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Contents of Business

- Marketing functions
 (1. Loans, deposits, and market-making of interest rate and foreign exchange related products, 2. Composition and sales of market-oriented financial instruments)
- Investment operations (pursuing absolute profit through investment activities on Sumitomo Trust's own account)
- Financial operations (market operations focused on managing market risk* which is shown on Sumitomo Trust's balance sheet)

* Interest rate risk of deposits, stock price risk, etc.

For details of businesses in this segment, please see page 188

Overview of Business Results for Fiscal Year 2007

During the first half of fiscal year 2007, the policy interest rate at the Bank of Japan was gradually raised even at low levels, in response to the government operation of financial policies, based on scenarios for a “positive cycle of growth in production, income, and spending” and “flow of income from the corporate sector to the household,” set up after the March 2006 lifting of the quantitative easing policy. However, easy monetary policy at home and abroad was taken in the latter half of the year, due to the financial market turmoil triggered by the U.S. subprime mortgage problems since the summer of 2007, which caused a reversal of the previous uptrend in interest rates.

Even in an environment dominated by such an unfavorable wind, our global markets business secured a year-on-year increase in income and profit by profit increase related to the

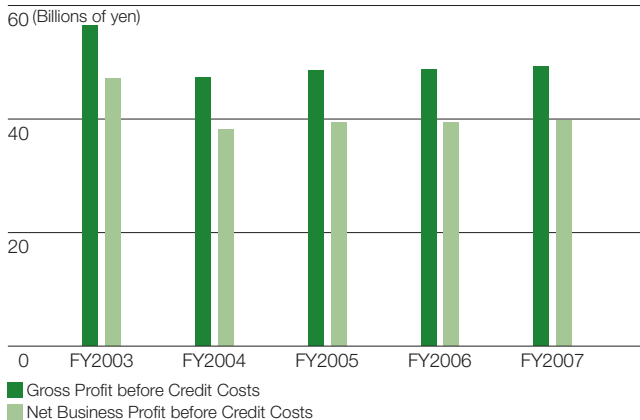
financial operations and marketing functions. Thus, gross profit before credit costs was 49.3 billion yen, a 1.0% year-on-year increase, and net business profit before credit costs was 39.8 billion yen, a 0.7% year-on-year increase, both almost the same level as in the previous year.

In investment operations, performance was weak, due mainly to interest rates, leading to a substantial year-on-year profit decrease.

Marketing functions, on the other hand, remained our steady source of profit as a result of proper management of interest rate risks arising from loans and deposits, as well as effective accumulation of our profit from market-making that is linked to foreign exchange and interest rates.

With regard to market operations that focused on potential market risks involved in the overall balance sheet, our bond market operations realized a considerable performance increase by precisely capturing the downtrend of interest rates in the second half of the fiscal year.

• Gross Profit/Net Business Profit before Credit Costs*



* This segment does not contain operations outside of the parent operation, thus figures here are not presented as consolidated/non-consolidated data.

• Breakdown of Gross Business Profit

