



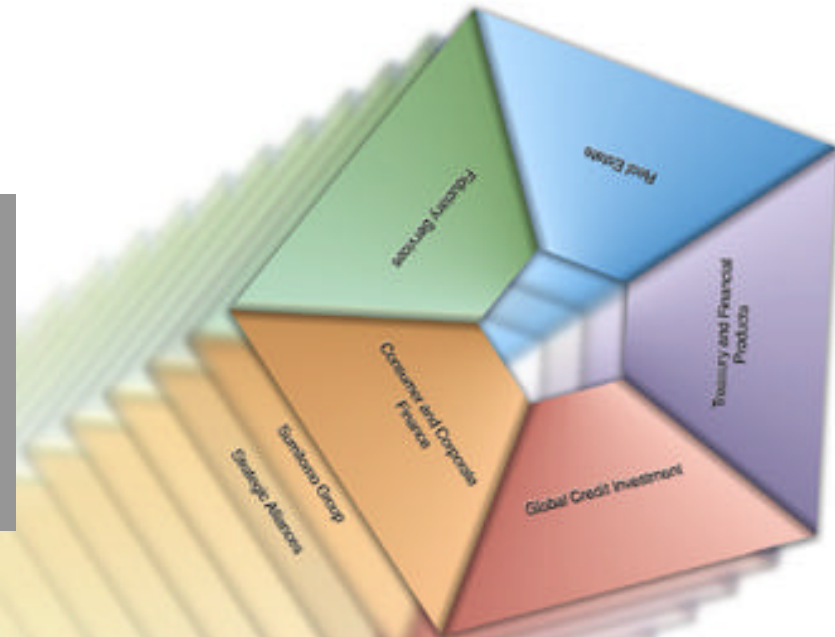
SUMITOMO
TRUST 住友信託銀行

***Sumitomo Trust & Banking
Co., Ltd.***

Merrill Lynch

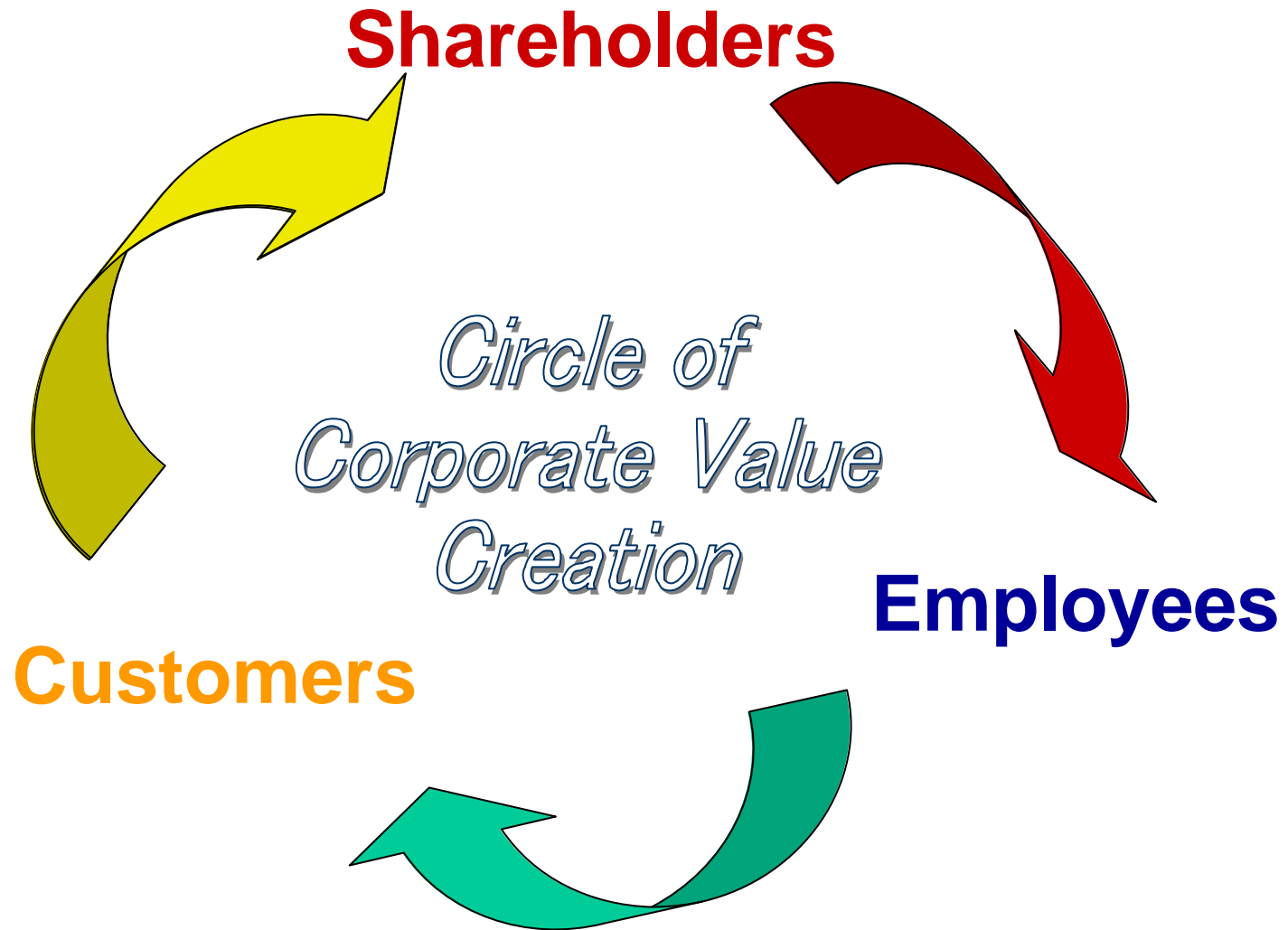
Japanese Banks & Financial Services Conference

Oct. 18, 2001



**Asset Management Financial Institution who
can provide sophisticated investment
management and precise operation**

Creation of Corporate Value



Four Principles

- Improving profitability (ROE)
- Boosting market share of trust business
- Evolving our business model
- Obtaining supports from the market



Priority for Survival

- Repaying public funds
- Accelerating divestiture of problem loans and unwinding of cross-shareholding
- Obtaining outstanding position in focusing areas
- Achieving profit goals



