
A Message from the President & CEO

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I would like to report hereby on our major business activities and financial results for the first half of fiscal year 2002 (April 1 to September 30, 2002;) and take this opportunity to thank our shareholders for their invaluable support.

During the early part of the period under review, Japan's economy showed signs of a gradual recovery. Nevertheless, from the summer on, as uncertainty over economic prospects increased, the Nikkei average fell below the ¥9,000 mark and the yields on 10-year Government Bonds continued to drop.

Sumitomo Trust, in the face of such economic uncertainties, continued its efforts to further boost profitability while securing the soundness of its assets. More specifically, we have adopted the following four strategies, and have been implementing actions on them during the period under review.

1. Leveraging our management autonomy, we have been focusing on the trust business, as well as asset management, custodial services and the real estate business.

In July 2002, we created the Private Banking Department within our Retail Financial Services Group. By integrating the know-how we have nurtured as a trust bank in the fields of asset management, custodial and inheritance services, we are committed to offering our affluent customers the highest level of services.

2. We are proactive in meeting and surpassing the profit target we set in our "Revised Plan for Restoring Sound Management" announced in August 2001 (hereinafter the "Plan").

Net income reached ¥20.1 billion in the period under review, which is ¥6.1 billion higher than in

the first half of fiscal year 2001.

3. We have been accelerating the disposal of problem loans and unwinding of cross-shareholding.

During the period under review, Sumitomo Trust's credit costs totaled ¥20.9 billion, substantially lower than projected.

Furthermore, Sumitomo Trust reduced its cross-shareholding by ¥148.8 billion during the period under review. As a result, the market value of stocks totaled ¥722.1 billion, smaller than its ¥774.5 billion Tier 1 amount. Japanese banks are required to reduce cross-shareholding to their Tier 1 level by September 2004.

Sumitomo Trust has become the first major bank to achieve this regulatory requirement ahead of the deadline.

4. We plan to repay the ¥100 billion in public funds we received in the form of preferred stock no later than March 2005, as stated in the Plan. The repayment denotes our successful emergence from our restructuring phase and entrance into an era of new development.

In concluding this message, I would like to express on behalf of The Sumitomo Trust and Banking Company, Limited, our deep appreciation to our shareholders for their favorable consideration, as well as our hope for their continued warm support.

December 2002



Atsushi Takahashi
President & CEO

Consolidated Financial Highlights

	Billions of Yen			Millions of U.S. Dollars
	Sep. 30,2002	Sep. 30,2001	Mar. 31,2002	Sep. 30,2002
Results for the (Half) Year				
Total Income	301.1	383.5	724.3	2,455
Total Expenses	290.2	365.8	780.7	2,367
Income (Loss) before Income Taxes	10.8	17.6	(56.4)	89
Net Income (Loss)	5.2	6.3	(42.4)	43
Balance Sheet				
Total Assets (Banking Account)	17,475.9	17,212.7	16,704.0	142,486
Loans	8,983.7	8,586.9	8,922.4	73,247
Securities	5,184.0	5,619.1	5,069.8	42,267
Total Assets (Trust Account)	51,746.0	49,899.1	49,891.5	421,900
Loans	1,874.2	2,191.1	1,972.5	15,281
Securities	3,878.8	2,949.7	3,433.9	31,626
Stockholders' Equity	691.3	719.5	659.6	5,636
Total Employable Funds *	37,217.8	35,666.7	36,237.7	303,448
Deposits	10,508.1	9,300.3	9,748.9	85,676
Money Trusts	18,762.3	17,274.5	17,939.0	152,975
Pension Trusts	5,586.9	5,365.2	5,551.9	45,552
Property Formation Benefit Trusts	11.6	12.3	11.6	95
Loan Trusts	2,348.7	3,714.2	2,986.1	19,150
		Yen		U.S. Dollars
Per Share				
Net Income (Loss)	3.60	4.12	(29.87)	0.03
Cash Dividends (Preferred Share)	—	—	6.08	—
Cash Dividends (Common Share)	—	—	5.00	—
Stockholders' Equity	406.75	428.28	386.87	3.32
		%		
BIS Capital Adequacy Ratio	11.56	11.32	10.86	
Tier I Capital Ratio	6.54	6.67	6.16	

