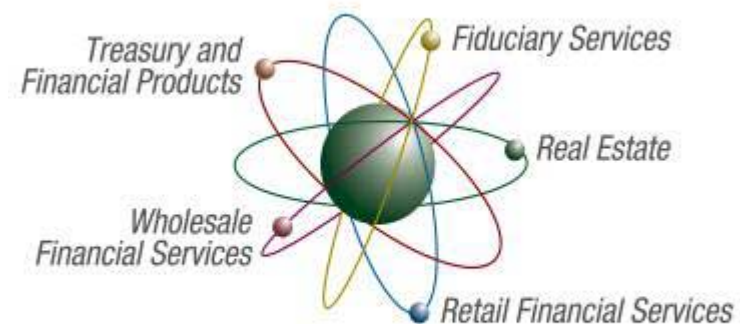


*Sumitomo Trust & Banking
Co., Ltd.*



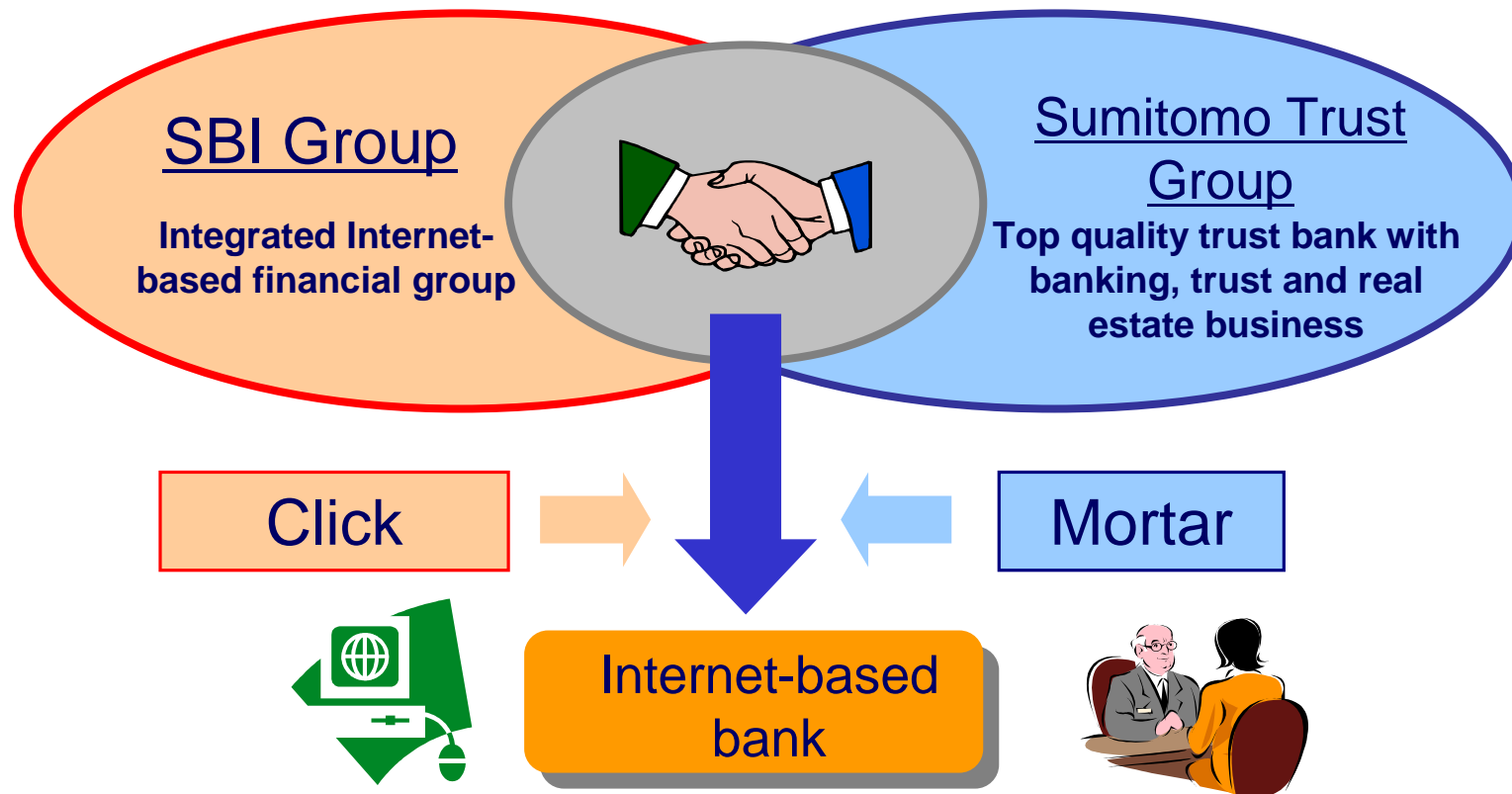
Reference Material

**Master agreement for Joint establishment of Internet-based bank and
Business alliance between Sumitomo Trust Group and SBI Group
with capital involvement**

