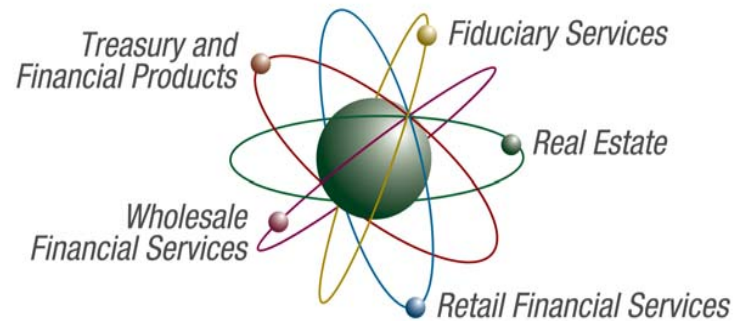




SUMITOMO
TRUST

住友信託銀行

*Sumitomo Trust & Banking
Co., Ltd.*



Merrill Lynch Japan Conference

September 8, 2004

- ▶ **Decision of the Supreme Court**
- ▶ **Philosophy behind our recent actions**
- ▶ **Next action**

Corporate goal



The indispensable financial institution providing asset management, custody, and real estate related services based on commercial banking



✚ What kind of financial institution we are aiming to be (II)

▶ For Shareholders

Putting the highest priority on maximizing shareholders' value with high capital efficiency

