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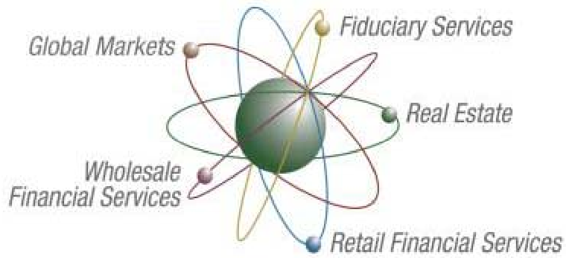
The Sumitomo Trust & Banking Co., Ltd.



Information Meeting on Financial Results for 1HFY2009

November 26, 2009

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Meeting agenda

- 1HFY2009 financial results and financial condition
- Status of capital
- Forecast for FY2009
- Strategy and performance of group companies
- Credit portfolio
- (For reference) Division performance

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- I am Hitoshi Tsunekage, President of The Sumitomo Trust & Banking. Thank you very much for taking the time out of your busy schedule to attend our information meeting on financial results today.
- At the previous information meeting, I defined an environment after the global financial crisis as the “New Paradigm”, and explained our policy to strengthen the business structure so as to provide promptly “Comprehensive solutions” in response to diversified and complex clients’ needs, while providing against “Tunnel (darkness)” which we might be faced within the near future.
- This half year was a very important six months for our company to break through the “New Paradigm”. During this time, each decision as to management strategy and each action for financial purposes were taken with the spirit of “Trustee-ness,” which I repeatedly referred to since I assumed this post, in mind, and in line with the management philosophy of the best balance of “offense” and “defense.” At today’s information meeting on financial results, I would like to communicate their significance and results as much as possible.
- Today, first of all I would like to go through our 1H results and financial situation, and explain our efforts in financial risk reductions, and also the situation of our capital foundations. Next, I want to provide an update on our group strategy, especially the one concerning the purchase of Nikko Asset Management (hereafter, Nikko AM). Then finally, I would like to explain the significance and aims of our basic agreement on management integration with Chuo Mitsui Trust Group.
- Please look at page 3 of the presentation material.

1HFY2009 financial results and financial condition

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1HFY2009 financial results (April 2009 – September 2009)

- Net business profit (non-consolidated): Increased by 8.8 billion yen from 1HFY2008 to 81.6 billion yen mainly due to the dividend income from a subsidiary resulting from the gain on retirement of perpetual subordinated bonds (9.4 billion yen)

  (*) Net business profit: Denotes “Net business profit before credit costs” in this presentation
- Net income (consolidated): Decreased by 9.0 billion yen from 1HFY2008 to 19.2 billion yen, mainly due to the increase in total credit costs as a result of a higher allowance for doubtful loans on non-consolidated basis

<Consolidated> (in billions of Yen)	1HFY2009	1HFY2008	Change	% change
Net business profit before credit costs	87.7	95.3	-7.5	-8%
(Total substantial credit costs) (*1)	(-40.8)	(-24.5)	(-16.2)	(-66%)
Ordinary profit	33.4	54.7	-21.3	-39%
Extraordinary profit (*2)	9.5	2.1	7.4	344%
Net income	19.2	28.3	-9.0	-32%

<Non-consolidated> (in billions of Yen)	1HFY2009	1HFY2008	Change	% change
Net business profit before credit costs	81.6	72.7	8.8	12%
Net interest income (Including net trust fees of principal guaranteed trust a/c) (*2)	90.7	81.6	9.0	11%
Net fees & commissions (Including other trust fees)	41.7	44.7	-2.9	-7%
Other profits	13.7	13.5	0.1	1%
General and administrative expenses	-64.6	-67.2	2.5	4%
Total credit costs	-27.2	-3.4	-23.8	-697%
(Total substantial credit costs) (*1)	(-32.7)	(-10.3)	(-22.3)	(-217%)
Net gains on sales of stocks and other securities	-6.3	-9.3	3.0	32%
Ordinary profit	31.1	47.5	-16.3	-34%
Extraordinary profit	0.1	0.9	-0.8	-81%
Net income	19.3	30.3	-11.0	-36%
Dividend per share (Yen) (Interim)	5.0	8.5	—	—

(*1) "Total substantial credit costs" is a sum of "Total credit costs", costs in "Net gains on sales of stocks and other securities" and "Other non-recurring profit" which are related to investment in securities of domestic and overseas credit, and affiliates' total credit costs included in "Net income from affiliates by equity method".

(*2) The gain on retirement of perpetual subordinated bonds (9.4 billion yen) which was posted in “Extraordinary profit” on consolidated basis was posted in “Net interest income” as dividend income from a subsidiary on non-consolidated basis.

- First of all, consolidated net income decreased by 9.0 billion yen from 1HFY2008 to 19.2 billion yen, mainly due to the increase in total credit costs on non-consolidated basis. Compared to the forecast announced in May, both total credit costs and net income are generally proceeding as planned.
- Next, looking at non-consolidated results, net business profit before credit costs increased by 8.8 billion yen to 81.6 billion yen. Excluding the 9.4 billion yen effects of the dividend income from a subsidiary resulting from the gain on retirement of perpetual subordinated bonds issued in overseas markets, net business profit before credit costs was almost flat, but it surpassed the initial plan level of 65.0 billion yen. On a year-on-year basis, reflecting market conditions, pension trust fees and real estate brokerage commissions decreased, which was covered by an improvement in market related income. Details of non-consolidated net business profit before credit costs are shown starting on page 5, so please look at those later.
- Non-consolidated total substantial credit costs increased by 22.3 billion yen from 1HFY2008 to -32.7 billion yen, mainly due to the higher allowance in response to the increase in doubtful loans. As an above-mentioned result, net income decreased by 11.0 billion yen from 1HFY2008 to 19.3 billion yen.
- Next I will explain the summary of business results of group companies. Please look at page 4.

Contribution of major group companies to consolidated financial results

- Net business profit decreased by 5.5 billion yen from 1HFY 2008 to 17.5 billion yen mainly due to the decline in fee revenue of group companies (nominal contribution to consolidated results was 6.1 billion yen mainly because the gain on retirement of perpetual subordinated bonds was posted in extraordinary income on consolidated basis)
- Contribution to net income (-0.04 billion yen): Improved by 2.0 billion yen from 1HFY2008 partly due to the decrease in total substantial credit costs of First Credit (improved by 3.5 billion yen before consolidated adjustments, excluding the effect of special factor mentioned in the second line from the bottom on below chart)

(in billions of Yen)	Business group	Group's ownership	Consolidated Net business profit before credit costs			Consolidated Net income before amortization of goodwill(*)				Major factor of the difference (net income)
			1H FY2009	1H FY2008	Change	1H FY2009	1H FY2008	Change		
Sumishin Guaranty Co., Ltd.	Retail	100%	1.38	1.13	0.24	0.70	0.42	0.28	0.31	Guaranty fees +0.27
STB Leasing Co., Ltd.	Wholesale	100%	4.17	3.69	0.48	0.85	1.05	-0.20	-0.55	Total substantial credit costs -0.99, Leasing profit +0.46
Sumishin Matsushita Financial Services Co., Ltd.	Wholesale	66%	3.35	3.14	0.20	1.02	0.32	0.70	1.84	Gain on sales of auto lease receivables +1.61
First Credit Corporation	Wholesale	100%	2.60	4.59	-1.99	1.12	-4.10	5.23	4.96	Total substantial credit costs +6.97, Loan interest, loan fees -2.43
Life Housing Loan, Ltd.	Wholesale	100%	2.84	1.66	1.17	1.64	0.96	0.67	1.14	Gain on securitization of residential mortgage loans +1.03
BUSINEXT CORPORATION	Wholesale	40%	1.17	1.27	-0.09	0.00	0.19	-0.19	-0.19	
Japan TA Solution, Ltd.	Stock transfer agency	80%	-0.68	1.57	-2.26	-0.57	0.75	-1.32	-2.26	Preceding decrease in subcontracting fees through paperless stock -2.67, Decrease in expenses +0.39
STB Asset Management Co., Ltd.	Fiduciary	100%	0.34	0.68	-0.34	0.19	0.39	-0.19	-0.34	Fees -0.56, Decrease in expenses +0.23
Sumitomo Trust and Banking Co. (U.S.A.)	Fiduciary	100%	0.90	2.64	-1.73	0.55	1.55	-1.00	-1.73	Lending fees and custody fees -1.69
Japan Trustee Services Bank, Ltd.	Fiduciary	33%	-0.54	0.09	-0.64	-0.34	0.05	-0.40	-0.04	Fees -0.49
Sumishin Realty Co., Ltd.	Real estate	100%	-0.37	0.06	-0.43	-0.23	0.00	-0.24	-0.41	Brokerage fees -0.86, decrease in expenses +0.46
STB Real Estate Investment Management Co., Ltd.	Real estate	100%	0.31	0.32	-0.01	0.18	0.19	0.00	-0.10	
SBI Sumishin Net Bank, Ltd.	Other	50%	0.68	-1.50	2.19	0.64	-1.53	2.18	2.18	Loan interest +1.24, Sales of bonds +0.39
Total			17.54	23.10	-5.56	15.82	2.84	12.98		
(Exc. STB Finance Cayman Ltd.)			(17.54)	(23.10)	(-5.56)	(6.35)	(2.84)	(3.51)		Gain on retirement of perpetual subordinated bonds 9.4
Total (Consolidated difference, after consolidated adjustments)			6.12	22.52	-16.40	-0.04	-2.07	2.02		Elimination: dividend income from a leasing subsidiary -1.8

(*) Goodwill amortization 4.2 bn yen: Sumishin Matsushita Financial Services 1.0 bn yen, First Credit 2.6 bn yen, Life Housing Loan 0.5 bn yen

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- Regarding contribution of major group companies to consolidated financial results, I will explain the figures excluding the effect of special factor mentioned in the second line from the bottom on below chart.
- Contributions by group companies at the stage of net business profit before credit costs decreased by 5.5 billion yen from 1HFY2008 to 17.5 billion yen. The main reason is that revenues declined at group companies of stock transfer agency and fiduciary services businesses, due to the lower earnings as a result of the transition to paperless stock certificates and due to the market conditions.
- On the other hand, contributions by group companies at the stage of net income before goodwill amortization improved by 3.5 billion yen from 1HFY2008 to 6.3 billion yen, mainly because First Credit turned out to be positive due to the decrease in its total credit costs.
- There are some positive signs such as the recovery in financial results of First Credit, the move into the black of SBI Sumishin Net Bank, etc., but there were almost zero contribution amounts after consolidated adjustments including goodwill amortization, and we will strengthen our efforts towards recovery in financial results at each company from 2HFY2009 onwards.
- Next I will explain concerning total substantial credit costs. Please proceed to page 8.

Breakdown of profit by business

- Retail financial services: Gross business profit (non-consolidated) decreased by 4.1 billion yen from 1HFY2008, as loan-deposit margin shrunk and mutual fund related fees decreased
- Wholesale financial services: Gross business profit (non-consolidated) increased by 4.3 billion yen from 1HFY2008, including a 5.4 billion yen of gain on sales of overseas credit investment securities
- Fiduciary services: Gross business profit (non-consolidated) decreased by 6.5 billion yen from 1HFY2008, mainly due to the decline in trust fees caused by the decline in market value of entrusted assets
- Real estate: Gross business profit (non-consolidated) decreased by 2.5 billion yen from 1HFY2008, mainly due to the drop in brokerage volume

	<Non-consolidated>						<Consolidated>		
	Gross business profit before credit costs			Net business profit before credit costs			Net business profit before credit costs		
(in billions of Yen)	1HFY 2009	1HFY 2008	Change	1HFY 2009	1HFY 2008	Change	1HFY 2009	1HFY 2008	Change
Retail financial services	36.3	40.5	-4.1	5.9	10.8	-4.8	7.5	12.1	-4.6
Wholesale financial services	53.9	49.6	4.3	38.9	31.3	7.5	50.9	49.6	1.2
Stock transfer agency services	7.7	9.2	-1.4	3.1	2.0	1.1	2.4	3.6	-1.1
Treasury and financial products	34.9	33.1	1.8	29.5	27.4	2.0	29.5	27.4	2.0
Fiduciary services	23.5	30.0	-6.5	9.0	14.9	-5.8	10.0	18.5	-8.5
Pension asset management	17.6	19.7	-2.1	5.8	8.2	-2.3	6.2	8.9	-2.7
Securities processing services	5.9	10.3	-4.3	3.2	6.7	-3.5	3.8	9.6	-5.8
Real estate	4.4	7.0	-2.5	0.9	2.9	-1.9	0.7	3.1	-2.4
Fees paid for outsourcing (*1)	-10.4	-13.2	2.7	-	-	-	-	-	-
Others (*2)	3.6	-7.0	10.6	-2.5	-14.4	11.9	-10.8	-15.5	4.7
Total	146.2	139.9	6.2	81.6	72.7	8.8	87.7	95.3	-7.5