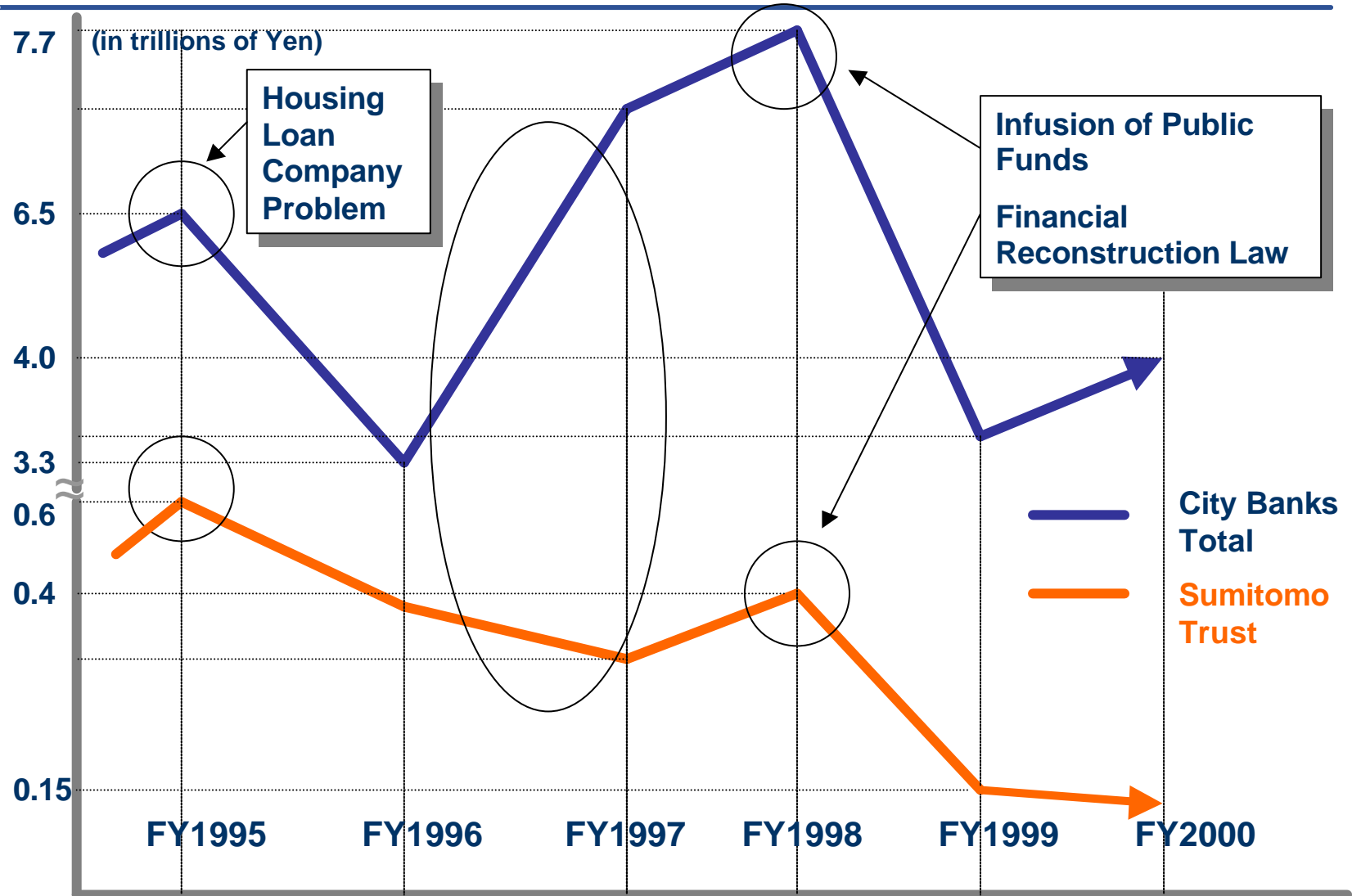
Shareholders' Equity

(Revised Plan for Restoring Sound Management)

(in billions of Yen)	Mar. 2001 Actual	Mar. 2002 Projection	Mar. 2003 Projection	Mar. 2004 Projection	Mar. 2005 Projection
BIS Capital Adequacy Ratio	11.41%	11.54%	11.43%	11.92%	12.24%
Tier I Ratio	6.80%	7.00%	7.36%	7.84%	8.42%
Total capital	1,381.2	1,385.7	1,372.6	1,430.6	1,469.6
Total Risk Assets	12,098.2	12,000.0	12,000.0	12,000.0	12,000.0
*Shareholders' Equity (Non-Consolidated basis)					
(in billions of Yen)	Mar. 2001 Actual	Mar. 2002 Projection	Mar. 2003 Projection	Mar. 2004 Projection	Mar. 2005 Projection
Shareholders' Equity	760.8	779.8	819.7	874.7	940.7
(Retained Earnings)	174.0	190.8	222.6	277.3	343.3

➔ Sufficient to repay 100 billion yen public funds (estimated Tier I ratio after repayment: 7.58%)

Non-Performing Loans – (Credit Costs Trend)



Non-Performing Loans – (“Potentially Bankrupt” Category or Worse)

► Overview of Self-Assessment

*Number in the second row in each category shows difference from Sep. 2000.

(in billions of Yen)	Banking A/C				Trust A/C			
	Amount	Level I	Level II	Level III	Amount	Level I	Level II	Level III
Legally Bankrupt	34.2	1.0	33.1	0.0	6.9	0.0	6.9	0.0
(Hatan-Saki)	(17.7)	(0.2)	(17.4)	0.0	(9.7)	(0.0)	(9.7)	0.0
Virtually Bankrupt	36.0	4.3	31.7	0.0	8.2	0.1	8.0	0.0
(Jissitsu-Hatan-Saki)	0.6	(2.6)	3.2	0.0	0.1	(1.3)	1.4	0.0
Potentially Bankrupt	366.0	142.8	194.1	29.0	46.0	2.6	35.5	7.7
(Hatan-Kenen-Saki)	(185.1)	(109.9)	(38.2)	(36.9)	(17.5)	(3.9)	(4.8)	(8.7)
Total	436.2	148.3	258.9	29.0	61.1	2.7	50.5	7.7
	(202.1)	(112.8)	(52.3)	(36.9)	(27.1)	(5.4)	(13.1)	(8.7)

■ Real estate collateral in Level II

Banking A/C Virtually Bankrupt: 25 billion yen; Potentially Bankrupt: 127 billion yen

Trust A/C Virtually Bankrupt 7 billion yen; Potentially Bankrupt: 25 billion yen

Total 184 billion yen

Non-Performing Loans – (“Special Mention” Category)

