Mar. 2010	Change from Sep. 2009
Banking account	<b>11,457,523</b>	11,921,476	11,472,216	-463,953	-14,692
Principal guaranteed trust account	<b>210,748</b>	262,731	250,998	-51,983	-40,250
<b>Total</b>	<b>11,668,271</b>	12,184,208	11,723,215	-515,936	-54,943

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

(Non-consolidated)

	Millions of Yen				
	<b>June 2010</b>	Mar. 2010	Sep. 2009	Change from Mar. 2010	Change from Sep. 2009
Individuals	<b>8,866,631</b>	8,882,693	8,875,825	-16,062	-9,193
Deposits (*)	<b>8,390,477</b>	8,394,937	8,335,095	-4,459	55,382
Trust principal (Principal guaranteed)	<b>476,153</b>	487,756	540,729	-11,602	-64,576
Corporations and other organizations	<b>2,301,135</b>	2,474,290	2,593,345	-173,154	-292,210
Deposits (*)	<b>2,157,596</b>	2,304,454	2,409,045	-146,858	-251,449
Trust principal (Principal guaranteed)	<b>143,539</b>	169,835	184,300	-26,295	-40,761
Others	<b>596,425</b>	743,560	872,137	-147,134	-275,711
<b>Total</b>	<b>11,764,192</b>	12,100,543	12,341,308	-336,351	-577,115

(\*) Excluding NCDs and offshore accounts

**7. Spread**

Domestic banking a/c

(Non-consolidated)

	Percentage points			
	<b>1QFY2010</b>	2HFY2009	1HFY2009	Change from 2HFY2009
Average yield on interest-earning assets (A)	<b>1.24</b>	1.35	1.43	-0.11
Loans and bills discounted (B)	<b>1.34</b>	1.42	1.48	-0.08
Securities	<b>0.95</b>	1.25	1.53	-0.30
Average yield on interest-bearing liabilities (C)	<b>0.46</b>	0.50	0.54	-0.04
Deposits (D)	<b>0.47</b>	0.51	0.55	-0.04
Gross margin (A) - (C)	<b>0.78</b>	0.85	0.89	-0.07
Loan-deposit margin (B) - (D)	<b>0.87</b>	0.91	0.93	-0.04

## 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					
	June 2010			Mar. 2010	Sep. 2009	Change from Mar. 2010
	Coverage ratio (*1)	Reserve ratio (*2)				
Assets classified under the Financial Reconstruction Law	<b>178,861</b>	<b>79%</b>	<b>56%</b>	176,475	309,159	2,386
Loans in bankrupt and practically bankrupt	<b>16,678</b>	<b>100%</b>	<b>100%</b>	17,582	26,094	-903
Doubtful loans	<b>61,724</b>	<b>86%</b>	<b>77%</b>	61,223	242,212	500
Substandard loans (A)	<b>100,457</b>	<b>71%</b>	<b>22%</b>	97,668	40,852	2,788
Ordinary assets	<b>12,026,580</b>	-----	-----	12,508,847	11,959,395	-482,266
Loans to substandard debtors (excluding substandard loans) (B)	<b>36,793</b>	-----	-----	37,420	10,981	-627
Loans to special mention debtors (excluding (A) and (B))	<b>527,085</b>	-----	-----	586,761	608,122	-59,675
Loans to ordinary debtors	<b>11,462,702</b>	-----	-----	11,884,665	11,340,291	-421,963
Total loan balance	<b>12,205,442</b>	-----	-----	12,685,323	12,268,555	-479,880
(Ratio to total loan balance)	<b>(1.5%)</b>	-----	-----	(1.4%)	(2.5%)	(0.1%)
Loans to substandard debtors (A)+(B)	<b>137,250</b>	-----	-----	135,089	51,833	2,161

(\*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).

Note: Private placement bonds with bank's guarantee are posted in fair value from Mar. 2010.

