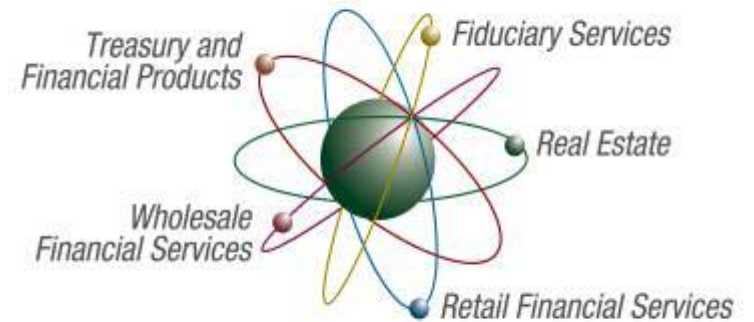




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Sumitomo Trust & Banking
Co., Ltd.



2006 Daiwa Japan Conference (LDN)

July 6, 2006

- ▶ Who's Sumitomo Trust
- ▶ “The top quality trust bank”
- ▶ Overview of FY2005 performance
- ▶ Midterm management plan



Who's Sumitomo Trust



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Overview of Sumitomo Trust's business

	Banking business	Trust business			Real estate business
	Treasury & Investment	Stock transfer agency	Pension & Asset management	Securities processing	
Wholesale clients	<ul style="list-style-type: none"> - Commercial banking - Investment banking (Market-based loan) Number of companies with lending, pension, or stock transfer a/c 5 thousands	<ul style="list-style-type: none"> - Transfer agency services Number of companies (JTAS) 1.4 thousands	<ul style="list-style-type: none"> - Asset management for institutions - Pension plan administration Assets under management (STB) 21 trillion yen	<ul style="list-style-type: none"> - Custody Assets under custody (JTSB) 144 trillion yen <ul style="list-style-type: none"> - Global custody Assets under custody (STB(USA)) 15 trillion yen	<ul style="list-style-type: none"> - Commercial properties brokerage - Securitization - J-REIT - Investment advisory
Retail clients	<ul style="list-style-type: none"> - Deposit - Mutual fund, Individual annuity - Mortgage loan - Private banking Number of retail clients with depositary assets 2 millions	Shareholders under administration (JTAS) 9 million	<ul style="list-style-type: none"> - Mutual fund (Asset management) Assets under management (STAM) 1 trillion yen	<ul style="list-style-type: none"> - Mutual fund (Custody) Assets under custody (STB) 13 trillion yen	<ul style="list-style-type: none"> - Residential properties brokerage



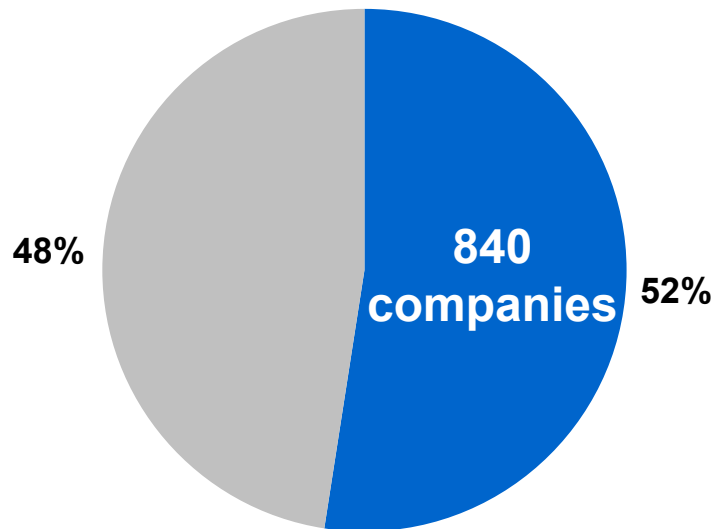
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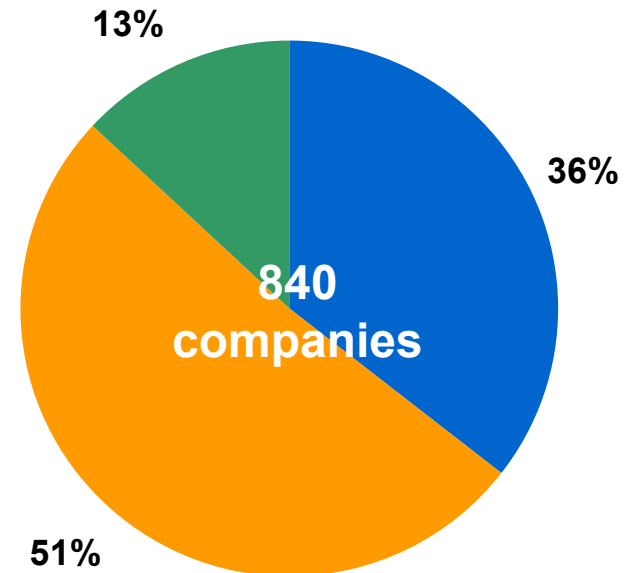
As of Mar. 2006

