

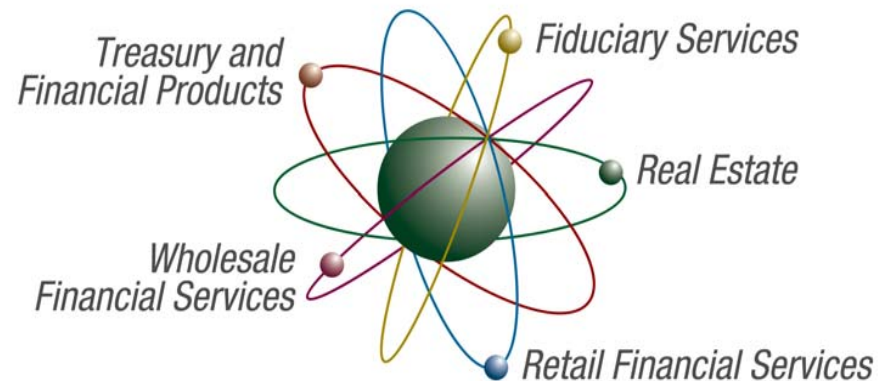


SUMITOMO
TRUST 住友信託銀行

Merrill Lynch

Japanese Financial Service Conference

*Sumitomo Trust & Banking
Co., Ltd.*



October 8, 2003

Amendment of Forecast for
Financial results of the 1st half
fiscal year 2003

and

Plan for restoring sound
management



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Summary of amended forecast (1HFY2003) (non-consolidated)

(in billions of Yen)	Previous forecast (as of May 2003)	Amended forecast	Change
Net business profit before credit costs*	65.0	75.0	10.0
Credit costs **	30.0	10.0	-20.0
Net gains on stocks	-5.0	10.0	15.0
Net operating profit	25.0	65.0	40.0
Extraordinary profit	0.0	5.0	5.0
Net income	15.0	40.0	25.0

* Credit costs = Trust a/c credit costs + Net transfer to general reserve

** Credit costs = Trust a/c credit costs + Net transfer to general reserve + Banking a/c credit costs.

Securities portfolio

<Securities portfolio>

(in billions of Yen)	Mar. 2003 (Actual)	Sep. 2003 (Preliminary)	Change
Unrealized gains/losses on Available-for-sale securities (for stocks only)	-19.8	75.0	94.8
Amount of stocks held (Market value)	525.1	557.0	31.9
Amount of stocks held (Cost)	588.7	487.0	-101.7

<Unwinding of cross shareholdings>

(in billions of Yen)

Projection for full FY2003	150.0
Projection for 1HFY2003	100.0
Actual unwinded amount for 1HFY2003	approx. 100.0 (Cost basis)



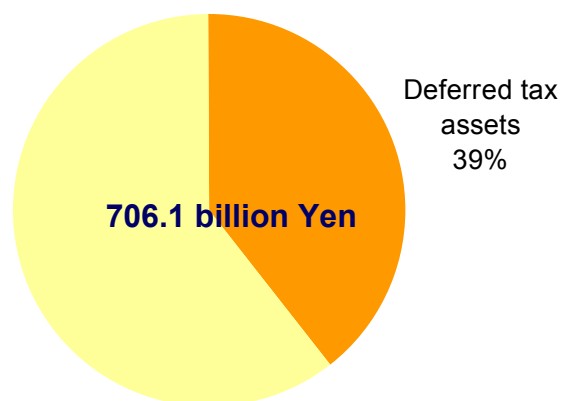
✚ Assets under Financial Reconstruction Law

(in billions of Yen)	Mar. 2003 (Actual)	Sep. 2003 (Preliminary)	Change
Bankrupt/Practically bankrupt	29.0	25.0	-4.0
Doubtful	176.7	135.0	-41.7
Substandard	196.5	220.0	23.5
Total	402.2	380.0	-22.2
Special mention excl. Substandard	716.3	600.0	-116.3

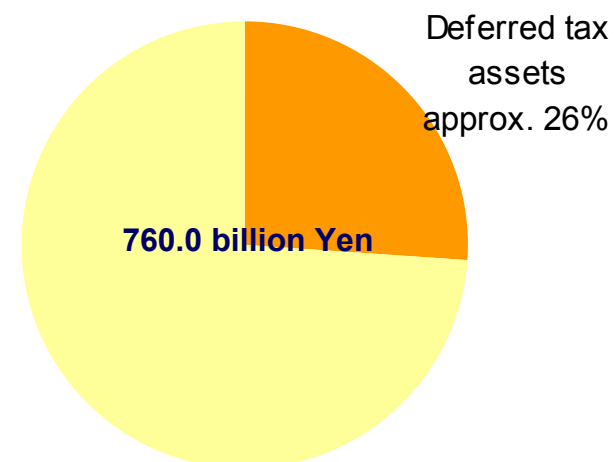
Capital and BIS ratio

(in billions of Yen)	Mar. 2003 (Actual)	Sep. 2003 (Preliminary)
Total capital	1,213.9	1,380.0
Tier I	706.1	760.0
Retained earnings other than legal retained earnings	79.4	113.0
Total risk assets	11,580.8	11,500.0
BIS Capital adequacy ratio	10.48%	approx. 12%
Tier I ratio	6.09%	Mid 6%

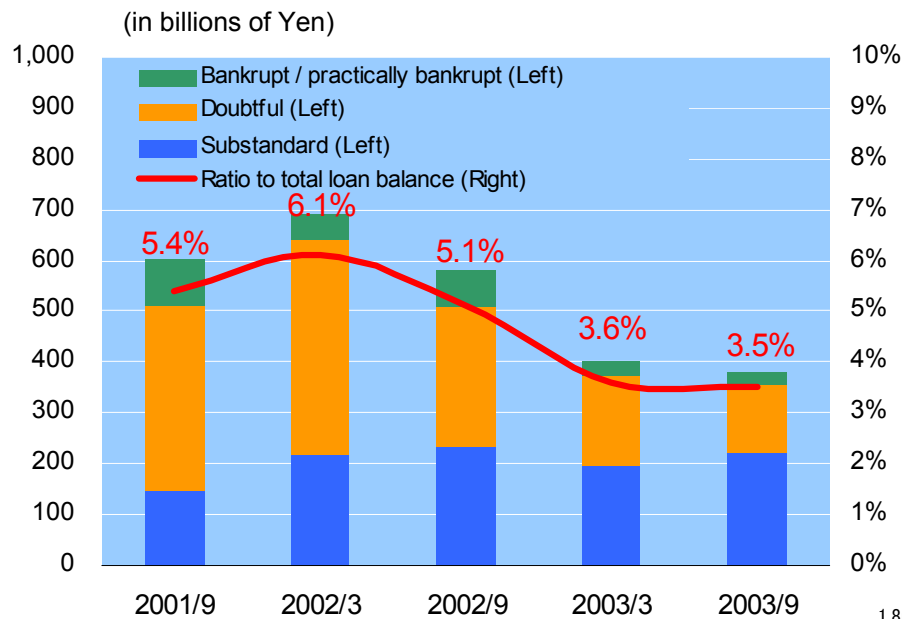
Tier I as of Mar. 2003
(Consolidated)