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

Consolidated Balance Sheets

	Millions of Yen			Millions of U.S. Dollars
	Sep. 30,2002 (unaudited)	Sep. 30,2001	Mar. 31,2002	Sep. 30,2002
Assets				
Cash and Due from Banks	732,082	466,595	835,193	5,969
Call Loans and Bills Bought	362,909	16,484	98,378	2,959
Commercial Paper and Other Debt Purchased	61,724	10,793	51,009	503
Trading Assets	517,808	724,993	515,827	4,222
Money Held in Trust	95,068	75,284	59,665	775
Investment Securities	5,184,029	5,619,102	5,069,838	42,267
Loans and Bills Discounted	8,983,751	8,586,990	8,922,465	73,247
Foreign Exchanges	12,314	9,755	7,656	100
Other Assets	1,006,328	1,156,464	629,475	8,205
Premises and Equipment	119,206	155,107	121,158	972
Deferred Tax Assets	225,292	224,855	250,365	1,837
Customers' Liabilities for Acceptances and Guarantees	340,552	359,469	364,550	2,777
Reserve for Possible Loan Losses	(165,141)	(193,150)	(221,562)	(1,346)
Total Assets	17,475,927	17,212,749	16,704,021	142,486
Liabilities				
Deposits (including CDs)	10,525,105	9,303,501	9,774,054	85,814
Call Money and Bills Sold	266,372	543,400	627,512	2,172
Payables under Repurchase Agreements	1,028,870	1,487,613	928,407	8,389
Collateral for Lending Securities	1,450,828	78,533	876,757	11,829
Trading Liabilities	309,316	278,367	203,045	2,522
Borrowed Money	74,369	326,970	131,149	606
Foreign Exchanges	9,486	5,007	4,809	77
Corporate Bonds	446,675	454,916	433,498	3,642
Convertible Bonds	2,400	6,530	6,000	20
Borrowed Money from Trust Accounts	1,522,463	2,811,089	2,074,447	12,413
Other Liabilities	706,468	717,558	518,386	5,760
Reserve for Employee Bonuses	3,660	4,441	4,752	30
Reserve for Employee Retirement Benefits	3,294	2,043	2,515	27
Reserve for Possible Losses on Loans Sold	—	1,800	250	—
Deferred Tax Liabilities	60	206	45	0
Deferred Tax Liabilities on Revaluation Reserve for Land	3,684	15,019	3,687	30
Consolidated Differences	1,936	2,489	2,212	16
Acceptances and Guarantees	340,552	359,469	364,550	2,777
Total Liabilities	16,695,548	16,398,959	15,956,082	136,124
Minority Interest	89,075	94,213	88,290	726
Stockholders' Equity				
Preferred Stock	50,000	50,000	50,000	408
Common Stock	235,853	234,053	234,053	1,923
Capital Surplus	239,272	237,472	237,472	1,951
Retained Earnings	192,252	226,010	195,034	1,567
Revaluation Reserve for Land, Net of Tax	5,820	23,661	5,809	47
Net Unrealized Losses on Available-for-Sale Securities, Net of Tax	(23,735)	(45,183)	(57,022)	(194)
Foreign Currency Translation Adjustments, Net of Tax	(3,875)	(2,227)	(1,465)	(32)
Treasury Stock	(4,284)	(4,209)	(4,233)	(35)
Total Stockholders' Equity	691,303	719,576	659,647	5,636
Total Liabilities, Minority Interest and Stockholders' Equity	17,475,927	17,212,749	16,704,021	142,486

<i>Note : Number of Shares</i>	<i>Authorized</i>	<i>Common Shares : 3,000,000,000</i>	<i>Preferred Shares : 250,000,000</i>
	<i>Issued</i>	<i>at Sep.30th, 2002 : 1,459,447,764</i>	<i>: 125,000,000</i>
		<i>at Sep.30th, 2001 : 1,452,247,764</i>	<i>: 125,000,000</i>
		<i>at Mar.31st, 2002 : 1,452,247,764</i>	<i>: 125,000,000</i>