Wholesale franchise of Sumitomo Trust

- ▶ Strong franchise of large corporations
- ▶ High cross-selling ratio
- ▶ Number of companies which are listed on the first section of the Tokyo Stock Exchange*, excluding financial institutions, and have either lending, pension or stock transfer a/c with us (as of Mar. 2006)
- ▶ Composition of numbers of companies by cross-selling situation among companies described in the left chart (as of Mar. 2006)



■ Companies which have either lending, pension, or stock transfer a/c with us



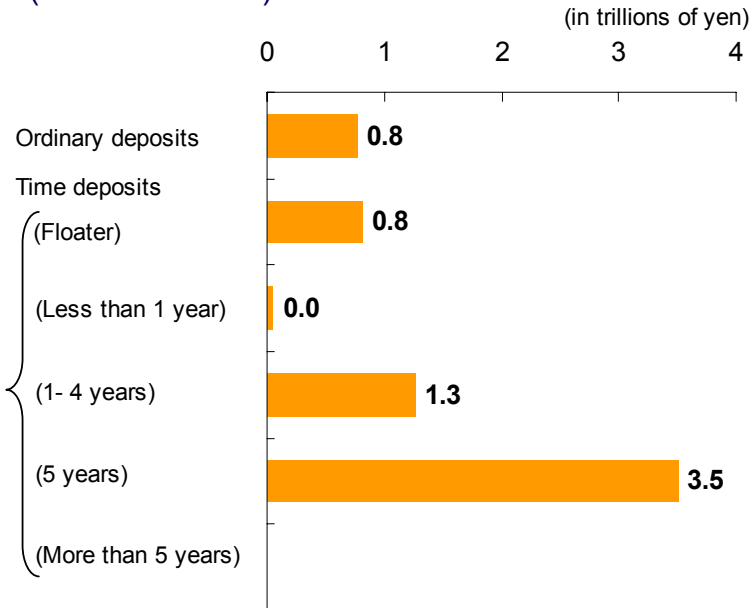
- Lending only
- Lending and pension and/or stock transfer
- Pension and/or stock transfer only

* Total number of companies which are listed on the first section of Tokyo Stock Exchange, excluding financial institutions is approximately 1,600 as of Mar. 2006.

Retail franchise of Sumitomo Trust

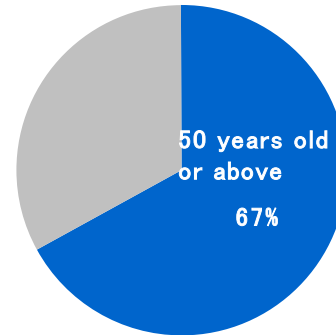
- ▶ Strong franchise of elder generation
- ▶ Larger amount per account & Longer maturity of depositary assets

- ▶ Volume of retail deposits by initial maturity (as of Mar. 2006)

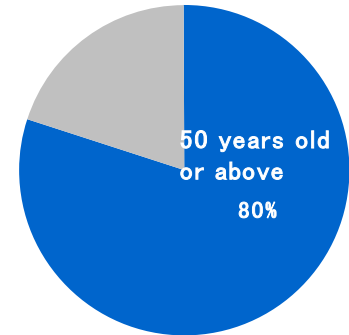


- ▶ Composition ratio of our clients by generations (as of Mar. 2006)

Number of clients with time deposit and/or mutual fund

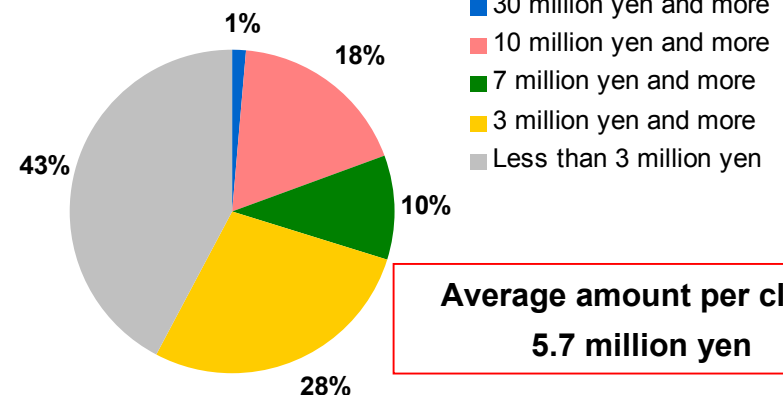


Outstanding balance of time deposit and/or mutual fund



- ▶ Composition ratio of our clients by total amount deposited with us (as of Mar. 2006)

