
A Message from the President & CEO

I would like to report hereby on the results of our Bank's major business activities and interim results in this 131st half fiscal year ended 30th September 2001, and take the opportunity to thank our shareholders for their invaluable support.

During the period under review, the Japanese economy suffered a further setback owing to the US economic slowdown, the drop in IT-related demand as well as the adverse effects of the terrorist attacks on the United States.

As a result, the Nikkei average fell below the ¥10,000 mark for the first time in 17 years. The Bank of Japan responded by reducing the official discount rate to 0.1% and implementing a massive monetary relaxation.

In the meantime, the banks newly set up by non-financial companies began operating, Japanese REITs (Real Estate Investment Trusts) were listed on securities markets, and financial services entered a new phase of yet faster development.

Against this background, while striving to boost its profitability, Sumitomo Trust maintained a relatively healthy level of assets, and attained net income of ¥6.1 billion for the six months ended 30th September 2001.

Moreover, owing to the adoption of mark-to-market accounting standards, as well as the poor outlook of the continuously weak stock market during the term under review, we decided to postpone the payment of interim dividends. As for the annual dividends for the fiscal year ended 31st March 2002, we plan to refer to the General Meeting of Shareholders our proposal to combine both interim and fiscal term-end dividends into a yearly lump-sum distribution.

Looking ahead, we will resolutely deal with such urgent financial tasks as the divestiture of non-performing loans and the reduction of stocks held, and strive to meet the expectations of our shareholders by maintaining a stable level of profits.

As a trust bank, Sumitomo Trust combines solid banking with trust and fiduciary business in which it enjoys "leading company" status. Our management policies aim at promoting our corporate value by nurturing undisputed strength as an asset management financial institution which can provide "sophisticated investment management and precise operation.

To materialize our corporate vision, we inaugurated a management reform which we call "the Third Establishment" following our establishment as a trust company in 1925 and our post-war development as a trust bank.

Such reform includes the regrouping of business lines with clear autonomy and responsibility, improvement of performance evaluation methods, and introduction of performance-oriented human resource management. We believe that the adoption of these transparent and fair management practices will contribute to developing the competence of our human resource.

We are eager for our customers to appreciate the "added value" unique to Sumitomo Trust that we offer in each business division through our service and product "models".

For individual customers, we focus all our strengths on becoming their reliable "main bank" in terms of long-term asset management by tailoring our consulting and products to their individual needs. As for corporate customers, we endeavor to locate their management issues and generate added corporate value for them by providing financial solutions and proposing packages of services and products making full use of our advantages in financing, trust and asset management functions. Regarding institutional investors, we aim to become their "strategic partner" by offering them access to our global investment capabilities as well as our top-notch administration and data platforms.

By way of alliances and cooperation with financial institutions of the Sumitomo Group, we are contributing to strengthening the financial services capability of the entire group. On the other hand, endorsed by shareholders, customers and the market, we are expanding our lines of business beyond the group by establishing new strategic tie-ups with non-group partners.

Under the banner of our "Third Establishment", we are striving to change ourselves through the management strategies I have just mentioned into a renewed Sumitomo Trust with yet greater corporate value.

In concluding this message, I would like to express on behalf of all the directors and employees of Sumitomo Trust, our deep appreciation to our shareholders for their favorable consideration, as well as our hope for their continued support.

December, 2001



Atsushi Takahashi
President & CEO

Consolidated Financial Highlights

	Billions of Yen			Millions of U.S. Dollars
	Sep. 30,2001	Sep. 30,2000	Mar. 31,2001	Sep. 30,2001
Results for the (Half) Year				
Total Income	383.5	504.1	896.6	3,212
Total Expenses	365.8	448.6	806.7	3,064
Income before Income Taxes	17.6	55.5	89.9	148
Net Income	6.3	22.3	41.0	53
Balance Sheet				
Total Assets (Banking Account)	17,212.7	16,534.5	17,861.0	144,160
Loans	8,586.9	8,020.1	8,193.7	71,918
Securities	5,619.1	5,834.2	6,566.3	47,061
Total Assets (Trust Account)	49,899.1	47,320.6	50,185.2	417,916
Loans	2,191.1	2,748.9	2,607.7	18,351
Securities	2,949.7	22,444.9	2,927.6	24,705
Stockholders' Equity	719.5	741.5	761.6	6,027
Total Employable Funds *	35,666.7	34,879.8	35,071.0	298,716
Deposits	9,300.3	7,900.4	8,680.0	77,892
Money Trusts	17,274.5	16,779.9	16,704.9	144,678
Pension Trusts	5,365.2	5,372.4	5,398.5	44,935
Property Formation Benefit Trusts	12.3	12.3	12.5	103
Loan Trusts	3,714.2	4,814.7	4,274.9	31,108
		Yen		U.S. Dollars
Per Share				
Net Income	4.12	15.21	27.88	0.03
Cash Dividends (Preferred Share)		3.04	6.08	
Cash Dividends (Common Share)		3.50	7.00	
Stockholders' Equity	428.28	444.99	456.65	3.59
		%		
BIS Capital Adequacy Ratio	11.32	11.05	11.41	
Tier I Capital Ratio	6.67	6.73	6.80	

Note : Total Employable Fund is shown on a non-consolidated basis.

