



Chuo Mitsui Trust Group



Chuo Mitsui Trust Group

Chuo Mitsui Trust Holdings, Inc.
The Chuo Mitsui Trust and Banking Company, Limited
Chuo Mitsui Asset Trust and Banking Company, Limited

ANNUAL REPORT
2007
Year ended March 31, 2007

Services of Chuo Mitsui Trust Group

Products perfectly suited to individuals at every stage of life

20–60s >>>

60s and up >>>

For the next generation

Asset Management

▶ P24

Savings Instruments Chuo Mitsui maintains a large assortment of products, such as *Super-teiki* (time deposit), *Big* (loan trusts) and large-lot term deposits, geared to the asset formation needs of individuals.

Investment Trusts Chuo Mitsui's expanding lineup of investment trusts is matched to diversifying client requirements and addresses wider interest in investment trusts as an investment tool on which clients can anticipate returns.

Annuity Insurance Chuo Mitsui helps clients, particularly those approaching retirement, set aside funds to maintain a comfortable life even as senior citizens. The Bank utilizes insurance structures to prepare for any and all contingencies.

Financing

▶ P24

Housing Loans Chuo Mitsui's range of housing loans extends beyond simple housing loans to lending products that combine miscellaneous expenses or feature apropos repayment provisions, including one that covers all three major diseases in Japan—cancer, stroke and heart attack—and one specifically for cancer in the event the borrower falls ill. The wide scope of housing loans with highly marketable characteristics fine tuned to clients' needs is further exemplified by a selection of products designed especially for women.

Home-Backed Card Loans (α -style) This type of secured card loan is a forward-looking financial instrument that enables clients to use their homes as collateral to acquire funds for the application of their choosing at some point in the future. Loans carry a reasonable interest rate and support the realization of comfortable life plans.

Reverse Mortgages A reverse mortgage pays out regular annual amounts under a loan scheme, with a house as collateral, so that elderly borrowers can remain in the homes they love during their sunset years. Reverse mortgages with a card loan feature give clients access to funds for various financial needs.

Consulting

▶ P25

Real Estate Chuo Mitsui undertakes a wide variety of services, from assisting clients in the purchase or replacement of a home to buying and selling investment-oriented property and further to the effective utilization of land. These services are underpinned by specialized and meticulously prepared advice from the Bank's real estate professionals.

Testamentary Trusts The Bank's services cover everything from consultations on the preparation of a will to custody and management of the completed documents, to the execution of clients' final wishes.

Trusts that Provide Peace of Mind Chuo Mitsui administers and protects the valuable assets of its clients, in line with stated objectives, for each individual and his or her family or other beneficiaries.

Inheritance Resolution Chuo Mitsui handles inheritance succession procedures on behalf of heirs.

Increasingly more sophisticated financial services for companies and institutional investors

Corporate Restructuring and Revitalization-Related Finance

Chuo Mitsui supports the efforts of clients seeking to raise corporate value through various forms of financing as well as solutions characteristic of a trust bank's expertise, especially winning business strategies, such as the formulation of hostile takeover defense measures.

▶ P27

Business Loans

The Group seeks to enhance its support structure to better address the multifaceted business pursuits of small and mid-sized companies, to make products and services under the Chuo Mitsui banner more attractive to the market, and to facilitate the flow of funds to these corporate clients.

▶ P28

Real Estate Operations

Chuo Mitsui provides business matched to client requirements and strives to offer services emphasizing the Bank's high-level specialization in the real estate fund business.

▶ P29

Stock Transfer Agency Services

Through a spectrum of services utilizing the experience and scale of the Group, Chuo Mitsui accurately addresses the varied needs of listed companies. Naturally, the Bank extends typical administrative assistance, but it is also involved in preparing for new stock listings, dealing with legal system changes, formulating the right responses to general shareholder meeting agendas, utilizing information technology to take shareholder meetings online, and expediting vigorous investor relations programs.

▶ P31

Pension Trust and Securities Trust Businesses

In pension trust operations, Chuo Mitsui Asset designs and provides administrative services fine tuned to the needs of clients, based on consultations regarding retirement benefits systems. In the securities trust business, the Bank seeks to reinforce its services as an administrator of assets in the constantly expanding investment trust market while striving to enhance its investment advisory services for investment trust management companies.

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■ Consolidated Financial Highlights

Years ended March 31, 2007 and 2006	Billions of yen		Millions of U.S. dollars (Note)
	2007	2006	2007
For the year			
Total income	¥ 468.0	¥ 479.0	\$ 3,963.7
Interest income	161.4	165.4	1,367.3
Trust fees	75.5	72.0	640.0
Fees and commissions	133.1	122.7	1,127.4
Total expenses	288.3	339.1	2,442.3
Interest expenses	62.6	46.6	530.2
General and administrative expenses	121.7	124.1	1,030.9
Income before income taxes and minority interests	179.6	139.9	1,521.4
Net income	112.7	119.6	955.3
At year-end			
Total shareholders' equity	¥ 1,137.3	¥ 858.8	\$ 9,632.9
Total assets	14,090.5	13,808.7	119,340.4
Loans and bills discounted	7,377.3	7,292.0	62,482.9
Securities	4,511.7	3,835.7	38,212.3
Deposits	8,529.7	8,806.9	72,242.8
Trust assets*	45,154.0	42,457.3	382,434.6
Capital adequacy ratio**	12.13%	12.35%	
Reference (subsidiary banks)*			
Gross operating profit (before trust account write-offs)***	¥ 275.3	¥ 283.3	\$ 2,332.0
Operating expenses	98.2	100.2	832.2
Pre-provision profit***	177.0	183.0	1,499.7
Credit costs	29.7	65.6	252.2

Note: U.S. dollar amounts stated in this annual report are translated solely for convenience at ¥118.07 to US\$1, the rate prevailing on March 31, 2007.

* Figures are combined totals for The Chuo Mitsui Trust and Banking Company, Limited, and Mitsui Asset Trust and Banking Company, Limited.

** Capital adequacy ratio is presented in accordance with the domestic standard set forth in the Banking Law of Japan.

*** These terms are defined on page 44 in the Financial Section.

A Message from the Management

The annual report for fiscal 2006, the year ended March 31, 2007, is a comprehensive disclosure document, highlighting the business results of Chuo Mitsui Trust Group, a status report on each area of operations, as well as perspectives on business direction and other matters of interest to the Group's future. We hope this report will help you to better understand the Group and its activities.

The key companies of the Group are its two trust banks—The Chuo Mitsui Trust and Banking Company, Limited (“Chuo Mitsui”), which concentrates on retail business, banking business, real estate operations and stock transfer agency services, and Chuo Mitsui Asset Trust and Banking Company, Limited (“Chuo Mitsui Asset”), which has particular strengths in pension trust operations and the securities trust business—but all the companies under the Group umbrella strive to enhance respective areas of specialization and contribute to higher corporate value for the Group.

The Group is working to reinforce its profile—essentially, fortify its brand power—by maximizing the Chuo Mitsui name, which is already well known to many clients through its retail services.

A concrete step toward this end had been achieved in October 2007 when Mitsui Trust Holdings is renamed Chuo Mitsui Trust Holdings, Inc., and Mitsui Asset is similarly renamed Chuo Mitsui Asset Trust and Banking.

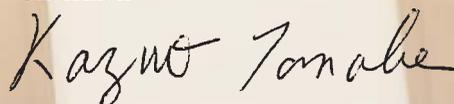
Taking advantage of this profile-strengthening opportunity, the Group has also flown a new corporate flag as Chuo Mitsui Trust Group.

Senior management and employees throughout the Group are fully committed to meeting the expectations of stakeholders. On behalf of the Board, we ask for the continued support and encouragement of clients, shareholders and business partners as we strive to reach higher levels of success.

October 2007



Kiichiro Furusawa
Chairman



Kazuo Tanabe
President



■ Interview with the President

Chuo Mitsui Trust Group—pursuing recomposition of the revenue structure and achieving steady results.



Q1: What direction is Chuo Mitsui Trust Group taking in its business pursuits?