Number of clients with time deposit and/or mutual fund



**Average amount per client
5.7 million yen**



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“The top quality trust bank”



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Achieve sustainable growth as an independent financial institution with optimal business mix



“The top quality trust bank” with banking, trust and real estate business

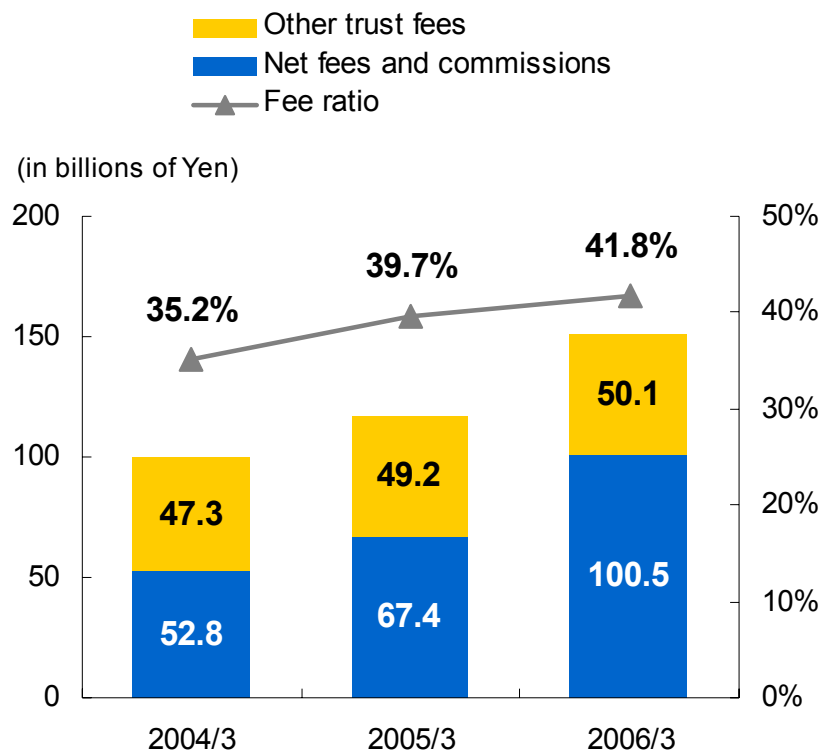
- ◆ Quality of profit
 - = Sustainable growth of bottom line/ High fee revenue ratio/
+ Improved deposit margin profit
- ◆ Quality of asset
 - = Low NPL ratio/High RAROA/Highly diversified investment
- ◆ Quality of capital
 - = No dependence on DTA/No public fund, no potential dilution
- ◆ Quality of customer franchise
 - = High customer satisfaction/Depth of customer relations