October 25, 2005

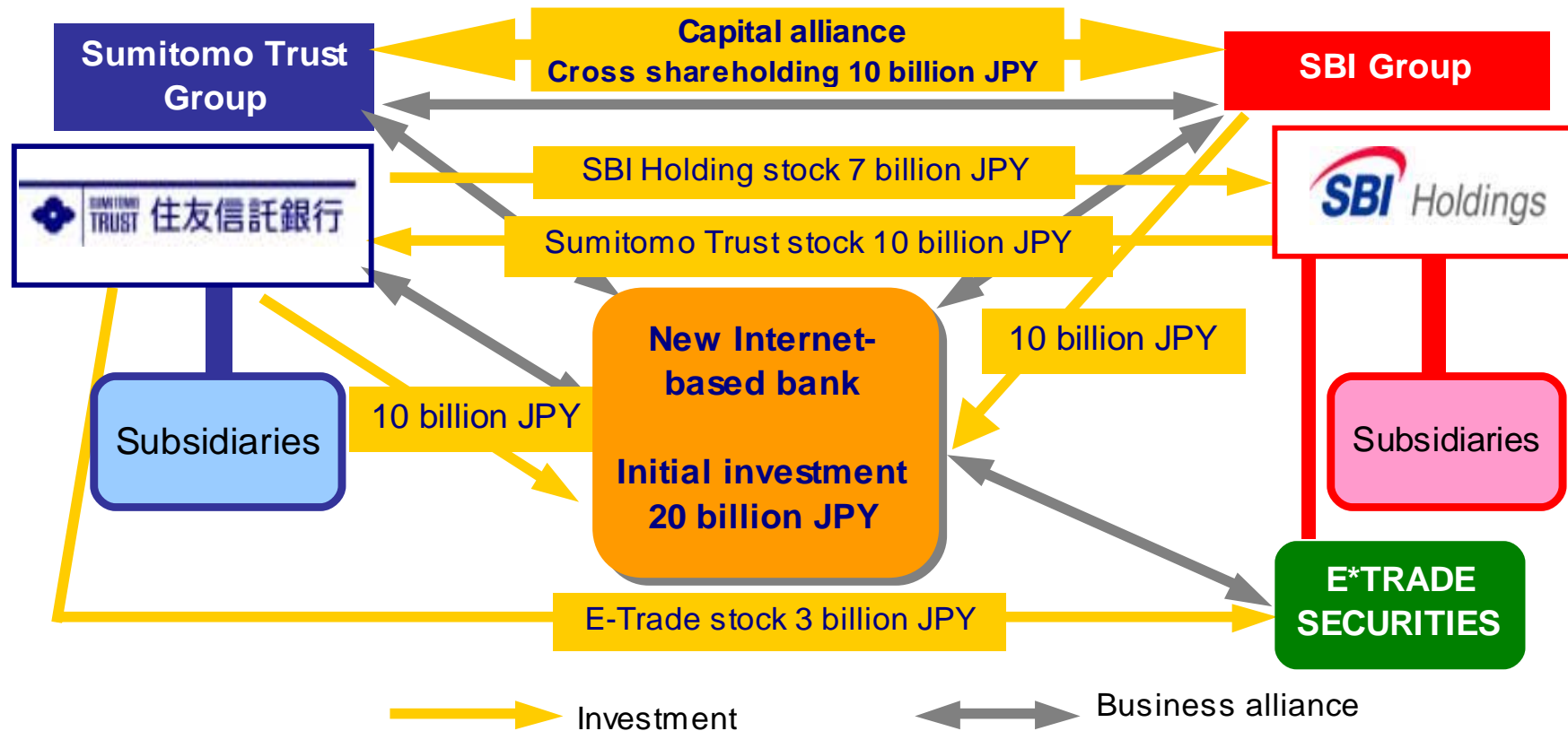
Creation of new financial model

Platform based on click & mortar
→ Offer banking, securities, and trust products