Consolidated Balance Sheets

	Millions of Yen			Millions of U.S. Dollars
	Sep. 30,2001 (unaudited)	Sep. 30,2000	Mar. 31,2001	Sep. 30,2001
Assets				
Cash and Due from Banks	466,595	619,088	685,323	3,908
Call Loans and Bills Bought	16,484	180,717	95,880	138
Commercial Paper and Other Debt Purchased	10,793	1,600	11,900	90
Trading Assets	724,993	507,326	640,568	6,072
Money Held in Trust	75,284	60,326	75,614	631
Investment Securities	5,619,102	5,834,293	6,566,313	47,061
Loans and Bills Discounted	8,586,990	8,020,126	8,193,779	71,918
Foreign Exchanges	9,755	7,338	11,861	82
Other Assets	1,156,464	920,981	1,028,001	9,686
Premises and Equipment	155,107	164,881	155,717	1,299
Deferred Tax Assets	224,855	215,662	204,413	1,883
Customers' Liabilities for Acceptances and Guarantees	359,469	252,510	379,695	3,011
Reserve for Possible Loan Losses	(193,150)	(250,337)	(188,057)	(1,618)
Reserve for Losses on Investment to Securities			(7)	
Total Assets	17,212,749	16,534,515	17,861,005	144,160
Liabilities				
Deposits (including CDs)	9,303,501	7,960,771	8,692,805	77,919
Call Money and Bills Sold	543,400	635,000	417,997	4,551
Payables under Repurchase Agreements	1,487,613			12,459
Trading Liabilities	278,367	99,089	199,068	2,331
Borrowed Money	326,970	372,254	358,024	2,738
Foreign Exchanges	5,007	5,216	7,831	42
Corporate Bonds	454,916	449,915	443,609	3,810
Convertible Bonds	6,530	10,889	6,665	55
Borrowed Money from Trust Accounts	2,811,089	3,766,952	2,983,852	23,543
Other Liabilities	796,092	2,091,694	3,495,686	6,667
Reserve for Bonuses	4,441			37
Reserve for Employee Retirement Benefits	2,043	18,760	1,675	17
Reserve for Possible Losses on Loans Sold	1,800	4,701	3,379	15
Reserve for Financial Assistance to Specific Borrowers		18,193		
Deferred Tax Liabilities	206	297	167	2
Deferred Tax Liabilities on Revaluation Reserve for Land	15,019	16,608	15,034	126
Consolidated Differences	2,489		2,766	21
Acceptances and Guarantees	359,469	252,510	379,695	3,011
Total Liabilities	16,398,959	15,702,857	17,008,260	137,345
Minority Interest	94,213	90,135	91,076	789
Stockholders' Equity				
Preferred Stock	50,000	50,000	50,000	419
Common Stock	234,053	232,155	233,985	1,960
Capital Surplus	237,472	235,575	237,405	1,989
Revaluation Reserve for Land, Net of Tax	23,661	26,130	23,653	198
Retained Earnings	226,010	209,390	225,110	1,893
Net Unrealized Losses on Available-for-Sale Securities, Net of Tax	(45,183)			(378)
Foreign Currency Translation Adjustments	(2,227)	(9,554)	(6,315)	(19)
Treasury Stock	(4,209)	(2,175)	(2,170)	(35)
Total Stockholders' Equity	719,576	741,522	761,668	6,027
Total Liabilities, Minority Interest and Stockholders' Equity	17,212,749	16,534,515	17,861,005	144,160

Note : Number of Shares

Authorized	Common Shares : 3,000,000,000	Preferred Shares : 250,000,000
Issued at Sep.30th, 2001	: 1,452,247,764	: 125,000,000
at Sep.30th, 2000	: 1,444,657,764	: 125,000,000
at Mar.31st, 2001	: 1,451,977,764	: 125,000,000