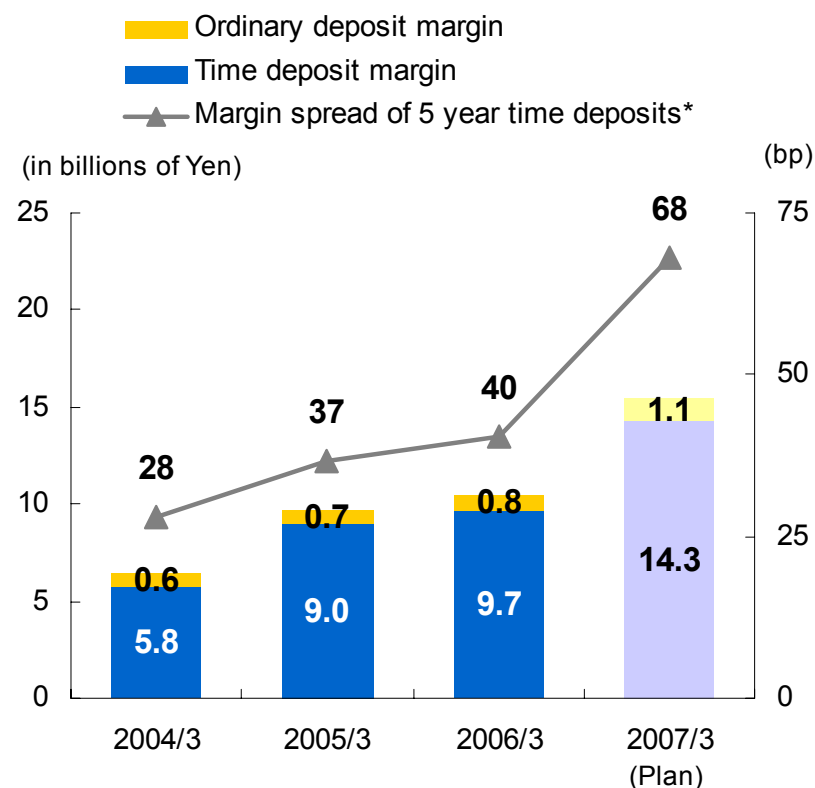
Quality of profit

- ▶ Sustainable growth of profit by stable income sources
- ▶ High fee revenue ratio & Improved deposit margin profit

▶ Fee revenue (Consolidated)



▶ Deposit margin (Domestic; banking a/c and principal guaranteed trust a/c combined)



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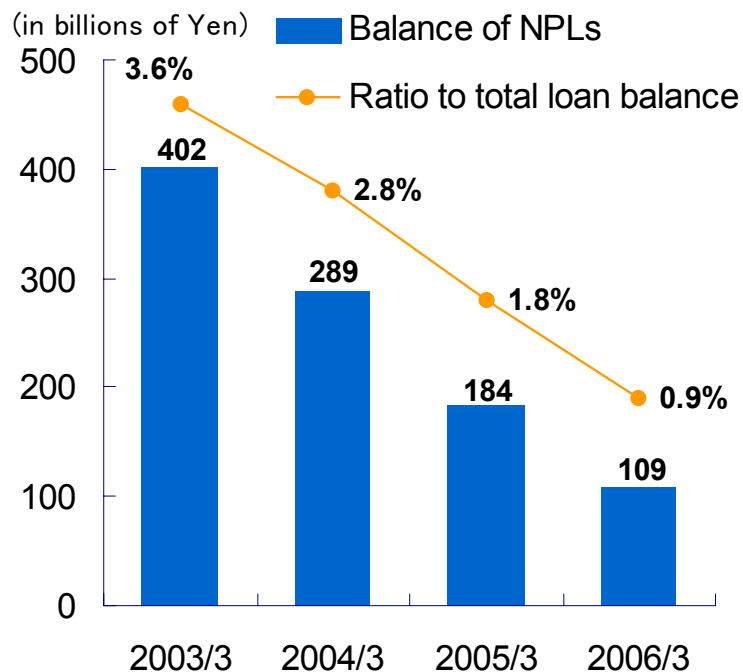
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* Average spread of 5 year fixed rate time deposits of retail a/c received for the fiscal year

Quality of asset & capital

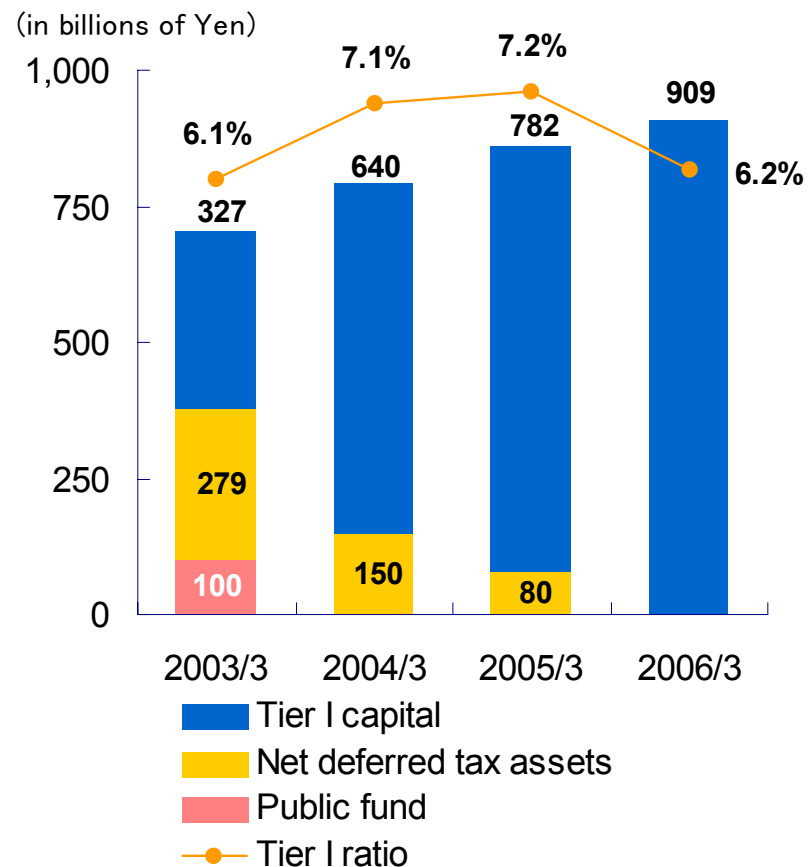
- ▶ Non-performing loan ratio of less than 1%