Scheme of master agreement

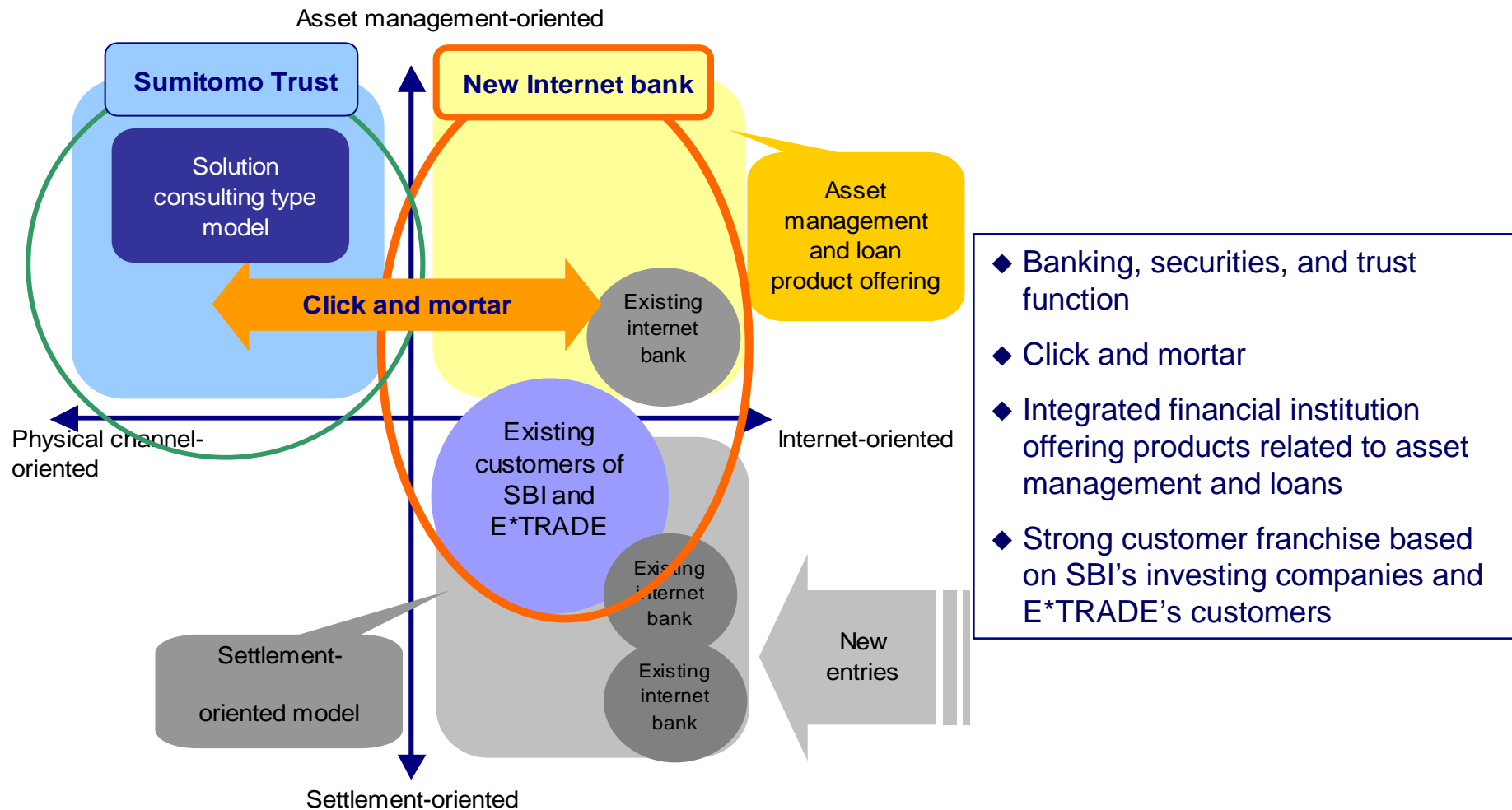
- ▶ 1. Establishment of new Internet-based bank
- ▶ 2. Business alliance
- ▶ 3. Capital alliance



