



Akio Otsuka

Officer in Charge of Fiduciary Services Business
Director, Senior Executive Officer

Contents of Business

- Pension trust (pension system planning, asset management, pension subscriber/beneficiary management, etc.)
- Investment management (development, due diligence and provision of managed products, investment advisory services, discretionary investment management services, etc.)
- Securities processing (custody including trade settlement, interest & dividend collection and other processing of securities, securities lending, etc.)

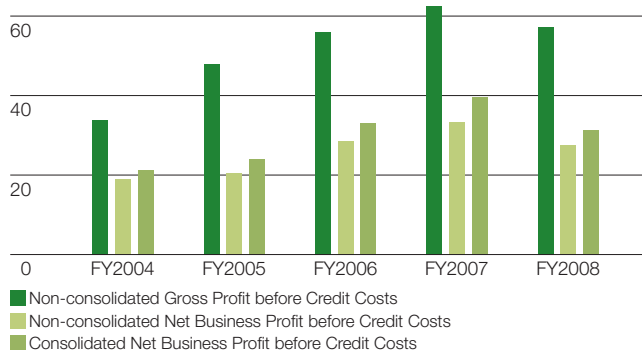
For details of businesses in this segment, please see pages 190–191.

1. Overview of Business Results for Fiscal Year 2008

Although the Fiduciary Services Business continued to post an increase in the volume of entrusted assets as a result of the entrustment of new assets, non-consolidated gross profit before credit costs declined 8.3% year-on-year to 57.2 billion yen because of a drop in the fair value of assets caused by the fall in stock prices. Accordingly, non-consolidated net business profits before credit costs decreased 17.7% to 27.5 billion yen and consolidated net business profit before credit costs dropped 21% to 31.3 billion yen.

• Gross Profit/Net Business Profit before Credit Costs

80 (Billions of yen)



2. Business Environment in Fiscal Year 2008

Due to an increase in the number of corporations adopting defined contribution pension plans with the aim of stabilizing the costs of employee retirement benefits, as well as

signs of corporations revising their pension plans in anticipation of the abolition of qualified pensions set to take effect in 2012, the corporate pension market is anticipated to produce continued growth in the future.

The environment for asset management was difficult as shown by the fact that the average return for corporate pensions posted a considerable negative yield as it did in the previous year.

3. Basic Strategy and Business Performance in Fiscal Year 2008

Overall Business Results

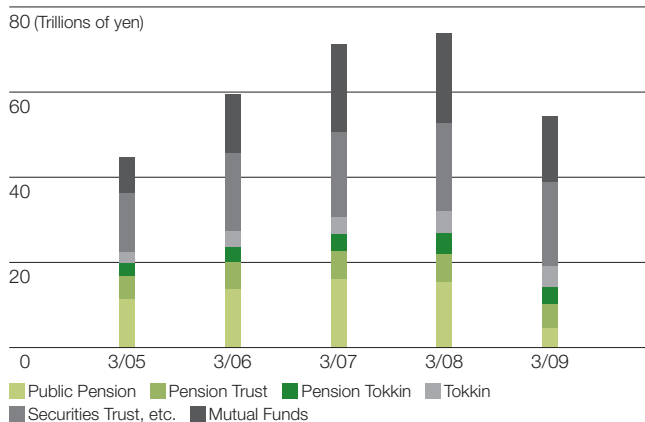
The volume of entrusted assets as of the end of March 2009 decreased to 54.6 trillion yen because of market factors, such as the fall in stock prices and the strong yen, as well as a transfer of assets (approximately 11 trillion yen) to discretionary investment accounts from designated, independently-managed money-in-trust accounts following an accelerating trend of separating asset managers and custodians through the conclusion of discretionary investment management contracts. However, the volume of entrusted mutual fund assets continued to increase on a book-value basis as the entrustment of new funds remained strong, with our market share as of the end of fiscal year 2008* exceeding 20%, as it did at the end of the previous year. The volume of entrusted pension trust assets also continued to grow on a book-value basis.

* Market share among trust banks as estimated by Sumitomo Trust.

• Pension Trust Business

On the strength of our aggressive sales activities capitalizing on our consulting capabilities, as well as our multi-product strategy, our pension trust business continued to grow steadily. This

• Volume of Entrusted Assets



was shown by the fact that in terms of a net change attributed to share changes among trustees, we have continued to secure a net increase (on a quarterly basis) in the volume of entrusted assets since the quarter that ended in September 2002. With regard to systems, the driving force behind the expansion of entrusted assets was our capability to provide support not only for the traditionally adopted defined benefit corporate pension plan but also for the defined contribution pension plan, which has drawn strong interest in recent years. With regard to asset management, the driving force was our high value-added investment products, such as actively managed products and alternative investment products, amid the diversification of the needs for asset management. In fiscal year 2008, as part of our efforts to improve services for pension subscribers, we renewed our website dedicated to the defined contribution pensions plan, called “Sumishin Defined Contribution Pension Net Service.”

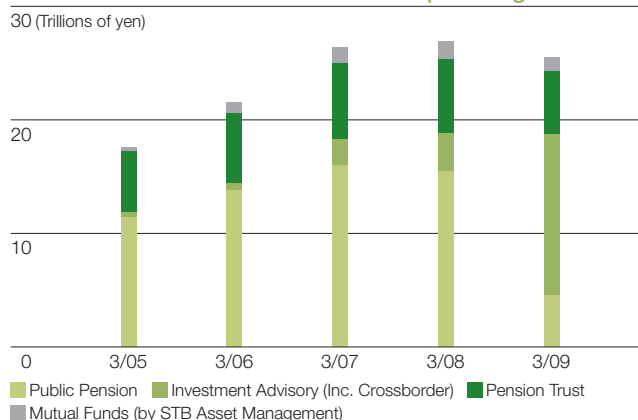
• Investment Management Business

The volume of outstanding assets under the management (on a fair-value basis) of our mutual fund subsidiary, STB Asset Management Co., Ltd., and discretionary investment management services for public institutions as of the end of fiscal year 2008 declined from the end of the previous year to 25.7 trillion yen.

The volume of entrusted alternative investment assets declined to 944.8 billion yen as a result of the cancellation of contracts due to a poor investment performance attributable to the significant deterioration of the market environment. In addition, the ratio of pension assets under active management declined slightly to 50.0% because of a shift to passive management relying on index investing.

With regard to discretionary investment management services, the volume of entrusted assets more than quadrupled as a result of a transfer of a large amount of assets (approximately 11 trillion yen) to discretionary investment accounts from designated, independently-managed money-in-trust accounts in fiscal year 2008.

• Assets under Sumitomo Trust Group Management



• Securities Processing Business

We are satisfying a broad range of needs for securities investment by institutional investors in the Japanese and overseas markets by enhancing the global custody service provided through our U.S. subsidiary, Sumitomo Trust and Banking Co. (U.S.A.) “STB USA,” and the efficient, high-quality services provided by Japan Trustee Services Bank, Ltd., which specializes in the custody of assets taken over from its three founding companies, including Sumitomo Trust.

• Global Custody Business by STB USA