- ▶ Balance of NPLs (Banking a/c and principal guaranteed a/c combined: Non-consolidated)



- ▶ No public fund & no potential dilution
- ▶ No dependence on deferred tax assets (negative net deferred tax assets)

- ▶ Tier I capital vs. Net deferred tax assets/public funds



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Overview of FY2005 performance



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Major developments of FY2005

Achieved continuing growth taking advantage of wind-wing situation

- ✓ Increased fee revenue by 29% year on year
- ✓ Expanded contribution of group companies
- ✓ Posted record high net income (Consolidated) for 3 consecutive years

Increased investment activities for higher capital efficiency

- ✓ Increased risk adjusted assets by 23% year on year
- ✓ Made 4 strategic investments to enhance client & business franchise

Sumishin Matsushita Financial Services

- Lease/credit cards
- 66% ownership for 53 billion yen
- Direct sales channel to Matsushita group companies and their franchise

First Credit

- Real estate secured loan
- 100% ownership for 130 billion yen
- Unique SME lending business model (targeting on interest charge around 10%)

New Internet-based bank

- 50/50 joint venture with SBI group & Various business alliances with SBI group
- 10 billion yen for initial capital for 50% stake
- New brand to attract younger generation

Alliance with Yachiyo Bank

- Regional bank centered on Tokyo Met. area
- Preferred shares, etc for 43 billion yen
- Intensive sales channel in area with lots of affluent people



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FY2005 financial results (2005/4 – 2006/3)

<Consolidated>

(in billions of Yen)

		FY2005	FY2004	Change	%Change
Net business profit before credit costs	1	196.2	161.1	35.1	22%
Net operating income	2	171.9	134.1	37.7	28%
Net income	3	100.0	96.8	3.2	3%
(Income from change of shares related to subsidiaries)	4	(-)	(5.6)	(-5.6)	(-)
Consolidated ROE	5	9.9%	11.8%	-1.9%	-

<Non-consolidated>

(in billions of Yen)

Net business profit before credit costs	6	164.6	148.2	16.3	11%
General and administrative expenses	7	121.6	114.3	7.2	6%
Credit costs (a)	8	9.7	17.6	-7.8	-
Net gains on stocks	9	6.9	13.6	-6.6	-
Other non-recurring items (*)	10	-13.5	-23.6	10.1	-
Net operating income	11	148.2	120.5	27.7	23%
Extraordinary income	12	0.2	19.4	-19.1	-
Reversal of reserves (b)	13	-	19.1	-19.1	-
Net income	14	88.4	84.7	3.7	5%
Total credit costs (a)-(b)	15	9.7	-1.4	11.2	-
Dividend per share (Yen)	16	12.00	12.00	-	-

* Main items include reversal of reserve for losses on investment securities (1.2 bn. yen), net losses on stock related derivatives (4.7 bn. yen), and amortizations of net actuarial losses/prior service cost. (5.5 bn. yen)



Breakdown of profit by business group

- ▶ Increased net business profit of all business groups
- ▶ Enhanced profit contribution of subsidiaries/affiliates