(*1) Breakdown by business for 1HFY2009 with changes from 1HFY2008 in parenthesis: Stock transfer agency services -3.6 bn yen (+2.4 bn yen), Fiduciary services -6.8 bn yen (+0.3 bn yen)

(*2) Include cost of capital funding, dividend of shares for cross-shareholdings, general and administrative expenses of headquarters, etc

Include dividend income resulting from the gain on retirement of perpetual subordinated bonds (9.4 billion yen) on non-consolidated basis

Redemption profit of mutual funds (9.0 billion yen) in 1HFY2008 is posted in "Treasury and financial products" , which was originally posted in "Others"

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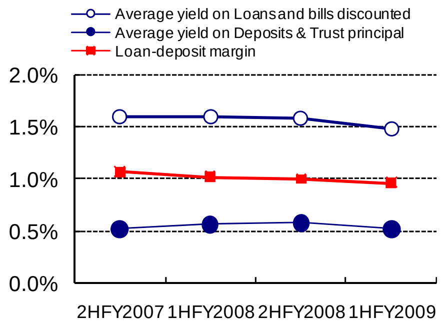
Breakdown of net interest income

- Loan-deposit margin dropped by 4bp from 2HFY2008 to 1HFY2009, as both loan and deposit yields decreased mainly due to the decline in market interest rates
- Net interest income increased by 9.0 billion yen from 1HFY2008, because international net interest income substantially increased mainly due to the dividend income from a subsidiary resulting from the gain on retirement of perpetual subordinated bonds, while domestic net interest income decreased due to the decline in securities related income

<Loan-deposit margin
(domestic banking a/c and principal guaranteed trust a/c combined)>

	FY2009	Change		FY2008	
	1H	1HFY09-2HFY08	1HFY09-1HFY08	2H	1H
Average yield on Loans and bills discounted	1.48%	−0.10%	−0.11%	1.58%	1.59%
Average yield on Deposits & Trust principal	0.52%	−0.06%	−0.05%	0.58%	0.57%
Loan-deposit margin	0.96%	−0.04%	−0.06%	1.00%	1.02%



<Breakdown of net interest income>

(Income: in billions of Yen) (Average balance: in trillions of Yen)	1HFY2009 Income	1HFY2009 Average balance	1HFY2009 Yield	1HFY2008 Income	1HFY2008 Average balance	1HFY2008 Yield	Change Income	Change Average balance	Change Yield
Domestic banking a/c and Principal guaranteed trust a/c combined	69.8			73.5			-3.6		
Interest income	110.6	15.38	1.43%	119.2	15.18	1.56%	-8.6	0.20	-0.13%
Loans	78.4	10.53	1.48%	81.3	10.17	1.59%	-2.9	0.36	-0.11%
Securities (*1)	23.9	3.25	1.47%	32.2	3.31	1.94%	-8.2	-0.06	-0.47%
Swaps	4.0			1.9			2.1		
Interest expenses	41.1	15.50	0.52%	47.4	15.44	0.61%	-6.3	0.05	-0.08%
Deposits & Trust principal	31.3	11.87	0.52%	33.7	11.61	0.57%	-2.3	0.26	-0.05%
Negotiable certificate of deposit	3.4	2.13	0.31%	8.3	2.31	0.71%	-4.9	-0.18	-0.39%
Call money, etc. (*2)	0.5	0.57	0.17%	2.0	0.77	0.53%	-1.5	-0.19	-0.36%
International	20.8			8.1			12.7		
Total	90.7			81.6			9.0		

- Redemption profit of mutual funds -7.0 bn
  (1HFY08 11.0 bn → 1HFY09 4.0 bn)
- Dividend from stocks -1.0 bn
  (7.0 bn → 6.0 bn)

- Securities -15.0 bn (47.0 bn→ 32.0 bn)
- (Dividend income from an overseas subsidiary resulting from the gain on retirement of perpetual subordinated bonds +9.4 bn)
- Loan spread -9.5 bn (19.0 bn→ 9.5 bn)
- Swaps +12.0 bn (-14.5 bn→ -2.5 bn)
- Interest expenses -29.0 bn
  (47.0 bn→ 18.0)

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(*1) Sum of securities and purchased loans
(*2) Include Call money, Bills sold, Loans from trust a/c, Buy/sell, Repo and Short term bonds

Fee revenue breakdown

- Other trust fees (consolidated): Decreased by 7.8 billion yen from 1HFY2008 due to the decrease in market value of entrusted assets (including 2.1 billion yen decrease owing to the dissolution of the effect resulting from the revision of accrual method in the previous fiscal year)
- Net fees and commissions (consolidated): Decreased by 2.2 billion yen from 1HFY2008 due to the decline in administration fees of mutual funds and individual annuities of retail financial services, in addition to the decrease in real estate brokerage volume

(in billions of Yen)	Non-consolidated			Consolidated			Major contributing factors (Consolidated)
	1H FY2009	1H FY2008	Change	1H FY2009	1H FY2008	Change	
Other trust fees	23.3	31.1	-7.8	23.2	31.1	-7.8	Dissolution of the effect resulting from the revision of accrual method in FY2008 -2.1
Pension trust(*1), Public pension	14.0	18.2	-4.2	14.0	18.2	-4.2	Pension trust -2.8 (Market value -1.2, factor mentioned above -1.1)
Securities processing services	6.2	9.3	-3.1	6.2	9.3	-3.1	Mutual fund -3.0 (Market value -1.1, factor mentioned above -1.1)
Real estate	1.5	2.1	-0.5	1.5	2.1	-0.5	Securitization -0.3
Net fees and commissions	18.4	13.6	4.8	36.1	38.3	-2.2	
Domestic business	18.2	14.4	3.8	32.5	34.0	-1.4	
Retail financial services	5.6	6.6	-1.0	8.4	9.2	-0.8	Mutual fund and Individual annuity -1.3 (Sales fee -0.2, administration fee -1.1)
Wholesale financial services	13.2	10.2	2.9	20.0	21.0	-1.0	Non-consolidated +2.9 (Arrangement fee for syndicated loans and project finance +2.9), Consolidated -3.9 (Stock transfer agency -2.6)
Stock transfer agency services	4.1	3.1	0.9	8.4	10.1	-1.7	Non-consolidated +0.9, Consolidated -2.6 (fees of outsorcing subsidiary -2.6)
Real estate	2.7	4.5	-1.8	6.6	9.4	-2.7	Real estate brokerage -2.7 (Non-consolidated -1.8, subsidiary -0.9)
Fees paid for outsourcing (custody & pension administration)	-6.8	-7.1	0.3	-6.8	-7.1	0.3	
International business	0.1	-0.8	1.0	3.5	4.3	-0.7	Non-consolidated +1.0, STB (U.S.A.) -1.7
Total (A)	41.7	44.7	-2.9	59.3	69.4	-10.1	
Gross profits before credit costs (B)	146.2	139.9	6.2	183.8	193.4	-9.6	
Fee ratio (A)/(B) (%)	28.6%	32.0%	-3.4%	32.2%	35.9%	-3.7%	

(*1) Lead manager fees from pension trusts are included (amount affected 1HFY2009: 2.1 bn yen, 1HFY2008: 1.7 bn yen)

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Breakdown of total substantial credit costs 1. Group companies, domestic (non-consolidated)

- Total substantial credit costs of group companies for 1HFY2009 were -8.1 billion yen, mainly due to the worsening conditions of some clients of leasing subsidiaries and their increased reserve ratio. Those of First Credit decreased to -1.1 billion yen because the effects of declining collateral values peaked out
- Domestic total substantial credit costs (non-consolidated) amounted to -24.1 billion yen, mainly due to the higher reserve ratio in response to the increase in doubtful loans (96% coverage ratio with collateral value and specific allowance for loan losses)

<Total substantial credit costs>

(in billions of Yen)	FY2008 1H	FY2008 2H	FY2008 Full	FY2009 1H	Major factors of change (1HFY2009)
Consolidated	-24.5	-145.5	-170.0	-40.8	
Non-consolidated	-10.3	-110.9	-121.3	-32.7	
Overseas factors	-10.0	-63.1	-73.1	-8.5	
Group companies	-14.1	-34.5	-48.7	-8.1	
STB Leasing	-1.9	-2.2	-4.2	-2.9	Change of reserve ratio -1.1, worsened conditions of some clients, etc.
Sumishin Matsushita Financial Services	-1.9	-0.8	-2.8	-2.0	Change of reserve ratio -0.5, worsened conditions of some clients, etc.
First Credit	-8.1	-29.2	-37.3	-1.1	Downgrade of classification -3.9, collection of NPL etc. 2.7

<Breakdown of total substantial credit costs (Domestic, non-consolidated)>

Account (in billions of Yen)	FY2008 1H	FY2008 2H	FY2008 Full	FY2009 1H	Major factors of change (FY2009)
Total credit costs	-0.3	-46.5	-46.8	-24.0	
General allowance for loan losses	2.6	-1.5	1.0	20.5	Decrease in loans to special mention debtors 24.6, increse in loans to special mention debtors -1.6, increase in loans to substandard debtors -3.6
Specific allowance for loan losses	-3.0	-36.4	-39.4	-42.6	Increase in doubtful loans -59.1, decrease in doubtful loans 16.5
Written off and losses on sales of loans	-0.6	-8.7	-9.3	-2.4	
Other non-recurring profit	0.0	-1.2	-1.2	-0.0	
Domestic factors	-0.2	-47.8	-48.1	-24.1	

- Total substantial credit costs on consolidated basis increased from 1HFY2008 to -40.8 billion yen, but overseas credit costs and group companies' credit costs, which were at high levels in FY2008, decreased, thus we think they are moving towards normalization.
- Regarding group companies' credit costs, -4.9 billion yen out of the -8.1 billion yen was those of leasing subsidiaries. First Credit, which substantially increased its reserves in FY2008, had reversals of reserves resulting from factors such as collection of non-performing loans, and its credit costs for 1HFY2009 turned out to be only -1.1 billion yen. Total credit costs of leasing subsidiaries were mainly affected by higher reserves resulting from worsening financial conditions of their clients, and since 1HFY2009 the reserve ratio has been raised to incorporate that.
- Non-consolidated domestic total credit costs of -24.1 billion yen shown in the table below were mainly caused by downgrades of loans from special mention category to doubtful category, which resulted in high reserves provided for those loans. I will explain this situation in detail later, along with migration analysis, and the situation of collaterals and allowances.
- Please look at the next page.

Breakdown of total substantial credit costs 2. Overseas (non-consolidated)

- Overseas total substantial credit costs (non-consolidated) for 1HFY2009 were -8.5 billion yen, including -4.5 billion yen of impairment loss on asset-backed securities and losses on sales for risk reduction (corporate loans -2.3 billion yen, asset-backed securities -0.8 billion yen)
- On the other hand, 5.4 billion yen of gain on sale of impaired securities was posted in net gains on bonds, showing the appropriateness of our market valuation

< Breakdown of total substantial credit costs (Overseas, non-consolidated) >

Account (in billions of Yen)	FY2008 1H	FY2008 2H	FY2008 Full	FY2009 1H	Major factors of change (1HFY2009)
Total credit costs	-3.1	-4.9	-8.0	-3.2	
General allowance for loan losses	8.8	-2.3	6.5	0.3	
Specific allowance for loan losses	-7.8	0.2	-7.5	-1.0	
Written off and losses on sales of loans	-4.1	-2.8	-7.0	-2.4	Sales of corporate loans -2.3
Net gains on sales of stocks and other securities	-0.1	-13.6	-13.7	-0.6	
Losses on sale of stocks and other securities	-0.1	-	-0.1	-	
Losses on devaluation of stocks and other securities	-	-13.6	-13.6	-0.6	CLO equities -0.6
Others	-6.7	-44.5	-51.2	-4.7	
Allowance for contingencies	-	-0.1	-0.1	-	
Impairment loss related to overseas asset-backed securities	-6.7	-44.3	-51.1	-4.7	
Losses on sales	-3.7	0.1	-3.5	-0.8	Asset-backed securities -0.8
Write-offs	-2.9	-44.5	-47.5	-3.8	Asset-backed securities -3.8
Total	-10.0	-63.1	-73.1	-8.5	

Asset-backed Securities impairment -4.5

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- ■Non-consolidated overseas total substantial credit costs were -8.5 billion yen, including losses realized with the sale of loans and asset-backed securities in order to reduce risks. They were far below -10.0 billion yen in 1HFY2008, and 63.1 billion yen in 2HFY2008. With the stabilization of financial markets, impairment losses of asset-backed securities were only -4.5 billion yen.
- ■Though not included in this table, with the sale of securities impaired until FY2008, realized gains of 5.4 billion yen were recorded in 1HFY2009 and I think in that sense you can confirm the appropriateness of our market valuations.
- ■Regarding the total balance of overseas credit investments and the situation of their risk reduction, data are shown on pages 27 and 28 of the presentation material, so please refer to them later. Total balance of loans and securities including asset-backed securities decreased by over 110.0 billion yen in 1HFY2009 by sales and redemptions etc., thus you can confirm that risk reduction is proceeding as planned.
- ■Please proceed to the next page 10.