Consolidated Statements of Income

	Millions of Yen			Millions of U.S. Dollars
	Six Months Ended Sep. 30, 2002 (unaudited)	Six Months Ended Sep. 30, 2001	Year Ended Mar. 31, 2002	Six Months Ended Sep. 30, 2002
Income				
Trust Fees	26,618	35,901	80,421	217
Interest Income:	142,798	167,901	329,927	1,164
Interest on Loans and Discounts	67,803	72,575	141,296	553
Interest on and Dividends from Securities	66,187	87,516	175,122	540
Other Interest Income	8,807	7,808	13,507	72
Fees and Commissions Received	27,429	26,902	61,041	224
Trading Revenue	5,092	3,266	5,354	42
Other Operating Income	79,732	109,132	192,192	650
Other Income	19,450	40,398	55,364	159
Total Income	301,122	383,502	724,301	2,455
Expenses				
Interest Expense:	66,299	124,009	225,083	541
Interest on Deposits	23,340	43,359	76,625	190
Interest on Borrowings and Rediscounts	1,304	1,540	6,443	11
Other Interest Expenses	41,653	79,109	142,013	340
Fees and Commissions Paid	9,032	10,590	24,668	74
Trading Expenses	—	421	655	—
Other Operating Expenses	69,214	77,655	151,112	564
General and Administrative Expenses	68,094	66,522	134,857	555
Other Expenses	77,618	86,665	244,394	633
Total Expenses	290,259	365,864	780,772	2,367
Income (Loss) before Income Taxes	10,862	17,637	(56,470)	89
Provision for Income Taxes :				
Current	581	2,459	4,543	5
Deferred	3,759	5,939	(22,516)	31
Minority Interests	1,305	2,891	3,983	11
Net Income (Loss)	5,216	6,347	(42,480)	43
Net Income (Loss) per Share	3.60	4.12	(29.87)	0.03

Consolidated Statements of Cash Flows

	Millions of Yen			Millions of U.S. Dollars
	Six Months Ended Sep. 30,2002 (unaudited)	Six Months Ended Sep. 30,2001	Year Ended Mar. 31,2002	Six Months Ended Sep. 30,2002
Cash Flows from Operating Activities :				
Income (Loss) before Income Taxes and Others	10,862	17,637	(56,470)	89
Depreciation	3,323	3,438	7,100	27
Amortization of Consolidation Differences	(275)	(1,488)	(553)	(2)
Equity in Loss (Earnings) of Affiliates	258	956	8	2
Increase (Decrease) in Reserve for Possible Loan Losses	(56,420)	5,075	40,704	(460)
Increase (Decrease) in Reserve for Losses on Investment to Securities	—	(7)	(7)	—
Increase (Decrease) in Reserve for Possible Losses on Loans Sold	(250)	(1,579)	(3,128)	(2)
Increase (Decrease) in Reserve for Employee Bonuses	(1,091)	4,441	4,752	(9)
Increase (Decrease) in Reserve for Employee Retirement Benefits	779	314	1,048	6
Interest Income	(142,798)	(167,901)	(329,927)	(1,164)
Interest Expenses	66,299	124,009	225,083	541
Losses (Gains) on Securities	(20,896)	(8,712)	70,147	(170)
Losses (Gains) on Money Held in Trust	588	325	122	5
Losses (Gains) on Foreign Exchange	93,519	53,685	(225,442)	762
Losses (Gains) on Sale of Premises and Equipment	491	437	(2,249)	4
Net Decrease (Increase) in Trading Assets	(1,980)	(84,425)	124,741	(16)
Net Increase (Decrease) in Trading Liabilities	106,271	79,298	3,976	866
Net Decrease (Increase) in Loans and Bills Discounted	(60,648)	(394,619)	(768,949)	(494)
Net Increase (Decrease) in Deposits	286,785	(287,993)	452,011	2,338
Net Increase (Decrease) in Negotiable Certificates of Deposit	464,266	899,102	629,237	3,785
Net Increase (Decrease) in Borrowed Money	(22,279)	(32,054)	59,738	(182)
Net Decrease (Increase) in Due from Banks other than from Bank of Japan	(272,906)	136,043	274,416	(2,225)
Net Decrease (Increase) in Call Loans and Others	(275,245)	80,502	(41,607)	(2,244)
Net Decrease (Increase) in Collateral for Borrowing Securities	1,004	(31,891)	1,306	8
Net Increase (Decrease) in Call Money and Others	(260,676)	1,613,016	1,137,921	(2,125)
Net Increase (Decrease) in Collateral for Lending Securities	574,070	(2,219,996)	(1,421,772)	4,681
Net Decrease (Increase) in Foreign Exchange Assets	(30,000)	(30,782)	9,683	(245)
Net Increase (Decrease) in Foreign Exchange Liabilities	4,676	(2,823)	(3,021)	38
Net Increase (Decrease) in Borrowed Money from Trust Account	(551,983)	(172,763)	(909,405)	(4,500)
Interest Income Received on Cash Basis	162,978	182,929	339,903	1,329
Interest Expense Paid on Cash Basis	(72,874)	(129,535)	(241,643)	(594)
Other - Net	(152,946)	(554,640)	(301,455)	(1,247)
Sub-Total	(147,099)	(920,000)	(923,729)	(1,199)
Income Tax Paid	(736)	(5,418)	(4,929)	(6)
Net Cash Provided by (Used in) Operating Activities	(147,836)	(925,419)	(928,658)	(1,205)