Tier I as of Sep. 2003
(Consolidated)



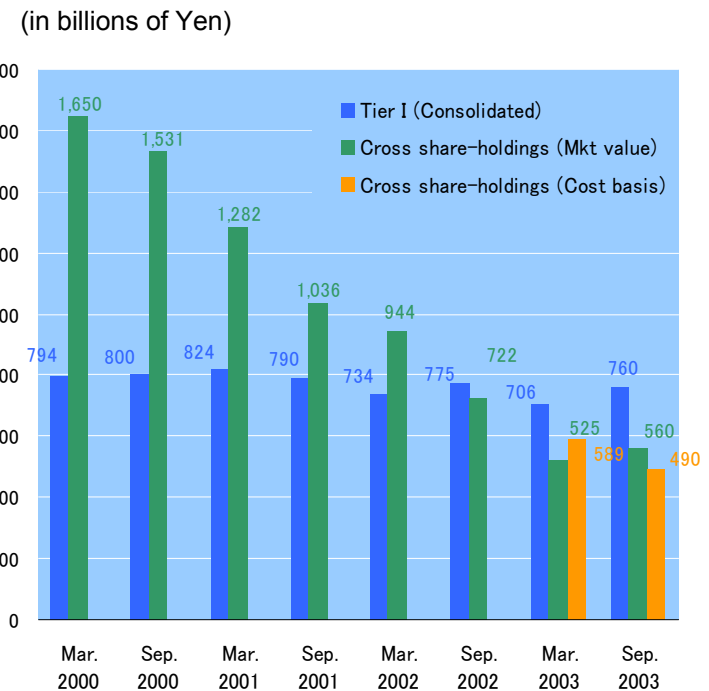
Financial strategy – Contracting downside risks



Decreasing non performing loans

Unwinding of cross-share holdings

Cost base amount / Tier1 < 70%



Plan for restoring sound management (as of September, 2003)

(in billions of Yen)	FY2002	FY2003	FY2004	FY2005	FY2006	FY02-FY06
Gross business profit before trust a/c credit costs	275.2	261.0	259.5	264.0	278.5	1.2%
Expenses	116.3	116.0	114.5	114.0	113.5	
Net business profit before credit costs (*1)	158.8	145.0	145.0	150.0	165.0	3.9%
Credit costs (*2)	85.9	60.0	40.0	30.0	30.0	-65.1%
Net gains on stocks	-127.7	-17.0	-5.0	0.0	0.0	FY03-FY06
Net operating income	-68.3	58.0	90.0	110.0	125.0	
Net Income	-56.5	35.0	54.0	66.0	75.0	114.3%
Retained earnings (*3)	79.4	108.2	154.6	211.1	276.6	
OHR	42.3%	44.4%	44.1%	43.2%	40.8%	-3.6%

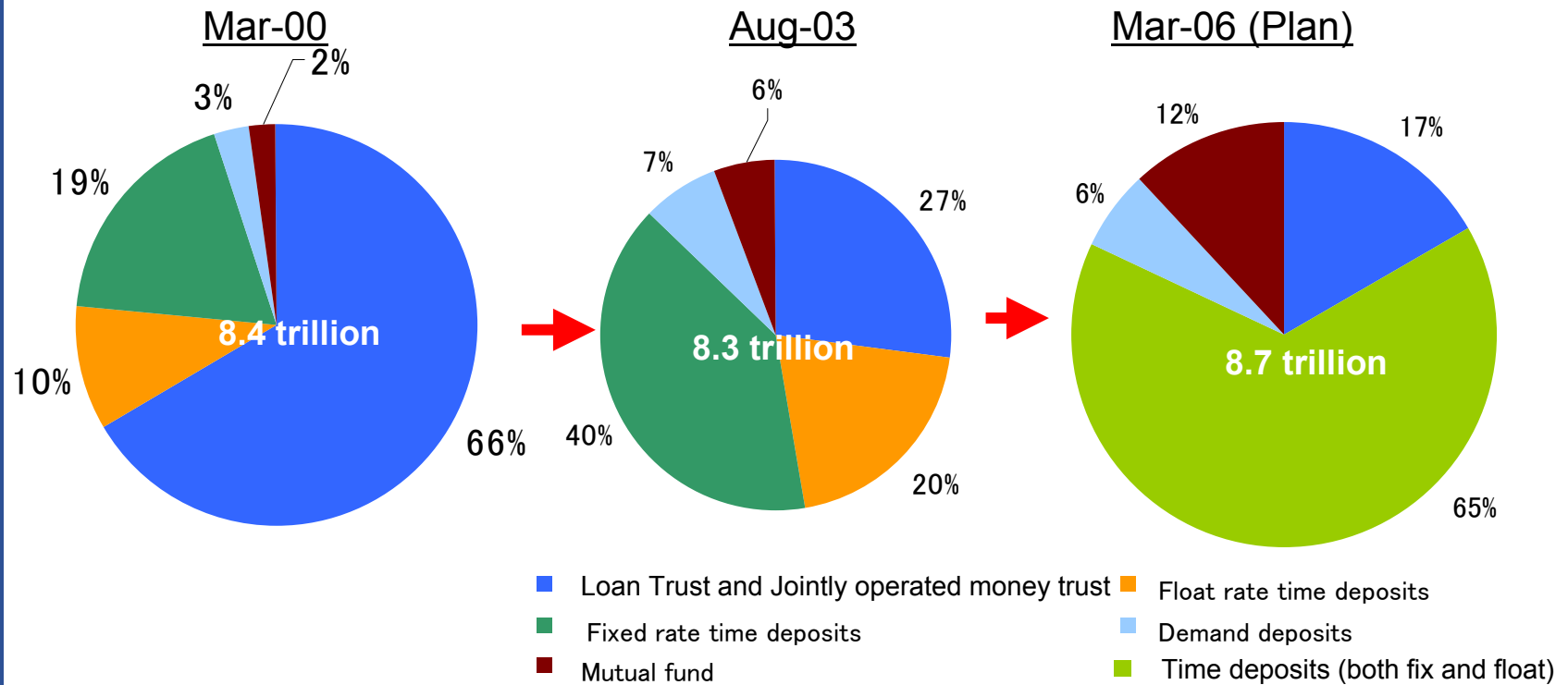
(*1) Credit costs = Trust a/c credit costs + net transfer to general reserve