Above scheme is subject to official approval from the authority.

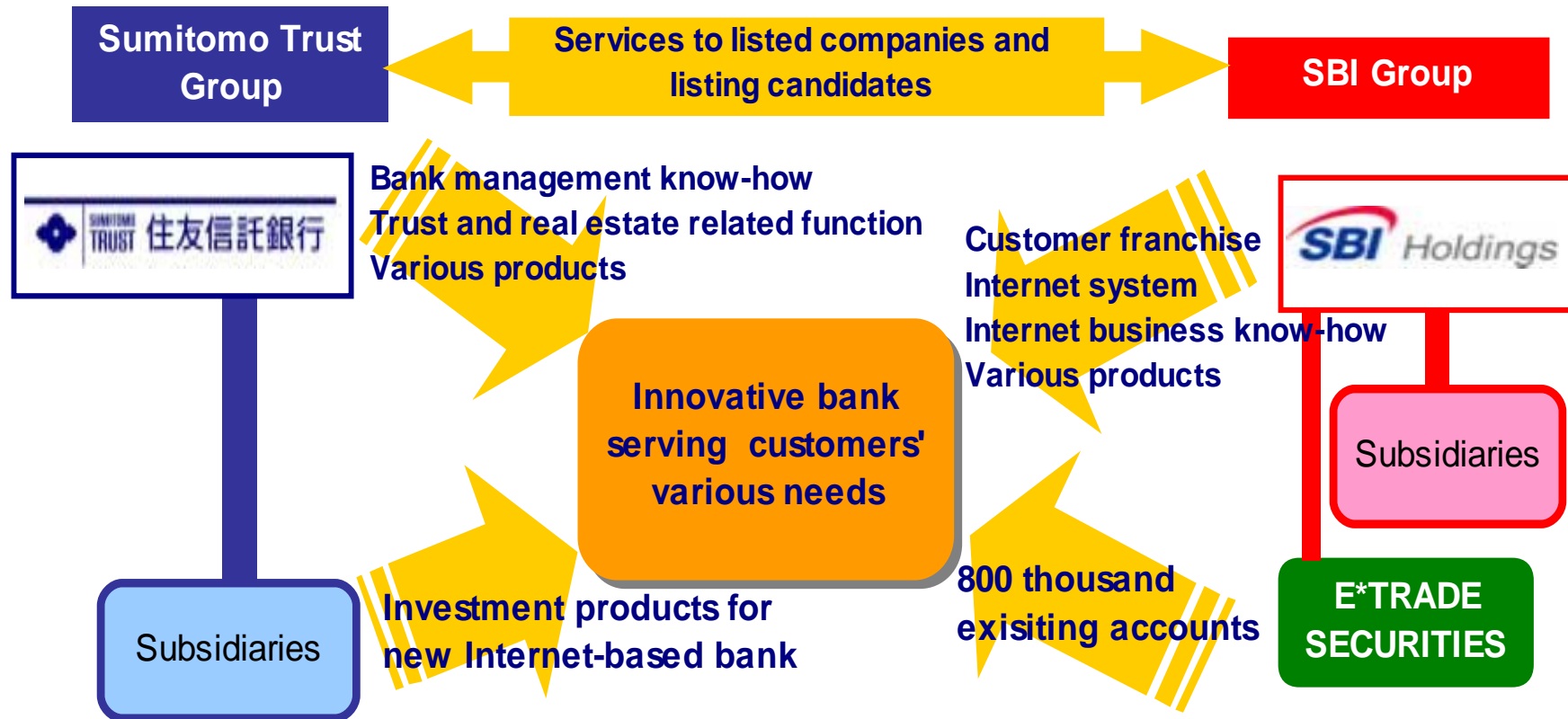
Business model of new Internet-based bank (1)