Migration analysis and Non-performing loans (NPL) by industry

- NPL volume increased, mainly due to the downgrades of loans in some industries from special mention category to doubtful category
- Loans to special mention debtors (excluding loans to substandard debtors) decreased by 224.0 billion yen from 2009/3, owing to the repayments and upgrades especially in the financial industry, as well as the downgrades

<Migration analysis> **(non-consolidated; banking a/c and principal guaranteed trust a/c combined)>**

(in billions of Yen)	Mar. 2009	Sep. 2009	Change	Downgrade (+)	Downgrade (-)	Upgrade (+)	Upgrade (-)	Repayment, etc.
Bankrupt / practically bankrupt	28.0	26.1	-1.9	2.5	-	-	-0.5	-3.9
Doubtful	73.7	242.2	168.5	(*1)202.9	-0.3	0.4	(*2) -19.1	-15.3
Loans to substandard debtors	27.9	51.8	23.9	10.5	-0.8	(*3) 18.7	-2.3	-2.2
Loans to special mention debtors (excluding loans to substandard debtors)	832.1	608.1	-224.0	(*4) 72.7	(*5)-213.7	2.6	(*6) -42.8	-42.8

<Assets classified under the Financial Reconstruction Law by industry>
(non-consolidated; banking a/c and principal guaranteed trust a/c combined)

(in billions of Yen)	Mar. 2009	Sep. 2009	Change fm Mar. 2009
Domestic Branches (excluding offshore)	112.2	303.6	191.5
Manufacturing	5.6	6.2	0.6
Construction	6.4	5.0	-1.4
Communication	27.0	23.2	-3.8
Transportation, postal service	-	39.0	39.0
Finance and insurance	0.1	144.9	144.8
Real estate	52.6	65.0	12.5
Overseas branches and offshore	4.3	5.5	1.2
Total	116.4	309.2	192.7

<Major factors of change from March 2009> (in billions of yen)
(*1) Major factor : Finance and insurance 144.8, Transportation, postal service 39.0, and Real estate 12.5 in left chart.
(*2)(*3) Upgrade from doubtful loans to substandard loans
(*4) Manufacturing appx. 22.0, Finance and insurance appx. 17.0, Real estate appx. 10.0, Overseas appx. 10.0, etc.
(*5) Correspond to (1*)
(*6) Finance and insurance appx. -44.0, Real estate appx. -24.0, Construction appx. -5.0, Transportation, postal service appx. -4.0, etc.

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- Here, I would like to explain the background of domestic total credit costs through migration analysis.
- Newly arising doubtful loans etc. shown in “Major factors of change from March 2009 (*1)” generally correspond to the increase in non-performing loans in “Transportation, postal service”, “Finance and insurance” and “Real estate” industries. On the other hand, with the determination and execution of restructuring plans, some doubtful loans were upgraded to loans to substandard debtors, and total credit costs in 1HFY2009 are mainly caused by provisions and reversals of allowance for loan losses due to these reclassifications as to the doubtful category.
- Loans to special mention debtors excluding loans to substandard debtors decreased significantly by 224.0 billion yen from 2009/3, owing to the repayments and upgrades especially in the “Finance and insurance” industry, as well as the downgrades.
- Please proceed to the next page.

Non-performing loans: Collaterals and allowances

- NPL volume increased by 192.7 billion yen from 2009/3, mainly due to the increase in doubtful loans, while loans to special mention debtors decreased by 226.2 billion yen.
- As to doubtful loans, we conservatively evaluated collaterals, and set aside high reserve ratio of 88% against unsecured portion

<Balance and ratio to total loan balance of NPLs >
(non-consolidated; banking a/c and principal guaranteed trust a/c combined)

(in billions of Yen)	Mar. 2009	Sep. 2009	Change fm Mar. 2009	Collateral / Reserve		Reserve ratio(*1) (Coverage ratio(*2))
Assets classified under the Financial Reconstruction Law	116.4	309.2	192.7			
(Ratio to total loan balance)	(0.9%)	(2.5%)	(1.6%)			
Loans in bankrupt and practically bankrupt	28.0	26.1	-1.9	Specific allowance for loan losses	10.3	100%
				Collateral value	15.8	(100%)
				Uncovered	9.5	88%
Doubtful loans	73.7	242.2	168.5	Specific allowance for loan losses	71.3	
				Collateral value	161.4	(96%)
				Uncovered	20.8	20%
Substandard loans	14.7	40.9	26.1	General allowance for loan losses	5.4	
				Collateral value	14.6	(49%)
<For reference> Loans to substandard debtors	(27.9)	(51.8)	(23.9)			
Special mention (exc. Substandard)	845.3	619.1	-226.2			
Total loan balance	12,479.8	12,268.6	-211.2			

(*1) Reserve ratio = allowance for loan losses / (loan balance – collateral value)
(*2) Coverage ratio = (collateral value + allowance for loan losses) / loan balance)

- Here, you can confirm the situation of collateral and allowance for the 242.2 billion yen of doubtful loans. As to coverage, we conservatively evaluated collaterals at 161.4 billion yen, and as a result of posting reserves based on estimates by the DCF method, we set aside high reserve ratio of 88% against unsecured portion and ensured high coverage ratio of 96% by collaterals and allowances for the entire loan amounts.
- In 1HFY2009, non-performing loan itself largely increased, but I think these collaterals and allowances will greatly reduce potential risks in 2HFY2009 onwards.
- This concludes my explanation about our financial results for 1HFY2009. Next, I will explain the situation of regulatory capital. Please look at page 14.

Securities portfolio and interest rate risk

- Unrealized gain on held-to-maturity debt securities increased by 36.9 billion yen from 2009/3 to 41.4 billion yen, mainly due to improved valuations of overseas asset-backed securities (-44.7 billion yen including the unamortized balance of unrealized loss on securities resulting from reclassification in the previous fiscal year)
- Valuation difference of available-for-sale securities increased by 148.2 billion yen from 2009/3 to 79.1 billion yen, mainly due to improved unrealized gain on stocks

<Unrealized gains/losses and valuation difference of securities for which market prices are available (consolidated/ after devaluation)>

(in billions of Yen)	Market value			Book value			Unrealized gains/losses		
	Sep-09	Mar-09	Change	Sep-09	Mar-09	Change	Sep-09	Mar-09	Change
Held-to-maturity debt securities	601.2	661.6	-60.3	559.8	657.2	-97.3	41.4	4.4	36.9
Japanese Government Bonds, Corporate Bonds	283.3	363.3	-80.0	274.6	356.0	-81.3	8.6	7.3	1.3
Others (Foreign bonds) (Note1,2)	317.9	298.2	19.6	285.1	301.1	-16.0	32.7	-2.8	35.6

(Note1) Unamortized balance of unrealized loss on asset-backed securities which were reclassified from "Available-for-sale securities" to "Held-to-maturity debt securities" (2009/9: -86.1 bn yen, 2009/3: -95.5 bn yen)

(Note2) Effect on book value of applying theoretical price to overseas asset-backed securities; "Others (Foreign bonds)" (2009/9: 7.7 bn yen, 2009/3: 24.4 bn yen)

(in billions of Yen)	Book value			Cost			Valuation difference		
	Sep-09	Mar-09	Change	Sep-09	Mar-09	Change	Sep-09	Mar-09	Change
Available-for-sale securities	3,729.3	4,030.8	-301.5	3,650.1	4,099.8	-449.7	79.1	-69.0	148.2
Stocks	491.1	408.2	82.9	422.5	432.6	-10.1	68.6	-24.4	93.1
Japanese Government Bonds, Corporate Bonds (Note 2)	1,378.0	1,561.1	-183.1	1,352.1	1,540.8	-188.6	25.8	20.3	5.5
Foreign bonds and others (Note1)	1,860.1	2,061.4	-201.3	1,875.4	2,126.3	-250.9	-15.3	-64.9	49.5

(Note1) Effect on book value of applying theoretical price ; "JGB" (2009/9: 13.5 bn yen, 2009/3: 14.2 bn yen), "Foreign bonds and others" (2009/9: 0.9 bn yen, 2009/3: 3.9 bn yen)

<Securities portfolio of treasury and financial products business (*1) (non-consolidated)>

(in billions of Yen)	Cost			Unrealized gains/losses			10BPV (*2)		
	Sep-09	Mar-09	Change	Sep-09	Mar-09	Change	Sep-09	Mar-09	Change
JPY	1,606.6	1,838.5	-231.9	34.6	27.9	6.6	4.2	6.4	-2.2
Other	945.5	1,104.6	-159.0	-0.5	9.9	-10.4	3.7	4.3	-0.6
USD	551.1	577.0	-25.8	-4.9	3.2	-8.1	2.4	2.4	-
EUR, etc.	394.3	527.5	-133.1	4.4	6.7	-2.3	1.5	1.9	-0.4

(*1) Managerial reporting basis; Held-to-maturity debt securities and Available-for-sale securities are combined.

(*2) Exclude Japanese bonds which are hedged individually by asset swaps (balance as of 2009/9: 309.0 billion yen, 2009/3: 247.5 billion yen)

<Outlier ratio (*3) (consolidated)>

(in billions of Yen)	Sep-09	Mar-09	Change
Total interest rate risk	77.9	137.8	-59.9
JPY	25.9	74.6	-48.7
Tier I +Tier II	1,901.5	1,745.4	156.1
Outlier ratio	4.10%	7.90%	-3.80%

(*3) Regarding the explanation of the calculation method, please refer to the notes in page 14 of our Explanatory Material for the 2nd quarter of FY2009.

Status of capital

Regulatory capital

- Due to the increase in Tier I capital and the large decrease in risk-weighted assets (-1.1 trillion yen), Tier I capital ratio improved by 2.25% from 2009/3 to 9.88%, which is over 9% even after taking into account the impact of "goodwill" of Nikko Asset Management (Nikko AM) (appx. -0.6%) which was consolidated on October 1, 2009.
- The decrease in risk-weighted assets was due to the decrease in the loans to large-lot special mention debtors, the decrease in amount of market related risk, and revision of risk-weights of sovereign bonds

<Capital and BIS capital adequacy ratio (consolidated)>

(in billions of Yen)	Sep-09 (Preliminary)	Mar-09 (Actual)	Change
Total qualifying capital	1,818.9	1,682.8	136.0
Tier I	1,268.7	1,061.8	206.9
Shareholders' equity	1,110.0	990.4	119.6
Preferred shares	109.0	-	109.0
Noncumulative preferred securities issued by overseas SPV	280.0	280.0	-
Less: Goodwill equivalents	102.7	106.9	-4.2
Less: Unrealized loss on available-for-sale securities	9.6	109.6	-99.9
Less: (EL - Eligible provisions) x 50%	25.3	7.8	17.4
Tier II	632.8	683.6	-50.7
45% of unrealized gain on available-for-sale securities	-	-	-
Subordinated debts	623.7	673.6	-49.8
Upper Tier II	207.8	292.7	-84.8
Lower Tier II	415.8	380.8	35.0
Less: Deduction (double gearing)	82.6	62.5	20.1
BIS capital adequacy ratio	14.17%	12.09%	+2.08%
Tier I capital ratio	9.88%	7.63%	+2.25%

<Total risk-weighted assets>

Total risk-weighted assets	12,834.3	13,911.4	-1,077.1
Amount of credit risk-weighted assets	12,029.9	12,943.8	-913.9
Amount of market risk equivalents	131.6	284.7	-153.1
Amount of operational risk equivalents	672.7	682.8	-10.0

Major factors of change in capital from 2009/3

(1) Shareholders' equity: +119.6 billion yen
Preferred shares issuance +109.0 billion yen

(2) Unrealized loss on available-for-sale securities: -99.9 billion yen
Decreased unrealized loss on available-for-sale securities, due to higher stock prices etc.