(*2) Credit costs = Trust a/c credit costs + net transfer to general reserve + banking a/c credit costs

(*3) Retained earnings other than legal retained earnings

- Moderate growth rate for the top line
- Steady growth for the bottom line through contracting downside risks

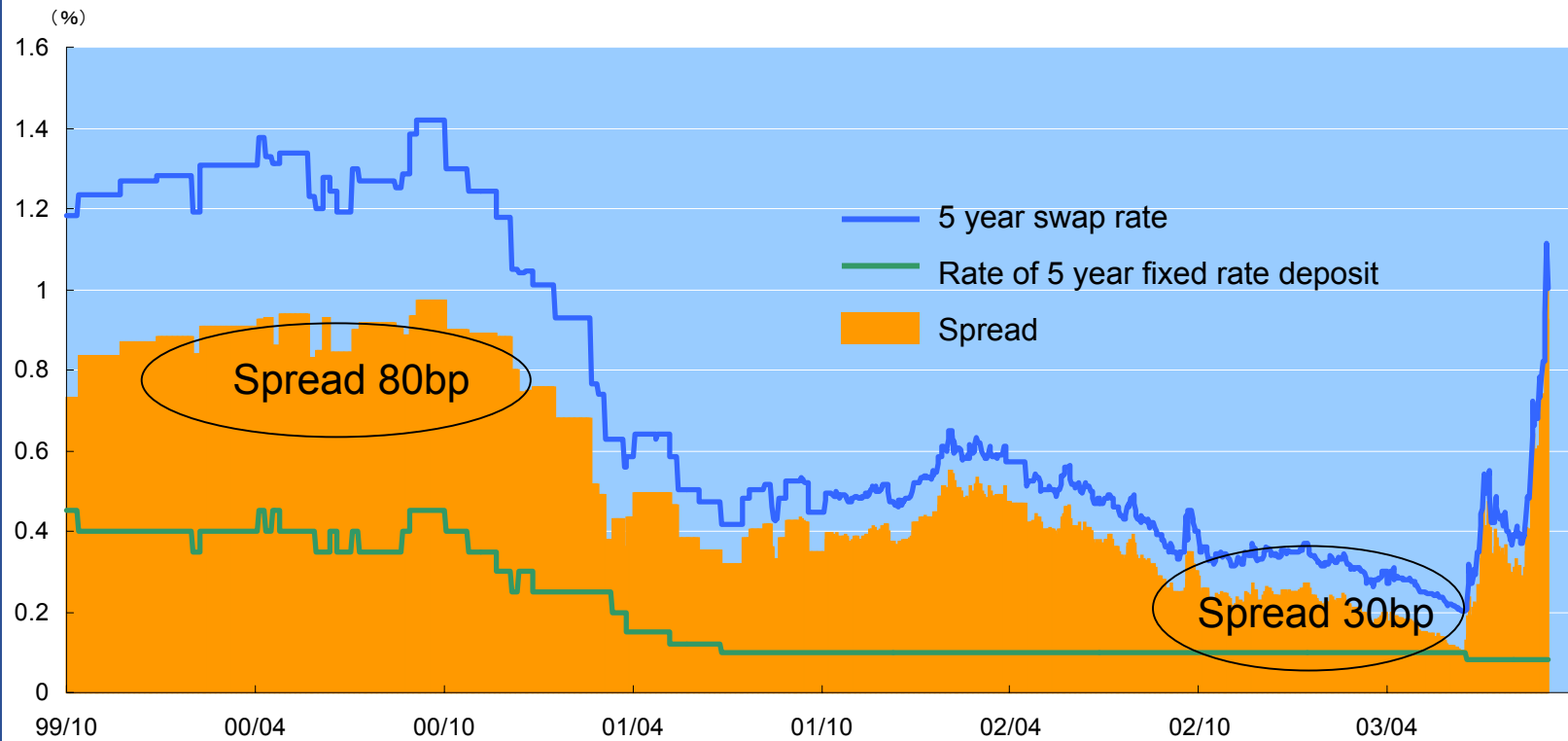
Retail products' portfolio change



- Shift from loan trust and jointly operated money trust to time deposits
- Increased shift to mutual fund

Retail banking – Potential profitability improvement

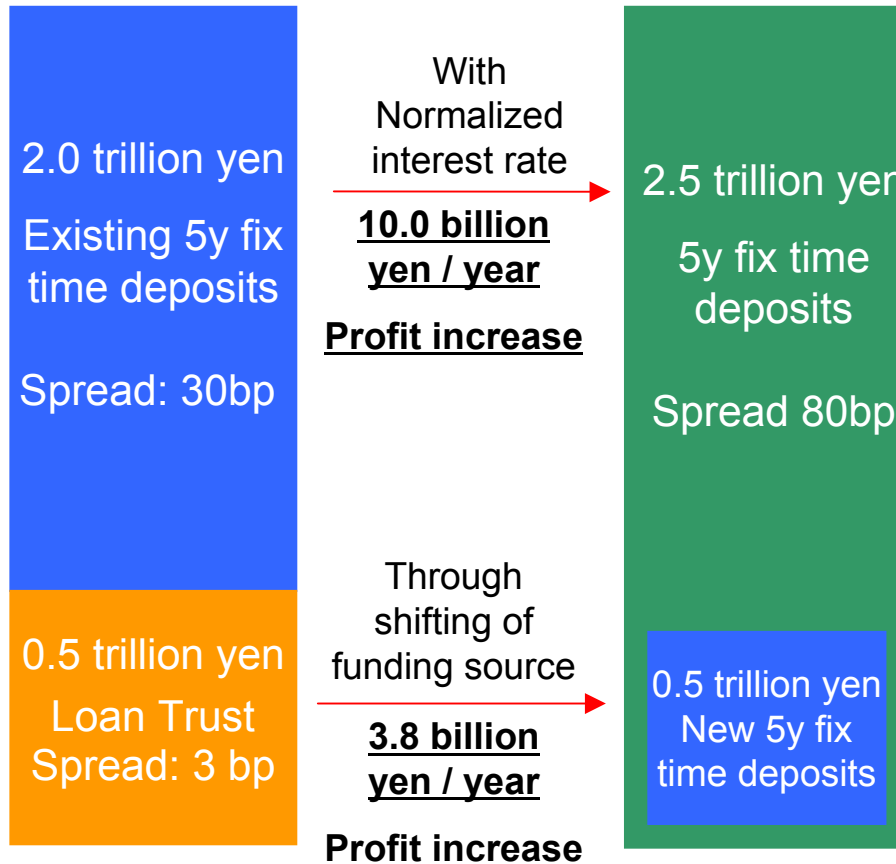
< Margin for 5year fixed rate time deposit >