■ Basic Business Direction

Chuo Mitsui Trust Group's management philosophy spotlights three objectives:

- To utilize financial and trust banking functions to meet the needs of society and contribute to the further development of the national economy
- To always be aware of the role a corporate citizen must play and fulfill inherent social responsibilities
- To enhance structures for risk management and compliance, namely adherence to prevailing laws and other socially mandated requirements, and ensure management soundness

Guided by this management philosophy, the Group efficiently pursues business activities through a highly transparent management structure and strives to reinforce profitability while laying a solid financial foundation for growth. This is the basic business direction that the Group will follow.

■ Medium- and Long-Term Management Strategies

The activities of Chuo Mitsui Trust Group hinge on two trust banks—Chuo Mitsui, which concentrates on retail business, banking business, real estate operations and stock transfer agency services, and Chuo Mitsui Asset, which has particular strengths in pension trust operations and the securities trust business. However, all the companies under the Group umbrella, not only the two core banks, maintain a flexible approach to business development in their respective fields of expertise. They cooperate on several fronts and seek to capitalize on the synergies afforded by interrelationships within the Group. Meanwhile, Chuo Mitsui Trust Holdings, as the holding company, aims to maximize Group profits by ensuring an optimum allocation of management resources to each operating division.

Business strategies of the trust banks under the Group umbrella are described below.

Chuo Mitsui

In the area of individual services, Chuo Mitsui represents one-stop access to a spectrum of products and services underlined by carefully executed consultations tailored to

clients' needs at different stages of life. Consultations facilitate skillfully crafted responses to questions about loans, asset administration and management, and matters related to inheritance and succession.

In the area of corporate services, Chuo Mitsui emphasizes proposal-style approaches that consolidate knowledge accumulated over many years in the trust banking business. This expertise helps Chuo Mitsui expertly support the broad-based management and financial strategies that clients desire to implement.

Chuo Mitsui Asset

Chuo Mitsui Asset maintains a rich selection of fund management products, including investments in domestic and international stocks and bonds as well as alternative investments, from which the Bank pinpoints financial vehicles best suited to the investment requirements of each client.

In addition, Chuo Mitsui Asset responds to demand for administration of various pension systems, such as defined contribution pensions and defined benefit corporate pensions, and addresses the varied needs of clients on all aspects of the retirement benefit system.

■ Future Tasks

First, Chuo Mitsui Trust Group will selectively reinforce investment trust and real estate-related pursuits, since respective markets continue to demonstrate brisk growth potential. The next task will be to forge a higher profile in asset management services, such as private equity. Lending operations will remain a key priority, with a continued emphasis on housing loans as well as concerted efforts to promote business loans, a category that has come into its own as a new business.

Increasingly intense competition is sure to characterize these promising fields of endeavor. To surmount this challenge and sustain a position of excellence, Chuo Mitsui Trust Group will boost personnel and operating expense budgets in divisions deemed essential to overall competitiveness. Concerted efforts will also be directed toward concrete realization of business strategies.

Corporate social responsibility (CSR) has captured the public's attention as well as ours. We are keenly aware of the public aspect of our corporate mission as a financial group and will consistently promote CSR activities throughout the Group and fulfill social expectations accordingly.

Meanwhile, risk management and compliance are sure to assume greater importance in the corporate world, spurred by the application of new capital adequacy criteria under the Basel II Capital Accord formulated by the Bank for International Settlements (BIS) and effective from the fiscal year ending March 31, 2007, and also by enforcement of the newly established Financial Instruments and Exchange Law no later than January 2008.

Chuo Mitsui Trust Group will therefore reinforce the system it has used to accurately identify and control risks inherent in its operations and will reemphasize activities designed to ensure thorough legal compliance by executives and employees alike. Furthermore, the Company will verify the reliability of corporate disclosure with a polished approach to standards for the assessment and audit of internal controls for financial reporting slated for implementation from the fiscal year beginning April 1, 2008.

Through these efforts, we will fortify our internal auditing function—a self-regulated process to ascertain the effectiveness and actual utility of internal structures—and further strengthen our capacity to identify trouble spots and correct them.

Q2: Which businesses will underpin enhanced profitability?

■ Management Priorities

Enhanced profitability is at the top of Chuo Mitsui Trust Group's list of management priorities. We will increase overall investment in management resources and vigorously but with due care allocate these resources to

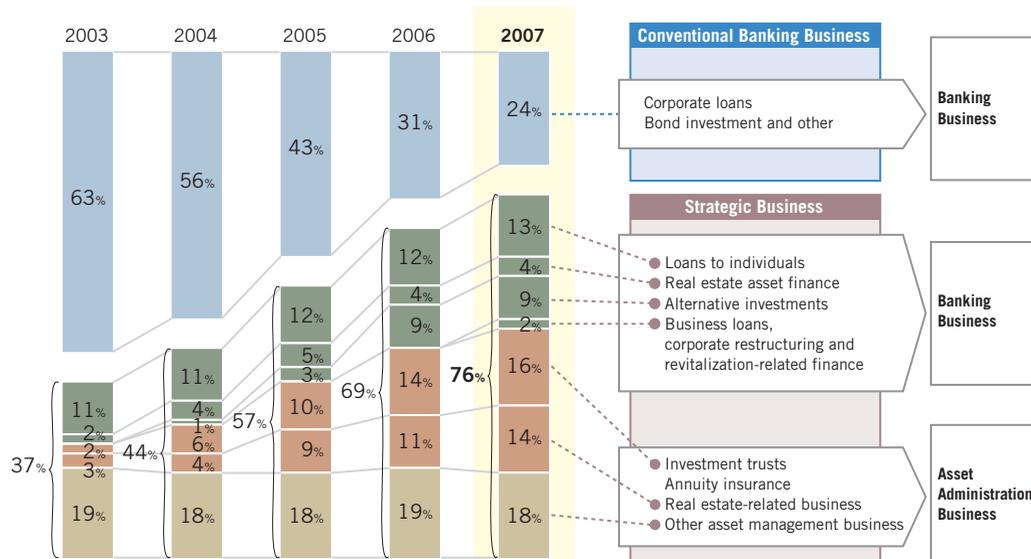
business areas with high profit and future growth potential. This applies to strategic business pursuits as well. Through this positive investment of management resources, we will chart a steady course toward realizing higher gross operating profit.



■ Recomposition of the Revenue Structure

Chuo Mitsui Trust Group will boost gross operating profit by spotlighting investment trust and real estate-related operations and capitalizing on sustained growth in these markets, by directing corporate energy toward a higher profile in asset management services, such as for private equity, and by prioritizing lending operations, with an emphasis on housing loans and business loans.

Gross Operating Profit by Operating Division (Combined totals from Chuo Mitsui and Mitsui Asset, non-consolidated)



(Years ended March 31)

Q3: What kind of results have your management priorities achieved?

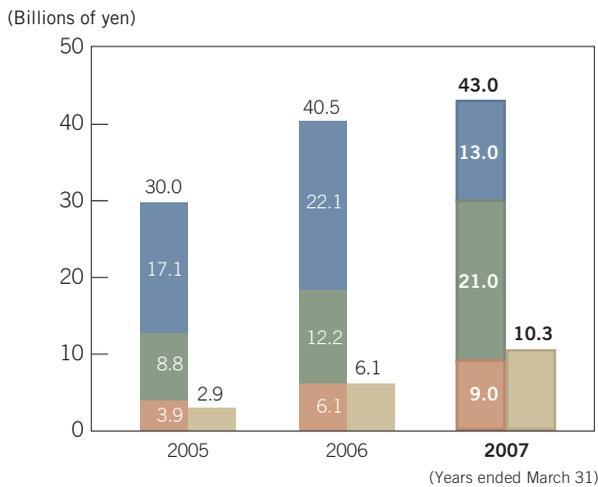
In fiscal 2006, the basic direction taken by Chuo Mitsui Trust Group was to enhance profitability by accelerating recomposition of the revenue structure and by boosting gross operating profit. This was to be achieved by fortifying the Group's position in growth fields. This focus was rewarded with solid results in key strategic businesses, as the graphs below demonstrate.