(3) Subordinated debts: -49.8 billion yen
Retirement of perpetual subordinated bonds (-250 million pounds), domestic subordinated bonds issuance (+55.0 billion yen), redemption etc. (appx. -70.0 billion yen)

Major factors of change in risk-weighted assets from 2009/3

(1) Amount of credit risk-weighted assets: -0.91 trillion yen
- Corporate, etc. -0.52 trillion yen
 (The decrease in loans to large-lot special mention debtors (downgrades and repayments) -0.41 trillion yen)
- Sovereign risk-weights revision (JGB, etc.) -0.18 trillion yen
- Purchased receivables and securitization -0.13 trillion yen

(2) Amount of market risk equivalents: -0.15 trillion yen
Decreased high interest rate volatility + reduced position

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- Our consolidated Tier I capital ratio at 2009/9 improved significantly by 2.25% from 2009/3 to 9.88%. This is because Tier I capital increased due to our 109.0 billion yen issuance of preferred shares in September, as well as approximately 100.0 billion yen improvement in unrealized loss on available-for-sale securities, and because risk-weighted assets decreased by over 1 trillion yen.
- Also for your reference, even after taking into account approximately 76.0 billion yen of goodwill caused by the purchase of Nikko AM on October 1, we ensured the level of nearly 9.3%.
- The major factors of the significant decrease in risk-weighted assets are shown on the lower right. This is not only due to the reduction of actual risk amount such as reduction of securitized products and market related risk, but also due to our past conservative valuations of sovereign risks and probability of default of special mention debtors.
- Next, I would like you to confirm our indices which you should focus on from the aspect of quality of Tier I capital.
- Please proceed to page 15.

Quality and quantity of capital, reduction of shareholding risk

- Consolidated core Tier I capital ratio is 6.85%, which is above 6% even after taking into account the impact of "goodwill" of Nikko AM (appx. -0.6%)
  →Considering the relatively stable risk-weighted assets (FIRB Approach), we have a relatively strong position in terms of tolerance for risk
- The leverage ratio (consolidated total assets / consolidated Tier I capital) is at a relatively low level among major banks. Though the details of new regulations are undecided, their introduction is expected to have a relatively limited impact
- Cost of stock holdings (422.5 billion yen) represents 33.3% of Tier I capital, and we will continue to work on its further reduction in the 2HFY2009 and later

<BIS capital adequacy ratio (consolidated)> (Preliminary)

(in billions of Yen)	Sep-09 (Preliminary)	Mar-09 (Actual)	Change
Tier I capital	1,268.7	1,061.8	206.9
Preferred shares	109.0	-	109.0
Noncumulative preferred securities	280.0	280.0	-
Net deferred tax assets	132.3	207.7	-75.4
(Ratio to Tier I capital)	(10.4%)	(19.6%)	(-9.2%)
Core Tier I capital	879.7	781.8	97.9
Core Tier I capital (excl. DTA)	747.4	574.1	173.3
Total risk-weighted assets	12,834.3	13,911.4	-1,077.1
Tier I capital ratio	9.88%	7.63%	+2.25%
Core Tier I capital ratio	6.85%	5.61%	+1.24%
Core Tier I capital ratio (excl. DTA)	5.88%	4.18%	+1.70%

Core Tier I capital ratio = Core Tier I capital / Total risk-weighted assets
(Core Tier I capital = Tier I capital - Preferred shares - preferred securities)
Core Tier I capital ratio (excl. DTA) = Core Tier I capital (excl. DTA) / (Total risk-weighted assets-Net differed tax assets)
(Core Tier I capital (excl. DTA)= Core Tier I capital - Net deferred tax assets)

<Comparison of leverage ratio (consolidated) with other banks>

	STB	Mega-bank A	Mega-bank B	Mega-bank C
Leverage ratio* (Times)	16.6	22.8	22.1	30.2
(Ref.) Risk-weighted assets / Total assets (%)	60.8	48.0	47.1	37.9

*Leverage ratio = Total assets / Tier I capital

<Stock holding and capital (consolidated)>

(in billions of Yen)		Sep-09	Mar-09	Change
Cost	(a)	422.5	432.6	-10.1
(valuation difference)		(68.6)	(-24.4)	(93.1)
Tier I capital	(b)	1,268.7	1,061.8	206.9
Ratio to Tier I capital	(a) / (b)	33.3%	40.7%	-7.4%

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- The left table shows our "Core Tier I capital ratio", which is calculated based on Tier I capital excluding preferred shares and preferred securities. This was 6.85% at 2009/9, and was over 6.2% even after taking into account the impact of goodwill of Nikko AM. We continue to adopt the Foundation Internal Ratings-Based approach, and considering the point that the risks of future risk weight fluctuations are limited compared to the Advanced Internal Rating-Based approach (AIRB), we think we have a relatively strong position among major banks in terms of tolerance for risk.
- Amid discussions of international capital adequacy ratio regulation revisions, introduction of the leverage ratio is being considered as a complementary index, as the upper right table shows the assumed figure which is consolidated total assets divided by consolidated Tier I. Our figure at 2009/9 was 16.6 times, a much lower level than each megabank group. Even considering that many elements such as the final definition of leverage ratio are undecided, my view is that the impact of the introduction of such new regulation would be relatively small.
- Future review of our financial and capital policies will be necessary based on the regulatory trends, but as explained in the midterm management plan, while we have put more priority on enhancing capital adequacy, our basic concept of emphasizing balance with capital efficiency is unchanged. Same as in 1HFY2009, our policy is to first work on more advanced controls of risk-weighted assets and measurement methods which contribute to the coexistence of capital adequacy and capital efficiency.
- The lower right table shows the ratio of stock holdings on cost basis to Tier I capital. The ratio decreased to 33.3% at 2009/9, mainly due to improvement in the denominator, and we continue to work on its steady reduction in the 2HFY2009 onwards with the aim of achieving the mid-term target of 30%.
- Regarding our credit portfolio situation, we disclose detailed data starting on page 26, especially for international credit investment, loans to nonbank financial industry and real estate-related loans, so please look at those later. Next, I will explain our earnings forecast for FY2009. Please look at page 17.

Forecast for FY2009

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Forecast for FY2009

- Net business profit is forecasted to be 175.0 billion yen on consolidated basis (unchanged) and 155.0 billion yen on non-consolidated basis (increased by 10 billion yen from the previous forecast), based on the performance in the 1HFY2009
- Net income is forecasted to be 45.0 billion yen on consolidated basis (unchanged), and 45.0 billion yen on non-consolidated basis (increased by 5.0 billion yen from the previous forecast), due to the review of non-consolidated total substantial credit costs and those of group companies etc.

<Consolidated> (in billions of Yen)	1H (Actual)	2H (Forecast)	FY2009 (Forecast) (A)	Change (A) - (B)	<For reference> FY2009 (Previous forecast) (B)
Net business profit before credit costs	87.7	87.3	175.0	-	175.0
(Total substantial credit costs)	(-40.8)	(-29.2)	(-70.0)	(10.0)	(-80.0)
Ordinary profit	33.4	46.6	80.0	-5.0	85.0
Net income	19.2	25.8	45.0	-	45.0
<Non-consolidated>					
Net business profit before credit costs	81.6	73.4	155.0	10.0	145.0
Total credit costs	-27.2	-17.8	-45.0	5.0	-50.0
(Total substantial credit costs)	(-32.7)	(-22.3)	(-55.0)	(15.0)	(-70.0)
(Domestic)	(-24.1)	(-15.9)	(-40.0)	(10.0)	(-50.0)
(International)	(-8.5)	(-6.5)	(-15.0)	(5.0)	(-20.0)
Other non-recurring profit	-22.7	-12.3	-35.0	-5.0	-30.0
Ordinary profit	31.1	43.9	75.0	10.0	65.0
Net income	19.3	25.7	45.0	5.0	40.0
Full year dividend per share (Yen)	5	5	10	-	10
Consolidated dividend payout ratio	-	-	39.5%	2.3%	37.2%

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- In our earnings forecast for FY2009, consolidated total substantial credit costs are 10.0 billion yen below the previous forecast, while other non-recurring profit including non-consolidated gain/loss on stocks is lowered by 5.0 billion yen, and net income is forecasted to remain at 45.0 billion yen on consolidated basis.
- Non-consolidated domestic total substantial credit costs are estimated to decrease by 10.0 billion yen based on the significant decrease in loans to special mention debtors, and overseas total substantial credit costs are estimated to decrease by 5.0 billion yen based on more stable credit markets. In contrast, we estimate 5.0 billion yen increase in total substantial credit costs of group companies, based on trends in 1HFY2009.
- Based on the earnings forecast above, dividend per share is planned to be 10 yen, the same level as the previous forecast.
- Next, as an update on group strategy, I will explain our efforts regarding Nikko AM which became our subsidiary on October 1, and our measures to strengthen business foundations of two leasing subsidiaries through their merger. Please proceed to page 19 of the presentation material.

Strategy and performance of group companies

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Acquisition of Nikko AM
– Drastic reinforcement of investment sales strategy

<Investment sales strategy after acquisition of Nikko AM (as of October 1)>

Tie-up with Nikko AM	(1) Extensive product lineup & highly estimated asset management capabilities(*) (2) Strong marketing support capabilities *) (3) Significant product marketing and development capabilities(*)	Expand client base Develop clients with new profiles
Tie-up with fiduciary business	Take advantage of our consulting know-how for institutional investors (1) Deploy "core + satellite" sales model (2) Portfolio consulting etc.	Expand sales volume In 2HFY2009, plan to double the investment trust sales of 1HFY2009 (1HFY2009 results 87.2 billion yen)
Reinforce sales personnel	Plan to increase sales staff by about 30 in 2HFY2009 (focused on front-line sales managers)	

<Specific measures for stronger alliance with Nikko AM>

(1) Sales of exclusive mutual funds for us
- Two of exclusive products for us have been launched in Oct.2009 "Sumishin Wallet of the World" & "Natural Resources Equity Fund Currency Selection Series"

(2) Utilize training function of Nikko AM
- Execute training program for our sales staff at the Nikko AM's "Fund Academy"

(3) Sales promotion support by exclusive staff for us
- Individual sales support for all our branches by 8 exclusive staff for us (including joint sales visits and creating proposal documents)

(4) Hold joint seminars on asset management
- Plan to hold proposal-type seminars 90 times for 4,000 clients at our company's 57 locations

(*) Fund information survey by R&I

Evaluation of asset management capability	No.2
Evaluation of service and support system	No.2
Evaluation of product development capability	No.1

Notes: "Fund Information" issued by R&I on Mar.9, 2009 as to customer satisfaction survey of investment trust companies

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■ The aims of the acquisition of Nikko AM are to expand and enhance the foundations of our asset management and asset custody businesses, and drastically reinforce our own investment sales function. In developing our "Trustee-ness" investment sales model, our policy is to make the maximum use of Nikko AM's attractive products, sales support capability and product development capability.

■ Measures to strengthen our retail investment sales strategy are conversion to a sales style utilizing our consulting know-how for institutional investors, specifically the introduction of "core + satellite" sales model and portfolio consulting approach. We plan to have Nikko AM play a part in innovating our investment sales model, especially through its provision of "trendy satellite" products, training for our sales staff, and support for our sales activities.

■ Specific measures for stronger tie-up are shown in the lower left box. Specific initiatives have already begun, with launch of our two exclusive mutual funds for us, and sales promotion support by 8 exclusive staff for us.

■ We greatly reinforced our investment sales staff in October, and plan to increase about 30 sales staff in 2HFY2009. By these strengthening initiatives, we are working to develop clients with new profiles which differ from our traditional clients of loan trusts, and we have made a plan with the challenge of doubling our investment trust sales in 2HFY2009 compared to 1HFY2009.

■ Next, I will explain our initiative to boost profitability through the merger of two leasing subsidiaries. Please look at page 21.

(For reference) Nikko AM

<Nikko AM: assets under management, financial results>

- Due to the recovery of market conditions, assets under management increased by about 1.1 trillion yen from 2009/3 and interim net income in 1HFY2009 was 1.4 billion yen as planned

(in trillion yen)	Mar. 2009	Sep. 2009	Change
Retail investors	5.90	6.71	0.81
Domestic institutional investors	2.39	2.41	0.02
International institutional investors	0.52	0.81	0.29
Total AUM	8.81	9.94	1.13

(in billions of yen)	1HFY2009	Change	1HFY2008
Net business profit	1.7	-2.2	3.9
Ordinary profit	2.2	-2.8	4.9
Net income	1.4	-1.6	3.0

<Acquisition price of Nikko AM and goodwill>

- Acquisition price: 112.4 billion yen
- Enterprise value: 87.7 billion yen (acquisition price less excess cash of 24.7 billion yen)
- Goodwill: Appx. 76.0 billion yen
  - ⇒ Assume straight-line amortization over a period of 15-20 years from 2HFY2009

<Nikko AM's earning forecast(*)>

(*) Differing from the assumptions of acquisition price by STB

	FY2008 (actual)	FY2009 (plan)		FY2011 (plan)
		1HFY2009 (actual)		
AUM (in trillions of yen)	8.8	9.9	9.0 - 11.0	11.0 - 15.0
Net income (in billions of yen)	3.6	1.4	4.0 - 6.0	8.0 - 12.0

(Note) This forecast does not reflect an effect of on-time costs accompanied by the acquisition. These costs have been already adjusted in calculating the acquisition price, and will not have any effect on STB's consolidated earnings.