- ▶ Click and mortar channel + “Banking, securities, and trust business”
= Innovative Internet –based bank



Business model of new Internet-based bank (1)

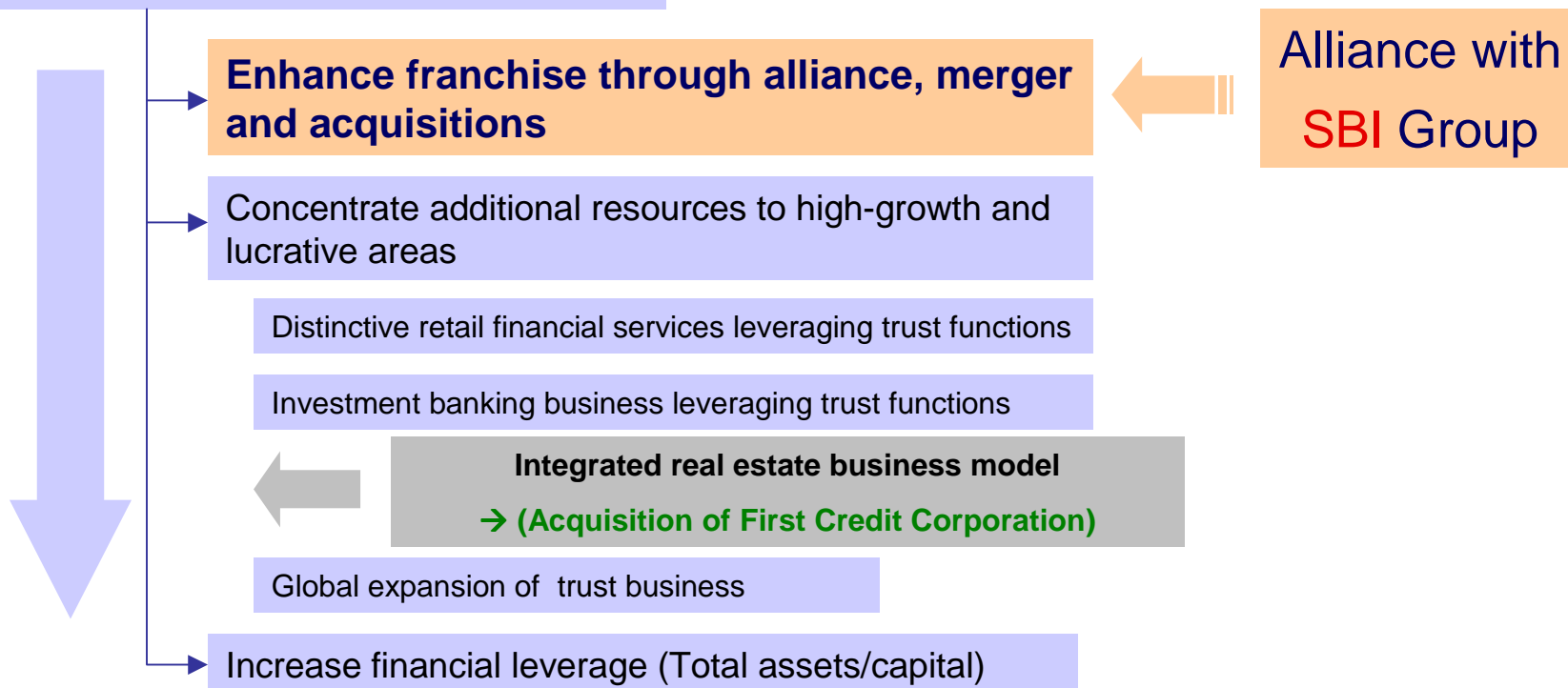
- ▶ Maximizing value by furnishing both groups' competence and resources



Growth strategy of Sumitomo Trust

▶ Accelerate moves to new growth

Highest quality of financial fundamentals



The top quality trust bank

Quality of profit = High fee revenue ratio/Sustainable growth of bottom line/High ROE