✚ Retail banking – Potential profitability improvement

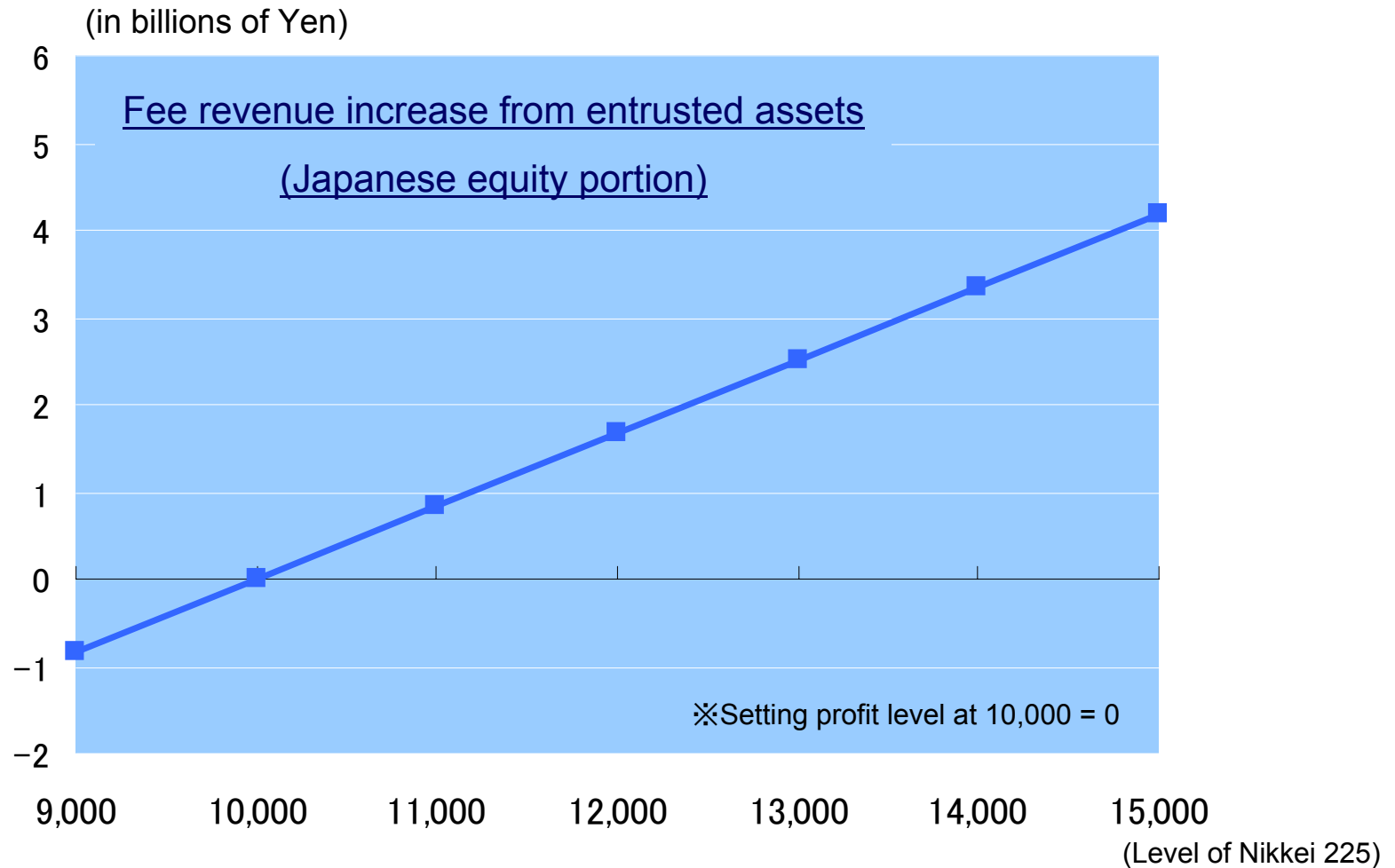
PL 6.2 billion yen

PL 20 billion yen



■ Higher interest rate benefits Sumitomo Trust's retail business

Profit sensitivity to Japanese equity market level



- Fees from asset management and custody grow in line with market capitalization

Seeking for new business
opportunities and growth



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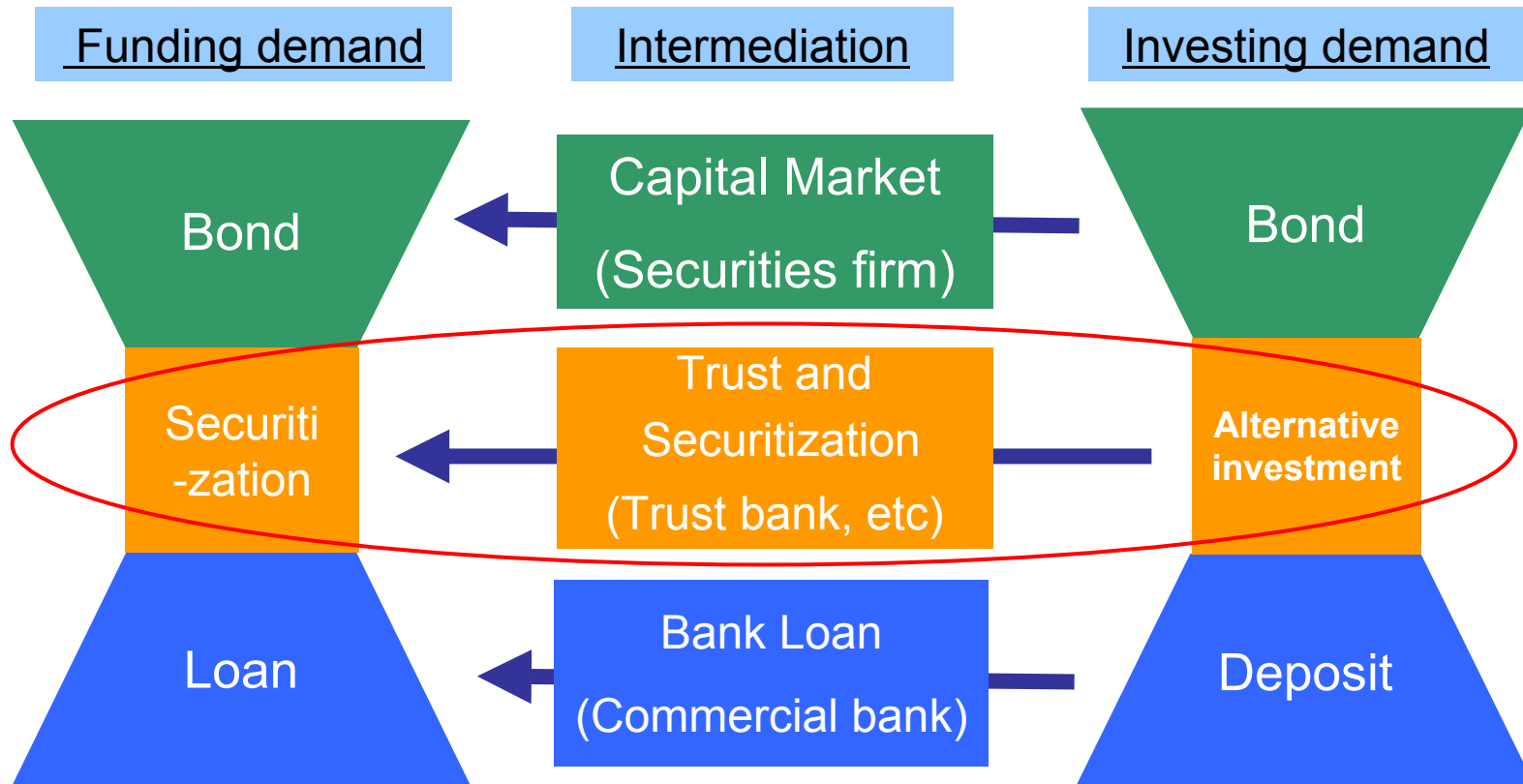
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✦ Seeking for new business opportunities and growth