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Integration of two leasing companies

- Plan to merge Sumishin Matsushita Financial Services Co., Ltd. and STB Leasing Co., Ltd. on April 1, 2010 (planned name of the merged company is Sumishin Panasonic Financial Services Co., Ltd.)
- Reallocate managerial resources into the promising business areas so as to solidify the foundations of its earnings, in addition to the streamlining measures executed in FY2008

<Aims of merger>

(1) Reallocate staff by integrating HQ and sales units, thereby putting managerial resources into promising businesses

(2) By merging of individual characteristics of bank and manufacturer, share and utilize both companies' know-how and business infrastructures

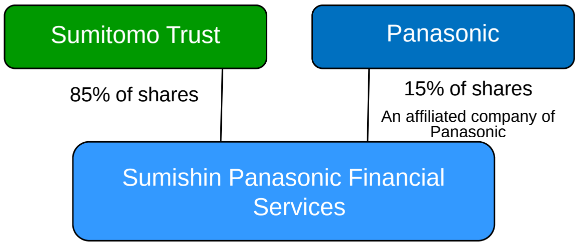
(3) Maintain close tie-up with Panasonic Group

Promising and high profitability business areas

(1) Dealer leasing (small-amount vendor leasing)

(2) Credit, and housing related loans through tie-up with Panasonic Group (including solar loans for home solar power generation)

<After merger on April 1, 2010>



<Earnings plan (combined figures of two companies)**>**

(in billions of yen)	FY2008 (actual)	FY2009 (plan)	FY2011 (plan)
Transaction volume	502.5	465.6	470.0 - 480.0
User leasing	264.8	257.7	255.0 - 260.0
Dealer leasing	61.5	73.6	75.0 - 80.0
Credit	49.8	51.6	50.0 - 55.0
Card	38.7	40.4	45.0 - 50.0
Housing related loan	29.8	26.6	25.0 - 30.0
Others	57.6	15.7	10.0 - 15.0
Net business profit	7.5	6.6	10.0 - 11.0
Personnel / Non-personnel expenses exc.tax	(22.0)	(20.5)	(21.0 - 22.0)
Net income	4.8	5.2	6.0 - 6.5

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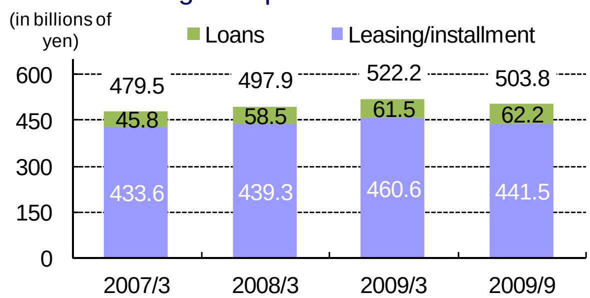
- Management integration of STB Leasing Co., Ltd. and Sumishin Matsushita Financial Services Co., Ltd. was executed in March last year through a holding company structure, and we have been strengthening their business cooperation. In order to accelerate achieving results from the integration, we decided to merge the two companies in April next year.
- Panasonic will have 15% of shares in the new merged company, and we have agreed with Panasonic to maintain and even further strengthen the tie-up with Panasonic Group.
- We will proceed to reallocate staff by integrating headquarters and sales units of two companies, and to put managerial resources into promising business areas. Specifically, we will put effort into dealer leasing, as well as credit and housing related loans including solar loans through tie-up with Panasonic Group. Together with the streamlining measures executed last fiscal year, we try to solidify the foundation of its earnings. As for net business profit, the combined figure of two companies is planned to hit the bottom of over 6.0 billion yen in this fiscal year and to get back on a recovery track from next fiscal year onwards.
- Finally, I would like to explain once more the background, significance and aims of the basic agreement reached on November 6 for the management integration with Chuo Mitsui Trust Group. Please refer to page 1 of the separate document.

Financial related business in group companies 1. Leasing

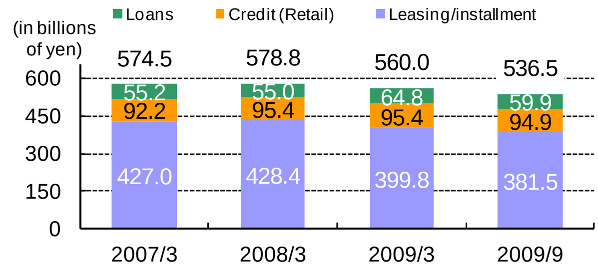
- STB Leasing Group (STBL): Net income decreased by 0.2 billion yen from 1HFY2008 to 0.8 billion yen, mainly due to the increase in total substantial credit costs (-0.9 billion yen)
- Sumishin Matsushita Financial Services (SMFC): Net income increased by 0.9 billion yen from 1HFY2008 to 1.7 billion yen, mainly due to the expense reduction by promoting streamlining (0.9 billion yen)
- Two companies' combined NPL ratio stood at appx. 2.2%(*). STBL's loans are focused on ship finance, and SMFC's loans are focused on loans to individual. (*) Managerial reporting basis: Include Leasing assets which are not the subjects of NPL

<STB Leasing Group>



(in billions of Yen)	1HFY2009	Change	1HFY2008
Net business profit	1.4	-0.2	1.6
Leasing profit	6.8	0.5	6.3
Leasing expense	-2.5	0.0	-2.5
G&A expense	-5.0	-0.4	-4.6
Ordinary profit	1.2	-0.5	1.8
Net income	0.8	-0.2	1.0
Total substantial credit costs	-2.9	-0.9	-1.9

<SMFC>



(in billions of Yen)	1HFY2009	Change	1HFY2008
Net business profit	1.0	0.4	0.5
Leasing profit	7.9	0.0	7.8
Leasing expense	-2.4	0.2	-2.7
G&A expense	-7.3	0.9	-8.2
Ordinary profit	1.1	0.4	0.7
Net income	1.7	0.9	0.7
Total substantial credit costs	-2.0	-0.1	-1.9

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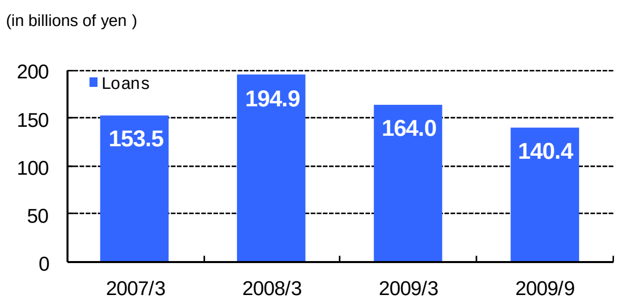
Financial related business in group companies
2. Real estate-related finance, mortgage loans

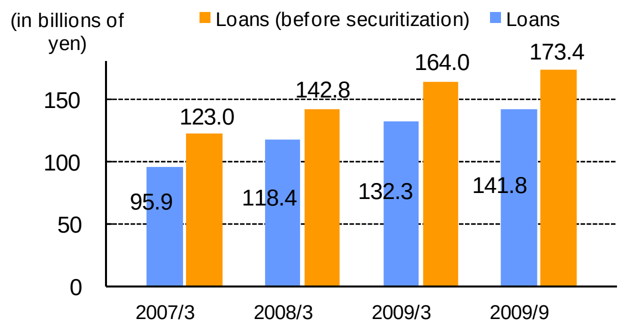
- Total credit costs of First Credit decreased from 1HFY2008 because the effects of declining collateral values peaked out, and thus net income turned out to be positive (1.1 billion yen)
- Life Housing Loan had 2.2 billion yen of net income, mainly due to 2.0 billion yen of extraordinary income by securitization

<First Credit>



(in billions of Yen)	1HFY2009	Change	1HFY2008
Net business profit	1.4	5.0	-3.5
Loan profit	4.3	-2.4	6.7
G&A expense	-2.8	7.4	-10.2
Ordinary profit	1.4	5.0	-3.5
Net income	1.1	5.2	-4.1
Total substantial credit costs	-1.1	6.9	-8.1

<Life Housing Loan>



(in billions of Yen)	1HFY2009	Change	1HFY2008
Net business profit	1.7	-0.0	1.7
Loan profit	2.3	0.0	2.3
G&A expense	-0.6	-0.0	-0.6
Ordinary profit	1.7	0.0	1.7
Net income	2.2	1.2	1.0
Total substantial credit costs	-0.0	-0.0	-0.0

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Financial related business in group companies 3. Internet banking

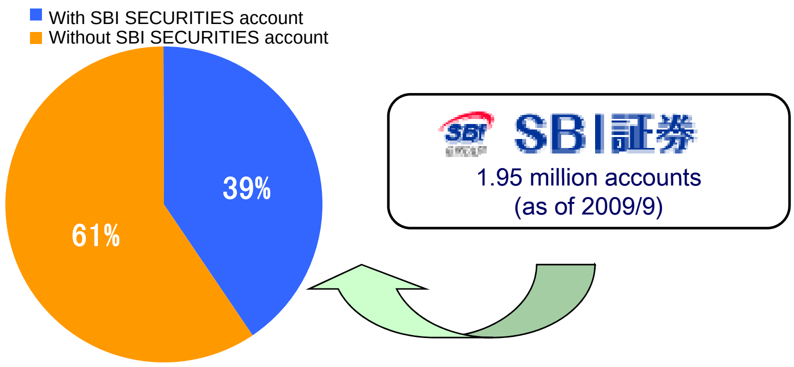
- Net income of SBI Sumishin Net Bank turned out to be positive (1.2 billion yen) in just two years from the start-up of the business in Sep. 2007
- SBI Sumishin Net Bank has successfully expanded customer base to 560 thousand accounts, deposits to over 800 billion yen and execution of residential mortgage loans to over 300 billion yen

<SBI Sumishin Net Bank>

	2009/9	Change	2009/3
Number of account (thousands)	560	150	410
Deposits (in billions of Yen)	827.3	197.4	629.9
Loans (in billions of Yen)	327.3	107.6	219.7

(in billions of Yen)	1HFY2009	Change	1HFY2008
Net business profit	1.3	4.3	-3.0
Ordinary profit	1.2	4.3	-3.0
Net income	1.2	4.3	-3.0

<Ratio of SBI Sumishin Net Bank's account with SBI SECURITIES' account>



<Full scale alliance with SBI SECURITIES>

-Hybrid deposit: Outstanding balance is reflected to the SBI SECURITIES's account to enhance the availability of purchasing securities

-Real time settlement service: Automated deposit and withdrawal service of securities selling and purchasing amount

-Aggregation service: View format of SBI Sumishin Net Bank's and SBI SECURITIES's account balances

Credit portfolio

Balance of credit portfolio (non-consolidated)

- In accordance with the credit portfolio restructuring policy in the new midterm management plan, while reducing market-based loan (international), promote the shift towards corporate loans (Japanese) including those to overseas Japanese companies and towards loans to individual
- Corporate loans (Japanese) decreased by 0.08 trillion yen, mainly due to the decrease in loans to nonbanks (-0.06 trillion yen) Due to the recovery of CP and corporate bond markets, demand for funding fell back, especially for short term funding

<Balance of credit portfolio (non-consolidated)>

(in trillions of Yen)	Mar-09	Sep-09	Change from Mar-09	Major factors of change
Credit portfolio	13.50	13.20	- 0.29	Loans -0.17, Securities -0.11
Loans to individual	2.04	2.10	0.06	Housing loan +0.04 (1.44 -->1.48)
Market-based loan (international)	1.01	0.89	- 0.12	Securities -0.07 (0.70 -->0.63) Loans -0.04 (0.31 -->0.26)
Market-based loan (domestic; exc. Real estate NRL)	0.65	0.59	- 0.06	
Real estate NRL (inc. CMBS and loans to REITs)	1.23	1.20	- 0.02	
(Real estate NRL)	(0.90)	(0.88)	(- 0.02)	
STB Group companies	0.55	0.49	- 0.06	First Credit -0.02, Leasing subsidiaries (2 companies) -0.02
Corporate loan (Japanese)	7.99	7.90	- 0.08	Manufacturing +0.05 (1.81 -->1.87)
(Japanese companies operated in overseas)	(0.51)	(0.60)	(0.08)	Real estate ±0.00 (0.62 -->0.62)
				Nonbank financial -0.06 (1.84 -->1.78)

(*) Figures for each industries include not only for domestic corporate but also for Japanese companies operated in overseas. (Managerial accounting base)