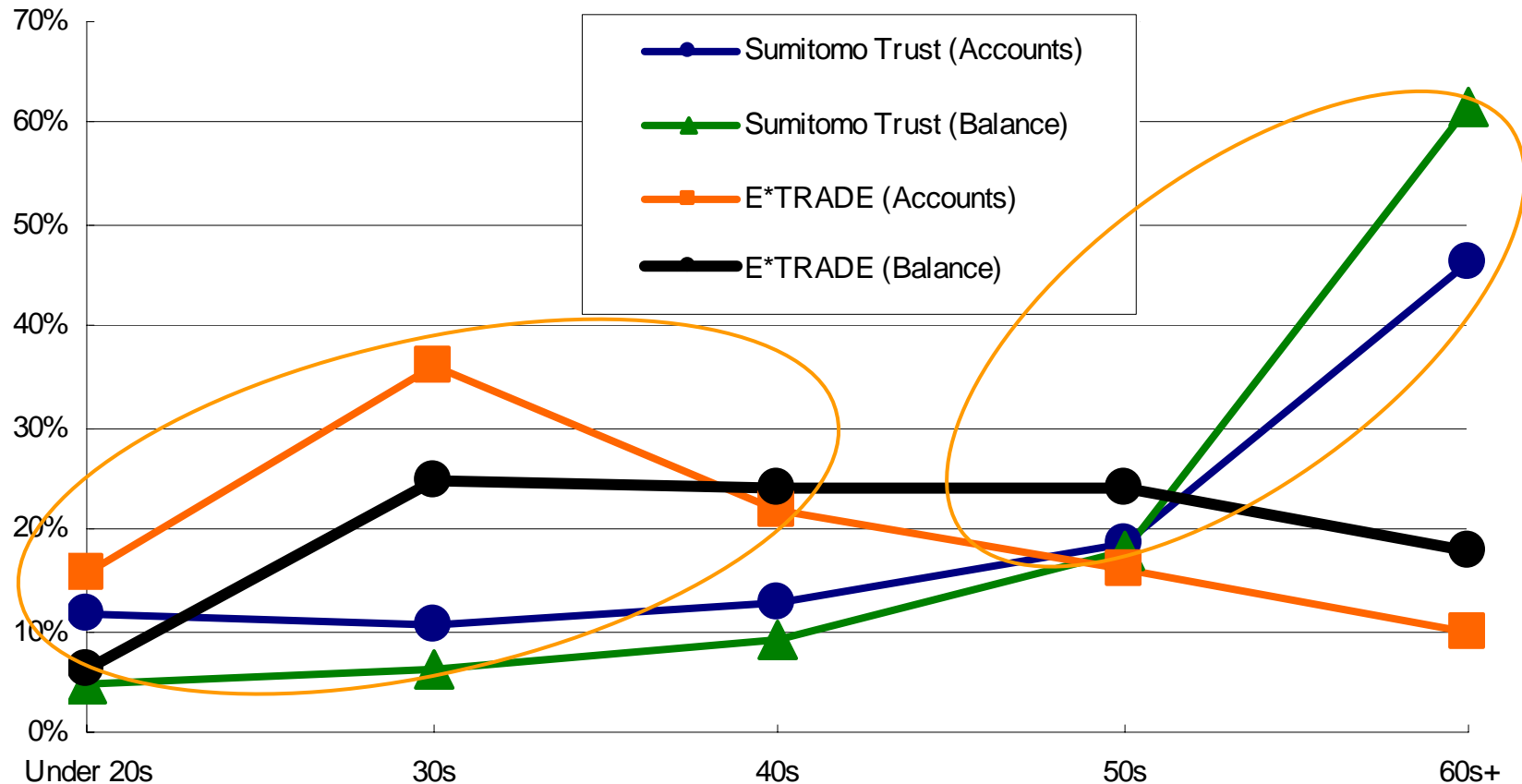
Quality of asset = Low non-performing loan ratio/High RAROA/Highly diversified investment

Quality of capital = Low rate of dependence on deferred tax assets/No public fund, no potential dilution