▶ Mar. 2001 Reserve Ratio on account of General Reserve

✦ Reserve Ratios for Special Mention/Ordinary Loans

		Mar. 2001	Sep. 2000	Mar. 2000
Substandard Loans	<Note>	15.1%	6.9%	5.7%
Other than Substandard		6.3%	3.7%	4.0%
Special Mention (Yo-Chui-Saki)		6.7%	4.0%	4.1%
Ordinary		0.1%	0.1%	0.1%

<Note> Definition for “Substandard Loans” of the Bank

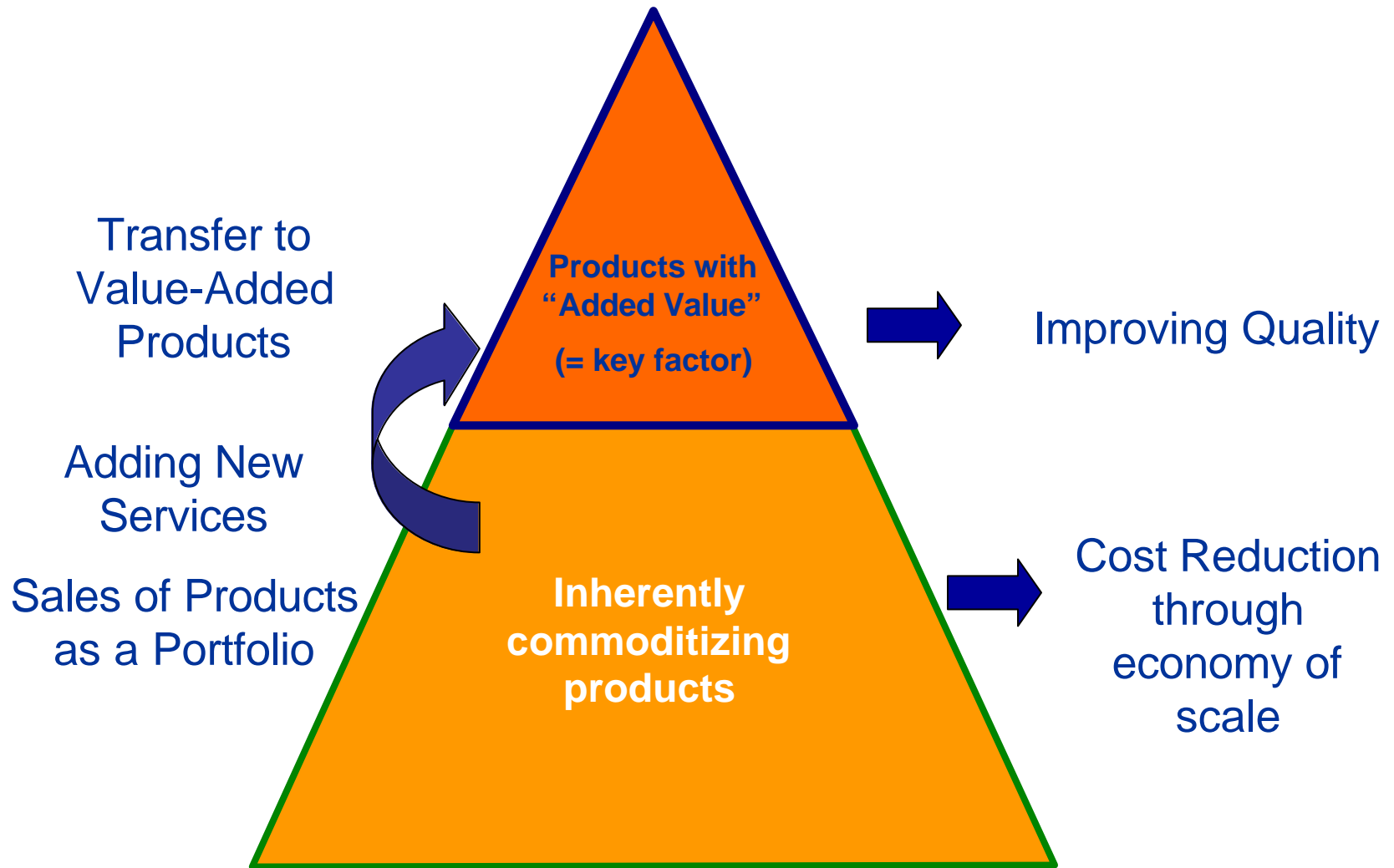
- “Substandard Loans” = ‘Loans more than 3 months past due’ + ‘Restructured Loans’
- “Restructured Loans” = ‘Interest Rate Reduction’, ‘Interest Payment Rescheduled’, ‘Principal Repayment Rescheduled’, ‘Restructuring/Standstill for Support’ and ‘Otherwise Restructured in favor of Debtors’
- Definition for ‘Interest Rate Reduction’
 - For Prime Rate based Loans => Loans whose contractual rates have been reduced to the level lower than either short-term prime rate flat or long-term prime rate minus 50.b.p.
 - For Spread based Loans => Loans whose spreads have been reduced to less than 50 b.p.