■ Investment Trust and Annuity Insurance-Related Businesses

A rich selection of products geared to wide-ranging client needs, complemented by high-quality consultations, underpinned a commendable level of sales, compared with other domestic financial institutions.

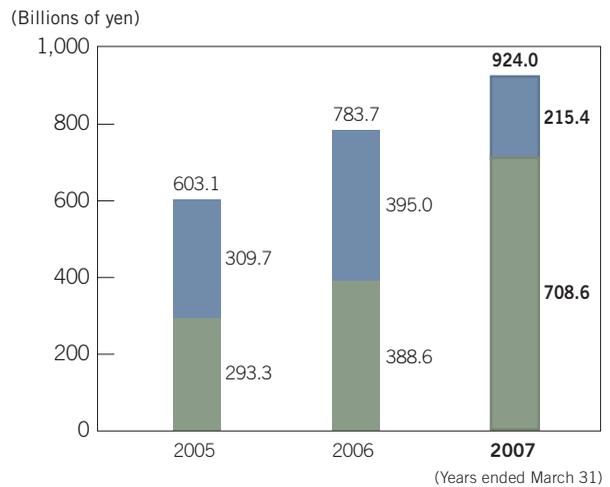
Investment Trust and Annuity Insurance-Related Revenue

■ Fees on the sale of annuity insurance
 ■ Proceeds from investment trust sales
 ■ Proceeds from investment trust management and administration
 ■ (Reference) Investment management fees of Chuo Mitsui Asset Management Co., Ltd.



Investment Trust and Annuity Insurance Sales

■ Annuity insurance sales
 ■ Investment trust sales

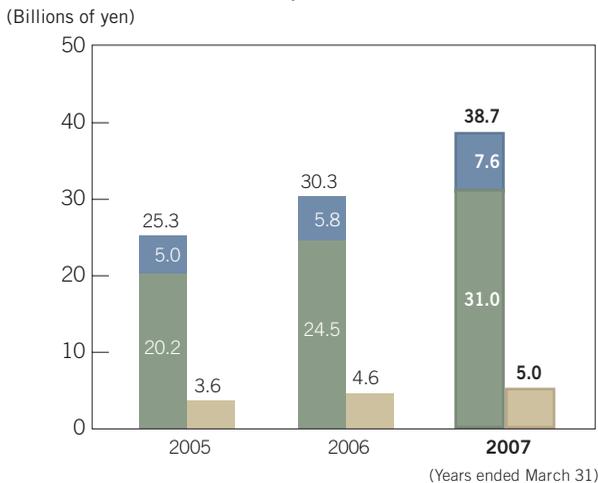


■ Real Estate-Related Operations

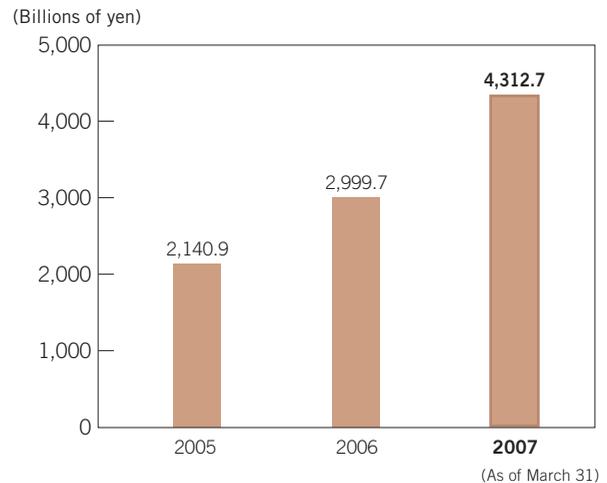
The Group successfully capitalized on the trend toward wider interest in fund business and a growing need for real estate investment to post steady improvement in real estate profits. This result was supported by higher brokerage fees.

Real Estate Business-Related Revenue

■ Real estate trust fees
 ■ Real estate fees
 ■ (Reference) Real estate fees of Chuo Mitsui Realty Co., Ltd.



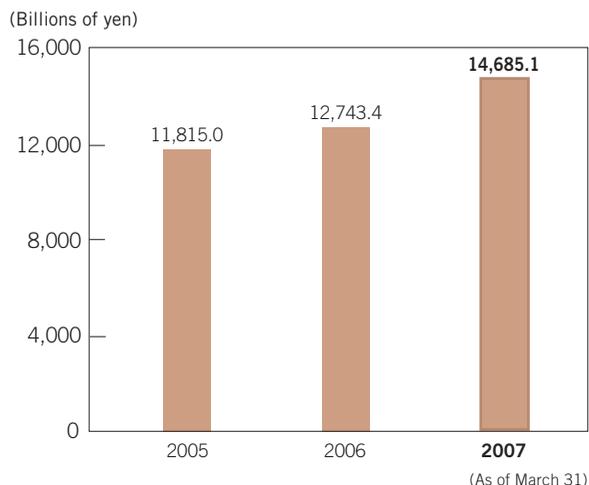
Balance of Securitized Real Estate



■ Pension Trust and Securities Trust Businesses

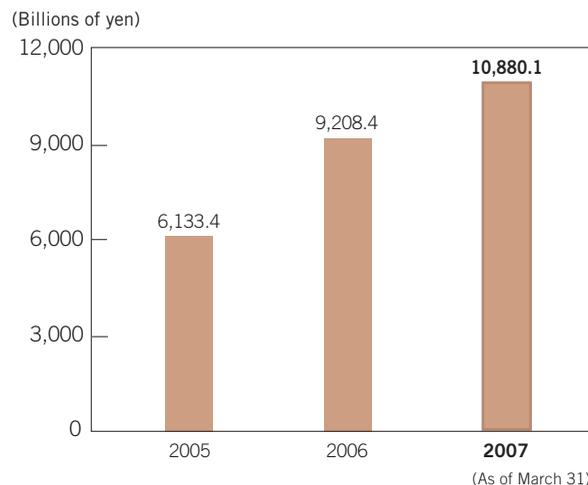
Chuo Mitsui Asset is reinforcing its profit base and expanding profits by maximizing market-respected expertise acquired through asset management and consulting.

Balance of Pension Assets under Management
(Book Value)



Note: Combined total of public pensions, corporation pensions and national pension funds, including the balance of investments with discretionary rights for management.

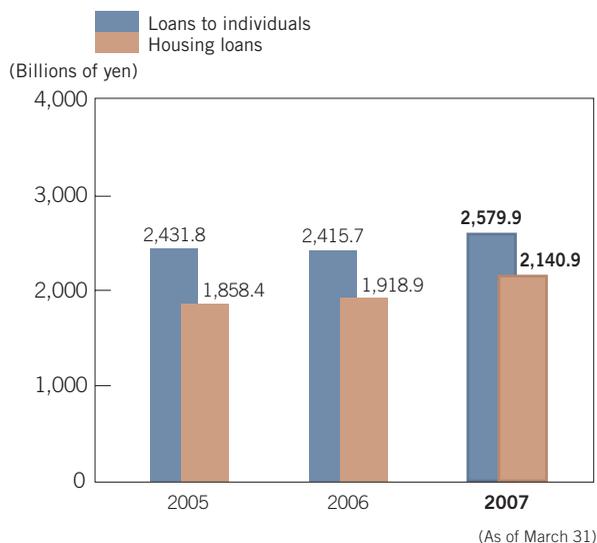
Balance of Investment Trusts under Management
(Net Asset Value)



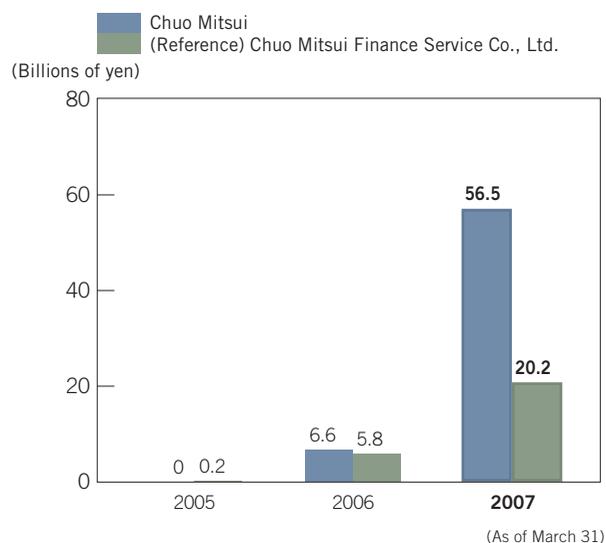
■ Lending Business

Chuo Mitsui will build a loan portfolio delivering higher profits by maintaining an active approach, especially toward housing loans—an area of ongoing emphasis—as well as business loans, which represents a new operational inroad for the Bank.