Quality of customer franchise = High loyalty/Depth of customer relations

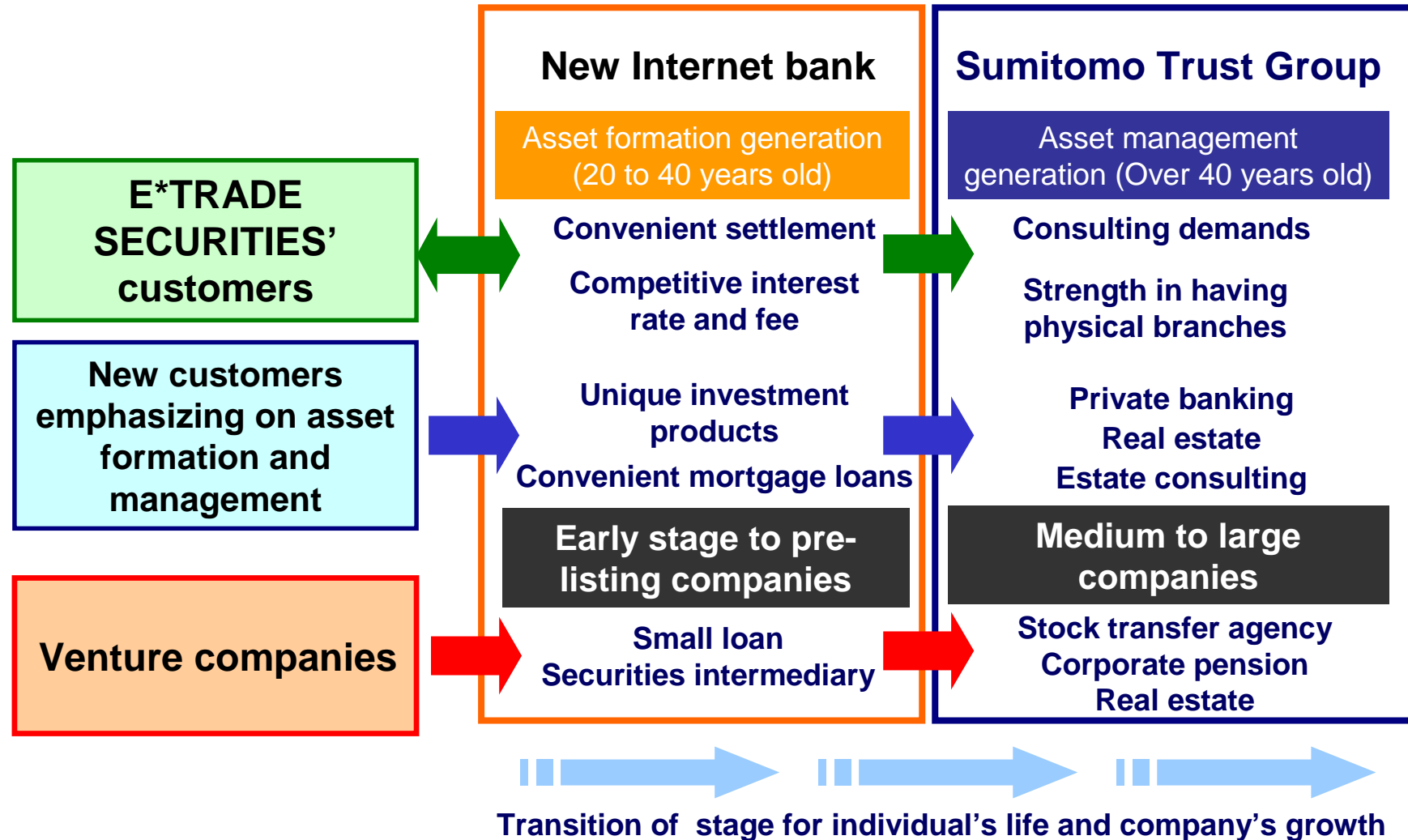
Purpose of the establishment of new Internet-based bank (1)

- ▶ Complementary relationship between Sumitomo Trust (40 years old and over) and E-Trade's (20 to 40 years old) customer base