1. Market oriented indirect financial intermediary
2. Expansion of trust businesses (Organic growth)
3. Alliance and M&A (External growth)



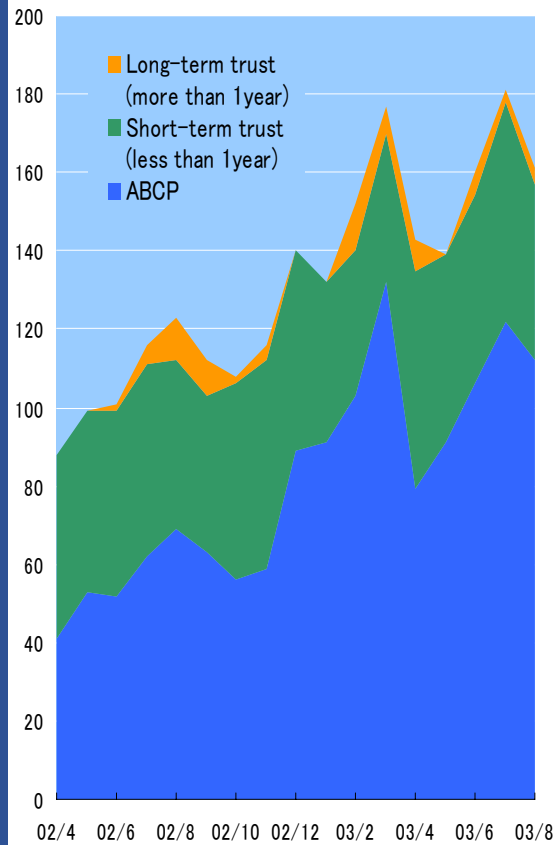
Market oriented indirect financial intermediary



- Sumitomo Trust provides total services from origination, arrangement, trustee to primary brokerage
- Trust banks' customers = Participants into securitization markets

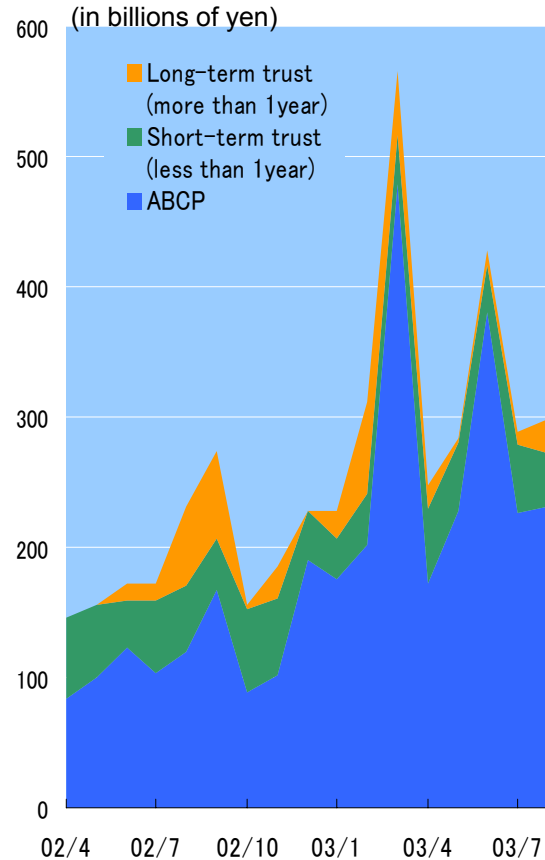
Securitization business – Customer base

Number of investors by product



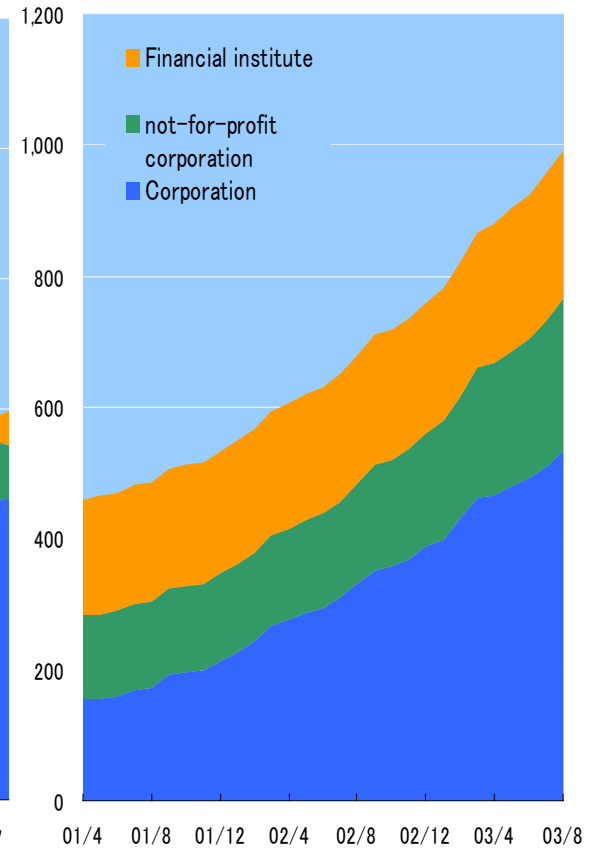
Transaction with approx. 150 investors per month