Consolidated Statements of Income

	Millions of Yen			Millions of U.S. Dollars
	Six Months Ended Sep. 30,2001 (unaudited)	Six Months Ended Sep. 30,2000	Year Ended Mar. 31,2001	Six Months Ended Sep. 30,2001
Income				
Trust Fees	35,901	46,723	95,807	301
Interest Income:	167,901	213,640	346,568	1,406
Interest on Loans and Discounts	72,575	70,152	152,207	608
Interest on and Dividends from Securities	87,516	69,733	149,474	733
Other Interest Income	7,808	73,754	44,887	65
Fees and Commissions Received	26,902	21,977	49,767	225
Trading Revenue	3,266	3,871	10,569	27
Other Operating Income	109,132	113,711	218,280	914
Other Income	40,398	104,256	175,695	338
Total Income	383,502	504,180	896,688	3,212
Expenses				
Interest Expense:	124,009	169,743	275,270	1,039
Interest on Deposits	43,359	40,948	90,462	363
Interest on Borrowings and Rediscounts	1,540	4,907	8,207	13
Other Interest Expenses	79,109	123,887	176,600	663
Fees and Commissions Paid	10,590	6,243	17,881	89
Trading Expenses	421	332	34	4
Other Operating Expenses	77,655	103,771	175,256	650
General and Administrative Expenses	66,522	68,240	138,088	557
Other Expenses	86,665	100,284	200,236	726
Total Expenses	365,864	448,615	806,766	3,064
Income before Income Taxes	17,637	55,565	89,922	148
Provision for Income Taxes				
Current	2,459	1,388	4,368	21
Deferred	5,939	29,846	40,562	50
Minority Interests	2,891	1,980	3,973	24
Net Income	6,347	22,349	41,017	53
Net Income per Share				
		Yen		U.S. Dollars
	4.12	15.21	27.88	0.03

Consolidated Statements of Cash Flows

	Millions of Yen			Millions of U.S. Dollars
	Six Months Ended Sep. 30,2001 (unaudited)	Six Months Ended Sep. 30,2000	Year Ended Mar. 31,2001	Six Months Ended Sep. 30,2001
Cash Flows from Operating Activities :				
Income before Income Taxes and Others	17,637	55,565	89,922	148
Depreciation	3,438	3,764	7,920	29
Amortization of Consolidation Differences	(1,488)		(935)	(12)
Equity in Loss (Earnings) of Affiliates	956	213	64	8
Increase (Decrease) in Reserve for Possible Loan Losses	5,075	(95,301)	(161,262)	43
Increase (Decrease) in Reserve for Losses on Investment to Securities	(7)		7	(0)
Increase (Decrease) in Reserve for Possible Losses on Loans Sold	(1,579)	(1,301)	(2,623)	(13)
Increase (Decrease) in Reserve for Financial Assistance to Specific Borrowers		(9)	(18,203)	
Increase (Decrease) in Reserve for Bonuses	4,441			37
Increase (Decrease) in Reserve for Employee Retirement Allowances		(18,281)	(18,281)	
Increase (Decrease) in Reserve for Employee Retirement Benefits	314	18,760	1,665	3
Interest Income	(167,901)	(213,640)	(346,568)	(1,406)
Interest Expenses	124,009	169,743	275,270	1,039
Losses (Gains) on Securities	(8,712)	(38,897)	(116,994)	(73)
Losses (Gains) on Money Held in Trust	325	2,332	3,049	3
Losses (Gains) on Foreign Exchange	53,685	48,584	(98,995)	450
Losses (Gains) on Sale of Premises and Equipment	437	1,099	2,848	4
Net Decrease (Increase) in Trading Assets	(84,425)	(53,132)	(186,374)	(707)
Net Increase (Decrease) in Trading Liabilities	79,298	(32,288)	67,690	664
Net Decrease (Increase) in Loans and Bills Discounted	(394,619)	(291,157)	(453,487)	(3,305)
Net Increase (Decrease) in Deposits	(287,993)	1,018,846	1,278,292	(2,412)
Net Increase (Decrease) in Negotiable Certificates of Deposit	899,102	(732,136)	(252,357)	7,530
Net Increase (Decrease) in Borrowed Money	(32,054)	1,218	(13,010)	(268)
Net Decrease (Increase) in Due from Banks other than from Bank of Japan	136,043	209,761	150,177	1,139
Net Decrease (Increase) in Call Loans and Others	80,502	287,450	362,700	674
Net Decrease (Increase) in Collateral for Borrowing Securities	(31,891)	44,279	43,317	(267)
Net Increase (Decrease) in Call Money and Others	1,613,016	522,000	304,997	13,509
Net Increase (Decrease) in Collateral for Lending Securities	(2,219,996)	149,811	1,311,017	(18,593)
Net Decrease (Increase) in Foreign Exchange Assets	(30,782)	33,011	75,880	(258)
Net Increase (Decrease) in Foreign Exchange Liabilities	(2,823)	782	3,396	(24)
Net Increase (Decrease) in Corporate Bonds		(512)	(512)	
Net Increase (Decrease) in Borrowed Money from Trust Account	(172,763)	(145,846)	(928,946)	(1,447)
Interest Income Received on Cash Basis	182,929	282,589	396,299	1,532
Interest Expense Paid on Cash Basis	(129,535)	(215,907)	(312,499)	(1,085)
Other - Net	(554,640)	(3,855)	106,337	(4,645)
Sub-Total	(920,000)	1,007,544	1,569,803	(7,705)
Income Tax Paid	(5,418)	(1,874)	(1,926)	(45)
Net Cash Provided by Operating Activities	(925,419)	1,005,669	1,567,876	(7,751)