Balance of Loans to Individuals
(After housing loan securitization)



Balance of Business Loans



Q4: Describe the restructuring and name changes taking place within the Group.

Chuo Mitsui Trust Group has made progress in strengthening its asset management-related businesses, including private equity- and investment trust-related businesses, which maximize the asset management expertise accumulated by the trust bank group. But we must do even more to enhance this area of operations, and for this reason we must set the stage for greater development of strategic businesses and take a firmer stance on internal management.

With this in mind, we brought two Chuo Mitsui subsidiaries—Chuo Mitsui Asset Management, an investment advisory and investment trust services company, and Chuo Mitsui Capital, a provider of private equity fund management services—under the direct control of the holding company.

Following this change, the holding company will have direct wholly-owned subsidiaries consisting of two trust

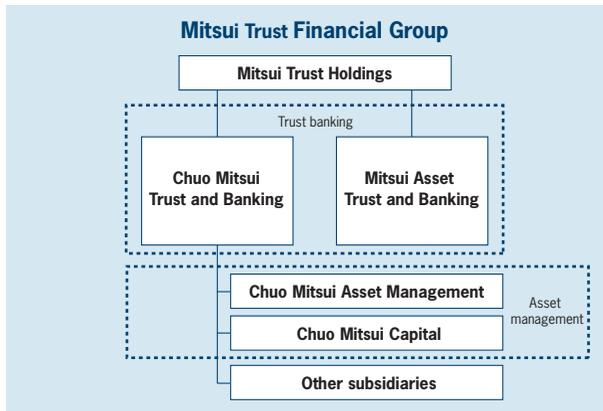
banks (Chuo Mitsui and Mitsui Asset), which provide distinctive services, and two asset management companies (Chuo Mitsui Asset Management and Chuo Mitsui Capital).

We will utilize this structural realignment as an opportunity to strengthen the Group's profile—enhance brand power, so to speak—by highlighting the Chuo Mitsui name. “Chuo Mitsui” is already well known to many clients through the Bank's retail services. It therefore makes good corporate sense to change the name of the holding company to Chuo Mitsui Trust Holdings. Similarly, Mitsui Asset will be renamed Chuo Mitsui Asset Trust and Banking.

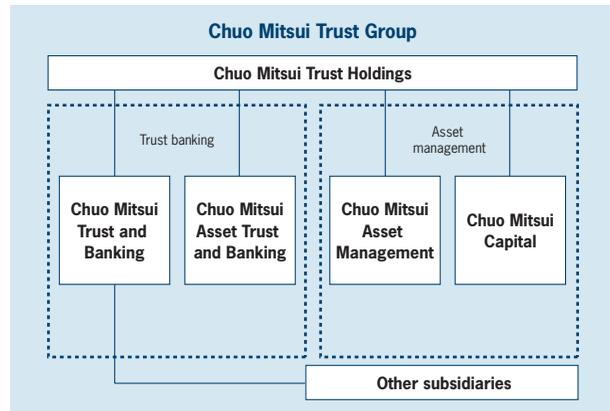
The Group has also flown a new corporate flag as Chuo Mitsui Trust Group.

These changes had been effective from October 1, 2007.

Before Changes



After Changes

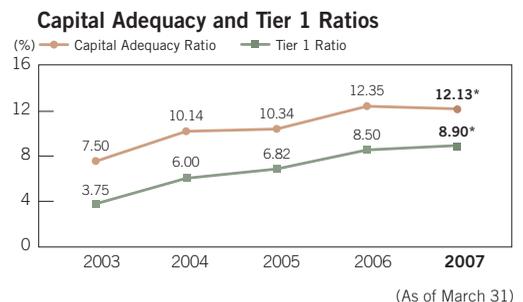
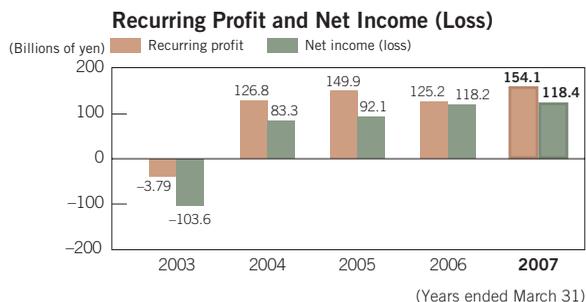
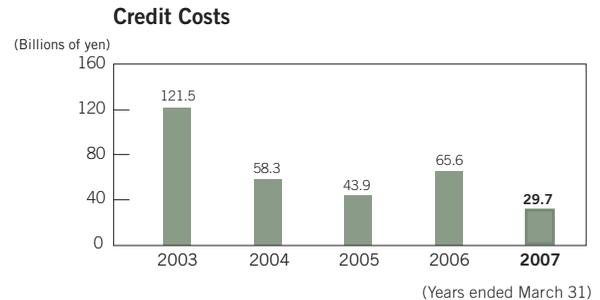
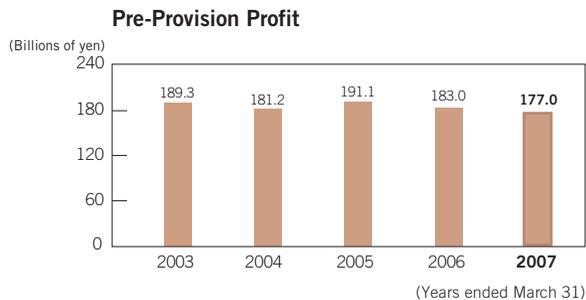
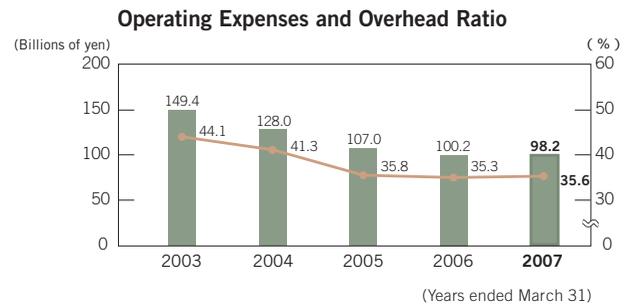


■ Fiscal 2006 Summary

- Gross operating profit (before trust account write-offs) and pre-provision profit reached ¥275.3 billion and ¥177.0 billion, respectively.
- The Group again demonstrated top-class cost efficiency among major financial institutions in Japan with a ¥1.9 billion decrease in operating expenses and an overhead ratio of 35.6%.
- Consequently, net income reached a record-breaking ¥118.4 billion.
- The Group's consolidated capital adequacy ratio settled at the commendably high level of 12.13%.



Note: Before trust account write-offs



* Figures at March 31, 2007, are based on the capital adequacy requirements of the Basel II Framework, a new set of standards applied from the end of March 2007.

January 26, 2007
Chuo Mitsui Trust Group and Tsinghua University in joint project

三井トラスト、清華大と提携
三井トラスト・ホールディングスは中国の有力大学、清華大学（北京市）と提携する。二月から同大学の金融研究センターで経済・金融研究を共同で実施する。三井トラストは日中の学術交流を企業の社会的責任（CSR）活動の一環と位置付けており、二〇〇六年一月には中国人民大学（北京市）に経済学分野の寄付講座を開設した。

The Nikkei Financial Daily

The Tsinghua-Mitsui Trust Financial System and Macroeconomics Research Project is now under way at the Tsinghua University in Beijing, in the People's Republic of China (PRC).