(in billions of Yen)	Non-consolidated			Non-consolidated			Consolidated		
	Gross business profit before credit costs			Net business profit before credit costs			Net business profit before credit costs		
	FY2005	FY2004	Change	FY2005	FY2004	Change	FY2005	FY2004	Change
Wholesale financial services	93.8	87.8	6.0	72.1	67.1	5.0	93.1	72.8	20.2
Stock transfer agency services	6.2	5.9	0.3	4.1	3.6	0.5	8.2	6.8	1.3
Retail financial services	73.4	65.7	7.7	17.1	14.4	2.6	19.9	17.2	2.8
Treasury and financial products	48.6	47.3	1.3	39.4	38.2	1.3	39.4	38.2	1.3
Fiduciary services	34.1	33.9	0.2	20.6	18.9	1.6	24.0	21.3	2.7
Pension asset management	27.9	28.8	-0.9	16.0	15.6	0.4	16.7	17.0	-0.3
Securities processing services	6.2	5.1	1.1	4.6	3.4	1.2	7.3	4.3	3.0
Real estate	34.2	23.7	10.5	26.4	16.5	9.9	29.6	17.7	11.9
Others (*)	2.2	4.2	-2.0	-11.0	-6.9	-4.1	-9.9	-6.0	-3.9
Total	286.2	262.5	23.6	164.6	148.2	16.3	196.2	161.1	35.1

* Net of dividend income, cost of capital sourcing and head office expense is included.

Expanded contribution of group companies
18.7 billion yen



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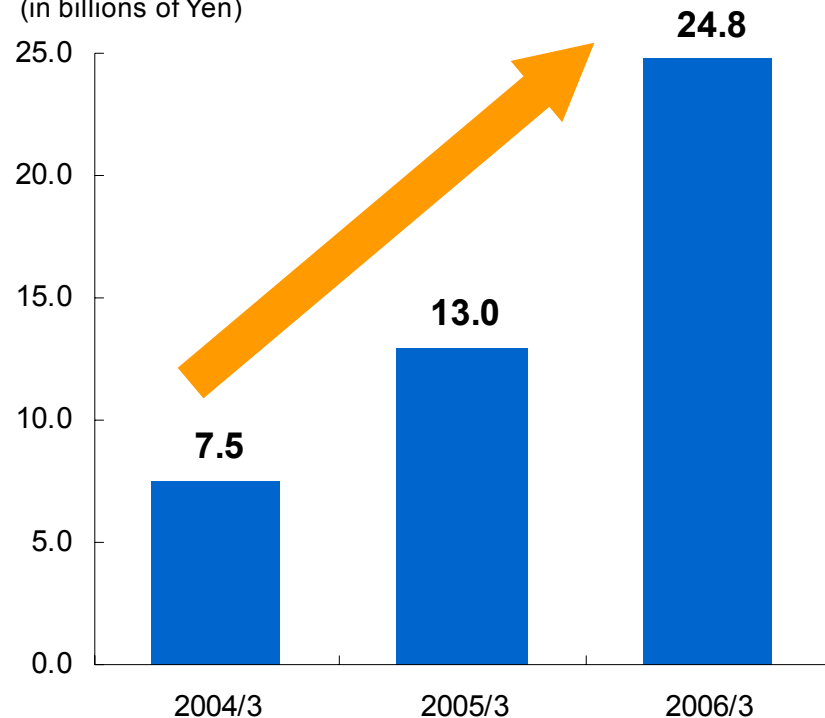
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Fee revenue growth in banking business

▶ Retail financial services

▶ Fee revenue of mutual fund and individual annuity

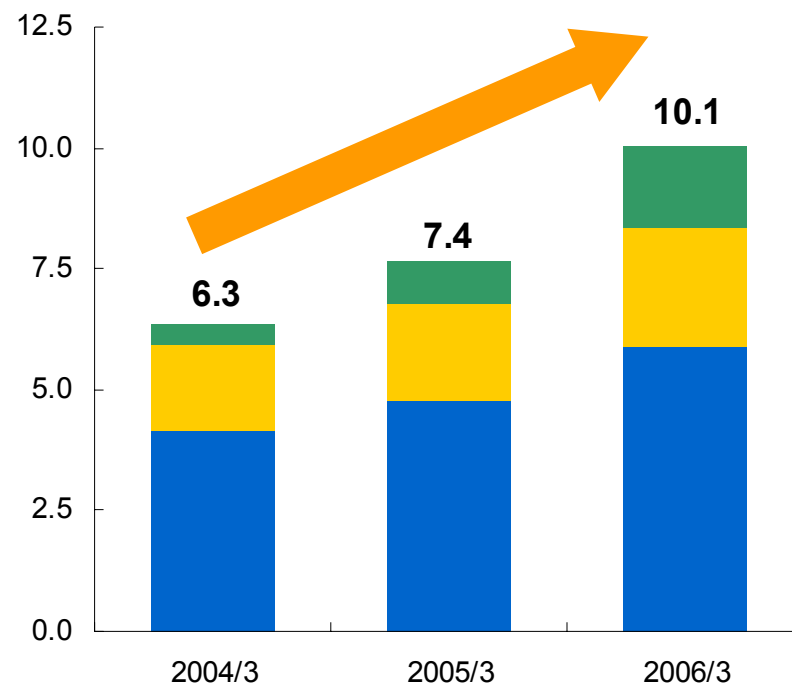
(in billions of Yen)