## 9. Unrealized gains/ losses on investment securities

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

	Millions of Yen							
	June 2010			Mar. 2010			Change of book value	Change of net
	Book value	Fair value	Net	Book value	Fair value	Net		
Japanese government bonds	<b>222,967</b>	<b>233,070</b>	<b>10,102</b>	236,046	244,094	8,047	-13,079	2,055
Japanese local government bonds	-	-	-	-	-	-	-	-
Japanese corporate bonds	<b>23,286</b>	<b>23,351</b>	<b>65</b>	23,286	23,392	105	-0	-40
Others	<b>260,980</b>	<b>302,248</b>	<b>41,268</b>	287,284	332,868	45,583	-26,304	-4,315
Foreign bonds	<b>260,980</b>	<b>302,248</b>	<b>41,268</b>	287,284	332,868	45,583	-26,304	-4,315
Total	<b>507,234</b>	<b>558,670</b>	<b>51,436</b>	546,618	600,355	53,737	-39,383	-2,300

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 increased by 918 million yen as of the end of June 2010.

(Non-consolidated)

	Millions of Yen							
	June 2010			Mar. 2010			Change of book value	Change of net
	Book value	Fair value	Net	Book value	Fair value	Net		
Japanese government bonds	<b>222,591</b>	<b>232,685</b>	<b>10,093</b>	235,710	243,751	8,041	-13,119	2,052
Japanese local government bonds	-	-	-	-	-	-	-	-
Japanese corporate bonds	<b>23,286</b>	<b>23,351</b>	<b>65</b>	23,286	23,392	105	-0	-40
Others	<b>260,753</b>	<b>301,996</b>	<b>41,242</b>	287,060	332,617	45,557	-26,306	-4,314
Foreign bonds	<b>260,753</b>	<b>301,996</b>	<b>41,242</b>	287,060	332,617	45,557	-26,306	-4,314
Total	<b>506,631</b>	<b>558,033</b>	<b>51,401</b>	546,057	599,762	53,704	-39,426	-2,302

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 increased by 918 million yen as of the end of June 2010.

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

	Millions of Yen							
	June 2010			Mar. 2010			Change of cost	Change of net
	Cost	Book value	Net	Cost	Book value	Net		
Japanese stocks	430,083	468,758	38,675	426,721	491,862	65,140	3,361	-26,465
Japanese bonds	1,716,050	1,737,958	21,907	1,592,954	1,618,338	25,383	123,095	-3,476
Government bonds	1,330,736	1,350,965	20,228	1,191,327	1,215,914	24,586	139,409	-4,357
Local government bonds	13,701	13,900	198	11,847	11,829	-18	1,853	216
Corporate bonds	371,612	373,092	1,480	389,779	390,594	815	-18,167	664
Others	1,220,034	1,217,830	-2,204	1,500,787	1,504,575	3,788	-280,752	-5,992
Foreign stocks	133	450	316	140	550	410	-6	-93
Foreign bonds	796,090	803,785	7,694	1,070,641	1,066,354	-4,287	-274,550	11,982
Others	423,810	413,595	-10,215	430,005	437,671	7,665	-6,195	-17,881
<b>Total</b>	<b>3,366,168</b>	<b>3,424,547</b>	<b>58,378</b>	<b>3,520,463</b>	<b>3,614,777</b>	<b>94,313</b>	<b>-154,295</b>	<b>-35,934</b>

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 10,508 million yen, and "Book value" of "Foreign bonds" has increased by 415 million yen.

## (Non-consolidated)

	Millions of Yen							
	June 2010			Mar. 2010			Change of cost	Change of net
	Cost	Book value	Net	Cost	Book value	Net		
Japanese stocks	430,023	468,601	38,578	426,661	491,690	65,029	3,361	-26,450
Japanese bonds	1,736,050	1,757,958	21,907	1,612,954	1,638,338	25,383	123,095	-3,476
Government bonds	1,330,736	1,350,965	20,228	1,191,327	1,215,914	24,586	139,409	-4,357
Local government bonds	13,701	13,900	198	11,847	11,829	-18	1,853	216
Corporate bonds	391,612	393,092	1,480	409,779	410,594	815	-18,167	664
Others	1,195,930	1,192,428	-3,501	1,476,462	1,479,055	2,592	-280,532	-6,094
Foreign stocks	130	255	124	137	301	164	-6	-39
Foreign bonds	782,307	790,142	7,835	1,056,698	1,052,585	-4,112	-274,391	11,948
Others	413,492	402,030	-11,462	419,626	426,167	6,541	-6,134	-18,003
<b>Total</b>	<b>3,362,004</b>	<b>3,418,988</b>	<b>56,984</b>	<b>3,516,079</b>	<b>3,609,084</b>	<b>93,005</b>	<b>-154,074</b>	<b>-36,021</b>

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 10,508 million yen, and "Book value" of "Foreign bonds" has increased by 415 million yen.