Amount of sales



200-250 billion yen sales per month

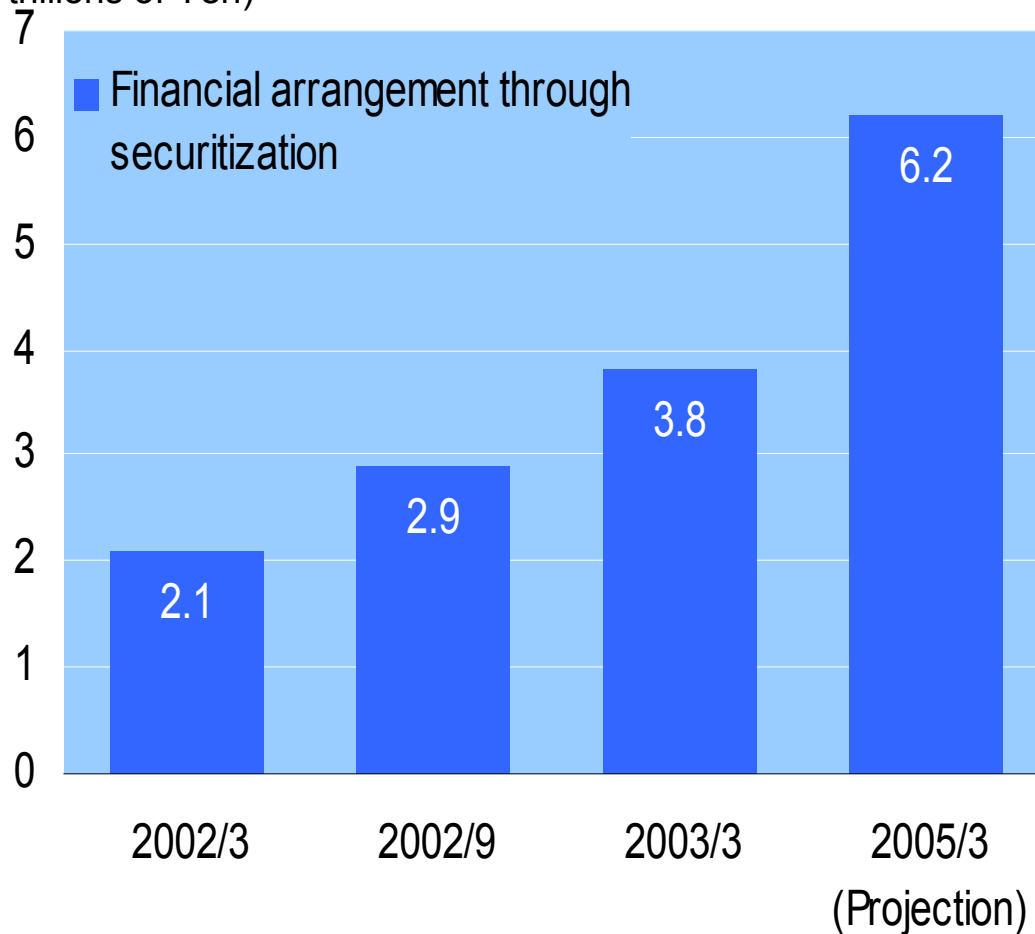
Cumulative number of investors



Expanding number of investors

Securitization business – Market leader

(in trillions of Yen)

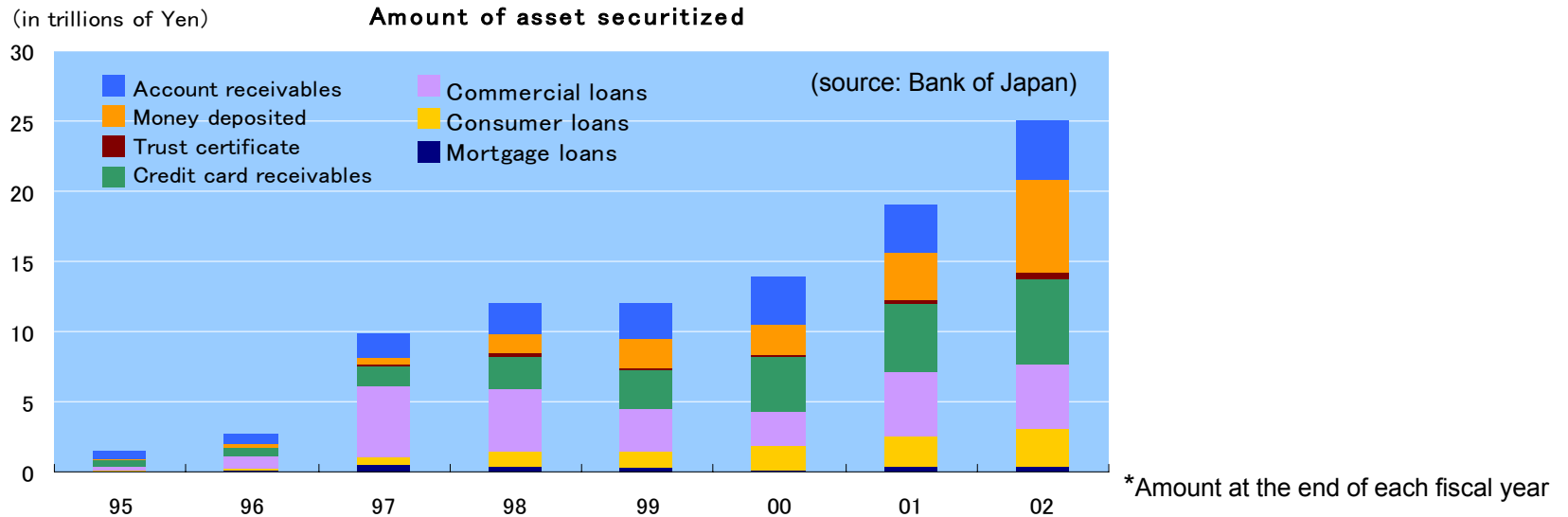


Major contents

- Account receivables
- Credit card receivables
- Bills discounted
- Consumer loans

*Amount at the end of each fiscal year

Expanding securitization market



Securitized ratio by asset category

	Securitized ratio by asset category (%)					
	97	98	99	00	01	02
Mortgage loans	0.3	0.2	0.1	0.1	0.2	0.2
Consumer loans	1.7	2.8	3.3	4.5	5.5	6.8
Commercial loans	0.6	0.6	0.4	0.4	0.7	0.7
Credit card receivables	7.5	11.3	13.9	18.4	21.9	24.8
Trust certificate	0.1	0.2	0.2	0.2	0.4	0.6
Money deposited	0.8	2.3	3.5	3.9	5.7	10.3
Account receivables	0.7	0.9	1.1	1.3	1.5	1.9