Consolidated Statements of Cash Flows

	Millions of Yen			Millions of U.S. Dollars
	Six Months Ended Sep. 30,2001 (unaudited)	Six Months Ended Sep. 30,2000	Year Ended Mar. 31,2001	Six Months Ended Sep. 30,2001
Cash Flows from Investing Activities :				
Purchase of Securities	(5,374,940)	(9,065,333)	(17,891,821)	(45,016)
Proceeds from Sales of Securities	5,622,483	6,424,357	13,767,044	47,089
Proceeds from Maturities of Securities	569,438	1,678,370	2,615,201	4,769
Increase in Money Held in Trust	(2,400)	(2,600)	(42,600)	(20)
Decrease in Money Held in Trust	345	5,539	29,483	3
Purchases of Premises and Equipment	(3,677)	(3,887)	(5,716)	(31)
Proceeds from Sales of Premises and Equipment	517	1,487	6,814	4
Purchase of Stock of Newly Consolidated Subsidiaries			(159)	
Other	323	25,000	25,000	3
Net Cash Used in Investing Activities	812,091	(937,066)	(1,496,753)	6,801
Cash Flows from Financing Activities :				
Proceeds from Subordinated Bonds and Notes	44,592	31,200	63,200	373
Redemption of Subordinated Bonds and Notes	(10,700)	(28,000)	(51,917)	(90)
Proceeds from Issuance of Stock to Minority Shareholders			462	
Cash Dividends Paid	(5,444)	(5,427)	(10,852)	(46)
Cash Dividends Paid to Minority Shareholders	(1,557)	(1,473)	(2,866)	(13)
Purchases of Treasury Stock		(2,053)	(2,053)	
Other - Net	13	(2)	2	0
Net Cash Provided by Financing Activities	26,903	(5,758)	(4,025)	225
Effect on Exchange Rate Changes on Cash and Cash Equivalents	3,739	(194)	2,203	31
Net Change in Cash and Cash Equivalents	(82,684)	62,650	69,301	(692)
Cash and Cash Equivalents at Beginning of Year	240,229	170,927	170,927	2,012
Cash and Cash Equivalents at End of (Half) Year	157,544	233,578	240,229	1,319

Notes to Consolidated Financial Statements for the first half fiscal 2001

Basis of Presentation

The accompanying consolidated financial statements are compiled as required by the Banking Law and in conformity with accounting principles and practices generally accepted in Japan. Certain modifications have been made in the financial statements to facilitate understanding by readers outside Japan.

As permitted by the Securities and Exchange Law of Japan, amounts less than one million yen have been rounded off. The U.S. Dollar amounts presented on the financial statements are translated from Japanese Yen, solely for convenience, at 119.4 yen per one U.S. Dollar, the exchange rate prevailing on the Tokyo foreign exchange market on September 28th, 2001.

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

Balance Sheet

1. Trading Assets and Liabilities

Transactions for “Trading Purposes” (purposes for seeking to capture gains arising from short-term changes in interest rates, currency exchange rates or securities prices in markets and other market-related indices or from differences between markets) are included in Trading Assets and Trading Liabilities on a trade date basis.

Trading Account Securities and Monetary Claims are stated at market value of the balance sheet date and financial derivatives for trading purposes, such as swaps, futures or options, are valued on the assumption that they are settled at balance sheet date.

2. Investment Securities

Held-to-Maturity Debt Securities are valued on an amortized or accumulated cost basis using the moving average method. Investment in non-consolidated subsidiaries not accounted for by the equity method and investment in affiliates not accounted for by the equity method are stated at cost base using the moving average method.

Available-for-Sale Securities, for which market prices are available, are stated at fair value calculated by using the average market price during last one month of the fiscal period as for Japanese stocks, and by using the market prices at the end of the fiscal period as for bonds and others, while those for which fair value is not available are stated at cost or amortized or accumulated cost basis using the moving average method.

Unrealized gains and losses on available-for-sale securities (net of tax) are included in Stockholders' Equity.

