

## Revision of earnings forecast for the full fiscal year 2008 ended March 31, 2009

The Sumitomo Trust and Banking Co., Ltd. ("STB") hereby announces that its earnings forecast for the full fiscal year ended March 31, 2009 ("FY2008") is revised as follows:

### 1. Earnings forecast for FY2008 (For the period from April 1, 2008 to March 31, 2009)

(1) Full FY2008		(Billions of Yen)			
		Consolidated		Non-consolidated	
		Ordinary profit	Net income	Ordinary profit	Net income
(A) Previous forecast (*)	(A)	65.0	30.0	65.0	50.0
<b>(B) Revised forecast</b>	<b>(B)</b>	<b>30.0</b>	<b>5.0</b>	<b>40.0</b>	<b>40.0</b>
(C) Change	(B) - (A)	-35.0	-25.0	-25.0	-10.0
(D) Rate of Change (%)	(C) / (A) x 100	-54%	-83%	-38%	-20%

(\*) Announced on January 30, 2009

#### (2) Reason for the revision

Ordinary profit and Net income for FY2008 are expected to be lower than the amounts previously forecasted mainly due to the loss caused by the continued turmoil in the international credit markets, as well as the increase in domestic total credit costs including those of group companies.

### 2. Dividend forecast for FY2008

The annual dividend forecast remains to be 10 yen per share, and the year end dividend forecast remains to be 1.50 yen per share, as previously forecasted in January 2009.

#### Legal Disclaimer

##### Regarding forward-looking statements contained in this release

This release 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 but not limited to changes in managerial circumstances. By virtue of the aforementioned reasons, STB hereby cautions against sole reliance on such forward-looking statements in making investment decisions.

## Reference

### 1. Outline of the earnings forecast for FY2008

- (1) Non-consolidated net business profit before credit costs <6> is expected to increase by 10.0 billion yen from the amount previously forecasted mainly due to the favorable performance in the market related business.
- (2) Non-consolidated total substantial credit costs <13> are expected to increase by 25.0 billion yen from the amount previously forecasted to 120.0 billion yen mainly due to the impairment of overseas asset-backed securities and the increase in total credit costs related to domestic corporations.
- (3) In addition to the above-mentioned, owing to the impairment loss of domestic stocks (6.9 billion yen for the 4th quarter of FY 2008), net gains on sales of stocks and other securities will amount to -45.0 billion yen, and as a result, non-consolidated ordinary profit <10> and net income <11> are expected to decrease by 25.0 billion yen and 10.0 billion yen respectively from the amounts previously forecasted.
- (4) As extraordinary profit, gains on return of retirement benefit trusts (approximately 20.0 billion yen) are posted.
- (5) On a consolidated basis, total substantial credit costs of group companies <16> are expected to increase by 10.0 billion yen from the amount previously forecasted mainly due to the revaluation of real estate collaterals for loans, and thus net income <3> is expected to decrease by 25.0 billion yen from the previous forecast to 5.0 billion yen.

(Billions of Yen)

(Consolidated)	Mar. 2009			
	1HFY2008 actual (A)	Revised forecast (B)	Previous forecast (C)	Change (B) -(C)
1 Net business profit before credit costs	95.3	<b>235.0</b>	230.0	5.0
2 Ordinary profit	54.7	<b>30.0</b>	65.0	-35.0
3 Net income	28.3	<b>5.0</b>	30.0	-25.0
4 Dividend per common stock (Yen)	8.50	<b>10.00</b>	10.00	-
5 Consolidated dividend payout ratio (%)		<b>335.0%</b>	55.7%	279.3%

(Billions of Yen)

(Non-consolidated)	Mar. 2009			
	1HFY2008 actual (A)	Revised forecast (B)	Previous forecast (C)	Change (B) -(C)
6 Net business profit before credit costs	72.7	<b>200.0</b>	190.0	10.0
7 Total credit costs	-3.4	<b>-55.0</b>		
8 Net gains on sales of stocks and other securities	-9.3	<b>-45.0</b>	-125.0	-35.0
9 Other non-recurring profit	-11.1	<b>-60.0</b>		
10 Ordinary profit	47.5	<b>40.0</b>	65.0	-25.0
11 Net income	30.3	<b>40.0</b>	50.0	-10.0

