

Revision of earnings forecast for the first half fiscal year ended September 30, 2009

The Sumitomo Trust and Banking Co., Ltd. ("STB") hereby announces that its earnings forecast for the first half fiscal year ended September 30, 2009 ("1HFY2009") is revised as follows:

1. Revision of earnings forecast for 1HFY2009

(For the period from April 1, 2009 to September 30, 2009)

(1) Earnings forecast		(Billions of Yen)					
		Consolidated			Non-consolidated		
		Ordinary income	Ordinary profit	Net income	Ordinary income	Ordinary profit	Net income
(A)	Previous forecast (*)	500.0	30.0	17.0	300.0	25.0	15.0
(B)	Revised forecast	420.0	33.0	19.0	250.0	31.0	19.0
(C)	Change	(B) - (A) -80.0	3.0	2.0	-50.0	6.0	4.0
(D)	Rate of Change (%)	(C) / (A) x 100 -16%	10%	12%	-17%	24%	27%

(*) Announced on May 15, 2009

(2) Reason for the revision

Ordinary profit and Net income for 1HFY2009 are expected to be higher than the amounts previously forecasted mainly due to the increase in net business profit before credit costs, which is caused by the increase in market-related profit and so on. Ordinary income for 1HFY2009 is expected to be lower than the amount previously forecasted mainly due to the decrease in interest income of such as loans, which is accompanied by the decline in the level of interest rate.

2. Earnings forecast for the full fiscal year ended March 31, 2010 ("FY2009") and dividend forecast for FY2009

The earnings forecast for FY2009 is unchanged at this moment.

The annual dividend forecast remains to be 10 yen per share, and the interim dividend forecast remains to be 5 yen per share, both of which are unchanged from the amounts previously forecasted in May 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 1HFY2009

- (1) Non-consolidated net business profit before credit costs <4> is expected to increase by 17.0 billion yen from the amount previously forecasted mainly due to the dividend income from subsidiary resulting from the gain on retirement of perpetual subordinated bonds (9.4 billion yen) posted by financial subsidiary company in Cayman, in addition to the favorable performance on the market-related business.
- (2) Non-consolidated domestic total substantial credit costs <12> are expected to be -24.0 billion yen due to the increase in specific allowance for loan losses caused by the increase in doubtful loans, even though the reversal is expected in general allowance for loan losses due to the decrease in loans to special mention debtors.
Non-consolidated international total substantial credit costs <13> are expected to be -9.0 billion yen due to the impairment of overseas asset-backed securities and the loss on sales of loans to non-Japanese corporations.
- (3) In addition to the above-mentioned, owing to the impairment of domestic stocks, net gains on sales of stocks and other securities are expected to be -6.0 billion yen, and as a result, non-consolidated net income <9> is expected to increase by 4.0 billion yen from the amount previously forecasted to 19.0 billion yen.
- (4) On a consolidated basis, total substantial credit costs of group companies <14> are expected to increase by -3.0 billion yen to -8.0 billion yen from the amount previously forecasted due to the increase in credit costs of leasing subsidiaries caused by worsening business conditions of some customers and the higher reserve ratio, and thus net income <3> is expected to increase by 2.0 billion yen from the previous forecast to 19.0 billion yen.

(Billions of Yen)

(Consolidated)	1HFY2009			Full FY2009
	Previous forecast (A)	Revised forecast (B)	Change (B)-(A)	Previous forecast (C)
1 Net business profit before credit costs	75.0	88.0	13.0	175.0
2 Ordinary profit	30.0	33.0	3.0	85.0
3 Net income	17.0	19.0	2.0	45.0

(Billions of Yen)

(Non-consolidated)	1HFY2009			Full FY2009
	Previous forecast (A)	Revised forecast (B)	Change (B)-(A)	Previous forecast (C)
4 Net business profit before credit costs	65.0	82.0	17.0	145.0
5 Total credit costs	-25.0	-28.0	-3.0	-50.0
6 Net gains on sales of stocks and other securities		-6.0		
7 Other non-recurring profit	-15.0	-17.0	-8.0	-30.0
8 Ordinary profit	25.0	31.0	6.0	65.0
9 Net income	15.0	19.0	4.0	40.0

(Billions of Yen)

(Total substantial credit costs) (*)	1HFY2009			Full FY2009
	Previous forecast (A)	Revised forecast (B)	Change (B)-(A)	Previous forecast (C)
10 Consolidated	-40.0	-41.0	-1.0	-80.0
11 Non-consolidated	-35.0	-33.0	2.0	-70.0
12 Domestic	-25.0	-24.0	1.0	-50.0
13 International	-10.0	-9.0	1.0	-20.0
14 Group companies	-5.0	-8.0	-3.0	-10.0

- (*) "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 (bonds, stocks, and etc) of domestic and international credit.

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

Net unrealized gains/ losses of "Available-for-sale securities" with fair value <15> are expected to increase by approximately 150.0 billion yen from the end of March 2009 to 79.0 billion yen, mainly due to the improvement of net unrealized gains/ losses of Japanese stocks <16> and international credit securities <19>.

Net unrealized losses of overseas asset-backed securities <20> are expected to be -1.0 billion yen, as a result of impairment (approximately 5.0 billion yen) and loss on sales (approximately 1.0 billion yen).