Overview of international credit investment 1. Available-for-sale securities

- Total balance decreased by 48.7 billion yen from 2009/3 to 329.5 billion yen (including 64.8 billion yen of asset-backed securities): Sales -17.5 billion yen, redemption -16.6 billion yen, impairment -4.5 billion yen
- Unrealized loss improved by 39.1 billion yen from 2009/3 to -0.6 billion yen: Loss on sales was -3.1 billion yen, while gain on sales of impaired securities was 5.4 billion yen

<Available-for-sale securities>

(in billions of yen)

	Cost (after impairment)				Valuation difference			Credit ratings (*)					Impariment
		North America	Europe	Change from Mar-09		Change from Mar-09	% change	AAA	AA	A	BBB	BB and below/ (Non rating)	
Securities backed by non-securitized assets	63.3	8.0	53.0	-22.4	-2.1	10.2	-3.4%	25.2	19.5	8.2	9.8	0.4	-3.3
RMBS exc. Subprime related RMBS	21.9	-	20.6	-2.7	-2.1	0.3	-9.7%	16.1	3.1	0.8	1.9	-	-0.1
CMBS	18.7	-	18.7	-4.8	-2.3	3.4	-12.6%	4.5	10.9	2.2	1.0	-	-3.0
CARDS	5.1	5.1	-	-0.4	1.0	1.7	21.0%	-	-	-	5.1	-	-
CLO	-	-	-	-0.0	-	-	-	-	-	-	-	-	-
Other ABS	12.3	1.9	9.5	-6.0	0.2	2.2	2.2%	4.0	2.0	4.7	1.2	0.3	-
Subprime related RMBS	-	-	-	-4.7	-	0.6	-	-	-	-	-	-	-
CDO mezzanine	1.2	0.8	0.4	-2.1	1.1	1.1	95.1%	-	0.5	0.1	0.5	-	-
Synthetic CDO	3.8	0.1	3.7	-1.3	-0.1	0.6	-4.9%	0.4	2.9	0.3	-	0.1	-0.1
ABS-CDO	0.7	0.7	-	-2.2	-0.0	0.4	-2.1%	-	0.5	0.0	0.1	0.0	-
CLO equities	0.6	0.6	0.0	-0.7	1.7	1.7	272.1%	-	-	-	-	0.6	-0.6
SIV Capital notes	0.0	0.0	-	-0.4	-	0.1	0.0%	-	-	-	-	0.0	-0.4
Asset-backed securities	64.8	9.5	53.0	-25.9	-0.4	12.5	-0.6%	25.2	20.0	8.2	10.0	1.2	-4.5
Corporate bonds	264.7	21.2	108.8	-22.7	-0.2	26.6	-0.1%	-	31.2	126.7	79.4	27.2	-
Bonds issued by financial institutions	68.9	11.3	33.5	-8.0	-4.1	10.1	-6.0%	-	27.7	35.8	5.3	-	-
Securities with fair value	329.5	30.8	161.8	-48.7	-0.6	39.1	-0.2%	25.2	51.3	134.9	89.5	28.4	-4.5

(*) On internal credit ratings basis (shown by rating marks based on the general correspondence to external credit ratings)

Overview of international credit investment
2. Held-to-maturity debt securities, corporate loans, etc.

- Cost of “Held-to-maturity debt securities” was 284.9 billion yen and unrealized gain was 32.7 billion yen (increased by 35.6 billion yen from 2009/3)

  ⇒ Unrealized loss including unamortized balance of unrealized loss at the time of reclassification was -53.4 billion yen (unrealized loss ratio -18.7%)
- Corporate loans (non-Japanese) decreased by 49.3 billion yen from 2009/3 to 263.3 billion yen: Collection etc. -29.7 billion yen , sales -6.5 billion yen etc.

<Held-to-maturity debt securities>

(in billions of yen)

	Cost				Unrealized gains/losses			Credit ratings (*1)				
		North America	Europe	change from Mar-09		change from Mar-09	% change	AAA	AA	A	BBB	BB and below/ (Non rating)
RMBS exc. Subprime related RMBS	104.5	-	104.5	-3.1	7.7	2.0	7.4%	48.2	26.5	17.9	11.8	-
CARDS	47.9	42.6	5.3	-5.2	9.8	5.5	20.5%	16.6	4.2	4.1	22.8	-
CLO (Corporate loans)	129.3	91.1	38.1	-6.7	15.2	27.8	11.8%	0.9	111.5	14.3	2.5	-
Other ABSs	3.0	3.0	-	-0.8	-0.0	0.1	-0.2%	-	1.1	-	1.9	-
Asset-backed securities	284.9	136.8	148.0	-16.0	32.7	35.6	11.5%	65.9	143.5	36.3	39.1	-

(*1) On internal credit ratings basis (shown by rating marks based on the general correspondence to external credit ratings)
(*2) Unamortized balance of unrealized loss on asset-backed securities which were reclassified to "Held-to-maturity debt securities" was -86.1 billion yen as of 2009/9

<Corporate loans (non-Japanese)>

(in billions of yen)

	Balance			Change from Mar-09	Internal credit ratings (*1)		
		North America	Europe		1-4	5-6	7-8
Corporate loans (*2)	263.3	133.8	56.9	-49.3	79.8	149.2	31.6

(*1) Internal credit ratings: 1-6: Ordinary debtors, 7-8: Special mention debtors (excluding substandard debtors)
(*2) There are no subprime related loans.

<Securities with no available fair value>

(in billions of yen)

	Balance	Change from Mar-09
Securities with no available fair value	21.2	-6.5

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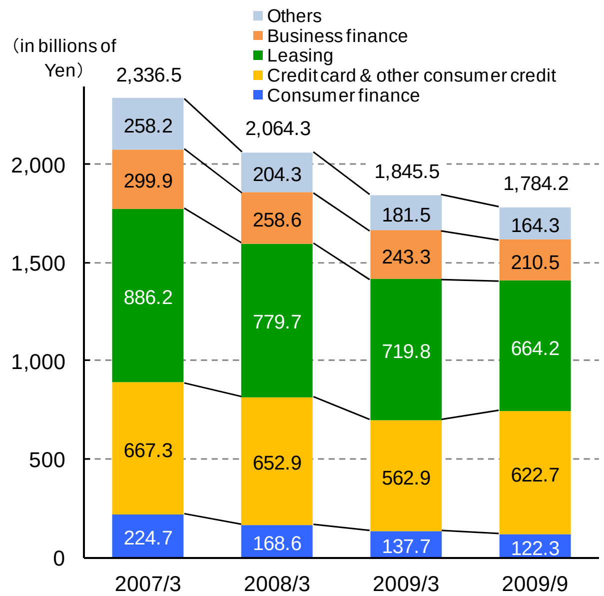
Loans to nonbank financial industry 1. Overall

- Outstanding loan balance to nonbank financial industry continuously decreased, by 0.06 trillion yen from 2009/3 to 1.78 trillion yen
- We decreased our exposure to independent nonbanks and to nonbanks related to ordinary industries (-130.3 billion yen from 2009/3), while we actively increased our exposure to manufacturing-related nonbanks which take roles of group finance and sales finance (+57.5 billion yen from 2009/3)

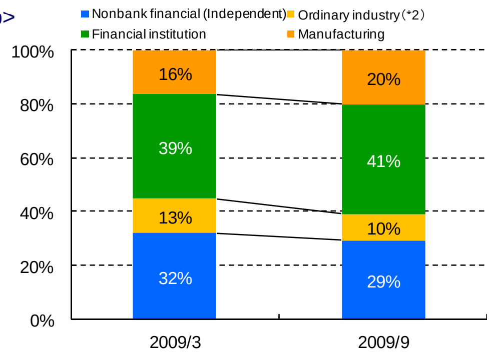
<Outstanding loans to nonbank financial industry (*1) >



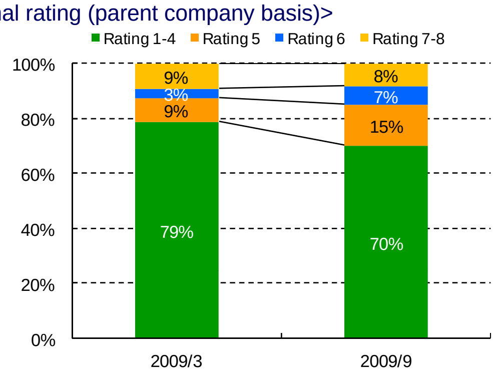
(*1)Managerial reporting basis: Loans to subsidiaries and SPC for securitization purpose are excluded.
(*2)Ordinary industry: Retail / Services etc.

<Characteristics of borrowers in nonbank financial industry as of September 2009>

<By group>



<By internal rating (parent company basis)>



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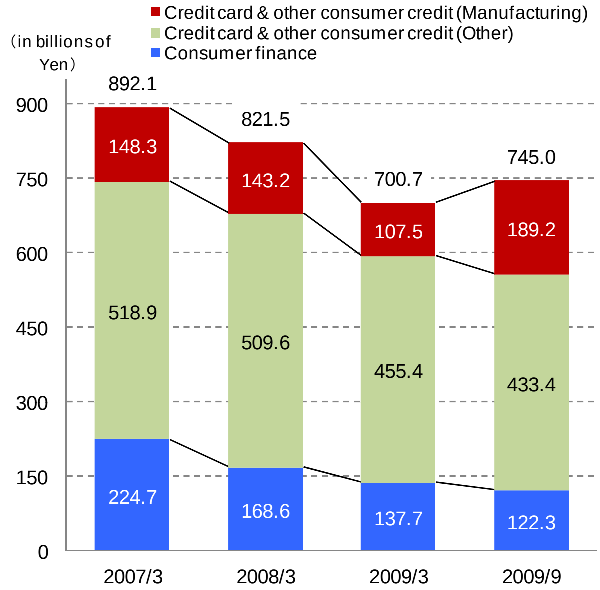
Loans to nonbank financial industry 2. Loans to Consumer finance sector

- Outstanding loan balance to consumer finance sector continuously decreased by 15.4 billion yen from 2009/3 to 122.3 billion yen due to the market contraction
- Exposure to credit card and other consumer credit companies excluding those related to manufacturing continuously decreased by 21.9 billion yen from 2009/3, while we actively increased our exposure to manufacturing-related companies, such as overseas Japanese companies with high credit ratings (+81.7 billion yen from 2009/3)

<Outstanding loans to Consumer finance sector (*1) >

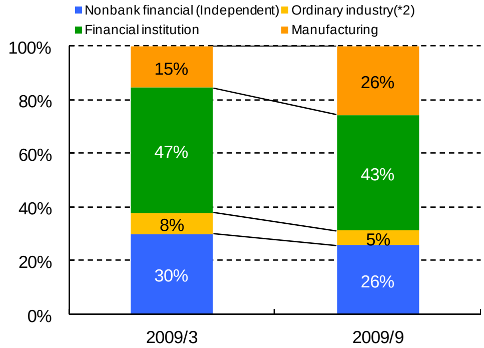


(*1)Managerial reporting basis: Loans to subsidiaries and SPC for securitization purpose are excluded.

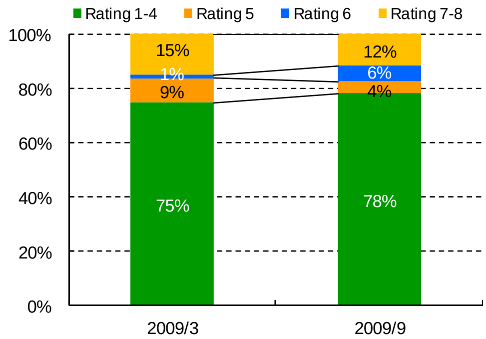
(*2)Ordinary industry: Retail / Services etc.