Consolidated Statements of Cash Flows

	Millions of Yen			Millions of U.S. Dollars
	Six Months Ended Sep. 30,2002 (unaudited)	Six Months Ended Sep. 30,2001	Year Ended Mar. 31,2002	Six Months Ended Sep. 30,2002
Cash Flows from Investing Activities :				
Purchase of Securities	(6,232,412)	(5,374,940)	(8,104,083)	(50,815)
Proceeds from Sales of Securities	5,365,478	5,622,483	8,516,275	43,746
Proceeds from Maturities of Securities	709,236	569,438	877,043	5,783
Increase in Money Held in Trust	(36,000)	(2,400)	—	(294)
Decrease in Money Held in Trust	—	345	15,811	—
Purchases of Premises and Equipment	(2,626)	(3,677)	(10,401)	(21)
Proceeds from Sales of Premises and Equipment	782	517	39,339	6
Cash Decrease due to Sale of Subsidiaries	—	—	(2,051)	—
Other - Net	—	323	—	—
Net Cash Provided by (Used in) Investing Activities	(195,539)	812,091	1,331,933	(1,594)
Cash Flows from Financing Activities :				
Proceeds from Subordinated Borrowings	25,500	—	35,000	208
Repayments of Subordinated Borrowings	(60,000)	—	—	(489)
Proceeds from Subordinated Bonds and Convertible Bonds	21,348	44,592	49,604	174
Redemption of Subordinated Bonds and Convertible Bonds	(8,000)	(10,700)	(60,767)	(65)
Proceeds from Issuance of Stock to Minority Shareholders	800	—	—	7
Cash Dividends Paid	(7,982)	(5,444)	(5,446)	(65)
Cash Dividends Paid to Minority Shareholders	(1,324)	(1,557)	(2,869)	(11)
Purchases of Treasury Stock	—	—	(2,053)	—
Other - Net	(48)	13	(9)	(0)
Net Cash Provided by (Used in) Financing Activities	(29,706)	26,903	13,457	(242)
Effect on Exchange Rate Changes on Cash and Cash Equivalents	(2,934)	3,739	7,553	(24)
Net Change in Cash and Cash Equivalents	(376,016)	(82,684)	424,286	(3,066)
Cash and Cash Equivalents at Beginning of Year	664,515	240,229	240,229	5,418
Cash and Cash Equivalents at End of (Half) Year	288,498	157,544	664,515	2,352

Notes to Consolidated Financial Statements for the first half fiscal 2002

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 down. The U.S. Dollar amounts presented on the financial statements are translated from Japanese Yen, solely for convenience, at 122.65 yen per one U.S. Dollar, the exchange rate prevailing on the Tokyo Foreign Exchange Market on September 30th, 2002.

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 and 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 borrowers in specific foreign countries 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 262,553 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 pension benefit obligations less the fair value of the plan 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, arising from the initial adoption of a new accounting standard, amounting to 17,503 millions of yen, is to be recognized as expense over mainly five years. One-tenth of such amount is stated as expense.

5. Hedge Accounting

In accordance with an interim measure provided by "Treatment for Accounting and Auditing of Application of Accounting Standard for Financial Instruments in Banking Industry" (JICPA Industry Auditing Committee Report No.24), 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.

6. Changes in Enforcement Regulation for the Banking Law and Presentation

Pursuant to the application of the revision for Enforcement Regulation for the Banking Law, presentation in the Consolidated Balance Sheet has been changed. Certain amounts in prior year have been reclassified to conform to the current presentation.



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. Extraordinary Income

Extraordinary income includes 1,492 millions yen of transfer from Reserve for Possible Loan Losses.