Summary of Forecasted Financial Results

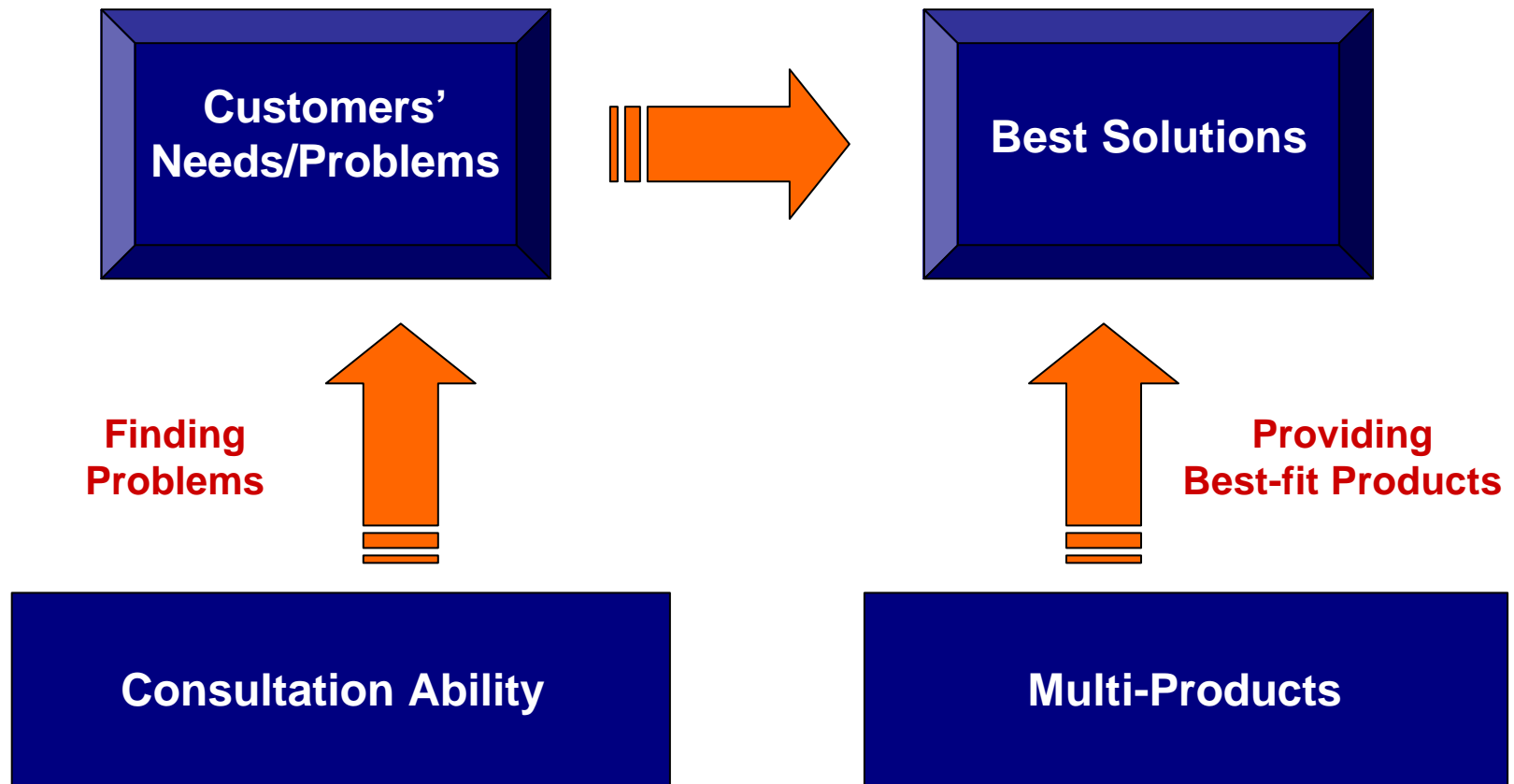
(Revised Plan for Restoring Sound Management)

	Mar. 2001	Mar. 2002	Mar. 2003	Mar. 2004	Mar. 2005
(in billions of Yen)	Actual	Projection	Projection	Projection	Projection
Adjusted Gross Business Profit	270.0	265.3	269.8	274.8	284.6
Other Trust Fees + Net Fees and Commissions	73.1	82.0	88.0	93.0	98.0
General & Administrative Expenses	125.9	125.3	124.8	124.8	124.6
Adjusted Net Business Profit	144.1	140.0	145.0	150.0	160.0
Credit Costs (Note 2)	146.8	80.0	60.0	30.0	30.0
Net Income	42.6	30.0	45.0	66.0	77.0
Efficiency Ratio	46.6%	47.2%	46.3%	45.4%	43.8%
ROE	6.5%	4.4%	6.3%	8.7%	9.4%
Fee Income as % of Gross Revenue	27.1%	30.9%	32.6%	33.8%	34.4%
EPS (Yen)	28.8	20.1	30.5	44.9	52.5