▶ P20

January 25, 2007
Chuo Mitsui's balance of high-yield investment trusts doubles, to ¥115.7 billion

高金利投信の残高倍増
中央三井信託 昨年末1157億円に

中央三井信託銀行が販... 体のおよそ三六%、米國が... 分配金として出した。... 運用はクループの中央三... のモーニングスターが二... 十三日発表した「ファン... ド・オブ・ザ・イヤ」を... 獲得している点や個人に... 0.06」のうち、「開閉... を出しては十二倍に増... 受けて入れられている。平... 均で三百万円程度分を購... を発表した。運用成績や... 入する層が多い。〇六年... リスク管理、運用・調査... 二月からの連年一年間で... は、毎月四十五円（二万... 〇元）を分配し、〇六年... 一ナスとして〇六年十一... 月には四十五円に加え、... 二億円を分配。合計で一... 年間で千四百八十五円を...

The Nikkei Financial Daily

Chuo Mitsui High-Yield Sovereign Open, established and managed by Chuo Mitsui Asset Management, took the Morningstar "Fund of the Year 2006" Best Fund Award under the domestic and international bond funds category. This recognition underscores Chuo Mitsui's ongoing efforts to expand its lineup of investment trusts.

▶ P24

Basic Premise

Seeking to maintain management transparency and ensure sound business practices, Chuo Mitsui Trust Group strives to clarify the scope of accountability and responsibility assumed by senior management, including members of the Board, and has implemented a suitable cross-check structure to facilitate this goal. To expedite its response to changes in the operating environment, the Group has introduced administrative and management structures to encourage greater organizational efficiency.

Functions and Responsibilities of Chuo Mitsui Trust Holdings

Each subsidiary bank under Chuo Mitsui Trust Holdings umbrella has established operating structures that facilitate the achievement of respective business activities. Meanwhile, Chuo Mitsui Trust Holdings, as a financial holding company established to oversee the operations and administration of its subsidiary banks, assumes the following five functions.

1. Formulate Group management strategy

Chuo Mitsui Trust Holdings coordinates divisional strategies for the two trust banks under its umbrella and prepares plans to maximize Groupwide profits and shareholder value.

2. Monitor administration of business activities

While responsibility for administration of respective business activities lies with each subsidiary bank, Chuo Mitsui Trust Holdings monitors the status of operations to ensure that these activities are consistent with Group strategies.

3. Allocate management resources

Chuo Mitsui Trust Holdings allocates management resources for the Group, such as for personnel, budgets, investment in systems and the application of funds, and tracks the use of these management resources at each bank.

4. Supervise risk management and internal controls

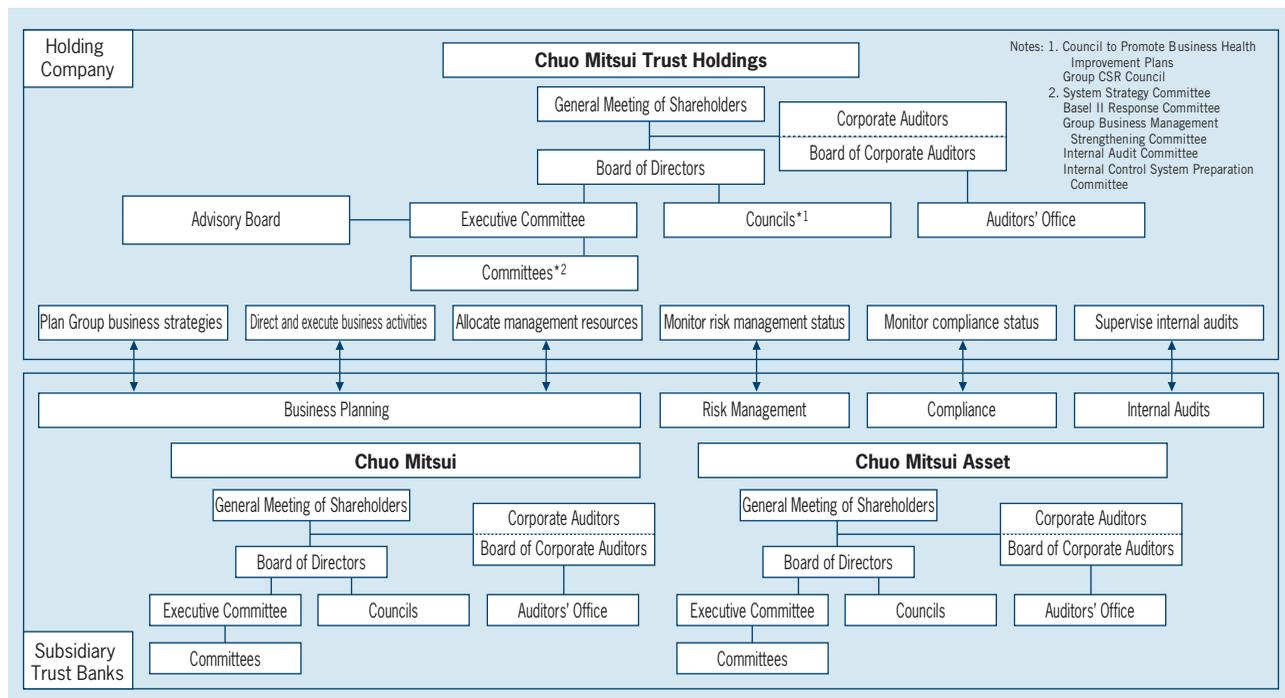
Chuo Mitsui Trust Holdings formulates basic policy on risk management and internal controls for the Group as a whole and undertakes related assessments, including verification of risk management efforts at each bank.

5. Track compliance status

As well as preparing key policy on corporate ethics for the Group and standards of conduct befitting senior management and employees of this group, Chuo Mitsui Trust Holdings tracks efforts at the subsidiary banks under its umbrella to conform to compliance issues.

6. Monitor internal audits

In addition to formulating the basic direction for the execution of internal audits within the Group, Chuo Mitsui Trust Holdings examines the results of internal audits at the subsidiary banks under its umbrella, then pinpoints areas for improvement and offers necessary guidance to the banks to effect these changes.





Standing, from left: Nobuo Iwasaki, Senior Executive Officer; Ken Sumida, Senior Managing Director; Jun Okuno, Senior Managing Director; Tadashi Kawai, Managing Director
Seated, from left: Kazuo Tanabe, President; Kiichiro Furusawa, Chairman; Tomohiro Ito, Deputy President

Management Structure

Directors of Chuo Mitsui Trust Holdings are concurrently directors at subsidiary banks and are responsible for ensuring effective implementation of business strategies within the Group. The full-time managing director supervises internal auditing and cements the cross-check function with directors who hold concurrent executive posts at their respective banks. With greater management transparency in mind, especially given the rapid transformation of the business environment, the term of office for all directors has been set at one year.

Corporate auditors hold concurrent positions as auditors at Chuo Mitsui or Chuo Mitsui Asset. They audit the operations of these subsidiary banks and utilize the results to establish a format for implementing suitable audits of the holding company. They also function in a cross-check capacity, confirming the

conclusions reached by the full-time auditor at Chuo Mitsui Trust Holdings. The majority of auditors at all companies are external auditors.

Executive committees have been established under the Board of Directors at Chuo Mitsui Trust Holdings and at its subsidiary trust banks. These committees are chaired by the president of the respective company and have the participation of relevant directors. Each executive committee addresses material issues relating to the execution of business activities, in line with basic policy established by each Board of Directors, and undertakes preliminary discussions pertaining to respective Board of Directors' resolutions.

Chuo Mitsui Trust Holdings also maintains an advisory board, which comprises outside experts who extend advice on all aspects of operations.

Chuo Mitsui Trust Group Perspective

Trust banks accept funds from people and organizations and in turn facilitate a steady flow of funds for various financial purposes that ultimately benefit the economy.

