

**Notice regarding the goodwill impairment loss on investment in a subsidiary  
of The Sumitomo Trust and Banking Co., Ltd.**

The Sumitomo Trust and Banking Co., Ltd. (hereinafter “Sumitomo Trust”) hereby notifies that it will post a goodwill impairment loss on its investment in its subsidiary, First Credit Corporation (hereinafter “First Credit”), for the fiscal year ended March 2010 on a consolidated basis, and that it will also post an allowance for investment loss on its shares of First Credit on a non-consolidated basis.

1. Description of the goodwill impairment loss and the allowance for investment loss

(1) Background and reason

First Credit engages mainly in real estate-secured loans for corporate and individual clients. After Sumitomo Trust acquired all the shares of First Credit in 2005, First Credit achieved the stable growth of its business until 2007. However, hit by the 2008 financial crisis that brought about the drastic deterioration of the real estate market, First Credit suffered from substantial amount of credit costs. (Please refer to “Financial Information for the past fiscal years” on the following page.)

In the fiscal year 2009, total credit costs have stabilized and profits are expected to recover, but with the greater than expected continuous stagnation of real estate market conditions, demand for new real estate-secured loans and their balance have remained below its target. Taking such conditions into consideration, it has revised earnings forecast of First Credit for the fiscal year 2010 onward, revalued its goodwill, and decided to post a goodwill impairment loss.

(2) Consolidated financial results

The goodwill impairment loss of 34.4 billion yen is posted as an extraordinary loss in the consolidated financial results. Regarding the goodwill of First Credit, the total balance of the accumulated amortization, which consist of the temporary amortization posted this time and the straight-line amortization posted in each fiscal year since the acquisition of First Credit, has amounted to 60.7 billion yen, and the aggregated unamortized balance as of the end of March 2010 stands at 48.3 billion yen.

(3) Non-consolidated financial results

The acquisition cost of all the shares of First Credit amounts to 130.4 billion yen. The difference between that amount and the valuation amount of the shares after the goodwill re-evaluation amounts to 64.8 billion yen, which is posted as an allowance for investment loss, an extraordinary loss in the non-consolidated financial results.

2. Revised business plan

The revised business plan of First Credit that is an assumption for the goodwill re-evaluation is as follows.

The plan is designed to implement steady business expansion centering on loans for residential real

estate acquisitions to developers of family houses, loans for small and medium-sized commercial-use property purchases, or on guarantee services to individuals in collaboration with financial institutions. In addition, as announced separately, First Credit and Life Housing Loan Co., a subsidiary of Sumitomo Trust, have executed a basic agreement today aiming toward their management integration, in order to accelerate their management efficiency and strengthen their competitiveness. Nevertheless, the present revised business plan does not take account of the increased competitive strengths in sales and products, or cost reductions as well as other effects generated by such management integration.

<Revised Business Plan>

(in billions of Yen)

	FY2009 Forecast	FY2010 Plan	FY2012 Plan	FY2014 Plan
Operating Income	10.0	7.5	9.0	11.0
Total Substantial Credit Costs	-2.7	-1.5	-1.5	-2.0
Ordinary Profit	1.6	1.5	3.0	4.5
Net Income	1.5	1.5	3.0	4.5
Loan Balance	114.4	115.0	125.0	140.0

<Financial Information for the past fiscal years> (For reference)

(in billions of Yen)

	FY2005 Actual	FY2006 Actual	FY2007 Actual	FY2008 Actual
Operating Income	13.4	15.8	17.8	12.7
Total Substantial Credit Costs	-0.0	-2.1	-0.0	-37.3
Ordinary Profit	6.6	8.5	11.6	-30.4
Net Income	8.6	9.4	11.8	-32.6
Loan Balance	118.4	153.7	194.9	164.0

### 3. Outlook

(1) Effect on financial results for the fiscal year 2009

Please refer to “Revision of earnings forecast for the full fiscal year 2009 ended March 31, 2010” disclosed today for the effect on the financial results for the fiscal year 2009 (from April 1, 2009 to March 31, 2010).

(2) Others

With the posting of the impairment loss, it anticipates that the straight-line amortization amount of the goodwill of First Credit in the consolidated financial results for the fiscal year 2010 will be approximately 3.1 billion yen (compared with 5.5 billion yen in the fiscal year 2009).

For further information, please contact:

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