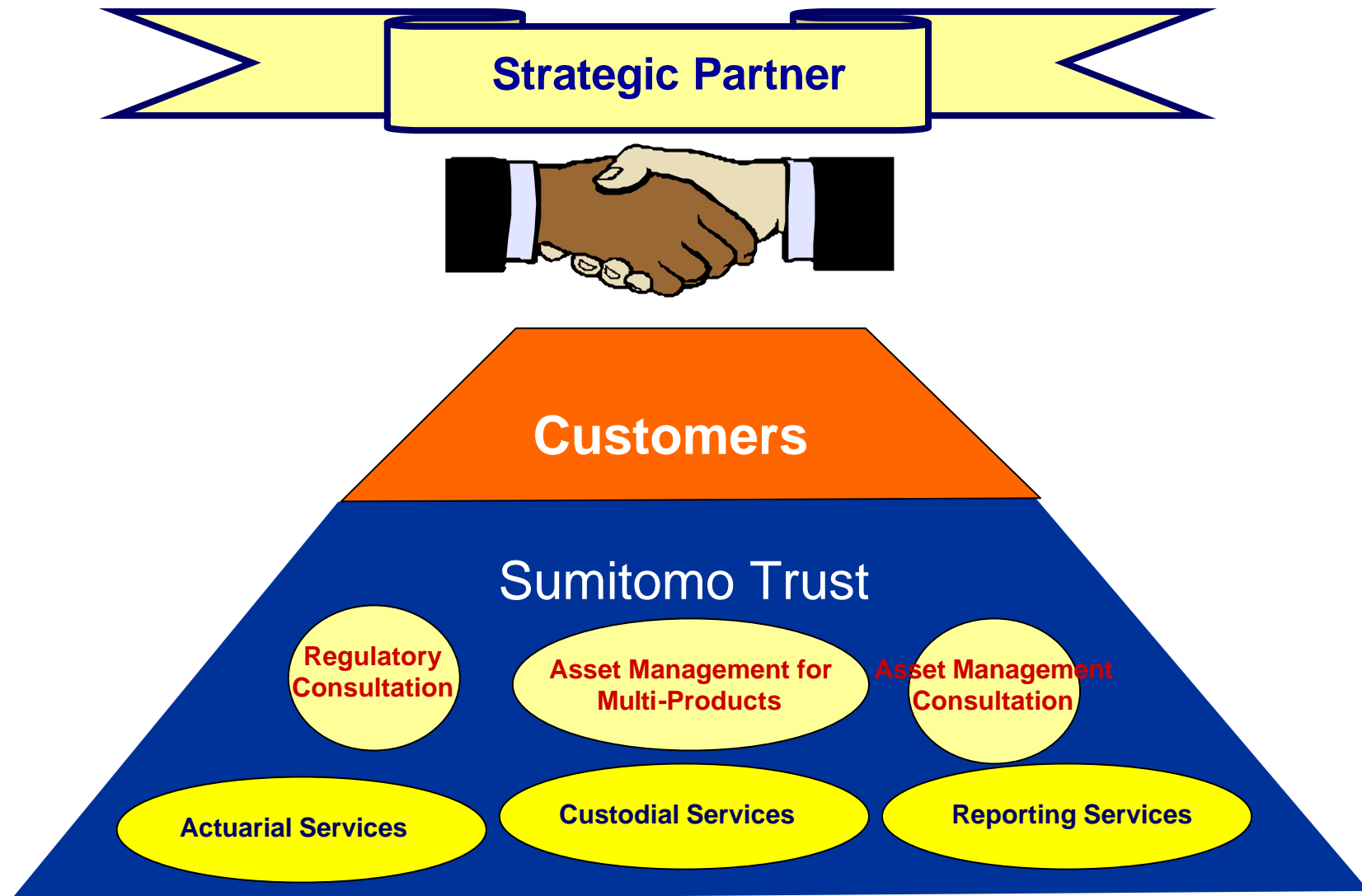
Measures for Enforcing Profitability



Value-Added Business = Solution Business



Strategic Partnership

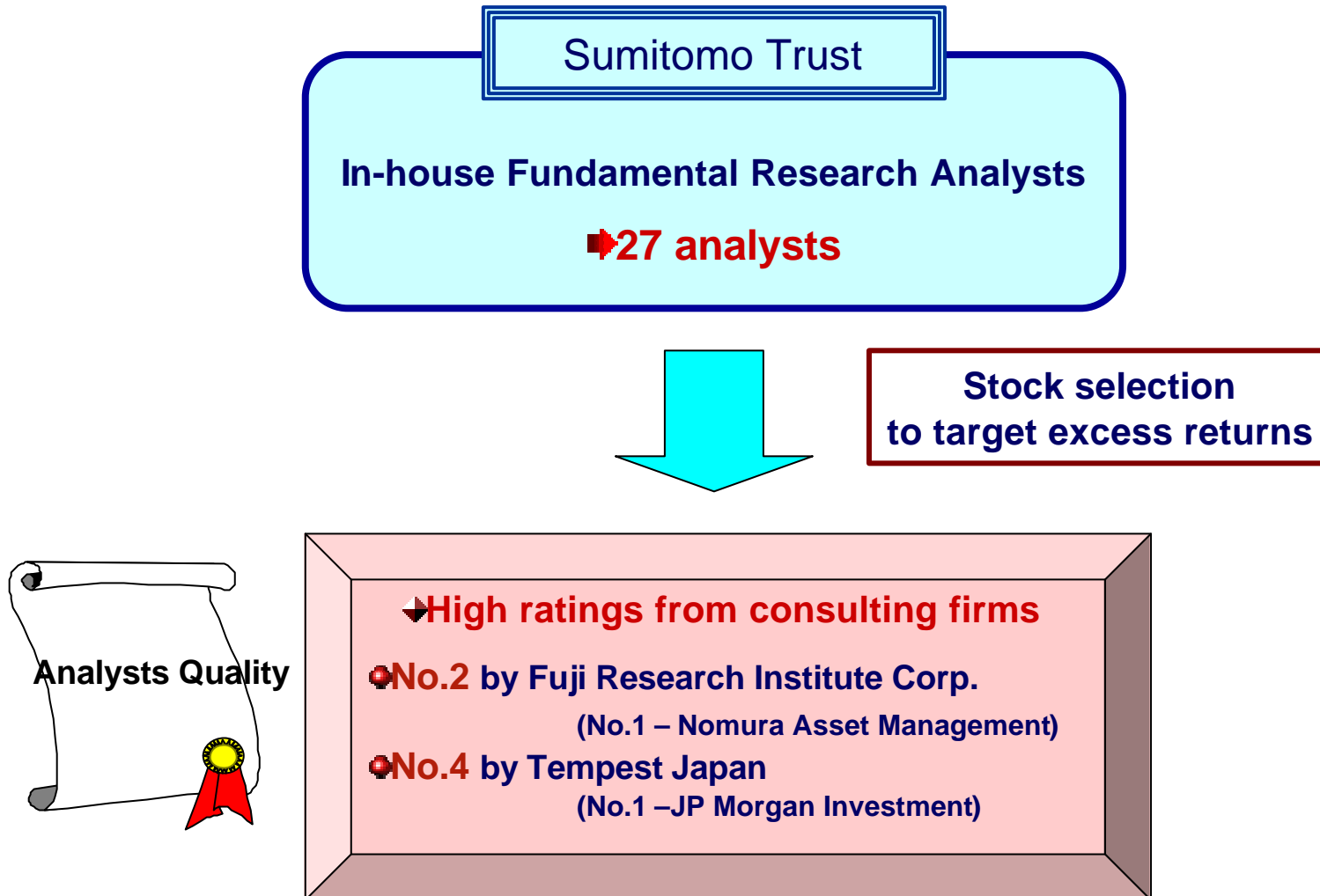


SUMITOMO
TRUST

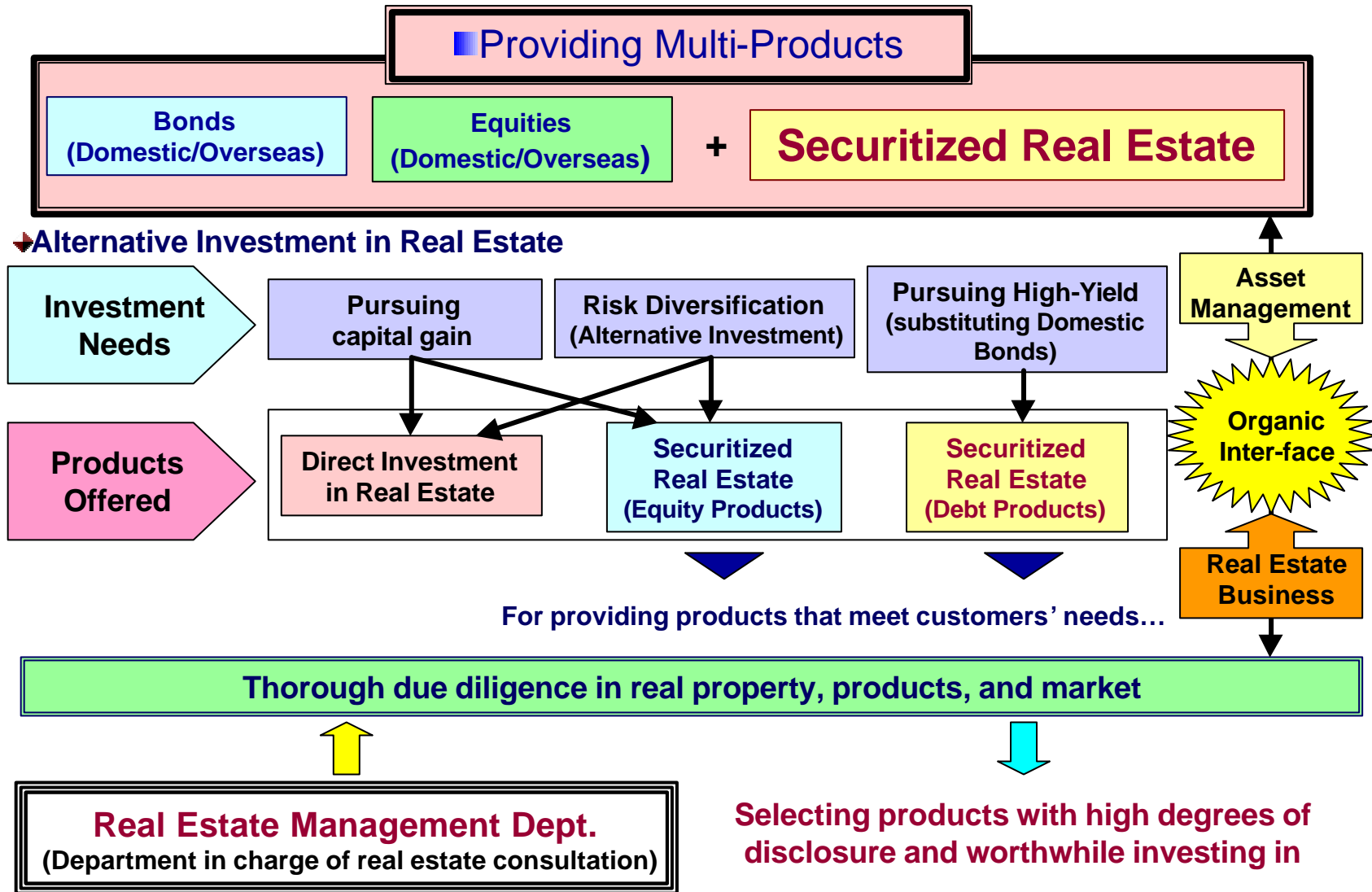