## 10. Unrealized gains/ losses on derivative transaction

## (Non-consolidated)

	Millions of Yen					
	Hedge accounting applied (deferred gains/ losses)			Hedge accounting not applied (unrealized gains/ losses)		
	June 2010	Mar. 2010	Change	June 2010	Mar. 2010	Change
Interest rate related	-4,412	4,059	-8,471	94,582	109,522	-14,940
Interest rate swaps	-4,412	4,059	-8,471	150,988	177,754	-26,765
Currency related	1,799	1,886	-87	22,991	23,226	-235
Stock related	-	-5,835	5,835	-23	-181	157
Bond related	-	-	-	-150	-105	-44
Credit related	-	-	-	-238	-530	292
<b>Total</b>	<b>-2,613</b>	<b>110</b>	<b>-2,724</b>	<b>117,161</b>	<b>131,930</b>	<b>-14,769</b>

## 11. Status of the international credit investment

## (1) Securities with fair value

1) Available-for-sale securities  
(Non-consolidated)

		Billions of Yen						
		June 2010						
		Cost (after impairment)				Unrealized gains/ losses (*1), (*2)		
		North America	Europe	Change from Mar. 2010	Change from Mar. 2010		%	
Asset-backed securities	1	29.9	3.4	25.4	-4.1	2.5	1.0	8.4%
RMBS exc. Subprime related RMBS	2	13.2	-	12.2	-2.8	-0.9	0.5	-7.3%
CMBS (Commercial mortgage)	3	13.1	-	13.1	-1.0	-1.9	0.5	-14.8%
CARDS (Credit card receivables)	4	2.6	2.6	-	-0.1	-0.0	0.0	-0.4%
Corporate bonds	5	217.2	19.5	79.4	-24.7	5.6	-0.2	2.6%
Bonds issued by financial institutions	6	53.2	10.6	24.6	-6.2	-2.1	-0.6	-4.0%
<b>Total</b>	<b>7</b>	<b>247.1</b>	<b>23.0</b>	<b>104.8</b>	<b>-28.8</b>	<b>8.1</b>	<b>0.7</b>	<b>3.3%</b>

(\*1) As a result of using rationally calculated prices instead of market prices, "Book value" of asset-backed securities increased by 0.4 billion yen.

(\*2) "Cost" and "Unrealized gains/ losses" of asset-backed securities and corporate bonds guaranteed by "Monoline" insurance companies are 0.1 billion yen and 0.0 billion yen, respectively, as of the end of June 2010.

Note: 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						
		June 2010						
		Cost				Unrealized gains/ losses (*1), (*2)		
		North America	Europe	Change from Mar. 2010	Change from Mar. 2010		%	
Asset-backed securities	8	236.3	121.3	115.0	-26.3	40.5	-4.9	17.1%
RMBS exc. Subprime related RMBS	9	78.5	-	78.5	-13.2	9.9	-0.8	12.7%
CARDS (Credit card receivables)	10	35.2	30.4	4.7	-4.2	8.4	-1.0	24.1%
CLO (Corporate loans)	11	121.9	90.2	31.7	-8.6	22.0	-3.0	18.1%

(\*1) As a result of using rationally calculated prices instead of market prices, "Fair value" of asset-backed securities increased by 0.9 billion yen.

(\*2) Unamortized amount of unrealized gains/ losses resulting from reclassification is -70.1 billion yen as of the end of June 2010. (before tax effect)

Note: Vintage of RMBS: 2007: 11.86%, 2006: 32.58%, 2005 and before: 55.56%

## 3) Credit ratings

## (Non-consolidated)

		Billions of Yen						
		June 2010						
		Cost (after impairment)						
		AAA	AA	A	BBB	BB and below		
Available-for-sale securities	12	247.1	13.0	31.3	112.7	68.8	21.2	
Asset-backed securities	13	29.9	13.0	10.7	2.1	3.1	0.7	
Corporate bonds	14	217.2	-	20.6	110.5	65.6	20.5	
Held-to-maturity debt securities	15	236.3	55.2	116.0	39.1	25.8	-	