3. Reserve for Possible Loan Losses

A reserve for possible loan losses of the parent company (“the Bank” hereafter) is provided as described below, pursuant to the internal rules for self-assessment of asset quality and internal rules for providing reserves for possible credit losses.

For claims to debtors who are legally bankrupt (due to bankruptcy, special liquidation etc.) or virtually bankrupt, a reserve is provided based on the amount of claims, after direct deduction described below, net of amounts expected to be collected through the disposal of collateral or through the execution of guarantees.

For claims to debtors who are likely to become bankrupt, a reserve is provided based on the necessary amount considering the overall solvency assessment, out of the amount of claims net of amounts expected to be collected through the disposal of collateral or through the execution of guarantees.

For other claims to debtors other than the above, a reserve is provided based on the respective historical

loan loss ratio calculated by the actual defaults.

A reserve for loans to restructuring countries (including the reserve for losses on overseas investments provided pursuant to Article 55-2 of the Special Taxation Measures Law) is provided based on the amount of expected losses due to the political and economic situation of those countries.

All claims are being assessed by the branch and credit supervision divisions based on the internal rules for self-assessment of asset quality. The Risk Management Department, which is independent from branches and credit supervision divisions, subsequently conducts audits of their assessments, and the reserve is adjusted to reflect the audit results.

And for claims to debtors who are legally bankrupt or virtually bankrupt with collateral or guarantees, the expected uncollectible amount, net of amounts expected to be collected through the disposal of collateral or through the execution of guarantees, are deducted directly out of the original amount of claims. The deducted amount is 342,718 millions of yen.

For the consolidated subsidiaries, a reserve for possible loan losses is made under similar rules of the Bank.

4. Reserve for Employee Retirement Benefits

A reserve for employee retirement benefits is provided for the estimated employee retirement benefit obligations less the fair value of the pension assets at the balance sheet date.

Prior service cost is amortized using the straight-line method over 10 years.

Net actuarial gains (losses) are amortized using the straight-line method over 10 years commencing from the next fiscal year of incurrence.

Unrecognized net transition obligation is to be recognized as expense over five years. One-tenth of such amount is stated as expense.

5. Reserve for Possible Losses on Loans Sold

A reserve for possible losses on loans sold is provided based on the amount expected to be necessary to cover estimated possible losses with respect to real estate-collateralized loans sold to the Cooperative Credit Purchasing Company, Limited, considering the fair value of the collateral of such loans.

7. Hedge Accounting

The Bank adopts "Macro Hedge Accounting" as hedge accounting method, under which the Bank manages the total interest rate risk arising from various financial assets and liabilities, such as loans, bills discounted, deposits etc., as a whole by using financial derivative transactions. This is a risk management by "Risk Adjustment Approach" which is stated in "Temporary Treatment for Accounting and Auditing of Application of Accounting Standard for Financial Instruments in Banking Industry" (JICPA Industry Auditing Committee Report No.15) and the deferred hedge accounting is applied. The effectiveness of the hedge is valued by confirming that 1) the total interest rate risk quantity of financial derivative transactions as risk adjustment tools is controlled within the limit which is prescribed in the Bank's risk management policy and 2) the total interest rate risk exposure of hedge objects is decreased by the hedge transactions.

The domestic consolidated subsidiary adopts the deferred hedge accounting on some part of liabilities.

8. Changes in Accounting Standards and Presentation

Pursuant to the application of new accounting standards for financial instruments, presentation in the Consolidated Balance Sheet has been changed as follows:

(1) Securities purchased under resale agreements and securities sold under repurchase agreements, which

were previously accounted for as sales and purchases of securities, are now accounted for as collateralized financing transactions and presented as Receivables under resale agreements and Payables under repurchase agreements.

(2) Unrealized gains and losses on available-for-sale securities are presented as Net Unrealized Losses on Available-for-Sale Securities, Net of Tax in Stockholders' Equity.

Statement of Income

1. Trading profits and losses

Profits and losses on trading transactions are shown as Trading Revenue or Trading Expenses on a trade date basis.

2. Other Expenses

Other Expenses include Extraordinary Expenses which include 1,866 millions of yen of the difference arising from the initial adoption of new accounting standard for employee retirement benefits (see note 4 for B/S).

Statement of Cash Flows

1. Definition of Cash and Cash Equivalents

For the purpose of reporting cash flows, Cash and Cash Equivalent is defined as Cash and Due from Bank of Japan for the Bank and as Cash and Due from Banks for the consolidated subsidiaries.