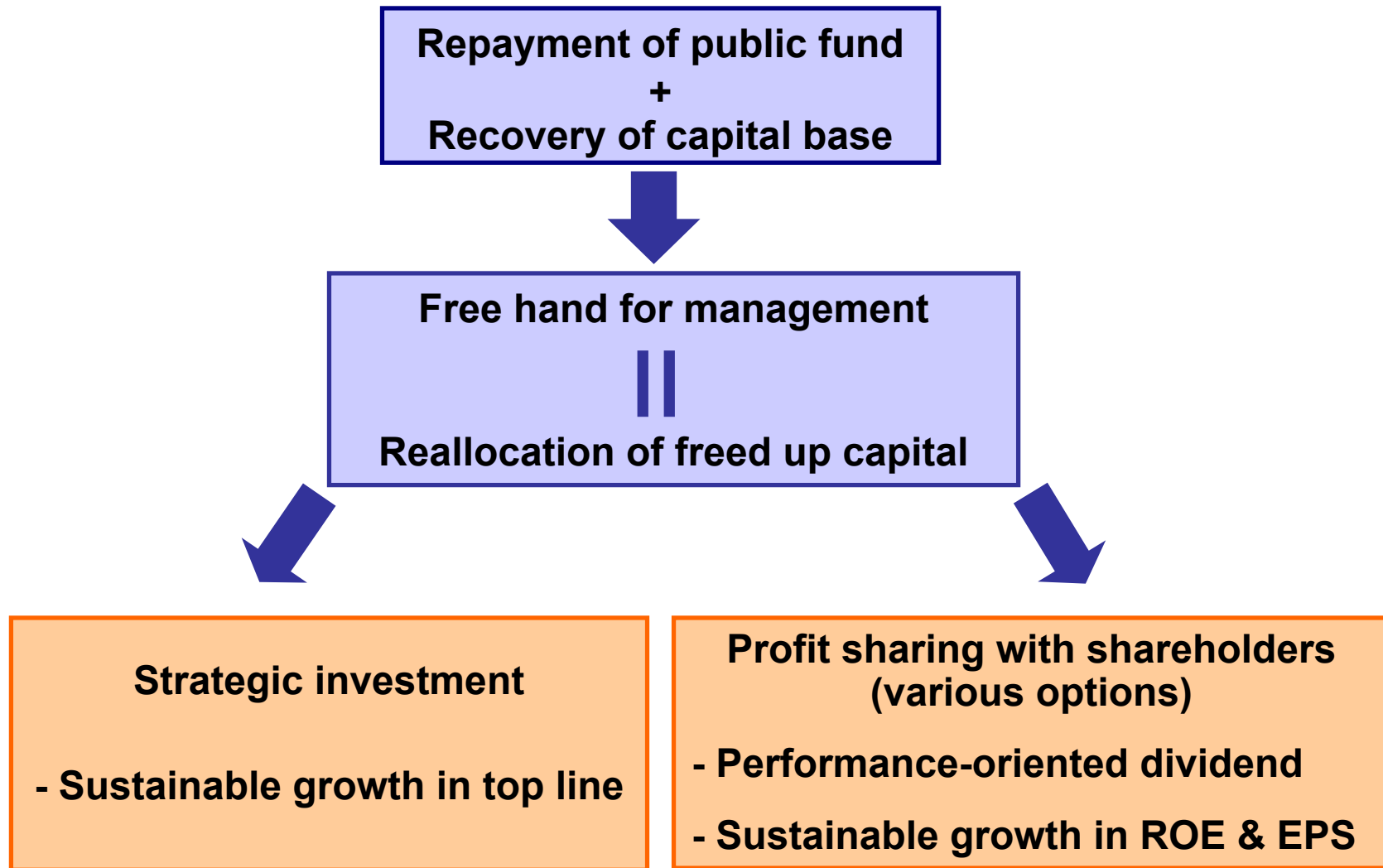
▶ For Customers

Pursuing customer satisfaction as strategic partner with strong commitment to trust business

▶ For Society

Running business with CSR as fundamental philosophy

✦ Strategic capital allocation with agility



✦ For efficient capital allocation

~Equity capital is the most expensive source of funding~

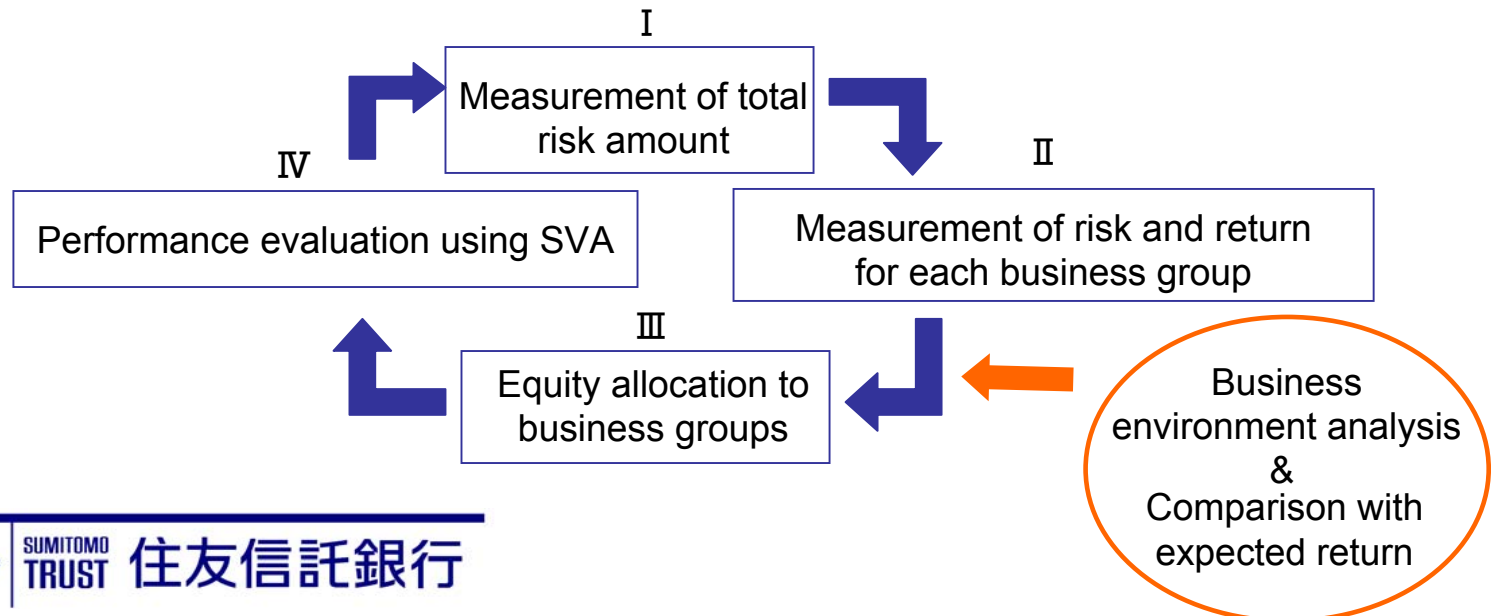
Establishment of “Capital Allocation Committee”