住友信託銀行

Quality of Sumitomo Trust's Services

- Sumitomo Trust's asset management style has an edge in stock selection.



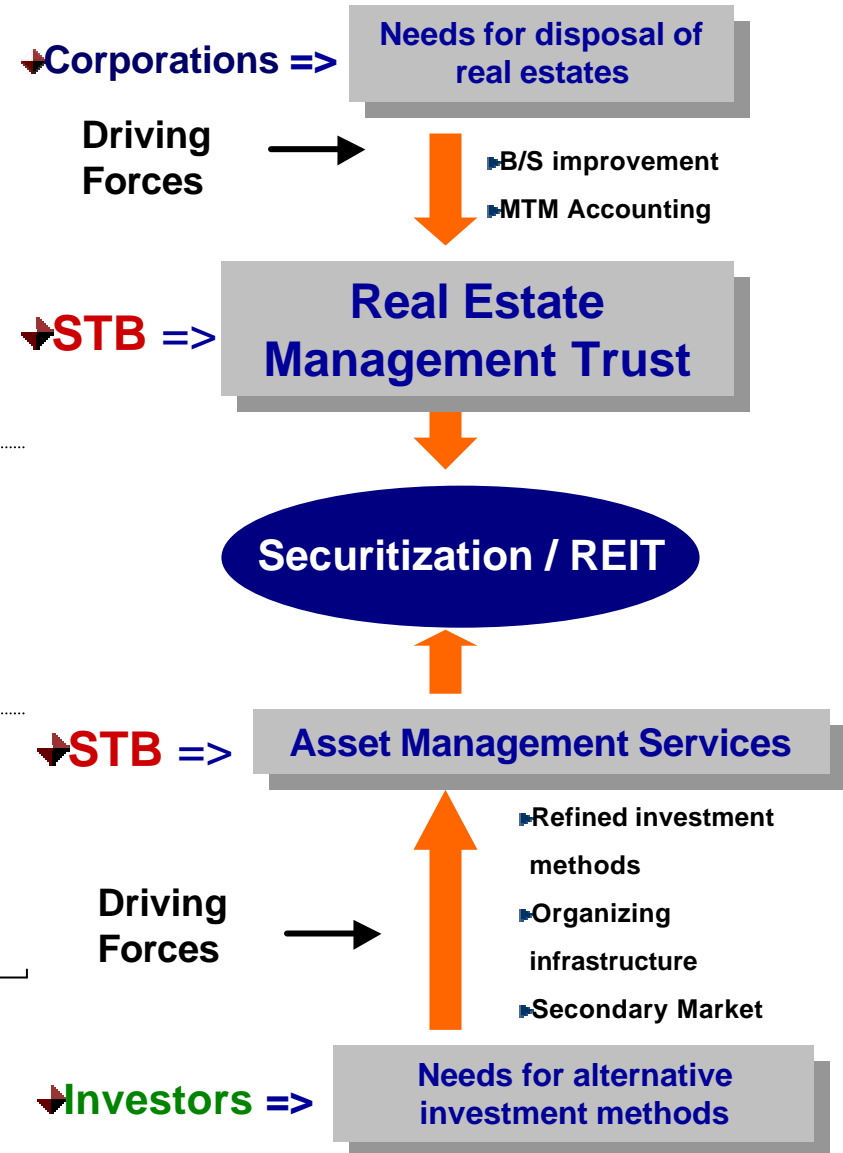
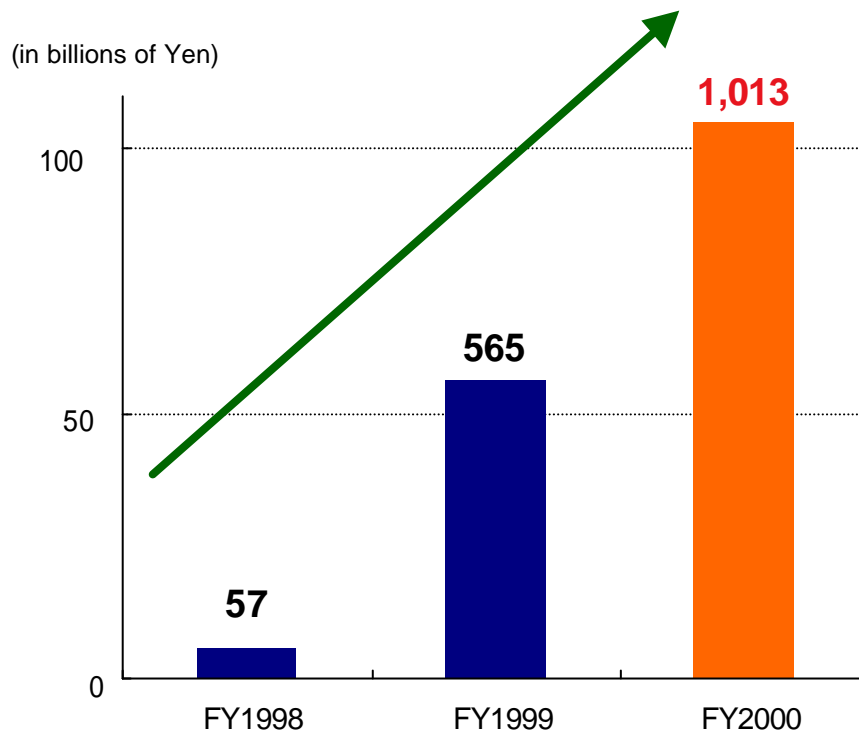
Ability to Provide Multi-Products