Striving to demonstrate their trust function in satisfying the diverse needs of the people, trust banks assume a public mission and a social responsibility to contribute to the development of the national economy.

Unfolding liberalization, deregulation and other finance-related developments, however, require all financial institutions to uphold the principle of self-responsibility in conducting business. Consequently, efforts to comply with prevailing laws and ordinances and establish a structure that ensures compliance have assumed paramount importance.

Against this backdrop, financial institutions are expected to operate as private corporations, with their social obligations and public missions evolving onto a higher plane. Fulfillment of this dual designation is a vital prerequisite in securing the unwavering trust of clients and society as a whole.

Sound and appropriate management is indispensable in the effort to sustain and further elevate the level of trust accorded to us by the market. Such management status is grounded in the principle of self-responsibility, which demands rigorous self-discipline. From this perspective, compliance is one of the most important management issues at Chuo Mitsui Trust Group and one that the Group will continue to uphold.

Strictly speaking, compliance means rigorous observance of laws and ordinances, but a broader perspective embraces social criteria as well. For the Group, trust is its biggest asset. Therefore, achieving compliance is a foregone conclusion, and executives and employees alike must conscientiously incorporate compliance into their daily routines.

The trust placed in the Group by clients carries considerable weight, and well aware of the value of such trust, the Group seeks to establish a corporate posture that ensures support for clients. This includes access to vital information needed for clients to form an appropriate decision on transactions involving members of Chuo Mitsui Trust Group.

Compliance at Chuo Mitsui Trust Holdings

Compliance Department has been designated the supervisory unit for legal compliance at Chuo Mitsui Trust Holdings. This department promotes various measures to ascertain compliance status for Chuo Mitsui Trust Group. These measures include the establishment of a reporting structure and the preparation of Rules of Compliance, which set forth a basic policy on business ethics and provides guidelines governing the conduct of employees, such as Rules for Compliance Management, which set criteria related to compliance conditions at the Bank, and the Compliance Manual, a detailed handbook.

Compliance at Chuo Mitsui

Compliance Department supervises the compliance status at Chuo Mitsui. The department promotes measures to reinforce the compliance structure based on Group policy. For example, the Bank encourages employees to read and fully understand the Rules of Compliance and the Compliance Manual. These documents are updated as necessary.

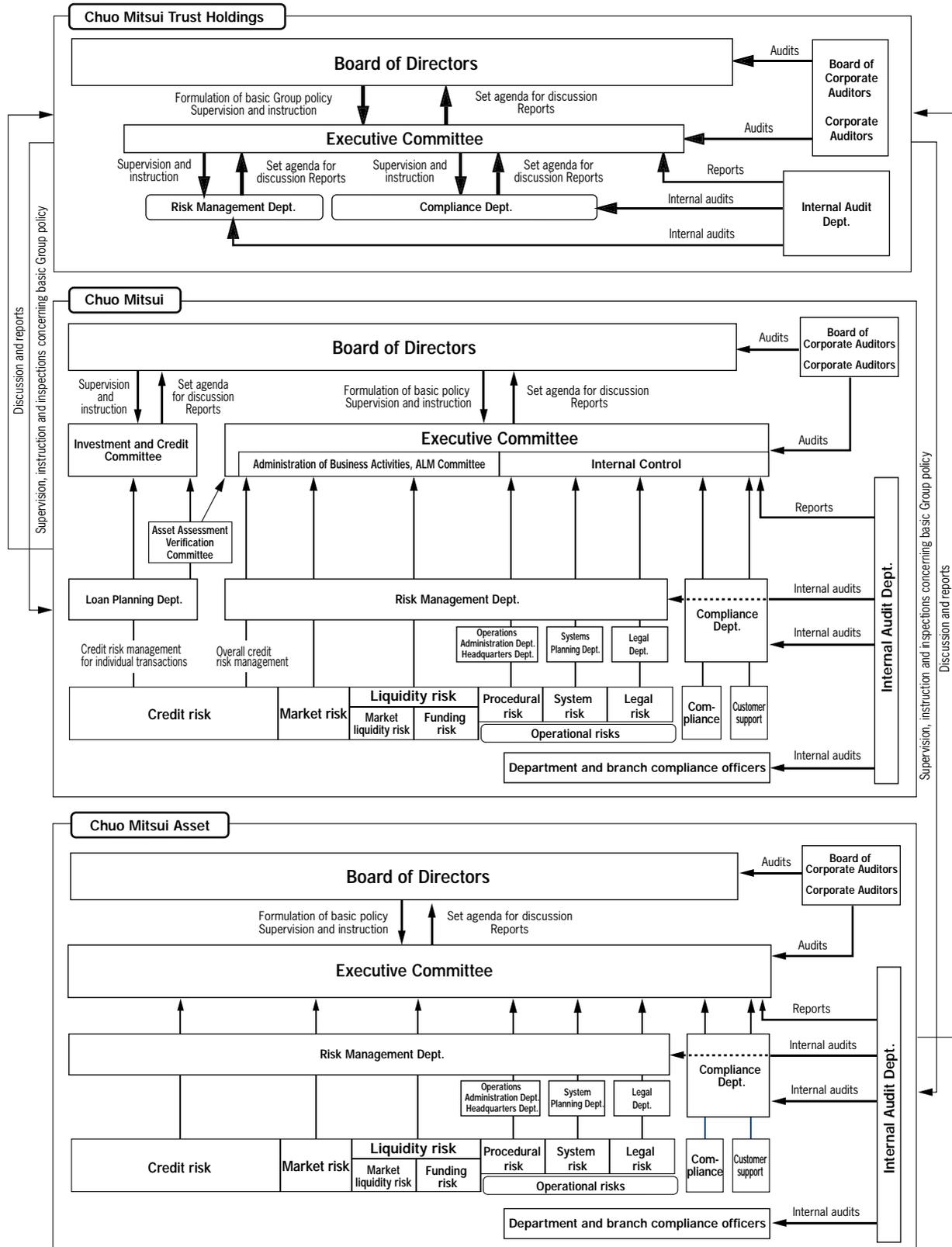
The Bank also formulated the Compliance Program, a concrete action agenda for compliance, and promotes a variety of measures, such as the development of a compliance structure and the implementation of training courses.

In addition, the Bank checks the status of compliance at staffed branches and head-office departments through self-implemented inspections in each location as well as internal audits conducted by the Internal Audit Department.

Compliance at Chuo Mitsui Asset

Compliance Department has been designated the supervisory unit for compliance at Chuo Mitsui Asset. In line with Group policy, compliance methods mirror those described above for Chuo Mitsui but the measures used to improve compliance status are fine tuned to the characteristics of the Bank's own focus on pension and securities trust businesses.

Outline of Chuo Mitsui Trust Groups' Risk Management and Compliance Structure



■ Basic Policy on Internal Controls

Chuo Mitsui Trust Holdings' Board of Directors, fully aware of its responsibility for business administration of Chuo Mitsui Trust Group—with Chuo Mitsui Trust Holdings as the financial holding company and the subsidiary trust banks, Chuo Mitsui and Chuo Mitsui Asset, under its umbrella, has established the following provisions regarding the establishment of structures necessary to ensure that the activities undertaken by the Company are appropriate and the execution of duties by directors conforms to prevailing laws as well as the Company's Articles of Incorporation, in accordance with Article 362, Paragraph 5 and Paragraph 4, No. 6 of the Company Law and Article 100 of Rules for Enforcement of the Company Law.

Compliance Structure

- (1) Basic compliance policies for the Company and the Group will be established and a compliance standard will be introduced for executives.
- (2) Important issues pertaining to legal compliance will be discussed by the Executive Committee, which the president chairs and relevant directors attend, and further discussion and reports will be undertaken by the Board of Directors, as necessary.
- (3) A supervisory unit for legal compliance will be set up at the head office. In addition, each division will assign a person of action and a person of authority, who will, respectively, cover the execution of compliance efforts and take overall responsibility for such efforts.
- (4) A compliance program—a plan to reinforce the legal compliance perspective—will be formulated each fiscal year and instructions will be passed on to the Company's trust bank subsidiaries for preparing their own plans. Plan status, in terms of improvements made and goals achieved—will be monitored.
- (5) Opportunities for legal compliance-oriented education and training will be offered to executives on an ongoing basis.
- (6) Serious violation of laws pertaining to the Company's activities by executives must be reported and special points in-house and outside of the Company will be set up to collect information on alleged infractions.
- (7) The Board of Directors will set out rules for implementing the compliance structure described above as well as for the contents of a handbook—the Compliance Manual—aimed at executives.