<Mission>

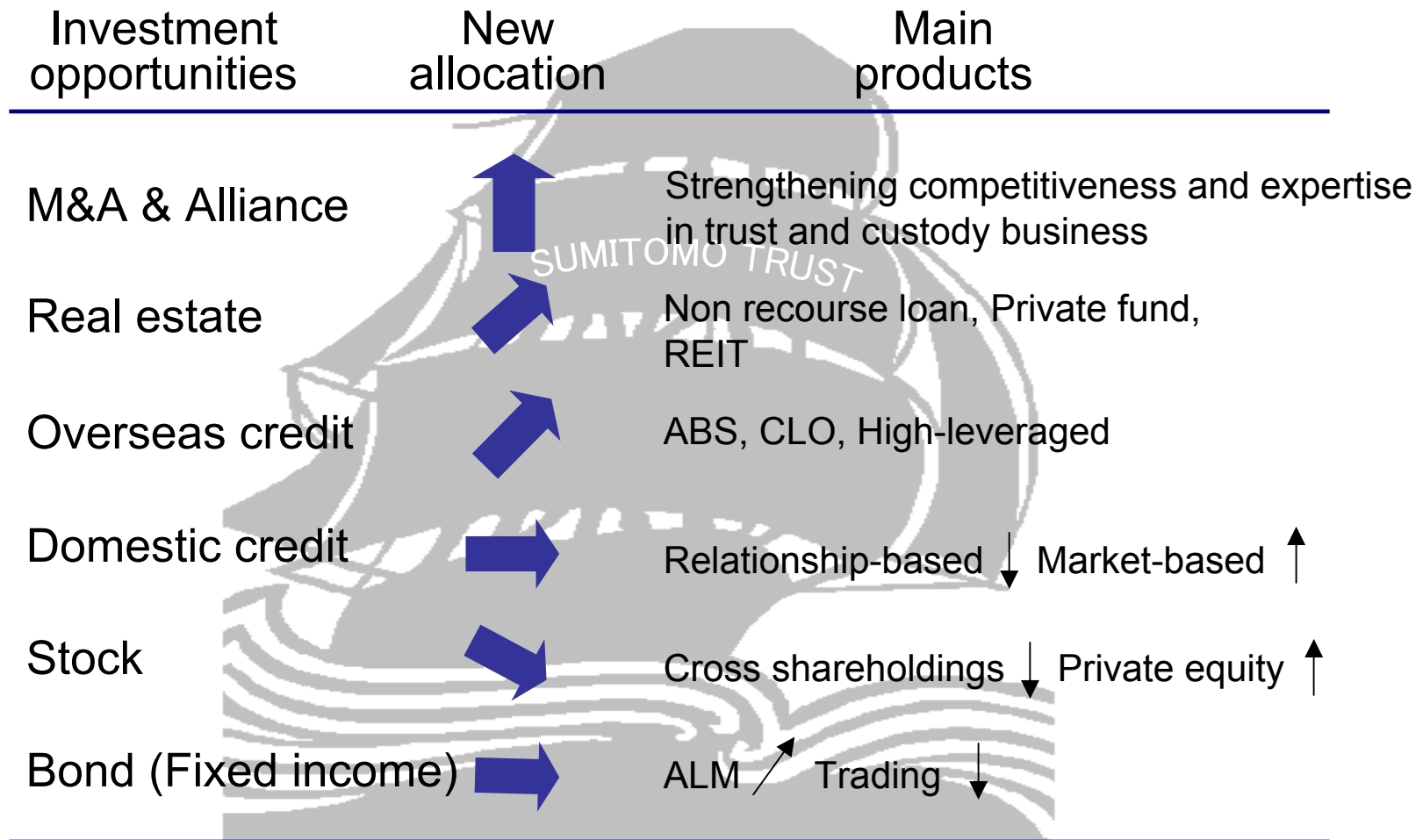
- ▶ Maximize shareholders' value through efficient capital allocation