## (2) Securities with no available fair value

## (Non-consolidated)

		Billions of Yen				
		June 2010				
		Cost (after impairment)				
		North America	Europe	Change from Mar. 2010		
Securities with no available fair value	16	20.4	9.2	6.6	-2.7	

## (3) Exposure to corporate loans

## (Non-consolidated)

		Billions of Yen						
		June 2010						
		Balance				Internal Credit Ratings (*2)		
		North America	Europe	Change from Mar. 2010	1-4	5-6	7-8	
Corporate loans (*1)	17	216.3	109.2	35.4	-29.8	70.5	122.1	23.5

(\*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		
		1QFY2010		
		Losses on sale	Losses on devaluation	
Asset-backed securities	18	-0.3	-	-0.3
Corporate bonds	19	-	-	-
Corporate loans and others	20	0.2	-0.3	-0.0
<b>Total</b>	<b>21</b>	<b>-0.0</b>	<b>-0.3</b>	<b>-0.3</b>

**12. Loans by industry**

(Non-consolidated)

	Millions of Yen						
	June 2010				Mar. 2010		
	Banking a/c	Trust a/c	Banking + Trust a/c		Banking a/c	Trust a/c	Banking + Trust a/c
				Change from Mar. 2010			
Domestic Branches (excluding offshore accounts)	<b>10,605,333</b>	<b>210,748</b>	<b>10,816,081</b>	-487,886	11,041,236	262,731	11,303,968
Manufacturing	<b>1,901,859</b>	<b>13,670</b>	<b>1,915,530</b>	18,610	1,883,143	13,776	1,896,919
Agriculture, forestry, fisheries, mining, quarrying of stone and gravel gathering	<b>23,186</b>	-	<b>23,186</b>	3,016	20,170	-	20,170
Construction	<b>96,243</b>	-	<b>96,243</b>	-9,309	105,553	-	105,553
Electricity, gas, heat supply and water	<b>171,591</b>	<b>406</b>	<b>171,997</b>	8,688	162,902	406	163,308
Information and communications	<b>171,697</b>	-	<b>171,697</b>	-44,817	216,514	-	216,514
Transport and postal activities	<b>712,255</b>	<b>9,531</b>	<b>721,787</b>	1,153	711,102	9,531	720,634
Wholesale and retail trade	<b>916,429</b>	<b>2,072</b>	<b>918,501</b>	-17,449	932,209	3,742	935,951
Finance and insurance	<b>1,469,188</b>	<b>33,000</b>	<b>1,502,188</b>	-370,620	1,789,808	83,000	1,872,808
Real estate	<b>1,780,426</b>	<b>32,321</b>	<b>1,812,748</b>	-38,996	1,818,729	33,015	1,851,745
Goods rental and leasing	<b>726,137</b>	<b>31,000</b>	<b>757,137</b>	-72,776	801,913	28,000	829,913
Others	<b>2,636,316</b>	<b>88,744</b>	<b>2,725,061</b>	34,612	2,599,189	91,259	2,690,448
Overseas branches and offshore accounts	<b>852,190</b>	-	<b>852,190</b>	-28,049	880,240	-	880,240
<b>Total</b>	<b>11,457,523</b>	<b>210,748</b>	<b>11,668,271</b>	-515,936	11,921,476	262,731	12,184,208

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

Note 2: Trust a/c is principal guaranteed trust a/c.

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

(Non-consolidated)

	Billions of Yen				
	June 2010	Mar. 2010	Sep. 2009	Change from Mar. 2010	Change from Sep. 2009
	Real estate non recourse loans	<b>804.3</b>	831.3	882.2	-26.9

Note: Addition to the listed above, there are loans to REIT (290.9 billion yen) and investments in CMBS (27.9 billion yen) as of the end of June 2010.