Real Estate Securitization Business

▶ **Leading Position in the Market**
(Share: 30%)

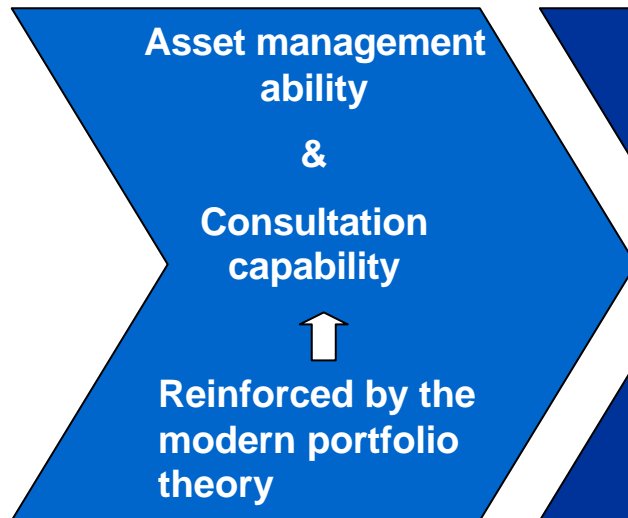
▶ **Balance of Real Estate Management Trust**



Common Platform for Value-Added Business

e.g.) Asset Management

➤ Institutional



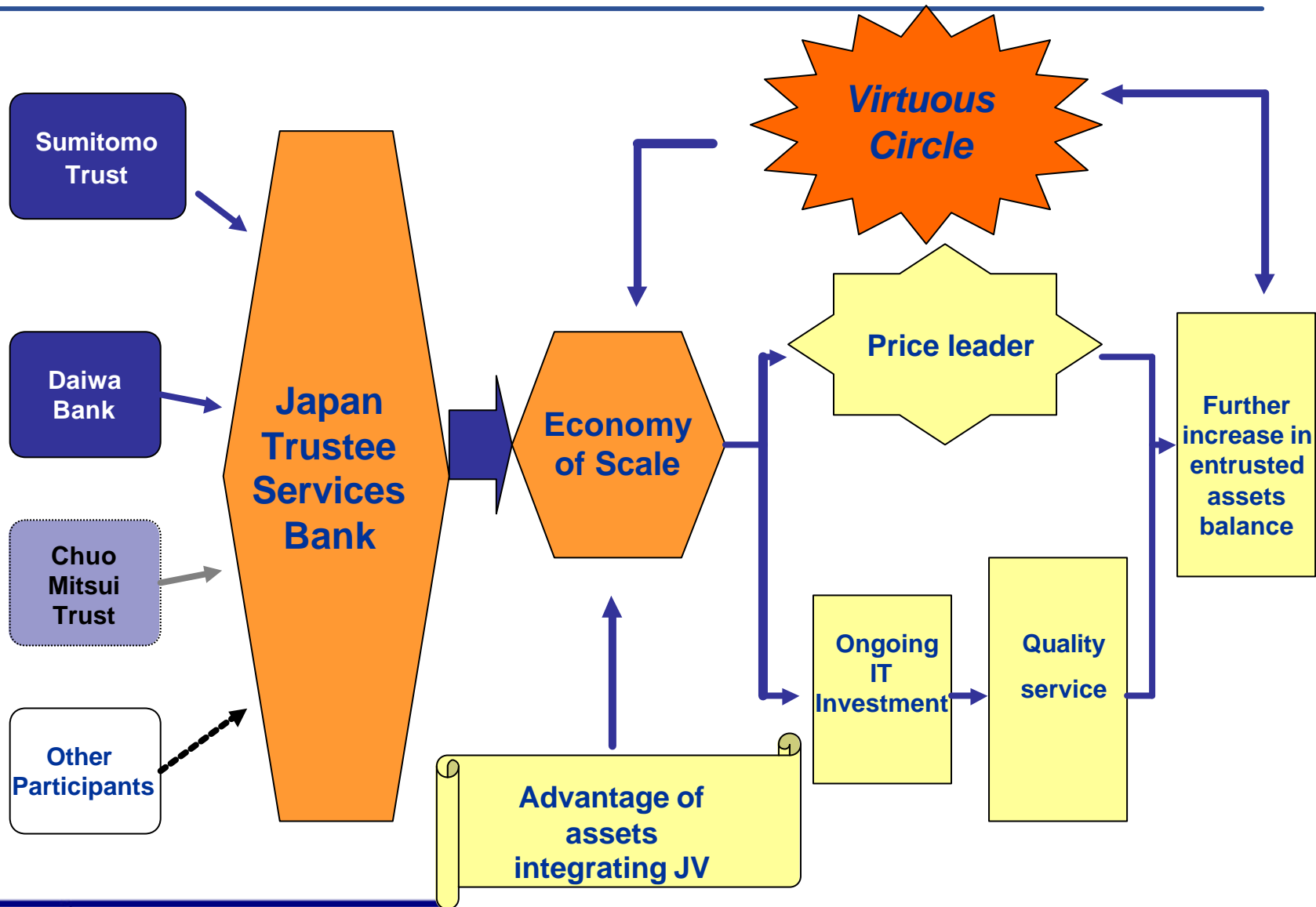
➤ Retail



➤ High Net Worth



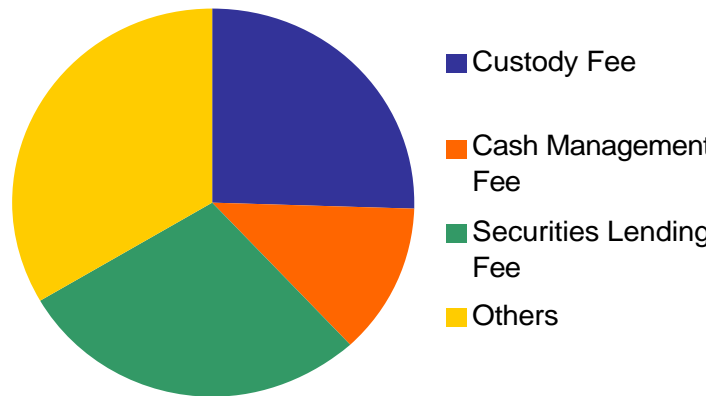
Economy of Scale Achieved by JTSB



Model Pursued in Custody Business

Revenue Structure of STB/USA FY1996

Total Gross Profit \$25 million

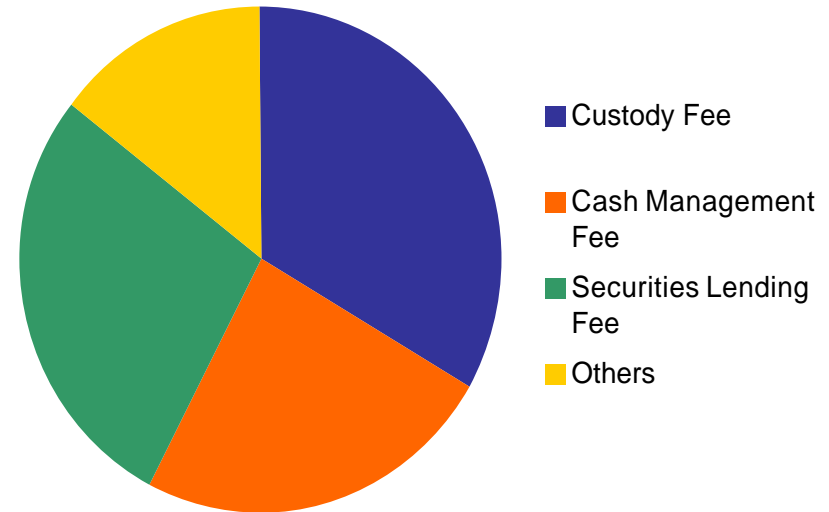


Efficiency Ratio 42%

ROE 8.42%