<Function>

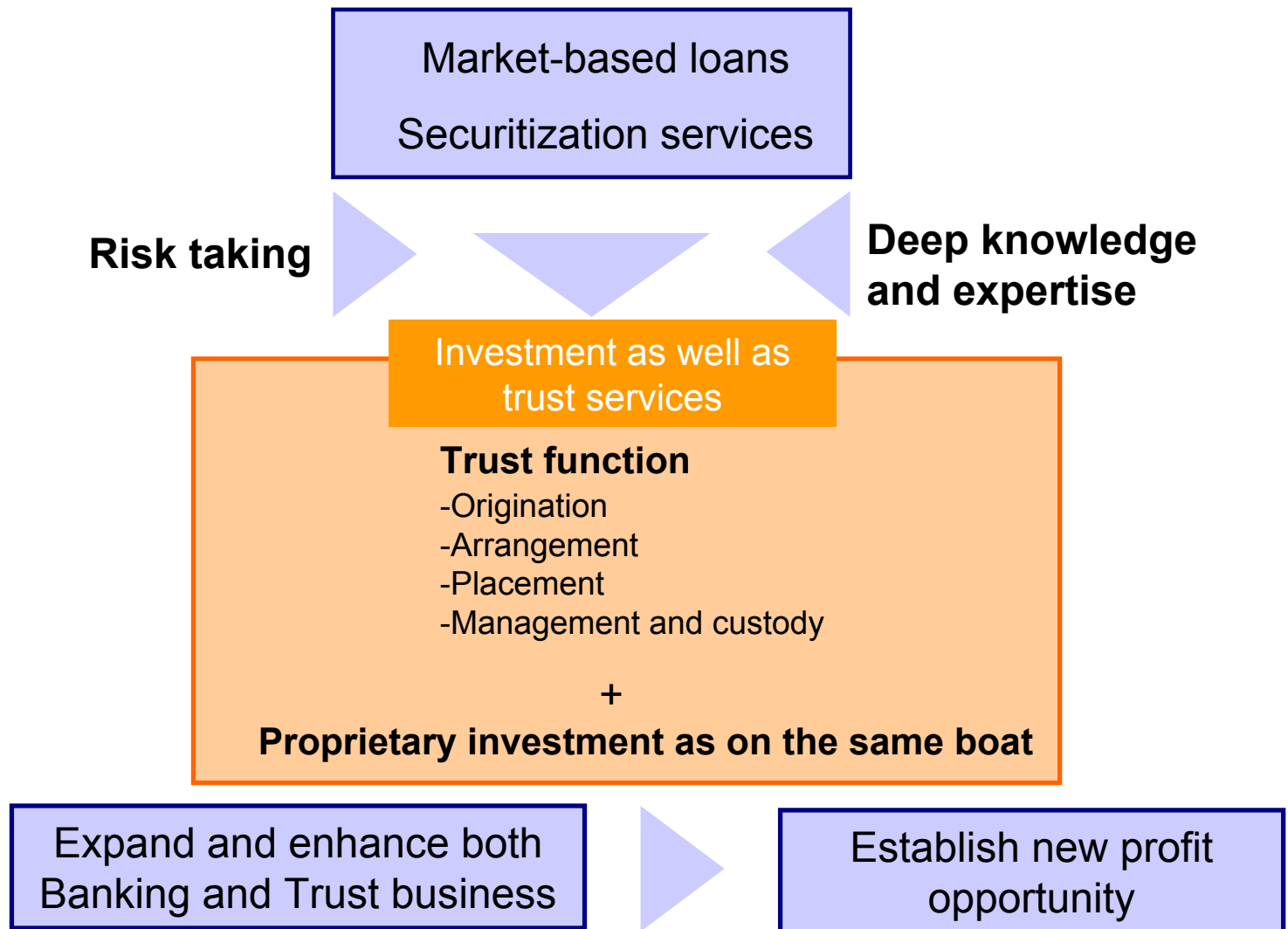
- ▶ Verify capital adequacy in terms of economic capital
- ▶ Promote diversified investment strategy to avoid concentration of risk
- ▶ Review business model through optimization of capital allocation and shareholders' value added (SVA) based performance analysis



Reallocation of risk capital (Taking advantage of wind-wing situation)