<Characteristics of borrowers in Consumer finance sector(*1) as of September 2009>

<By group>



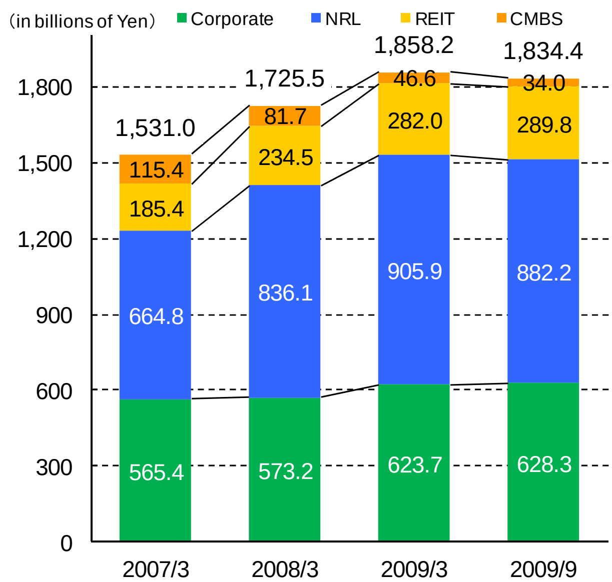
<By internal rating (parent company basis>



Real estate-related loans 1. Overall, Real estate non-recourse loan ("NRL")

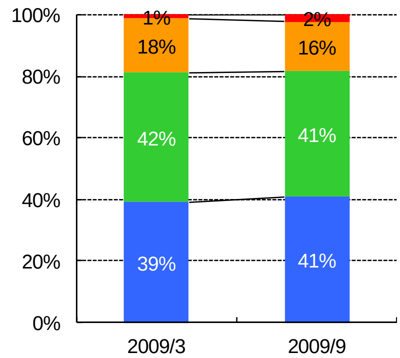
- Outstanding balance of NRL (excluding loans to REIT and investments in CMBS) as of September 2009 was 882.2 billion yen, decreased by 23.7 billion yen from March 2009
- Maintained quality of the overall portfolio as a result of early refinancing and so on, while some loans were downgraded

<Balance of real estate-related loans (Overall)>



<Characteristics of Real estate NRL (excluding REIT and CMBS) (as of September 2009)> (Total 882.2 billion yen)

<Rating* of Real estate NRL (Managerial reporting basis)>



【Upper level of LTV by rating】
- Below Rating 7 : over 90%
- Rating 6 to 6- : 70%-90%
- Rating5+ to 6+ : 60%-70%
- Rating 1 to 4 : 60% or below

*Ratings are given based on the quantitative evaluation (LTV, DSCR, etc.) of underlying assets, in addition to qualitative factors such as structure and sponsor supports

<Change of Real estate NRL balance>

(in billions of Yen)

Sep. 2008	Mar. 2009	Change fm Sep. 2008	New lending (+)	Collection, etc. (-)	Sep. 2009	Change fm Mar. 2009	New lending (+)	Collection, etc. (-)
871.2	905.9	34.6	147.9	-113.3	882.2	-23.7	130.5	-154.1

* New lending includes the amount of refinancing

Real estate-related loans 2. Loans to REIT, corporate loans

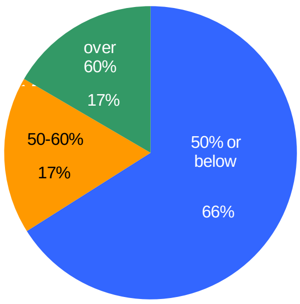
- Loans to REIT, even with a continued declining trend of property values, still keeps conservatively low LTV
- Over 60% of corporate loans have rating of 5 (equivalent to BBB of credit rating agency) or higher, and most of them are to large corporations or group companies of large corporations

<LTV* level of REITs (borrowers) (as of end of Sep. 2009)>

(Balance: 289.8 billion yen)

* Calculated from each REIT's latest financial data

LTV = Outstanding interest-bearing debt / External appraisal value



Appx. 66% of loans to REIT have LTV of 50% or below among total loans to REIT of 289.8 billion yen

Loans to REIT sponsored by domestic real estate, trading and financial companies account for 80% or more of total loans to REIT

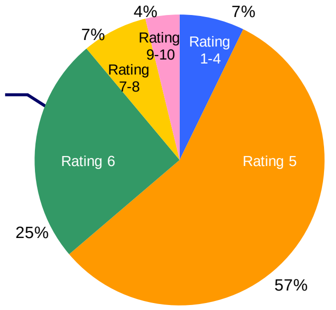
<Rating breakdown of loans to corporate loans (as of end of Sep 2009)>

<Balance: 628.3 billion yen >

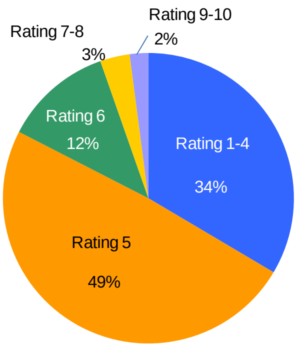
Rating 6

-Balance: appx. 152.0 bn yen

-Loans to companies that have parent companies with credit rating of 5 or higher: appx. 79.0 bn yen



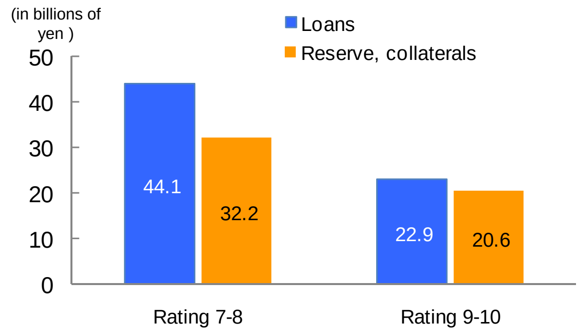
<Rating breakdown of REIT (borrowers) (as of end of Sep. 2009)>



Low LTV + support capability of sponsors

→83% of loans to REIT have credit rating of 5 or higher

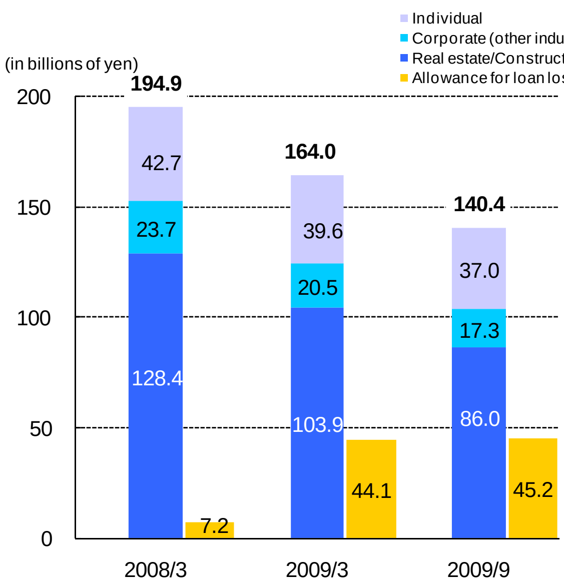
<Status of reserves and collaterals for loans with credit rating of 7 or below (as of end of Sep. 2009)>



Real estate-related loans of group companies: First Credit

- NPL volume decreased by 14.3 billion yen from 2009/3 to 90.7 billion yen due to the repayment, etc.
- Loans to real estate/construction industry, the major factor of credit costs, were reduced to 86.0 billion yen

<Loan balance and allowance for loan losses>



<Assets classified under the Financial Reconstruction Law and coverage ratio>

*** Loan balance and Assets classified under the Financial Reconstruction Law: First Credit non-consolidated basis, before direct written-off (Direct written-off: FY2008 24.5 bn yen, 1HFY2009 31.2 bn yen)**

(in billions of yen)	Mar. 2009	Sep. 2009	Change	Collateral / Reserve		Reserve ratio(*2) (Coverage ratio(*3))
Loans in bankrupt/ practically bankrupt	55.4	59.4	4.0	Reserve	33.8	100%
				Collateral(*1)	25.5	(100%)
Doubtful loans	43.1	29.5	-13.6	Reserve	9.2	78.2%
				Collateral(*1)	17.6	(91.3%)
Substandard loans	6.5	1.9	-4.7	Reserve	0.1	100%
				Collateral(*1)	1.8	(100%)
Asset classified under the Financial Reconstruction Law	105.0	90.7	-14.3	Reserve	43.1	94.6%
				Collateral(*1)	45.0	(97.3%)

(*1) 70% of collateral value

(*2) Reserve / (loan balance - collateral value) (*3) (collateral value + reserve) / loan balance

<Restructuring of business model>

1. Strengthening credit management
   - Support from STB group in valuation of collaterals and credit screening process
   - Strengthened earlier sales activity of collateralized properties
2. Restructuring business model
   - Expansion of guarantee business
   - Enhancement of good-quality leasehold property collateralized loan

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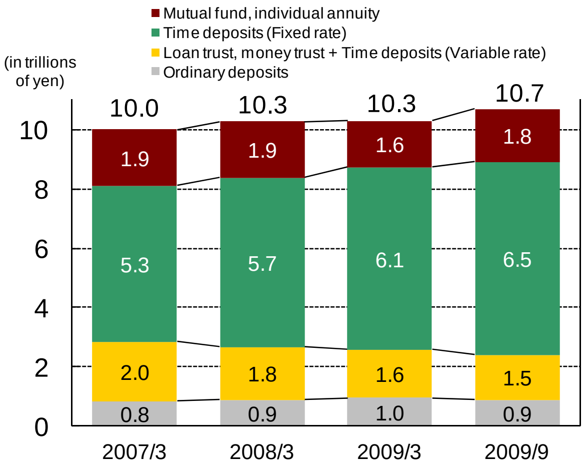
Division performance

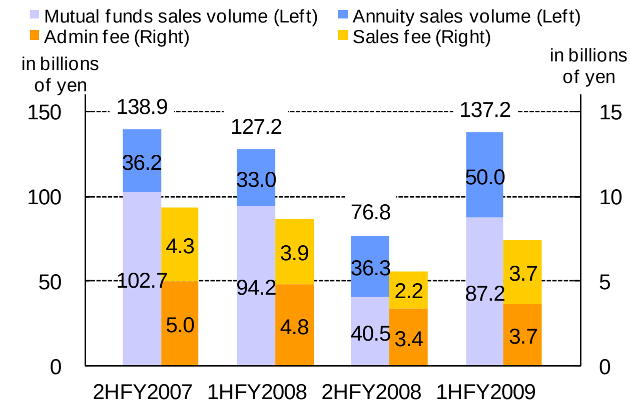
Retail financial services

- Total depositary assets increased by 0.4 trillion yen from 2009/3 to 10.7 trillion yen, due to the increase in time deposits and recovery of sales of mutual funds and individual annuities
- Fees related to sales of mutual funds and individual annuities decreased by 1.3 billion yen from 1HFY2008, mainly due to the decrease in administration fees resulting from the decline in market value of mutual funds

<Volume of total depositary assets from individuals>



<Sales volume and fee revenue of mutual fund/ individual annuity>



<Execution and outstanding volume of individual loans>

(in billions of Yen)	FY2007	FY2008 (1H)	FY2008 (2H)	FY2009 (1H)
Outstanding	2,002.9	1,989.3	2,044.2	2,108.9
(before securitization)	(2,002.9)	(1,989.3)	(2,097.0)	(2,114.6)
Execution	301.3	120.3	201.7	186.3

<Breakdown of gross business profit>

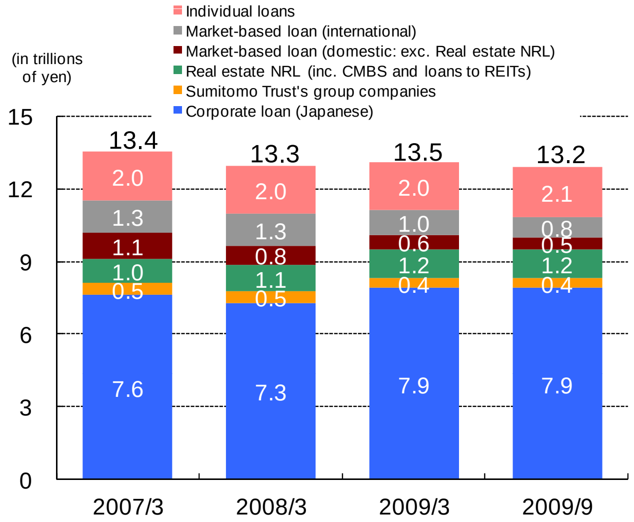
Managerial reporting basis; before transfer pricing among business divisions

(in billions of Yen)	1HFY2009	1HFY2008	Change
Gross business profit	22.6	27.7	-5.1
Net interest income	17.0	21.1	-4.1
Deposits	8.9	13.1	-4.1
Loans	8.1	8.0	0.0
Net fees and commissions	5.6	6.6	-1.0
Mutual fund/individual annuity	7.5	8.8	-1.3
Less: Insurance premium	-2.0	-2.3	0.3

Wholesale financial services & Loan portfolio (Non-consolidated)

- Net interest income decreased by 3.0 billion yen from 1HFY2008 to 42.2 billion yen, mainly due to the decline in earnings resulting from the decrease in the balance of international credit investment
- Net fees and commissions increased by 3.3 billion yen from 1HFY2008, due to the increase in arrangement fees of syndicated loans and real estate non-recourse loans etc.