✦ Seeking for new business opportunities and growth

1. Market oriented indirect financial intermediary
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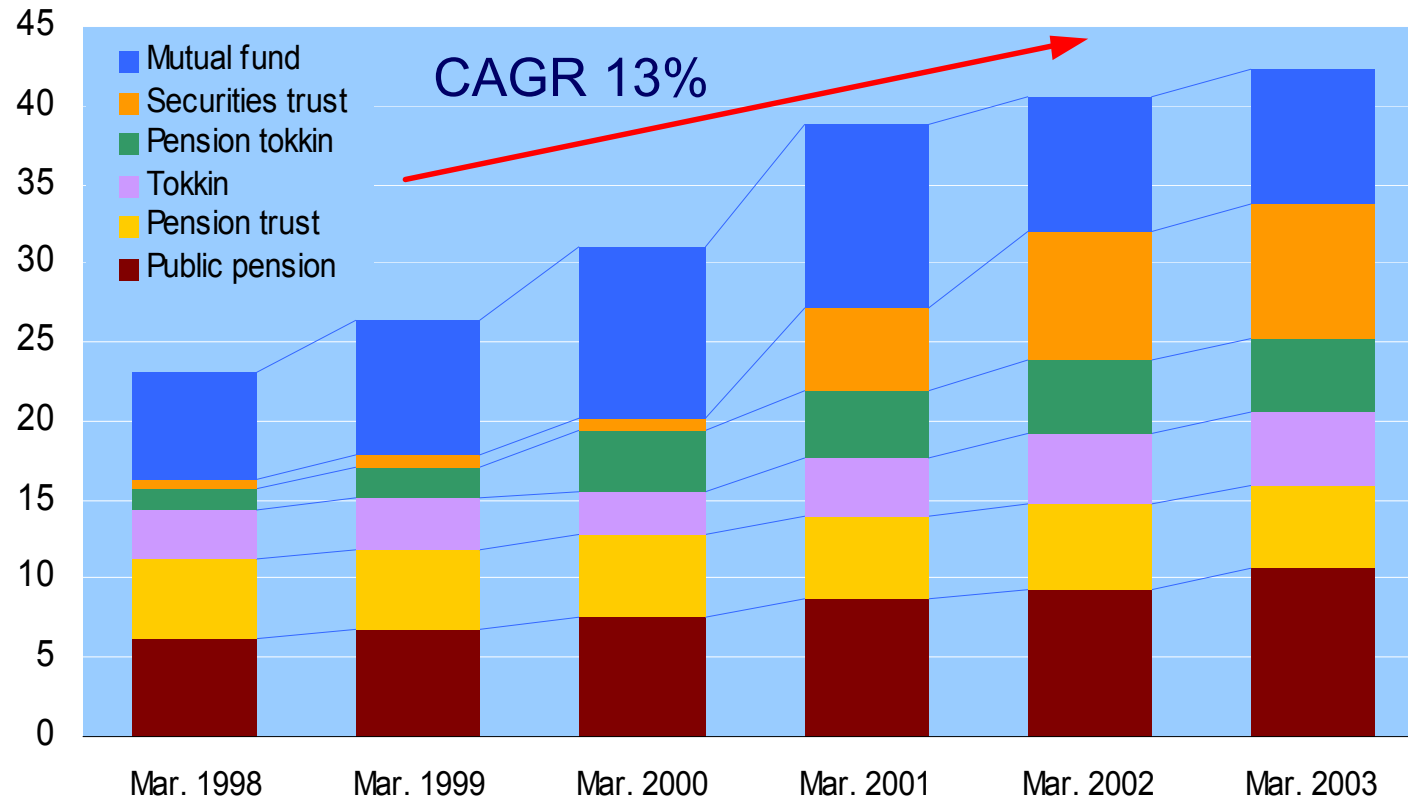


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Expanding asset under custody and asset under management of Sumitomo Trust

(in trillions of Yen)

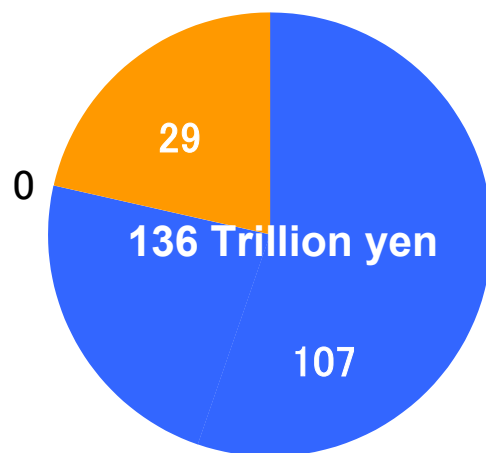


■ Assets increased even under stagnant stock market during last several years

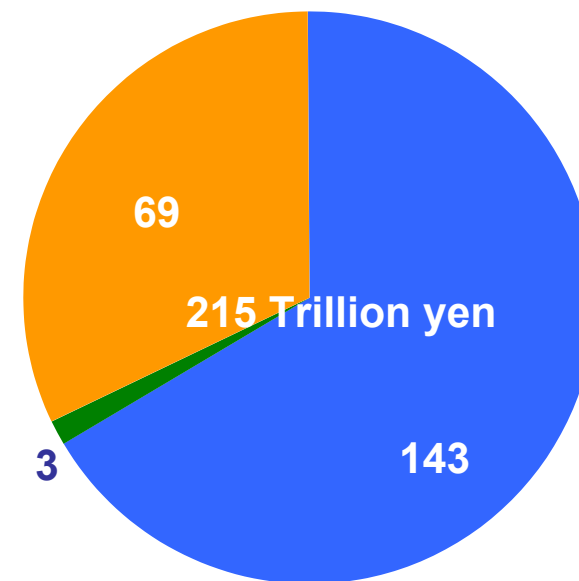
Expanding asset management market

Market size

March 2003



March 2006
(Expected)



- Pension
- 401K
- Mutual fund

(Source: Bank of Japan, Sumitomo Trust's estimate)