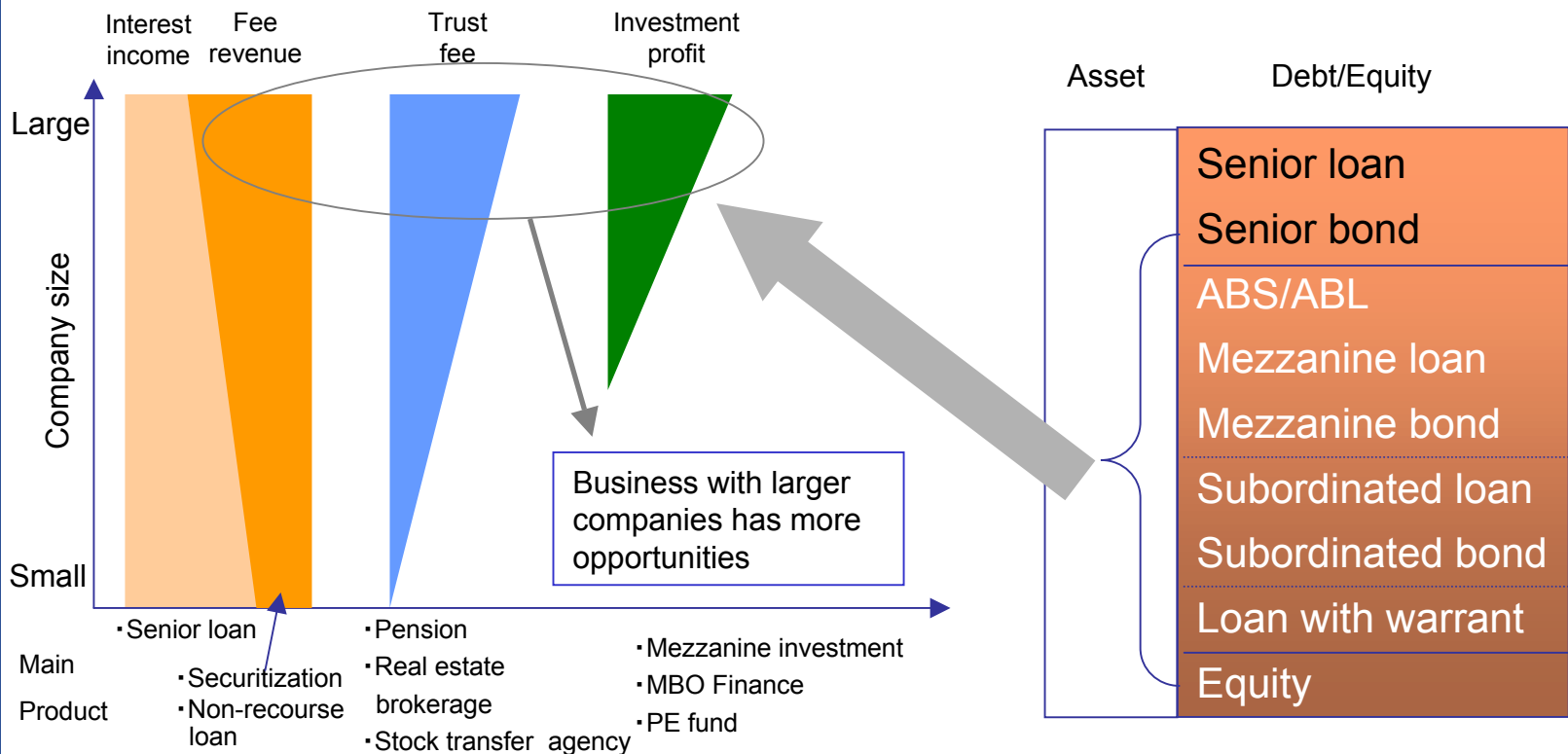


✚ Investment as well as trust services



Business with large companies is profitable

- ▶ Business with large companies: High fee revenue ratio
- ▶ Demand for senior loan is transforming to structured finance such as securitization
- ▶ Growing needs for trust businesses
- ▶ Increasing business opportunities as risk taking partner ⇒ Investment profit



Mid term projection

< Non-consolidated > (in billions of Yen)	FY2003 (Actual)	FY2004	FY2005	FY2006
Gross profit	257.0	262.5	263.5 ↔ 273.5	273.5 ↔ 288.5
Wholesale financial services	83.6	83.5	83.5 ↔ 88.0	88.0 ↔ 90.4
Retail financial services	59.9	64.1	64.3 ↔ 69.5	69.5 ↔ 85.4
Treasury and financial products	56.5	55.0	55.0 ↔ 50.0	50.0 ↔ 40.0
Fiduciary services	38.9	41.8	41.7 ↔ 46.0	46.0 ↔ 51.4
Real estate	18.1	18.0	19.0 ↔ 20.0	20.0 ↔ 21.3
Expenses	111.9	117.5	118.5	118.5
Net business profit before credit costs	145.1	145.0	145.0 ↔ 155.0	155.0 ↔ 170.0
Credit costs	21.8	30.0	30.0 ↔ 20.0	30.0 ↔ 20.0
Net operating profit	122.1	110.0	115.0 ↔ 135.0	125.0 ↔ 150.0
Net income	73.9	66.0	69.0 ↔ 81.0	75.0 ↔ 90.0

< Consolidated > (in billions of Yen)	FY2003 (Actual)	FY2004	FY2005	FY2006
Net business profit before credit costs	153.6	154.0	156.0 ↔ 166.0	167.0 ↔ 182.0
Net operating profit	135.6	120.0	127.0 ↔ 147.0	138.0 ↔ 163.0
Net income	79.6	70.0	74.0 ↔ 86.0	81.0 ↔ 96.0

<Interest rate/ stock price assumption 1 >	Mar. 2005	Mar. 2006	Mar. 2007	<upside>			
				< Interest rate/ stock price assumption 2 >	Mar. 2005	Mar. 2006	Mar. 2007
6-month Yen LIBOR	0.06%	0.10%	0.18%	6-month Yen LIBOR	0.06%	0.18%	0.39%
5-year Yen SWAP	0.56%	0.65%	0.75%	5-year Yen SWAP	0.56%	0.75%	0.95%
Nikkei 225 (Yen)	11,000	11,500	12,000	Nikkei 225 (Yen)	11,000	12,000	13,000

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.