3. Extraordinary Expenses

Extraordinary expenses include 29,023 millions yen of the losses on an establishment of Retirement Benefit Trust and 1,829 millions yen of the amortizing cost of the net transition obligation, which arose from the initial adoption of a 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 Equivalents is defined as Cash and Due from Bank of Japan ("BOJ") 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	732,082
<u>Due from Banks (excluding due from BOJ) for the Bank</u>	<u>(443,584)</u>
Cash and Cash Equivalents	288,498

Statements of Trust Account

(Unaudited)

Assets	Millions of Yen			Millions of U.S. Dollars
	Sep. 30,2002	Sep. 30,2001	Mar. 31,2002	Sep. 30,2002
Loans and Bills Discounted	1,874,215	2,191,136	1,972,582	15,281
Securities	3,878,888	2,949,729	3,433,949	31,626
Money Held in Trust	39,733,028	38,247,909	38,002,542	323,955
Securities Held in Custody Accounts	1,843	1,866	1,868	15
Securities Lent	4,800	6,000	6,000	39
Money Claims	2,706,162	1,975,754	2,424,250	22,064
Premises and Equipment	1,759,439	1,454,432	1,691,527	14,345
Other Claims	108,428	114,622	127,316	884
Loans to Banking Account	1,522,463	2,811,089	2,074,447	12,413
Cash and Due from Banks	156,806	146,612	157,091	1,278
Total Assets	51,746,076	49,899,153	49,891,577	421,900
Liabilities				
Money Trusts	18,762,344	17,274,514	17,939,003	152,975
Pension Trusts	5,586,923	5,365,278	5,551,957	45,552
Property Formation Benefit Trusts	11,684	12,327	11,694	95
Loan Trusts	2,348,740	3,714,245	2,986,125	19,150
Investment Trusts	7,505,967	11,248,925	6,891,416	61,198
Money Entrusted, Other than Money Trusts	2,996,449	2,951,592	2,894,559	24,431
Securities Trusts	8,757,819	4,820,213	8,267,249	71,405
Money Claim Trusts	2,324,121	1,562,556	1,992,498	18,949
Equipment Trusts	6,487	7,509	6,968	53
Land and Fixtures Trusts	196,263	222,645	204,569	1,600
Other Trusts	3,249,274	2,719,344	3,145,533	26,492
Total Liabilities	51,746,076	49,899,153	49,891,577	421,900

Supplementary Information

Risk Managed Loans

(1) Banking Account

	Millions of Yen			Millions of U.S. Dollars
	Sep. 30,2002	Sep. 30,2001	Mar. 31,2002	Sep. 30,2002
Loans in Bankruptcy Proceedings	9,845	25,692	13,401	80
% to Total Loans	0.11%	0.30%	0.15%	
Other Delinquent Loans	290,555	345,658	394,563	2,369
% to Total Loans	3.23%	4.03%	4.42%	
Loans More than 3 Months Past Due	6,089	5,620	4,990	50
% to Total Loans	0.07%	0.07%	0.06%	
Restructured Loans	162,188	106,359	146,014	1,322
% to Total Loans	1.81%	1.24%	1.64%	
Total Loans Outstanding	8,983,751	8,586,990	8,922,465	73,247
Direct Reduction	262,553	342,718	281,857	2,141

(2) Guaranteed Trust Account

	Millions of Yen			Millions of U.S. Dollars
	Sep. 30,2002	Sep. 30,2001	Mar. 31,2002	Sep. 30,2002
Loans in Bankruptcy Proceedings	5,806	5,901	6,441	47
% to Total Loans	0.33%	0.30%	0.34%	
Other Delinquent Loans	35,364	48,691	54,580	288
% to Total Loans	2.01%	2.47%	2.90%	
Loans More than 3 Months Past Due	2,691	856	538	22
% to Total Loans	0.15%	0.04%	0.03%	
Restructured Loans	67,205	35,506	68,403	548
% to Total Loans	3.82%	1.80%	3.64%	
Total Loans Outstanding	1,758,559	1,973,476	1,879,071	14,338

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. 30,2002	Sep. 30,2001	Mar. 31,2002	Sep. 30,2002
Reserve for Possible Loan Losses	165,141	193,150	221,562	1,346
General Reserve	83,961	72,578	84,031	685
Specific Reserve	80,098	119,306	136,298	653
Reserve for Loans to Borrowers in Specific Foreign Countries	1,081	1,266	1,231	9
Reserve for Possible Losses on Loans Sold	—	1,800	250	—