Risk Management Structure

- (1) Important issues pertaining to risk management will be discussed by the Executive Committee, which the president chairs and relevant directors attend, and further discussion and reports will be undertaken by the Board of Directors, as necessary.
- (2) A supervisory unit for risk management will be set up at the head office. In addition, each division will assign a person of action and a person of authority, who will, respectively, cover the execution of compliance efforts and take overall responsibility for such efforts.
- (3) A Group approach to risk management will be formulated and instructions will be passed on to the Company's trust bank subsidiaries to prepare their own plans for maintaining an internal risk management perspective. Plan status, in terms of improvements made and goals achieved, will be monitored.
- (4) An internal auditing unit, independent from divisions that execute operations, will monitor business processes in each division and will recommend measures to prevent misconduct and to promote improvement in business processes.
- (5) The Board of Directors will set out rules for implementing the risk management structure described above.

Structure for Execution of Duties

- (1) Key matters up for resolution or reporting by the Board of Directors will undergo preliminary discussion by the Executive Committee, which the president chairs and relevant directors attend.
- (2) The Board of Directors will set out the basic items pertaining to the Company's organizational structure and the division of duties as well as the staff organization and authority granted to executives to ensure the smooth execution of duties and appropriate conduct.
- (3) In-house regulations will be prepared in accordance with relevant legislation, and in the event said legislation is revised or abrogated, required amendments to in-house regulations will be implemented forthwith.

Ensuring Appropriate Financial Reporting

- (1) Accounting treatment and financial reporting are governed by several laws and regulations, including the Banking Law, the Company Law and the Securities and Exchange Law (revised to allow for a separate law, passed by the Diet in June 2006, which specifically applies to the trading of financial products). Appropriate and sound processes are carried out, in accordance with fair and proper corporate accounting standards.
- (2) Accounting standards are in place to facilitate the swift and accurate treatment of the accounting business and ensure clear and straightforward reports covering the Company's financial condition and its operating results.
- (3) An internal auditing unit, independent from divisions that execute operations, will monitor business processes in each division to confirm the suitability of respective business processes, which is the cornerstone of financial reporting.
- (4) The Board of Directors will set out rules for implementing the structure for appropriate financial reporting described above.

Group Management Structure

- (1) In its capacity as a financial holding company, Chuo Mitsui Trust Holdings will endeavor to create compliance and risk management structures applicable to the entire Group.
- (2) The Company will verify from both risk management and legal perspectives all intra-Group transactions of particular significance to the Group.
- (3) The Company will consolidate and then make public in a timely and appropriate manner disclosure materials recently issued and acquired by the Group.
- (4) The Company will set up an external point that accepts information on alleged illegal activity by executives of the Group and, in the unlikely event illegal activity is confirmed at a Group company, will indicate an appropriate response for implementation.

Information Storage and Management Structure

- (1) Minutes, which record progress on agendas and specific points of discussion, will be prepared at the General Meeting of Shareholders and at Board of Directors and Executive Committee meetings and kept with related materials.
- (2) The Board of Directors will set out the basic items pertaining to information storage and management, such as the organizational structure for information management and the classification of management categories, according to importance.

Structure for Corporate Auditors' Audits

- (1) An auditors' office will be established to assist corporate auditors in their duties, and staff will be assigned at the request of auditors. Staff so assigned to this office will not take orders or instructions from directors and will respect the opinions of auditors regarding personnel transfers, disciplinary action and other matters related to their assignment.
- (2) Corporate auditors may attend meetings of the Board of Directors and the Executive Committee as well as any other meetings they deem necessary to the execution of their duties. Executives will cooperate with corporate auditors in good faith, a requirement that includes a quick response to any request by a corporate auditor for information on matters concerning the execution of duties.
- (3) A system will be maintained to accord corporate auditors with timely information regarding the occurrence of any legal transgression, situations that threaten to cause obvious corporate damage, and information on serious legal misconduct, which come to light through the execution of an internal audit or through the system for reporting on perceived illegal behavior.
- (4) Corporate auditors can request an additional audit by the Internal Auditing Division and insist on other pertinent measures, when the situation calls for further action.
- (5) The Board of Directors will set out rules for implementing the structure for corporate auditors' audits described above.

Corporate Social Responsibility

CSR Activities

Amid heightened interest in CSR, all members of Chuo Mitsui Trust Group are working toward a deeper understanding of CSR as the Group expands related activities. The motto “to always be aware of the role a corporate citizen must play and fulfill inherent social responsibilities” is part of the management philosophy to which we all subscribe.

From a corporate citizen’s standpoint, we value dialogue with stakeholders—and we recognize the importance of responding to input in good faith. This kind of response is a social responsibility that we must fulfill, and we—the entire Group—will continue to actively address CSR issues.

CSR Promotion Structure

Chuo Mitsui Trust Holdings established the Group CSR Committee as a horizontal supervisory body having a mandate to ensure consistency in the direction of CSR activities undertaken throughout the Group.

The committee is chaired by the president of the Company and has the participation of Company directors at senior executive positions and above as well as general managers from the Company, Chuo Mitsui and Chuo Mitsui Asset, who are involved in CSR activities.

CSR Promotion Structure



Social and Environmental Activities

Signatory to United Nations Environment Programme Finance Initiative

The United Nations Environment Programme Finance Initiative (UNEP FI) is a voluntary global partnership between UNEP and the private financial sector, wherein each participating financial institution is a signatory to a statement emphasizing environmental protection and sustainable business development. The objective is for financial institutions to pursue their preferred banking businesses in a manner that will not compromise environmental and social sustainability, and to promote widespread interest in such businesses. The members of Chuo Mitsui Trust Group endorsed this statement and the Group became a signatory to UNEP FI in July 2006.



Signatory to Principles for Responsible Investment

In September 2006, Chuo Mitsui Asset added its corporate signature to the UN Principles for Responsible Investment, thereby declaring its commitment as an asset management company to address environmental, social and governance (ESG) issues.

These principles are voluntary investment rules created as a challenge by UN Secretary General Kofi Annan to encourage institutional investors to incorporate ESG issues into investment decision-making and ownership practices.



Sale of Socially Responsible Investment Funds

Chuo Mitsui launched the Mitsui Trust Socially Responsible Investment Fund—nicknamed the SRI Plan—in fiscal 2006. The fund was set up and is currently managed by Chuo Mitsui Asset Management.

Socially Responsible Investment (SRI) is an investment approach that considers various aspects of CSR in the assessment and selection of companies for investment.

The Chuo Mitsui SRI Mother Fund, which places a particularly bright investment spotlight on the SRI Plan, was set up in 2004 for institutional investors as a way for Chuo Mitsui Asset to contribute to the wider appreciation of CSR from an investor perspective.



Trust Schemes to Support Social and Environmental Issues

Lending a Hand for the Public Good

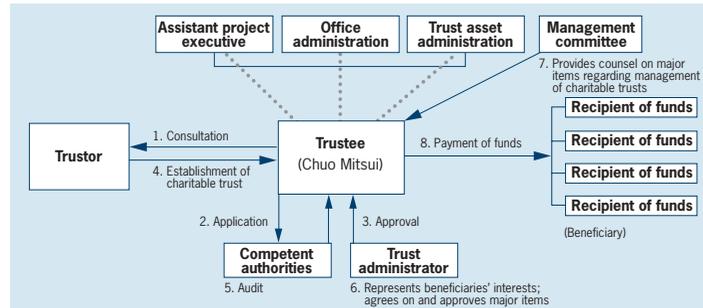
While responding to increasingly diverse needs, Chuo Mitsui endeavors to fulfill a leadership role in the development of charitable trusts and to expand this business. Through these efforts, the number of trusts under the Bank's administration stood at 146, as of March 31, 2007, and the balance of trust assets reached ¥15.5 billion, the top level in the industry.