(Billions of Yen)

	Mar. 2009			
	1HFY2008 actual (A)	Revised forecast (B)	Previous forecast (C)	Change (B) -(C)
12 Consolidated (**)	-24.5	<b>-165.0</b>	-130.0	-35.0
13 Non-consolidated	-10.3	<b>-120.0</b>	-95.0	-25.0
14 Domestic	-0.2	<b>-50.0</b>	-40.0	-10.0
15 International	-10.0	<b>-70.0</b>	-55.0	-15.0
16 Group companies	-14.1	<b>-45.0</b>	-35.0	-10.0

(\*) "Total substantial credit costs" is a sum of "Total credit costs" and costs in "Net gains on sales of stocks and other securities" and "Other non-recurring profit" which are related to investment in securities (bonds, stocks, and etc) of domestic and overseas credit.

(\*\*) Consolidated total substantial credit costs = Non-consolidated total substantial credit costs  
+ Total substantial credit costs of subsidiaries  
+ Total substantial credit costs of equity method affiliates x STB's ownership ratio

## 2. Net unrealized gains/ losses of "Available-for-sale securities" with fair value (Banking account)

Net unrealized gains/ losses of "Available-for-sale securities" with fair value <17> are expected to decrease by approximately 108.0 billion yen to -70.0 billion yen mainly due to the decrease in unrealized gain of stocks <18>.

Net unrealized loss of overseas asset-backed securities <22> is expected to be -13.0 billion yen, as a result of the reclassification of some securities to "Held-to-maturity debt securities" category (net unrealized loss of reclassified securities was -55.7 billion yen as of the end of September 2008) and the impairment loss of 54.0 billion yen for the 2nd half of FY2008.

(Billions of Yen)

(Non-consolidated)	Mar. 2008	Sep. 2008	Mar. 2009	Change
	actual (A)	actual (B)	forecast (C)	(C) -(B)
17 Available-for-sale securities	110.7	38.4	<b>-70.0</b>	-108.4
18 Stocks	190.8	173.9	<b>-25.0</b>	-198.9
19 Bonds	-0.5	-10.8	<b>20.0</b>	+30.8
20 Others	-79.5	-124.7	<b>-65.0</b>	+59.7
21 International credit securities	-65.6	-102.9	<b>-40.0</b>	+62.9
22 Asset-backed securities	-56.5	-85.7	<b>-13.0</b>	+72.7
23 Corporate bonds	-9.0	-17.1	<b>-27.0</b>	-9.9

### 3. Status of the international credit investment (Banking account)

Cost (after impairment) of overseas asset-backed securities held as "Available-for-sale securities" is expected to decrease by approximately 86.0 billion yen from the end of September 2008 to 91.0 billion yen after reclassification of some securities (cost: 300.0 billion yen) into "Held-to-maturity debt securities" category and the impairment loss of approximately 54.0 billion yen for the 2nd half of FY2008. Unrealized loss is expected to improve by approximately 17.0 billion yen to -13.0 billion yen.

#### Securities with Fair Value

(Available-for-sale securities)

(Billions of Yen)

(Non-consolidated)	Mar. 2009 Forecast				
	Cost (after impairment)	Unrealized gains/losses			
		Change from Sep. 2008	Change from Sep. 2008	Change from Sep. 2008	%
1 Asset-backed securities	91.0	-86.1	-13.0	+17.0	-14%
2 Securities backed by non-securitized assets	86.0	-68.5	-13.0	+10.8	-15%
3 RMBS exc. Subprime related RMBS	25.0	-16.0	-2.0	+5.0	-8%
4 CMBS	24.0	-11.6	-6.0	-1.8	-25%
5 CLO	0.0	-0.2	-	+0.0	-
6 CARDS	6.0	-5.1	-1.0	+0.1	-17%
7 Other ABSs	18.0	-12.5	-2.0	+1.9	-11%
8 Subprime related RMBS	5.0	-5.7	-1.0	+1.2	-20%
9 CDO mezzanine	3.0	-15.0	-0.0	+4.3	-0%
10 Synthetic CDO	5.0	-2.1	-1.0	-0.3	-20%
11 Securities backed by securitized assets	3.0	-3.4	-0.0	+1.6	-1%
12 ABS-CDO	3.0	-3.4	-0.0	+1.6	-1%
13 Equity type securities	2.0	-14.2	-0.0	+4.5	-2%
14 CLO equities	1.0	-14.4	-	+4.9	-
15 SIV capital notes	1.0	+0.3	-0.0	-0.4	-4%
16 Corporate bonds	287.0	-39.0	-27.0	-9.9	-9%
17 Bonds issued by financial institutions	77.0	-10.5	-14.0	-7.3	-18%
18 Total	378.0	-125.2	-40.0	+7.1	-11%
(Held-to-maturity debt securities)					
19 Asset-backed securities	300.0	-147.9	-3.0	+52.8	-1%