(2) Guaranteed Trust Account

Reserve for Possible Impairment of Principal (Loan Trusts)	15,191	21,617	18,621	124
Reserve for Possible Impairment of Principal (JOMT)	937	717	731	8
Total	16,128	22,335	19,353	131

Credit Costs

(1) Banking Account

	Millions of Yen		Millions of U.S. Dollars
	Six Months Ended Sep. 30,2002	Six Months Ended Sep. 30,2001	Six Months Ended Sep. 30,2002
Write-Offs	5,575	16,060	45
Specific Reserve Provision	(1,892)	21,916	(15)
Losses on Sale of Loans to CCPC	—	14	—
Losses on Sale of Loans in Bulk	1,181	(3,036)	10
Others	76	(1,184)	1
Total	4,940	33,771	40

(2) Guaranteed Trust Account

Write-Offs	14,896	10,386	121
Losses on Sale of Loans to CCPC	1,386	1,118	11
Losses on Sale of Loans in Bulk	231	(630)	2
Total	16,514	10,874	135

Notes:

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

(2) Credit Costs in Guaranteed Trust Account 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. 30,2002	Six Months Ended Sep. 30,2001	Year Ended Mar. 31,2002	Six Months Ended Sep. 30,2002
(1) Bonds				
Gains on Sale of Bonds	75,857	42,784	65,814	618
Losses on Sale of Bonds	64,503	18,511	35,307	526
Losses on Redemption of Bonds	1,482	—	1,037	12
Losses on Devaluation of Bonds	2,862	2,690	3,643	23
Net Gains	7,010	21,583	25,825	57
(2) Stocks				
Gains on Sale of Stocks	10,473	16,817	23,735	85
Losses on Sale of Stocks	15,328	7,323	24,882	125
Losses on Devaluation of Stocks	12,084	34,258	108,976	99
Net Gains (Losses)	(16,939)	(24,764)	(110,122)	(138)

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. 30,2002	Sep. 30,2001	Sep. 30,2002
Held-to-Maturity Debt Securities	794	369	6
Available-for-Sale Securities	(39,132)	(70,751)	(319)
Total	(38,338)	(70,382)	(313)
Japanese Stocks	(118,162)	(122,100)	(963)
Japanese Bonds	8,028	8,693	65
Others	71,796	43,024	585

BIS Capital Adequacy Ratio

	Billions of Yen		
	Sep. 30,2002	Sep. 30,2001	Mar. 31,2002
Total Qualifying Capital	1,369.0	1,339.2	1,293.6
Tier I Capital	774.5	790.1	734.1
including: Net Unrealized Losses on Available-for-Sale Securities, Net of Tax	(23.7)	(45.1)	(57.0)
including: Non-cumulative Preferred Securities	83.0	83.0	83.0
Tier II Capital	597.4	550.7	562.4
Upper Tier II	290.1	260.4	293.8
Revaluation Surplus on Land, after 55% Discount	4.2	17.4	4.2
General Reserve	83.9	72.5	84.0
Subordinated Debt and Other	201.9	170.5	205.5
Lower Tier II	307.2	290.3	268.5
Deducted Items	2.9	1.6	2.9
Total Risk-Adjusted Assets	11,840.3	11,829.2	11,908.0
On-Balance-Sheet	10,471.6	10,293.9	10,364.4
Off-Balance-Sheet	1,324.3	1,474.9	1,475.0
Market Risk Equivalent	44.3	60.3	68.5
Tier I Capital Ratio (%)	6.54	6.67	6.16
Total Capital Ratio (%)	11.56	11.32	10.86

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

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STB Personnel Service Co., Ltd.
STB Investment Corporation
Sumishin Loan Guaranty Company Limited
Sumishin Guaranty Company Limited
Japan TA Solution, Ltd.
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.
Japan Trustee Services Bank, Ltd.
Human Resource Management Service & Consulting Co., Ltd.
BUSINEXT CORPORATION
Japan Trustee Information Systems Ltd.

OVERSEAS

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

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President & Chief Executive Officer

Atsushi Takahashi ※

Deputy President & Executive Officer

Yutaka Morita ※

Senior Executive Officers

Fujio Ido ※

Eiichi Tanabe ※

Managing Executive Officers

Hirokazu Mizukami ※

Takaaki Hatabe ※

Kazuo Miyakawa ※

Hideo Fujii ※

Takashi Nakamura ※

Masao Shibuya ※

Ikuho Inoue ※

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