Principal Types of Charitable Trusts

- Scholarships
- Funds to promote educational activities
- Funds to promote artistic and cultural activities
- Funds for environmental protection
- Funds to promote international cooperation and international exchange activities
- Funds for town-building projects
- Funds for academic research
- Funds for social welfare projects

A charitable trust is a scheme through which individuals, companies and other organizations entrust property to a trust bank for asset administration and management in accordance with a stated social objective. Profits from these trusts are used for public not personal benefit.

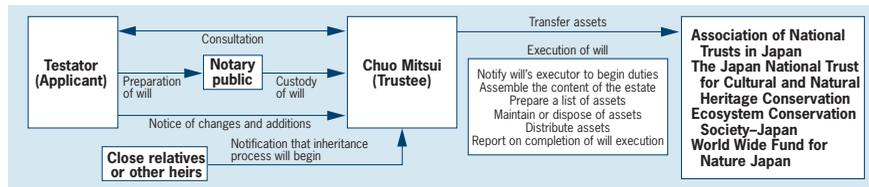
Charitable Trust Structure (Chuo Mitsui)



Using Trusts to Protect the Environment

Chuo Mitsui maintains testamentary trust service agreements with the World Wide Fund for Nature Japan and other environment-oriented associations that undertake activities to protect the natural environment. Through these trusts, the land, money and other financial assets bequeathed by the Bank's clients to environmental conservation groups fund efforts to safeguard the environment for future generations.

The Bank handles two additional trusts that support environmental groups. One is *Symphony*, a nature conservation trust for which dividends generated on funds accepted from clients for investment in money trusts assist the Nature Conservation Society of Japan in its activities. The other is *Human*, a philanthropic trust that directs dividends toward applications for benefit to society and the environment.

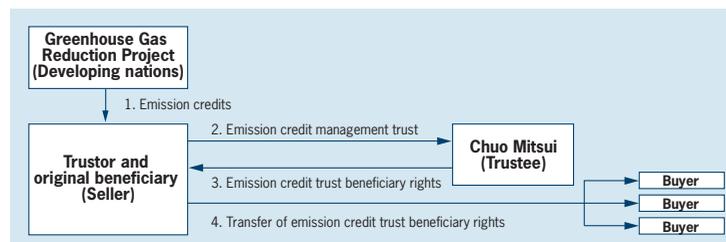


Applying Trusts to Carbon Emission Trading

Amid heightened awareness of global warming, Japan is encouraging companies to curb greenhouse gases, especially carbon dioxide, which is a major cause of rising temperatures on the planet. Despite these efforts, greenhouse gas emissions will greatly exceed the reduction target—down 6% from the 1990 level between 2008 and 2012—set under the Kyoto Protocol. A measure with the potential to significantly ameliorate the situation is the use of carbon emission credits, acquired through investment in companies in developing countries with sizable reduction reserves.

Against this backdrop, Chuo Mitsui is promoting the use of trusts in carbon emission trading to facilitate efforts to prevent global warming.

Utilizing carbon emission credits as trust assets represents a facet of CSR activities achieved through the Bank's trust function and should enable Japan to reach its Kyoto Protocol target as well as the goals set forth in the Keidanren Voluntary Action Plan on the Environment, issued by Nippon Keidanren, also known as the Japan Business Federation.



Economic and Financial Education Assistance

Chuo Mitsui Trust Group undertakes activities that support CSR-oriented economic and financial studies.

Intellectual Property Trust Lectures at Aoyama Gakuin University

In fiscal 2007, Chuo Mitsui has extended funds to the Graduate School of Law, Department of Business Law, at Aoyama Gakuin University in Tokyo for establishing the Chuo Mitsui Trust and Banking Intellectual Asset Property Lectures.

Intellectual property is a relatively new resource to companies and one that requires appropriate management. Chuo Mitsui is confident that its financial assistance to a dedicated program at Aoyama Gakuin University will promote education and research in this field.

Start of Finance and Macroeconomics Project at Tsinghua University

In February 2007, Chuo Mitsui Trust Group welcomed the start of the Tsinghua-Mitsui Trust Financial System and Macroeconomics Research Project at the Tsinghua University Financial Research Center in the PRC.

By supporting research in the fields of finance and macroeconomics at this leading institution of higher learning in the PRC, the Group will be helping to promote cultural and academic exchange with Japan.



Economics Forum at Renmin University of China

Mitsui Trust Financial Group Economics Forum is a high-quality economics program established by the Group at the School of Economics at Renmin University of China—one of the most prestigious universities in the PRC—for students with excellent academic records. This forum serves a dual purpose: to spur the development of talented individuals capable of playing active roles on the world stage, and to foster friendly relations between Japan and the PRC.



Sponsor of Network for Economic Education

Chuo Mitsui Trust Group contributes to the Network for Economic Education, an association headed by Professor Soichi Shinohara of Doshisha University in support of economics studies for elementary and junior high school students. The objective is to highlight the positive aspects of capitalism and explain the overall structure of an economy from a student's perspective.

Members of the network include academics involved in economic studies and teachers at elementary, junior and senior high schools. A variety of activities are undertaken on an economics theme, including seminars and workshops for teachers.



Network for Economic Education Web site at <http://www.econ-edu.net>

Branch Efforts

Barrier-Free Locations—Tama Plaza Branch

Chuo Mitsui considers barrier-free designs in the construction of new branches. The Tama Plaza Branch, for example, features blocks with a bumpy surface that guide visually impaired clients to key locations within

the branch. This branch is also equipped with a toilet and elevator easily accessible by wheelchair, as well as desks for filling out forms that are positioned at a more convenient height for wheelchair users.

Automated External Defibrillator

To facilitate the administration of life-saving first aid, Chuo Mitsui has installed an automated external defibrillators (AED) at 12 branches, including the main branch, and four system centers.

An AED is a device that eliminates ventricular fibrillation in the event of cardiac arrest. Its simple design facilitates use by anyone and, as a cardiopulmonary resuscitation method combined with heart massage and artificial respiration, it improves the chances of survival for a heart attack victim.

AEDs are increasingly being installed at such locations as train stations and public facilities.



Ear Mark Sign and Writing Board

Seeking to facilitate communication with hearing-impaired clients and improve teller services for such clients, Chuo Mitsui displays at all branches the ear mark sign, which indicates that people who have difficulty hearing may communicate in writing at the counter windows. Special electronic boards and pens have been installed at the counter for clients to put their questions and requests in writing.



Resource-Saving Measures

Participation in Team Minus 6%

Chuo Mitsui Trust Holdings, Chuo Mitsui and Chuo Mitsui Asset are taking part in Team Minus 6%, a national project spearheaded by the government's Global Warming Prevention Headquarters to reduce global warming. The idea is that Japan can achieve its 6% Kyoto Protocol target through the combined efforts of a team rather than through individual efforts.



At the Chuo Mitsui Head Office

The Chuo Mitsui head office in Tokyo was an environment-friendly project from the design stage, based on concepts of environmental protection and energy conservation. The building features several

innovative installations, including a water-saving system that utilizes rainwater and wastewater from inside the building for nondrinking applications.

At the System Center

Chuo Mitsui's System Center is equipped with a Building Energy Management System, a highly efficient structure offered by the New Energy and Industrial Technology

Development Organization. The center has embraced other energy-saving measures as well.

In Other Buildings

Chuo Mitsui's energy-saving measures at the Sanshin Muromachi Building include air conditioning equipment using an ice thermal storage system, which accumulates electricity at night and contributes to a leveling out of

electricity costs. This system earned the Bank top prize from the Heat Pump and Thermal Storage Technology Center of Japan. Chuo Mitsui is also promoting this system as an energy-saving option at other buildings it owns.