▶ Wholesale financial services

▶ Fee revenue of market-based loan

(in billions of Yen)



- Project finance related fee
- Non recourse loan related fee
- Syndicate loan related fee



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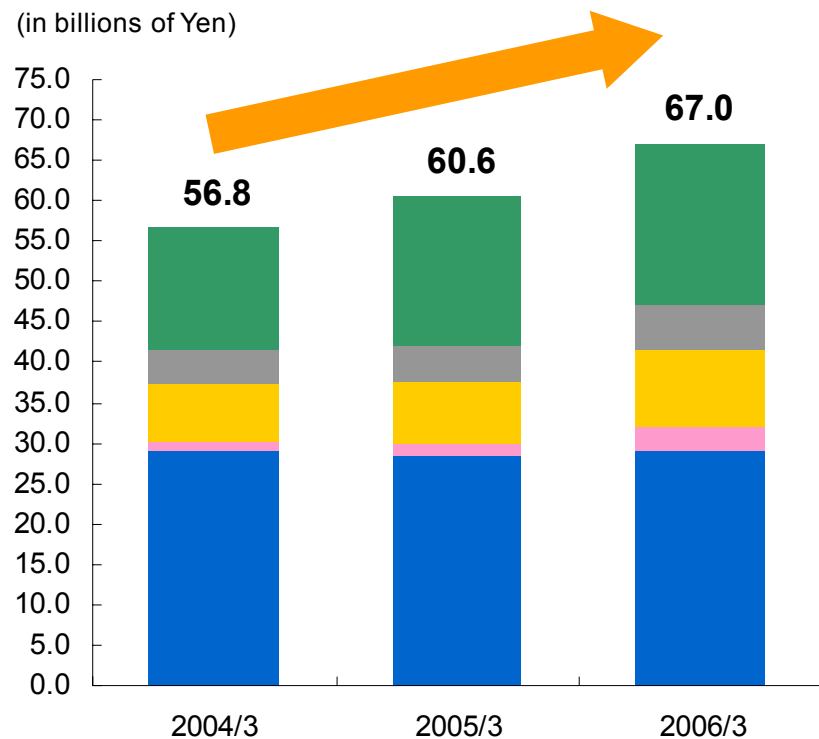
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Fee revenue growth in trust & real estate business

▶ Trust business

▶ Fee revenue of various trust/custody business

(in billions of Yen)

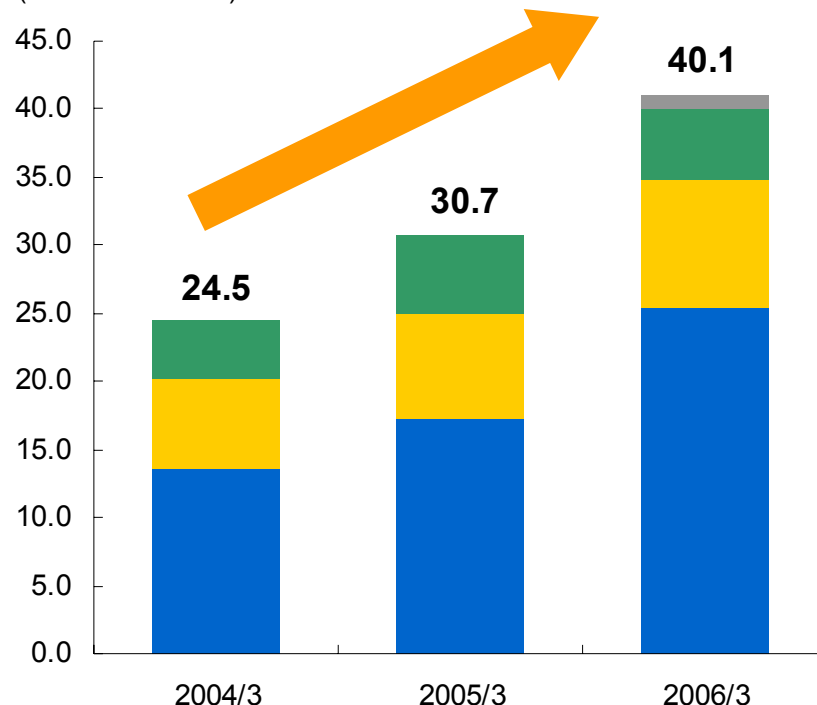


- Stock transfer agency
- Global custody
- Other trust fee (Securities processing services)
- Mutual fund asset management
- Other trust fee (Corporate pension, Public pension)