- (i) "Change from Sep. 2008" of "Available-for-sale securities" is calculated after excluding the securities that are reclassified into "Held-to-maturity debt securities" category during the 3rd quarter of FY2008.
- (ii) Some of asset-backed securities start to be calculated based on the rationally calculated value from the end of March 2009, based on the Accounting Standards Board of Japan's Practical Issue Task Force No.25. Cost (after impairment) of approximately 29.0 billion yen of asset-backed securities held as "Available-for-sale securities" is calculated based on the rationally calculated value (cost before impairment: approximately 38.0 billion yen) and unrealized loss and impairment loss are expected to decrease by approximately 2.0 billion yen respectively. Cost (after impairment) of approximately 161.0 billion yen of asset-backed securities held as "Held-to-maturity debt securities" is also calculated in the same way and unrealized loss is expected to improve by approximately 24.0 billion yen.
- (iii) "Change from Sep. 2008" of "Held-to-maturity debt securities" indicates the comparison with "Cost (after impairment)" and "Unrealized gains/ losses" before reclassification. The unrealized loss, which is posted on net assets of balance sheets at reclassification and has not been amortized yet, is approximately 95.0 billion yen as of the end of March 2009.

#### Loans

(Billions of Yen)

(Non-consolidated)	Mar. 2009 Forecast	
	Balance	Change from Sep. 2008
20 Corporate loans	310.0	-36.9

#### 4. Assets classified under the Financial Reconstruction Law (after partial direct written-off)

(Banking a/c and Principal guaranteed trust a/c combined)

Assets classified under the Financial Reconstruction Law <22> are expected to increase by approximately 45.0 billion yen from the end of September 2008 to 115.0 billion yen mainly due to the increase in Doubtful loans owing to the worsening performance of domestic corporations, and thus ratio to total loan balance is expected to be 0.9% <21>.

(Billions of Yen)

(Non-consolidated)	Mar. 2008 actual (A)	Sep.2008 actual (B)	Mar. 2009 forecast (C)	Change (C) -(B)
21 Ratio to total loan balance	0.9%	0.6%	<b>0.9%</b>	+0.3%
22 Assets classified under the Financial Reconstruction Law	107.1	70.0	<b>115.0</b>	+45.0
23 Loans in bankrupt and practically bankrupt	6.9	19.6	<b>25.0</b>	+5.4
24 Doubtful loans ("Kiken-saiken")	27.3	28.3	<b>75.0</b>	+46.7
25 Substandard loans ("Yo-kanri-saiken")	73.0	22.1	<b>15.0</b>	-7.1
26 Loans to special mention debtors excluding Substandard loans	751.3	785.4	<b>845.0</b>	+59.6
27 Total loan balance	12,191.6	12,114.8	<b>12,500.0</b>	+385.2

#### 5. BIS capital adequacy ratio (Consolidated)

Consolidated BIS capital adequacy ratio <28> and consolidated Tier I capital ratio <29> are estimated to be 11.5 - 12.0% and mid-7% respectively.

	Mar. 2008 actual (A)	Sep.2008 actual (B)	Mar. 2009 forecast (C)
28 BIS capital adequacy ratio	11.84%	11.42%	<b>11.5 - 12.0%</b>
29 Tier I capital ratio	7.33%	7.56%	<b>mid-7%</b>

For further information, please contact:

IR Office, Financial Management Department

Telephone: +81-3-3286-8354

Fax: +81-3-3286-4654