2. Reconciliation of Cash and Cash Equivalent

	(Millions of Yen)
Cash and Due from Banks	¥466,595
<u>Due from Banks (excluding due from BOJ) of the Bank</u>	<u>¥309,051</u>
Cash and Cash Equivalents	¥157,544

Statements of Trust Account

(Unaudited)

Assets	Millions of Yen			Millions of U.S. Dollars
	Sep. 30,2001	Sep. 30,2000	Mar. 31,2001	Sep. 30,2001
Loans and Bills Discounted	2,191,136	2,748,982	2,607,797	18,351
Securities	2,949,729	22,444,990	2,927,611	24,705
Securities under Investment Trusts		7,563,083		
Securities under Foreign Investment Trusts		454,253		
Money Held in Trust	38,247,909	201,092	37,926,250	320,334
Securities Held in Custody Accounts	1,866	1,494,982	2,847	16
Securities Lent	6,000	12,270	6,000	50
Money Claims	1,975,754	3,045,495	1,949,092	16,547
Premises and Equipment	1,454,432	977,819	1,385,532	12,181
Other Claims	114,622	1,081,781	234,034	960
Bills Bought		9,000		
Call Loans		2,040,688		
Loans to Banking Account	2,811,089	3,766,952	2,983,852	23,543
Cash and Due from Banks	146,612	1,479,218	162,251	1,228
Total Assets	49,899,153	47,320,610	50,185,272	417,916
Liabilities				
Money Trusts	17,274,514	16,779,903	16,704,918	144,678
Pension Trusts	5,365,278	5,372,428	5,398,553	44,935
Property Formation Benefit Trusts	12,327	12,355	12,580	103
Loan Trusts	3,714,245	4,814,714	4,274,930	31,108
Securities Investment Trusts		11,054,608		
Investment Trusts	11,248,925		11,299,562	94,212
Money Entrusted, Other than Money Trusts	2,951,592	2,953,407	3,008,380	24,720
Securities Trusts	4,820,213	3,269,008	5,284,334	40,370
Money Claim Trusts	1,562,556	1,178,157	1,522,247	13,087
Equipment Trusts	7,509	8,590	8,049	63
Land and Fixtures Trusts	222,645	259,675	234,562	1,865
Other Trusts	2,719,344	1,617,759	2,437,153	22,775
Total Liabilities	49,899,153	47,320,610	50,185,272	417,916

Supplementary Information

Risk Managed Loans

(1) Banking Account

	Millions of Yen			Millions of U.S. Dollars
	Sep. 30,2001	Sep. 30,2000	Mar. 31,2001	Sep. 30,2001
Loans in Bankruptcy Proceedings	25,692	51,897	38,090	215
% to Total Loans	0.30%	0.65%	0.46%	
Other Delinquent Loans	345,658	505,307	334,373	2,895
% to Total Loans	4.03%	6.30%	4.08%	
Loans More than 3 Months Past Due	5,620	10,718	3,424	47
% to Total Loans	0.07%	0.13%	0.04%	
Restructured Loans	106,359	66,586	29,407	891
% to Total Loans	1.24%	0.83%	0.36%	
Total Loans Outstanding	8,586,990	8,020,126	8,193,779	71,918
Direct Reduction	342,718	403,687	440,067	2,870

(2) Guaranteed Trust Account

	Millions of Yen			Millions of U.S. Dollars
	Sep. 30,2001	Sep. 30,2000	Mar. 31,2001	Sep. 30,2001
Loans in Bankruptcy Proceedings	5,901	16,690	6,924	49
% to Total Loans	0.30%	0.67%	0.30%	
Other Delinquent Loans	48,691	71,639	54,244	408
% to Total Loans	2.47%	2.87%	2.34%	
Loans More than 3 Months Past Due	856	5,034	1,328	7
% to Total Loans	0.04%	0.20%	0.06%	
Restructured Loans	35,506	900	1,265	297
% to Total Loans	1.80%	0.04%	0.05%	
Total Loans Outstanding	1,973,476	2,491,933	2,318,749	16,528

Definitions:

- (1) *Loans in Bankruptcy Proceedings* are non-accrual loans outstanding (not including direct reduction portion of loans) to borrowers who are legally bankrupt as defined in Article 96 1-3 or 4 of Enforcement Ordinance for the Corporate Tax Law.
- (2) *Other Delinquent Loans* are non-accrual loans other than 1) *Loans in Bankruptcy Proceedings* and 2) loans of which interest payments are rescheduled in order to assist the restructuring of borrowers.
- (3) *Loans More than 3 Months Past Due* are loans for which principal or interest payments are more than three months past due from the date succeeding the due date and exclude loans classified as *Delinquent Loans*.
- (4) *Restructured Loans* are loans of which terms are relaxed to support borrowers who are in financial difficulties and exclude *Delinquent Loans* and *Loans More than 3 Months Past Due*.