▶ Real estate business

▶ Fee revenue of real estate related business

(in billions of Yen)



- Real estate asset management fee
- Real estate securitization related fee
- Brokerage fee for residential properties
- Brokerage fee for commercial properties



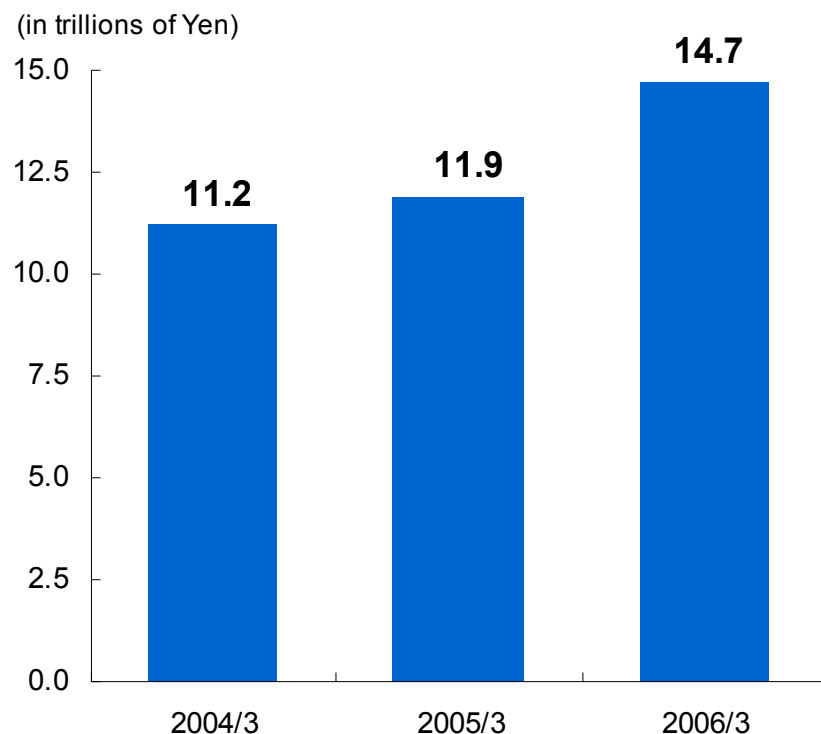
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Growth of earning assets

- ▶ Increased total risk adjusted assets 23% year on year

- ▶ Total risk adjusted assets (Consolidated)



- ▶ Breakdown of change in risk adjusted assets

(in trillions of Yen)	Change from Mar. 2005
On-balance-sheet items	2.14
Loans	0.80
Bonds/Foreign Securities	0.39
Sumishin Matsushita Financial Services (New Subsidiary)	0.52
First Credit (New Subsidiary)	0.11
Net unrealized gain on stocks	0.25
Off-balance-sheet items	0.27
Market	0.11
Total	2.72



Midterm management plan



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Aiming for higher capital efficiency

Increase quality of profit

Leveraging trust functions

Distinctive retail financial services

Investment banking business

- Securitization arrangement + Investment
- Fund management business

Integrated real estate business model

Global expansion of trust business



Midterm

financial target

- ROE 10% over
- Fee revenue ratio 50% over



Bolster profit sharing with shareholders

Midterm target level of dividend payout ratio 30%

Enhance franchise through alliance, merger and acquisitions

External growth opportunities for trust and real estate business



Appendix



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Forecast for FY2006

(in billions of Yen)

< Consolidated >

		FY2005 (Actual)	Forecast for FY2006	
			Full FY2006	1HFY2006
Net business profit before credit costs	1	196.2	200.0	93.0
Net operating profit	2	171.9	175.0	82.0
Net income	3	100.0	105.0	50.0

< Non-consolidated >

Net business profit before credit costs	4	164.6	165.0	78.0
Credit costs	5	9.7	20.0	10.0
Other non-recurring items	6	-6.5	5.0	3.0
Net operating income	7	148.2	150.0	71.0
Extraordinary income	8	0.2	-	-
Net income	9	88.4	90.0	43.0

Total credit costs	10	9.7	20.0	10.0
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Dividend per common stock (Yen)	11	12.0	15.0	7.5
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Consolidated dividend payout ratio	12	20%	24%	-
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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.