

The Sumitomo Trust & Banking Co., Ltd.  
(Code: 8403, First Section of the TSE and OSE)  
Life Housing Loan, Ltd.  
First Credit Corporation

**Notice regarding the Management Integration of  
Life Housing Loan, Ltd. and First Credit Corporation**

The board of directors of The Sumitomo Trust and Banking Co., Ltd. (President and CEO: Hitoshi Tsunekage; “Sumitomo Trust”) have today resolved with respect to the execution of a basic agreement between Life Housing Loan, Ltd. (“Life Housing Loan”) and First Credit Corporation (“First Credit”), both wholly-owned subsidiaries of Sumitomo Trust, aiming toward the management integration of the two companies, and moving forward with the consideration of the details of the management integration within the fiscal year 2010, as more fully described hereinbelow.

1. **Purpose of the Management Integration**

On one hand, Life Housing Loan, with its core business of providing housing loans to individual clients, has expertise in the areas of detailed consulting through interviews with its clients and related screening. On the other hand, First Credit, with its core business of providing real estate-secured loans, has expertise in its ability to accurately evaluate real estates to be used as collaterals and to respond quickly to the financial needs of its clients, both corporations and individuals. Although the areas of specialty are different, the two companies share a focus on the various needs of their clients centered on real estates and also share a broad range of business contacts with real estate companies.

The environment surrounding the two companies has become increasingly fierce. Nevertheless, the two companies will combine their strengths and aim at a company that has an overwhelming presence in the real estate-secured finance market through the enhancement of competitiveness in client response and in products to be offered, as well as through the improvement of profitability by realizing cost reduction as a result of the management integration.

Through the management integration of the two companies, Sumitomo Trust will concentrate and streamline its management resources concerning real estate-secured finance business, and strengthen the ties among its group companies.

2. **Direction of the New Integrated Company**

A. Business Model

- (1) As the “core company of the real estate-secured finance business” within Sumitomo Trust Group, the new integrated company will expand its client base collaborating with the retail business, the wholesale business and the real estate business of Sumitomo Trust Group.
- (2) The new integrated company will respond to the various financing needs of its small and medium-sized corporate clients, as well as its individual clients, with a full line up of loans for residential real estate acquisition to developers of family houses, loans for small and medium-sized commercial-use property

purchases and loans to utilize holding real estates as collaterals, by taking advantage of its following strengths\*.

\* Strengths of the new integrated company:

- a. particular credit and real estate evaluation based on a face-to-face style of business, experience and a history of performance,
- b. The ability to mutually utilize a network of over 5,000 real estate companies, and
- c. The ability to utilize the functions of the entire Sumitomo Trust Group (mutual client introductions and real estate brokerage).

## B. Effects of the Integration

The details will be worked out in the coming months. However, the new company will work to strengthen its competitiveness and increase profitability by bringing about the synergy effects of integration, such as the adoption of the marketing strategy and the implementation of cost reduction described below.

(1) Marketing strategy; Aiming at increasing operating income by 5 to 10% over the current forecast of the fiscal year 2012 (three years from now).

- a. Personnel freed up through the streamline of the management sections will be redeployed into housing loan business which is expected to achieve stable growth.
- b. Loans for small and medium-sized commercial-use property purchases to real estate companies will be strengthened through the mutual use of the network of real estate companies.
- c. The know-how and client bases of the two companies will be combined and new products and services such as home equity loans will be developed and provided.

(2) Cost reduction; Aiming at reducing selling, general and administrative expenses (“SG&A”) by more than 5% over the current forecast of the fiscal year 2012 (three years from now).

- a. Business efficiency will be pursued by streamlining the management sections, and reducing non-personnel expenses such as office rents through the consolidation of headquarters and branches.
- b. Personnel expenses will be reduced through controls on new hiring, etc.

## 3. Schedule and scheme

The details of schedule and scheme of the management integration, which is intended to take place within the fiscal year 2010, will be worked out in the coming months.

## 4. Outlines of the Companies to be integrated (as of April 27, 2010)

(1) Corporate Name	Life Housing Loan, Ltd.	First Credit Corporation
(2) Principal Business	Housing loans	Real estate-secured loans
(3) Established	May 1996	December 1982
(4) Location	2-2-1 Yaesu, Chuo-ku, Tokyo	2-6-2 Otemachi, Chiyoda-ku, Tokyo
(5) Representative	Kunio Inamura	Koji Yosomiya
(6) Capital Stock	1.0 billion yen	13.5 billion yen
(7) Total Number of Issued Shares	10,000 Shares	1,700,005 Shares
(8) End of Fiscal Year	March 31	March 31
(9) Shareholding Structure	Sumitomo Trust 100%	Sumitomo Trust 100%

## (10) Business results and financial summary

(in billions of Yen)

	Life Housing Loan, Ltd.				First Credit Corporation			
	FY2009	FY2010	FY 2011	FY2012	FY2009	FY2010	FY2011	FY2012
	Forecast	Plan	Plan	Plan	Forecast	Plan	Plan	Plan
Operating Income	6.7	7.5	8.0	8.0	10.0	7.5	8.5	9.0
SG&A	-1.2	-1.5	-1.5	-1.5	-3.3	-3.5	-3.5	-3.5
Total Credit Costs	-0.2	-0.5	-0.5	-0.5	-2.7	-1.5	-1.5	-1.5
Net Income	3.3	2.5	2.5	2.5	1.5	1.5	2.0	3.0
Outstanding Loan Balance	182.9	200.0	210.0	225.0	114.4	115.0	120.0	125.0
Total Assets	158.3	165.0	175.0	185.0	92.9	90.0	90.0	90.0
Total Net Assets	12.7	15.0	18.0	21.0	17.3	19.0	21.0	24.0

The above plan does not include the synergy effects such as strengthening profitability and reducing costs through the management integration.

## 5. Conditions after the Management Integration

Corporate name of the new company, its location, its representative and so on will be decided in the coming months.

## 6. Outlook

The management integration of the two Companies will have no effect on Sumitomo Trust's earnings forecast for the fiscal year 2009.

For further information, please contact:

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