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

Reserves

(1) Banking Account

	Millions of Yen			Millions of U.S. Dollars
	Sep. 30,2001	Sep. 30,2000	Mar. 31,2001	Sep. 30,2001
Reserve for Possible Loan Losses	193,150	250,337	188,057	1,618
General Reserve	72,578	49,232	79,596	608
Specific Reserve	119,306	197,873	105,576	999
Reserve for Loans to Restructuring Countries	1,266	3,232	2,884	11
Reserve for Financial Assistance for Specific Borrowers		18,193		
Reserve for Possible Losses on Loans Sold	1,800	4,701	3,379	15

(2) Guaranteed Trust Account

Reserve for Possible Impairment of Principal (Loan Trusts)	21,617	27,668	23,977	181
Reserve for Possible Impairment of Principal (JOMT)	717	780	751	6
Total	22,335	28,448	24,729	187

Credit Costs

(1) Banking Account

	Millions of Yen		Millions of U.S. Dollars
	Six Months Ended Sep. 30,2001	Six Months Ended Sep. 30,2000	Six Months Ended Sep. 30,2001
Write-Offs	16,060	17,786	135
Specific Reserve Provision	21,916	54,395	184
Losses on Sales of Loans to CCPC	14	59	0
Others	(4,220)	425	(35)
Total	33,771	72,666	283

(2) Guaranteed Trust Account

Write-Offs	10,386	9,999	87
Losses on Sales of Loans to CCPC	1,118	2,280	9
Others	(630)	266	(5)
Total	10,874	12,546	91

Notes:

(1) Credit Costs in Banking Account are included in "Other Expenses" on the Statement of Income.

(2) Credit Costs in Guaranteed Trusts Accounts are reflected in "Trust Fees" after deduction of such costs.

Securities

Securities Gains and Losses	Millions of Yen			Millions of U.S. Dollars
	Six Months Ended Sep. 30,2001	Six Months Ended Sep. 30,2000	Year Ended Mar. 31,2001	Six Months Ended Sep. 30,2001
(1) Bonds				
Gains on Sale of Bonds	42,784	52,154	86,086	358
Losses on Sale of Bonds	18,511	46,401	53,697	155
Losses on Devaluation of Bonds	2,690	225	2,561	23
Net Gains (Losses)	21,583	5,526	29,827	181
(2) Stocks				
Gains on Sale of Stocks	16,817	51,239	84,977	141
Losses on Sale of Stocks	7,323	4,546	11,125	61
Losses on Devaluation of Stocks	34,258	16,597	30,209	287
Net Gains	(24,764)	30,094	43,642	(207)

Note: Figures in the table above are on a non-consolidated basis. The differences against consolidated numbers are immaterial.

Unrealized Gains and Losses on Securities

	Millions of Yen		Millions of U.S. Dollars
	Sep. 30,2001	Mar. 31,2001	Sep. 30,2001
Held to Maturity Securities	369	278	3
Available for Sale Securities	(70,751)	64,523	(593)
Total	(70,382)	64,802	(589)
Japanese Stocks	(122,100)	30,673	(1,023)
Japanese Bonds	8,693	21,058	73
Others	43,024	13,069	360

BIS Capital Adequacy Ratio

	Billions of Yen		
	Sep. 30,2001	Sep. 30,2000	Mar. 31,2001
Total Qualifying Capital	1,339.2	1,313.8	1,381.2
Tier I Capital	790.1	800.1	823.6
including: Net Unrealized Losses on Available-for-Sale Securities, Net of Tax	(45.1)		
including: Non-cumulative Preferred Securities	83.0	83.0	83.0
Tier II Capital	550.7	540.2	560.0
Upper Tier II	260.4	232.7	267.6
Excess of Land Revaluation, after 55% Discount	17.4	19.2	17.4
General Reserve	72.5	49.2	79.5
Subordinated Debt and Other	170.5	164.2	170.6
Lower Tier II	290.3	307.4	292.4
Deducted Items	1.6	26.4	2.4
Total Risk-Adjusted Assets	11,829.2	11,884.0	12,098.2
On-Balance-Sheet	10,293.9	10,023.2	10,279.1
Off-Balance-Sheet	1,474.9	1,778.5	1,749.0
Market Risk Equivalent	60.3	82.2	70.0
Tier I Capital Ratio (%)	6.67	6.73	6.80
Total Capital Ratio (%)	11.32	11.05	11.41

Note: Figures in this table are calculated on a consolidated basis in accordance with BIS guidelines.

International Network

The Americas

United States

New York Branch

527 Madison Avenue,
New York, NY 10022, U.S.A.
Phone:1-212-326-0600
Facsimile:1-212-644-3025
Telex:222049, 421503

Sumitomo Trust and Banking Co. (U.S.A.)