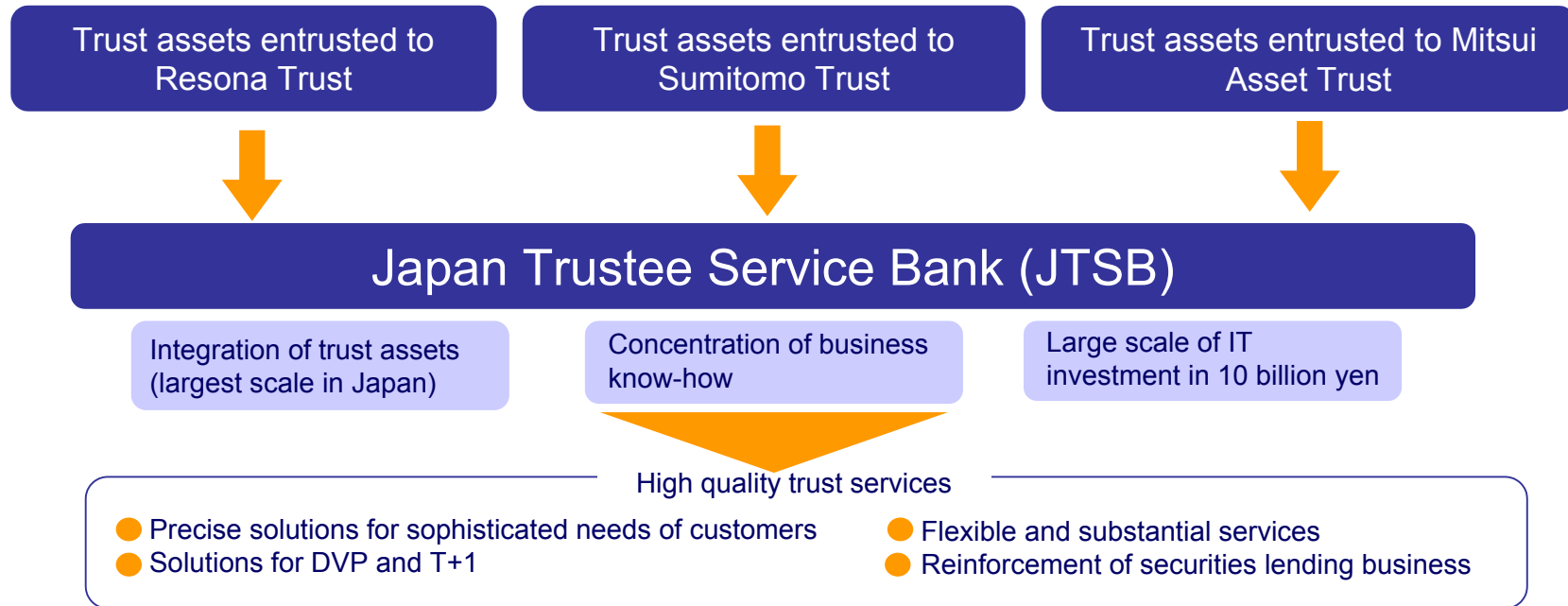


✦ Seeking for new business opportunities and growth

1. Market oriented indirect financial intermediary
2. Expansion of trust businesses (Organic growth)
3. Alliance and M&A (External growth)



Success experience of JTSB



- ▶ Total assets under custody: 110 trillion yen
- ▶ Entrusted asset market share: 51%

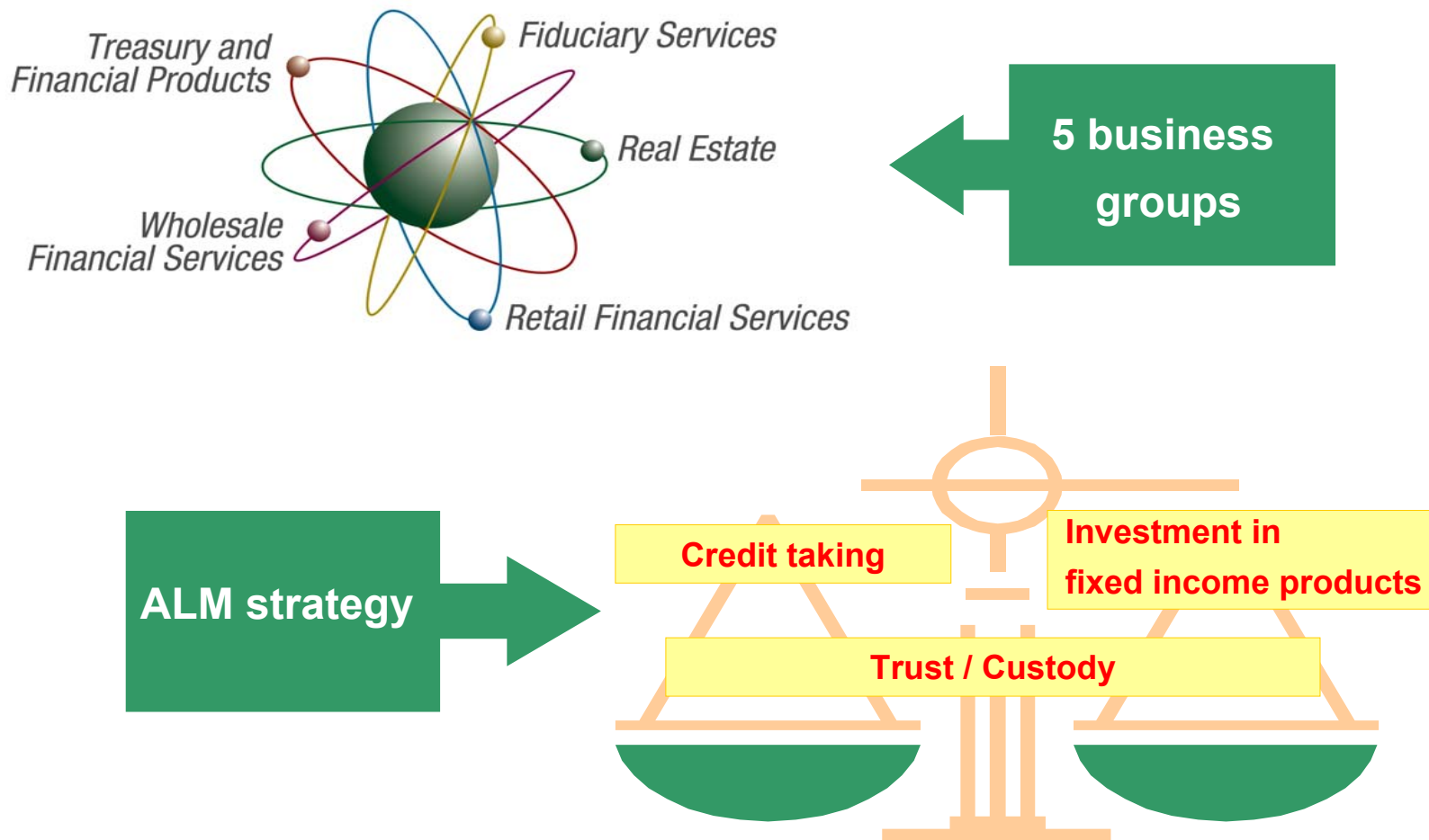
Corporate goal

Corporate Goal

The indispensable financial institution
providing asset management and custody services
based on commercial banking



✚ Diversified business portfolio



For the agility of management

- ◆ Expanding asset securitization business
- ◆ Contracting downside risks
- ◆ Reducing costs
- ◆ Paying back public fund

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.