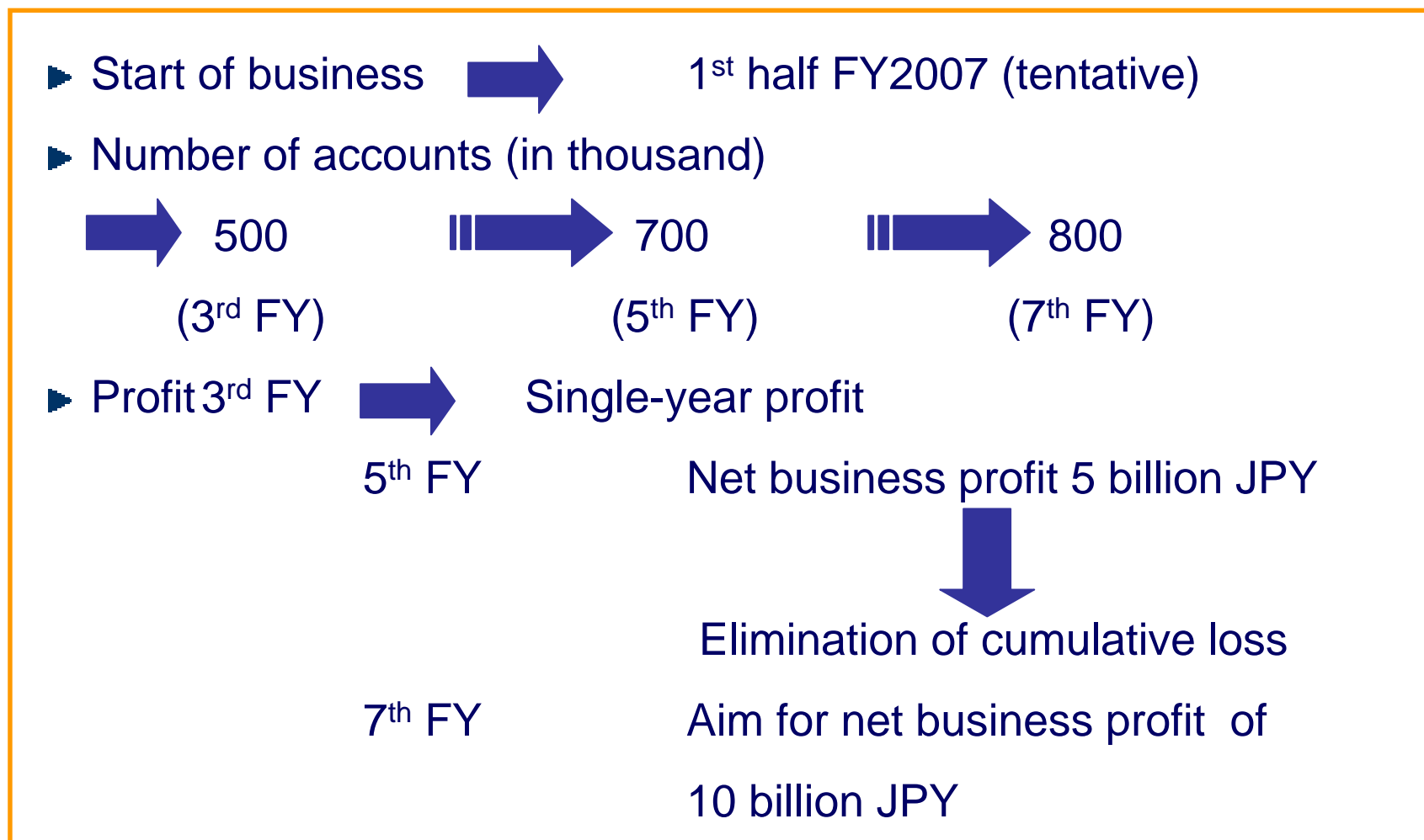
Purpose of the establishment of new Internet-based bank (2)

- ▶ Serving at every stage for individuals and companies throughout the group



Target of new Internet-based bank

- ▶ Contribution to SBI Group and Sumitomo Trust Group with early realization of single-year profit



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.