527 Madison Avenue,
New York, NY 10022, U.S.A.
Phone:1-212-326-0600
Facsimile:1-212-644-3077
Telex:428538

British West Indies

Cayman Branch

P.O. Box 694,
Edward Street,
Grand Cayman,
British West Indies
c/o The Sumitomo Trust
& Banking Co., Ltd.
International Business
Operations Department

Europe

United Kingdom

London Branch

155 Bishopsgate,
London EC2M 3XU, U.K.
Phone:44-20-7945-7000
Facsimile:44-20-7945-7177/8
Telex:8811041, 888924

Luxembourg

Sumitomo Trust and Banking (Luxembourg) S.A.

18, Boulevard Royal,
P.O. Box 882, L-2018,
Luxembourg
Phone:352-4779851
Facsimile:352-474608
Telex:60232, 60233

Asia

Singapore

Singapore Branch

8 Shenton Way,
Singapore 068811
Phone:65-2249055
Facsimile:65-2242873
Telex:20717

Indonesia

Jakarta Representative Office

11th Floor, Summitmas I,
JL. Jenderal Sudirman
Kaveling 61-62,
Jakarta 12069, Indonesia
Phone:62-21-5200057
Facsimile:62-21-5200058
Telex:60782

Thailand

Bangkok Representative Office

15F, Diethelm Tower A,
Suite 1502,
93/1 Wireless Road, Pratumwan,
Bangkok 10330, Thailand
Phone:66-2-252-2302
Facsimile:66-2-256-7799

People's Republic of China

The Sumitomo Trust Finance (H.K.) Limited

Suites 704-706, 7th Floor,
Three Exchange Square,
8 Connaught Place,
Central, Hong Kong
Phone:852-2801-8800
Facsimile:852-2840-0496/0502
Telex:63890

Beijing Representative Office

7th Floor, Chang Fu Gong
Office Building,
A-26, Jianguomenwai Dajie,
Chaoyang District,
Beijing 100022
People's Republic of China
Phone:86-10-6513-9020
Facsimile:86-10-6513-9243
Telex:22825

Shanghai Representative Office

Room 602, Shanghai
International Trade Centre,
2201 Yan-An Road (West),
Shanghai 200336,
People's Republic of China
Phone:86-21-62192224
Facsimile:86-21-62194320

Republic of Korea

Seoul Representative Office

100-716, 23rd Floor,
Samsung Life Building,
#150 2-ka, Taepyung-ro,
Chung-ku, Seoul, Korea
Phone:82-2-757-8725/7
Facsimile:82-2-757-8721

Subsidiaries and Affiliated Companies

JAPAN

The Sumishin Shinko Company Limited
Sumishin Business Service Company, Limited
STB Personnel Service Co., Ltd.
STB Investment Corporation
Sumishin Loan Guaranty Company Limited
Sumishin Guaranty Company Limited
Sumishin Information Service Company Limited
Sumishin Card Company, Limited
Sumishin Realty Company, Limited
STB Asset Management Company, Limited
STB Research Institute Co., Ltd.
STB Leasing Co., Ltd.
International General Finance Co., Ltd.
Japan Trustee Services Bank, Ltd.
BUSINEXT CORPORATION
Japan Trustee Information Systems Ltd.

OVERSEAS

The Sumitomo Trust Finance(H.K.)Limited
Sumitomo Trust and Banking (Luxembourg)S.A.
Sumitomo Trust and Banking Co.(U.S.A.)
STB Finance Cayman Limited
FCSC Corporation
STB Cayman Capital Limited
STB Preferred Capital(Cayman) Limited

Board of Directors and Executive Officers

Chairman of the Board

Hitoshi Murakami

President & Chief Executive Officer

Atsushi Takahashi

Deputy President & Executive Officer

Koji Iio

Senior Executive Officers

Yutaka Morita

Fujio Ido

Managing Executive Officers

Noriyuki Shoyama

Eiichi Tanabe

Hirokazu Mizukami

Yoji Yoshimura

Takahiko Otsuka

Takaaki Hatabe

Toshiharu Sakurai

Sakae Yashiro

Kazuo Miyakawa

Jiro Araki

Executive Officers

Takashi Nakamura

Jumpei Norimatsu

Hideo Fujii

Yotaro Fujiwara

Kazuyuki Isono

Takehisa Takagi

Naoki Taninaka

Masao Shibuya

Shuichi Shimizu

Shoji Morii

Masaru Suzuki

Ikuho Inoue

Standing Statutory Auditor

Shigeru Tomoda

Statutory Auditors

Masao Inoue

Tsukasa Ooshima

Akio Yamazaki

Masahiro Tanaka

Director