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

(Non-consolidated)

	Billions of Yen					
	Balance			Sales volume		
	June 2010	Mar. 2010	Change	FY2010	FY2009	
				(from Apr. to June)	(from Oct. to Mar.)	(from Apr. to Sep.)
Mutual fund	978.4	1,075.5	-97.1	61.4	133.9	87.2
Fund wrap	32.8	29.8	3.0	5.7	12.0	7.3
Individual annuity	722.9	691.6	31.2	42.6	82.7	50.0
<b>Total</b>	<b>1,734.2</b>	<b>1,797.1</b>	<b>-62.8</b>	<b>109.8</b>	<b>228.7</b>	<b>144.6</b>

## 15. Statements of trust account

(Non-consolidated)

	Millions of Yen				
	June 2010	Mar. 2010	Sep. 2009	Change from Mar. 2010	Change from Sep. 2009
Loans and bills discounted	348,378	398,476	378,542	-50,098	-30,164
Securities	374,797	554,630	319,078	-179,833	55,719
Money held in trust	63,565,453	61,043,709	63,708,157	2,521,744	-142,703
Securities held in custody accounts	358,963	372,763	395,066	-13,800	-36,103
Money claims	9,827,666	10,226,782	9,808,542	-399,115	19,124
Tangible fixed assets	4,407,336	4,418,089	4,465,727	-10,753	-58,390
Intangible fixed assets	37,721	37,721	37,714	-	6
Other claims	1,625,059	1,598,623	1,418,253	26,435	206,806
Call loans	4,400	30,900	3,900	-26,500	500
Loans to banking account	448,971	430,969	1,056,013	18,001	-607,041
Cash and due from banks	192,254	195,020	281,646	-2,765	-89,391
Other assets	-	-	1	-	-1
<b>Total assets</b>	<b>81,191,002</b>	<b>79,307,687</b>	<b>81,872,644</b>	<b>1,883,314</b>	<b>-681,642</b>
Money trusts	12,882,069	12,284,982	12,926,169	597,086	-44,100
Pension trusts	5,951,562	5,435,133	5,087,975	516,429	863,586
Property formation benefit trusts	8,903	8,521	9,360	382	-456
Loan trusts	59,448	74,774	123,950	-15,326	-64,502
Securities investment trusts	24,203,375	23,576,929	24,240,029	626,445	-36,654
Money entrusted, other than money trusts	2,181,933	2,406,475	2,384,805	-224,541	-202,871
Securities trusts	17,122,733	16,414,987	18,447,758	707,746	-1,325,024
Money claim trusts	9,733,125	10,116,344	9,614,558	-383,219	118,566
Land and fixtures trusts	43,398	43,940	44,656	-542	-1,258
Composite trusts	9,004,452	8,945,597	8,993,378	58,854	11,073
Other trusts	0	0	0	-	-
<b>Total liabilities</b>	<b>81,191,002</b>	<b>79,307,687</b>	<b>81,872,644</b>	<b>1,883,314</b>	<b>-681,642</b>

The amount of retrusted assets (June 2010: 63,534,761 million yen, Mar. 2010: 61,007,191 million yen, Sep. 2009: 63,677,815 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				
		June 2010	Mar. 2010	Sep. 2009	Change from Mar. 2010	Change from Sep. 2009
Money trusts	Loans and bills discounted	210,748	262,731	250,998	-51,983	-40,250
	Securities	48	48	48	-	-
	Others	353,492	322,386	352,835	31,106	657
	<b>Total assets</b>	<b>564,289</b>	<b>585,166</b>	<b>603,883</b>	<b>-20,876</b>	<b>-39,593</b>
	Principal	561,163	584,105	602,992	-22,941	-41,828
	Reserves for JOMT (Jointly-operated money trust)	437	437	545	-	-107
	Others	2,688	623	345	2,064	2,343
<b>Total liabilities</b>	<b>564,289</b>	<b>585,166</b>	<b>603,883</b>	<b>-20,876</b>	<b>-39,593</b>	
Loan trusts	Loans and bills discounted	-	-	-	-	-
	Securities	-	-	-	-	-
	Others	59,448	74,780	123,955	-15,331	-64,507
	<b>Total assets</b>	<b>59,448</b>	<b>74,780</b>	<b>123,955</b>	<b>-15,331</b>	<b>-64,507</b>
	Principal	58,529	73,486	122,038	-14,956	-63,508
	Reserves for loan trust	465	604	793	-138	-327
	Others	452	689	1,124	-236	-671
<b>Total liabilities</b>	<b>59,448</b>	<b>74,780</b>	<b>123,955</b>	<b>-15,331</b>	<b>-64,507</b>	