(Billions of Yen)

(Non-consolidated)		Mar. 2009 actual (A)	Sep. 2009 forecast (B)	Change (B) -(A)
15	Available-for-sale securities	-68.4	79.0	147.4
16	Japanese stocks	-24.5	68.0	92.5
17	Japanese bonds	20.3	26.0	5.7
18	Others	-64.2	-15.0	49.2
19	International credit securities	-39.7	-1.0	38.7
20	Asset-backed securities	-12.9	-1.0	11.9
21	Corporate bonds	-26.8	0.0	26.8

(Note) In addition to the mentioned above, net unrealized gains/ losses, which are posted to "Valuation difference on Available-for-sale Securities", include approximately 85.0 billion yen of unamortized balance of the unrealized gains/ losses at the time of reclassification for overseas asset-backed securities as of the end of September 2009.

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

Cost (after impairment) of overseas asset-backed securities and overseas corporate bonds held as "Available-for-sale securities" is expected to decrease by approximately 48.0 billion yen from the end of March 2009 to 330.0 billion yen, as a result of loss on sales (approximately 20.0 billion yen) and impairment (approximately 5.0 billion yen).

Securities with Fair Value

(Available-for-sale securities)

(Billions of Yen)

(Non-consolidated)	Sep. 2009 forecast					
	Cost (after impairment)	Unrealized gains/losses			%	
		Change from Mar. 2009	Change from Mar. 2009			
1	Asset-backed securities	65.0	-25.7	-1.0	11.9	-2%
2	Corporate bonds	265.0	-22.5	0.0	26.8	0%
3	Total	330.0	-48.2	-1.0	38.7	-0%
(Held-to-maturity debt securities)						
4	Asset-backed securities	285.0	-15.9	33.0	35.9	12%

(Note) Some of asset-backed securities start to be calculated based on the rationally calculated prices from the end of March 2009, based on the Accounting Standards Board of Japan's Practical Issue Task Force No.25. "Available-for-sale securities", which are calculated based on the rationally calculated prices, amount to approximately 25.0 billion yen on cost basis, and their unrealized gains/ losses are expected to improve by approximately 1.0 billion yen. "Held-to-maturity debt securities", which are calculated based on the rationally calculated prices, amount to approximately 150.0 billion yen on cost basis, and their valuation difference is expected to improve by approximately 8.0 billion yen.

Loans

(Billions of Yen)

(Non-consolidated)	Sep. 2009 forecast		
	Balance	Change from Mar. 2009	
5	Corporate loans	265.0	-47.7

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 <7> are expected to increase by approximately 190.0 billion yen from the end of March 2009 to approximately 310.0 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 2.5% <6>.

Reserve ratio for unsecured portion of "Doubtful loans" <14>, which is the remaining loan balance after deduction of collateral values, is expected to be 90%, and financially reaches a satisfactory level.

(Billions of Yen)

(Non-consolidated)	Mar.2009 actual (A)	Sep. 2009 forecast (B)	Change (B) -(A)
6 Ratio to total loan balance	0.9%	2.5%	1.6%
7 Assets classified under the Financial Reconstruction Law	116.4	310.0	193.6
8 Loans in bankrupt and practically bankrupt	28.0	25.0	-3.0
9 Doubtful loans ("Kiken-saiken")	73.7	245.0	171.3
10 Substandard loans ("Yo-kanri-saiken")	14.7	40.0	25.3
11 Loans to special mention debtors excluding Substandard loans	845.3	620.0	-225.3
12 Total loan balance	12,479.8	12,270.0	-209.8

(Billions of Yen)

(Non-consolidated)	Sep. 2009 forecast				
	Balance	Coverage ratio	Collateral/Reserves(*)	Reserve ratio	
13 Loans in bankrupt/ practically bankrupt	25.0	100%	Specific allowance for loan losses	10.0	100%
			Guarantee and collateral	15.0	
14 Doubtful loans	245.0	95%	Uncovered	10.0	90%
			Specific allowance for loan losses	70.0	
			Guarantee and collateral	165.0	
15 Substandard loans	40.0	50%	Uncovered	20.0	20%
			General allowance for loan losses	5.0	
			Guarantee and collateral	15.0	
16 Ordinary assets	11,960.0		General allowance for loan losses	55.0	
			Allowance for loan losses in specified foreign countries	0.0	

(*) In addition to the aforementioned reserves, principal guaranteed trust a/c has approximately 1.0 billion yen of reserves for loan trust and reserves for JOMT (Jointly-operated money trust).

5. BIS capital adequacy ratio (Consolidated)

Consolidated BIS capital adequacy ratio <17> and consolidated Tier I capital ratio <18> are expected to be 14% and 9.5 - 10.0% respectively.

(Consolidated)	Mar. 2009 actual	Sep. 2009 forecast (*)
17 BIS capital adequacy ratio	12.09%	14%
18 Tier I capital ratio	7.63%	9.5 - 10.0%

(*) Forecast as of the end of September 2009 does not include the effect of goodwill generated through the acquisition of Nikko Asset Management Co., Ltd. on October 1 (consolidated Tier I capital ratio is expected to decrease by approximately 0.6%)

For further information, please contact:
 IR Office, Financial Management Department
 The Sumitomo Trust and Banking Co., Ltd.
 Telephone: +81-3-3286-8354 Fax: +81-3-3286-4654