Revenue Structure of STB/USA (FY2000)

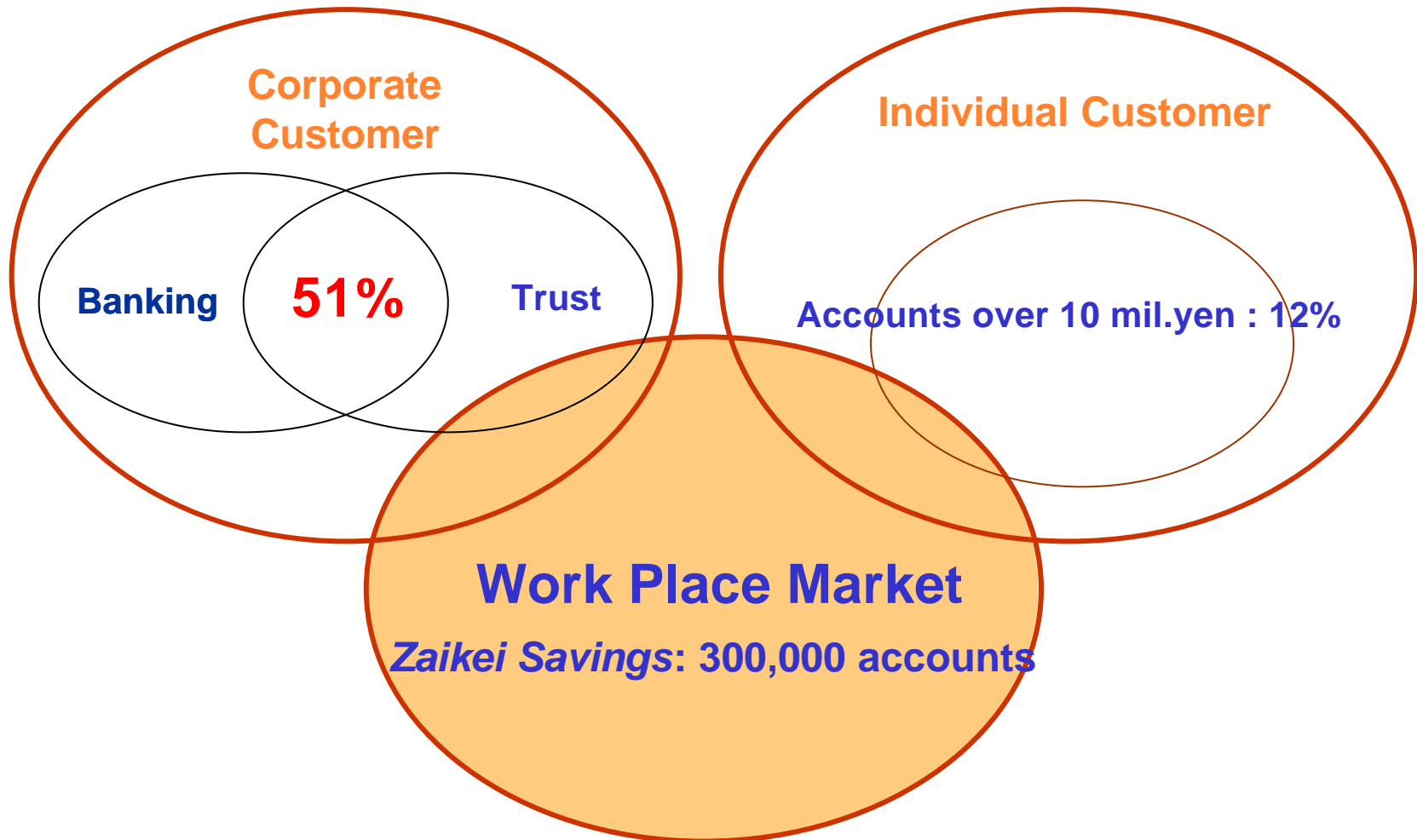
Total Gross Profit \$62 million



Efficiency Ratio 35%

ROE 23.7%

Customer Franchise



- Improving profitability (ROE)
- Boosting market share of trust business
- Evolving our business model
- Obtaining supports from the market

- Repaying public funds
- Accelerating divestiture of problem loans and unwinding of cross-shareholding
- Obtaining outstanding position in focusing areas
- Achieving profit goals



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 changes in managerial circumstances.