<Balance of credit portfolio (non-consolidated)>



<Breakdown of net interest income (non-consolidated)>

Managerial reporting basis; before transfer pricing among business divisions

(in billions of Yen)	1HFY2009	1HFY2008	Change
Net interest income etc	49.4	45.2	4.3
Net interest income	42.2	45.2	-3.0
Deposits	1.9	3.0	-1.1
Credit investment	40.3	42.2	-1.8
Domestic	32.9	28.4	4.5
International	7.5	13.8	-6.3
Others	7.2	-	7.2

<Breakdown of fee revenue (non-consolidated)>

Managerial reporting basis; including net trust fee

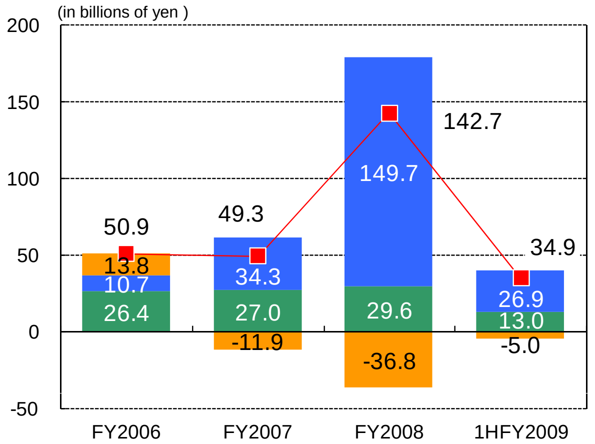
(in billions of Yen)	1HFY2009	1HFY2008	Change
Fee revenue	14.2	10.9	3.3
Real estate NRL	2.0	0.8	1.1
Other Market-based loan & syndicated loan	5.0	2.5	2.6
Securitization	1.7	2.6	-0.9
Stock transfer agency services	7.7	9.2	-1.4
Fees paid for outsourcing*	-3.6	-6.0	2.4

* Fees paid for outsourcing of stock agency services operation

Treasury and financial products

- "Financial operations" realized the profit of 26.9 billion yen due to improved interest rate margins caused by lower short term interest rates, while "Investment operations" resulted in the loss of -5.0 billion yen mainly due to the loss on sales in reducing hedge fund investment positions
- "Marketing functions" realized the profit of 13.0 billion yen. Combining the above three areas, total profit was 34.9 billion yen

<Breakdown of gross business profit>



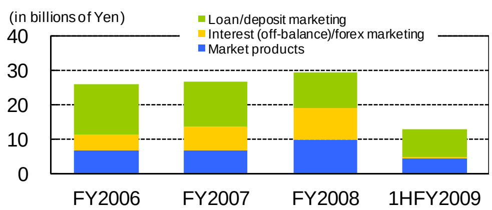
Marketing functions: Market-making operations for interest rate and forex products; Creation & Sales of financial products

Financial operations: Financial operations managing potential market risks(*) involved in the overall balance sheet
(*) Interest rate risk associated with liquid deposits, equity risk, etc.

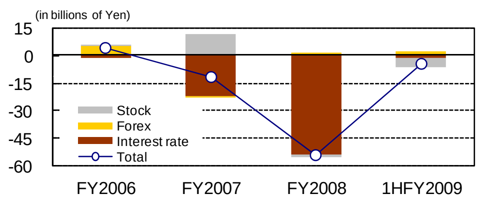
Investment operations: Proprietary investment pursuing absolute return

Total

<Breakdown of Marketing functions>



<Breakdown of Investment operations>



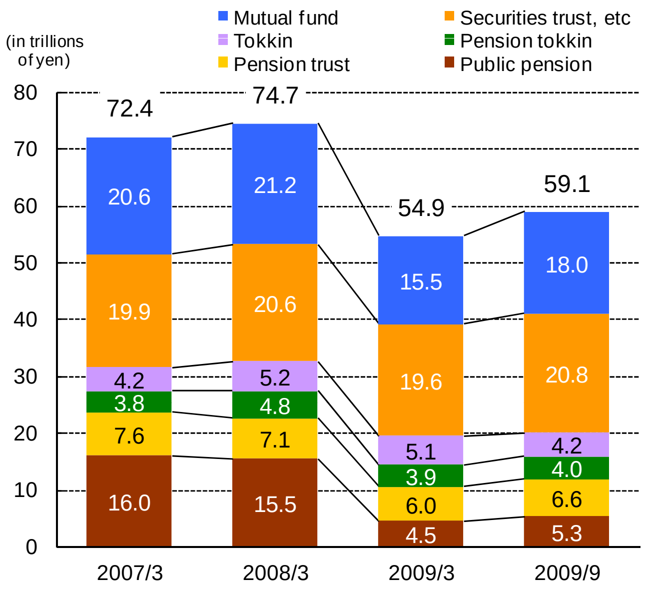
<Hedge funds investment>

(in billions of Yen)	Balance	Change fm Mar. 2009	MTM	Change fm Mar. 2009
Hedge funds investment	37.0	-23.9	-1.7	8.1

Fiduciary business (Total entrusted assets, Securities processing)

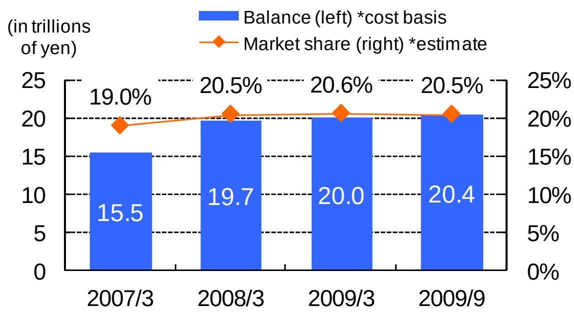
- Total entrusted assets increased by 4.2 trillion yen from March 2009 to 59.1 trillion yen, mainly due to the increase in market value and the steady inflow of entrusted stock investment trusts
- With the increase in the balance of entrusted assets such as mutual funds, the balance of global custody also continue to be stable

<Outstanding entrusted assets>

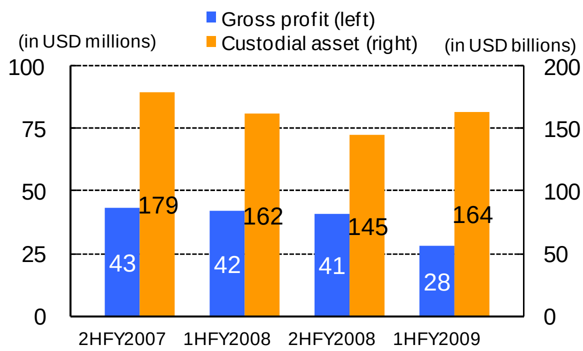


(*1) Mark-to-market basis (excluding Tokkin)
(*2) Pension trust includes nonqualified pension plans and national pension funds (appx. 0.5 trillion yen) from this time

<Balance of entrusted stock investment trusts>



<Global custody business by STBUSA>



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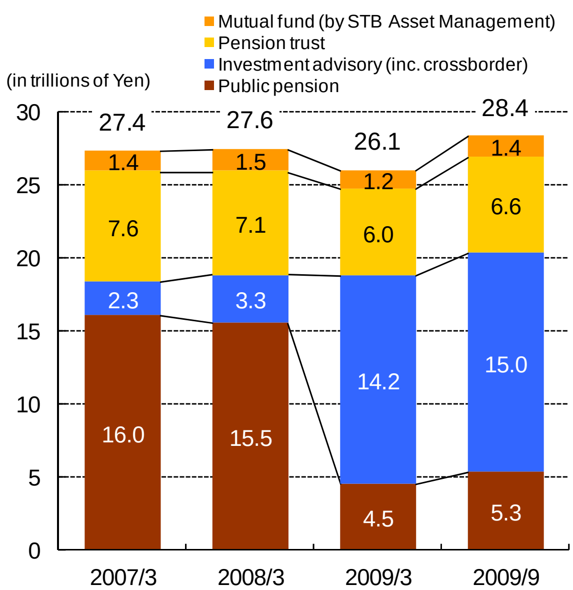
Fiduciary business (Pension, Investment management)

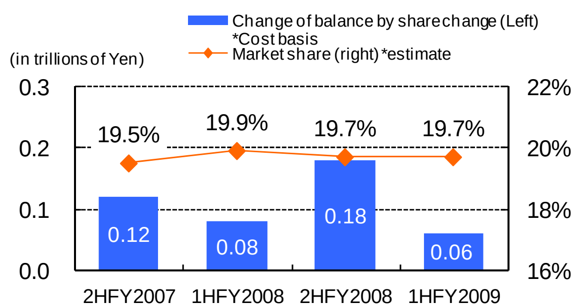
- Assets under management of our group increased by 2.3 trillion yen from 2009/3 to 28.4 trillion yen, due to new entrusted assets of public pensions and investment advisories, and the increase in market value
- Change of pension trust balance due to market share changes among trustees has been positive for 14 consecutive half years since 2HFY2002

<Assets under management of STB group >

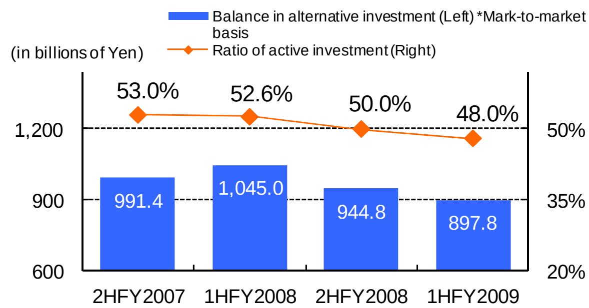


(*1) Mark-to-market basis
(*2) Pension trust includes nonqualified pension plans and national pension funds (appx. 0.5 trillion yen) from this presentation

<Market share of pension trust and change of balance due to market share changes among trustees (*) estimate>



<Ratio of active management (corporate pension)>
<Balance of entrusted assets in alternative investments>



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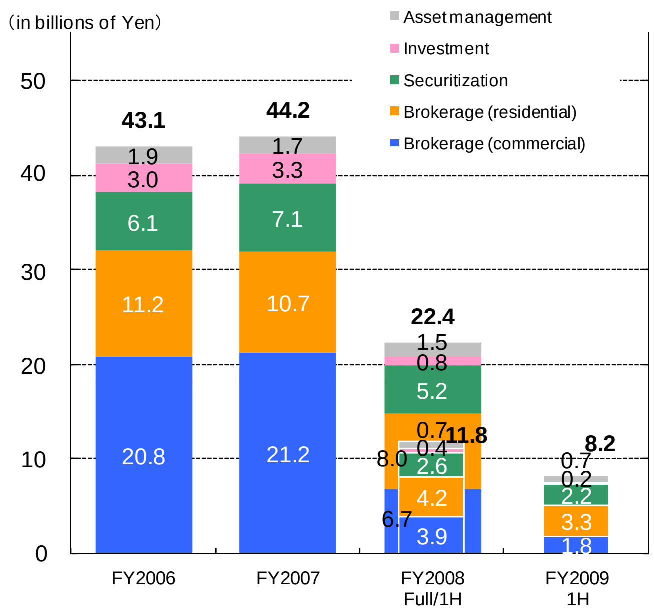
Real estate business

- Gross business profit for group real estate business declined by 3.6 billion yen from 1HFY2008 to 8.2 billion yen, mainly due to the significant decrease in large commercial brokerage deals with a background of continued stagnant real estate market
- Real estate assets under management (private funds) increased slightly from March 2009 to 211.5 billion yen
  →Plan to set up a fund jointly with AXA REIM Group in the first half of 2010 (aiming at a size of 100 billion yen)

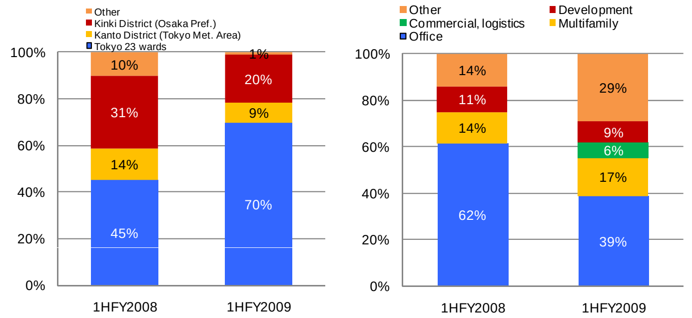
<Gross profit for real estate business>



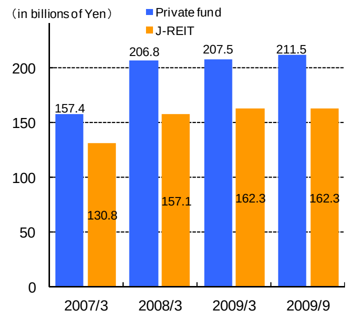
<Characteristics of commercial brokerage (fee basis)>

* Transactions in which we acted for either/both seller or purchaser

<By geography> **<By property type>**

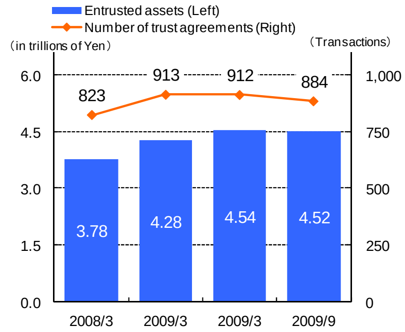


<Asset under management>



* Cost basis

<Securitization balance>



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