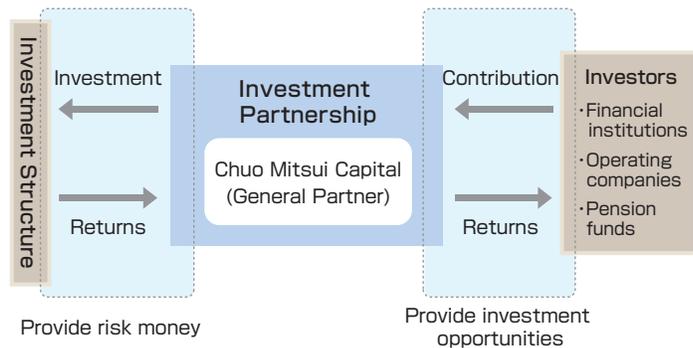


## Business Summary

Chuo Mitsui Capital is the private equity fund management arm of Chuo Mitsui Trust Group. The company pursues active investment operations by maximizing sophisticated investment know-how and an extensive investment network.

A private equity fund is a pooled investment vehicle designed to secure profits through investment in incorporated projects typically not publicly traded on a stock market. A general partner, responsible for raising and managing the fund, draws contributions from multiple investors to form an investment partnership and then applies the investments to designated structures to produce returns.

As a general partner, Chuo Mitsui Capital raises capital from a wide range of investors, including financial institutions, incorporated projects and pension funds, and directs the contributions into four investment categories of private equity.



## Four Investment Categories

### ● Mezzanine Finance

In this form of finance, the risk-return factor is positioned halfway between borrowings, namely loans, and equity, essentially stocks. The need for mezzanine finance is growing as businesses look for new ways to secure capital for M&A activities.

Investment structures are varied but the most common are preferred stock, corporate bonds and subordinated debt.

The share of operating rights that a fund acquires through its investment in the target company can be flexibly controlled through the design of the financing structure. Such investment addresses diverse capital restructuring needs, including MBOs, amid current efforts at corporate realignment and business succession among major corporate groups.

### ● Growth Capital Investment

This is equity investment targeting mid-sized companies with stable operating bases that seek to develop new areas of growth and companies pursuing capital restructuring amid the MBO boom.

Investment is generally aimed at common stock in unlisted companies, but may include investment in elite funds established specifically to acquire this stock. In such cases, listed stocks can also be the objective.

## ● Fund of Funds

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In fund of funds investment, the fund invests in excellent private equity investment funds around the world. The emphasis is on investment in buyout funds with regional diversity on a global scale.

With fund of funds investment, the degree of content diversity is extremely high and participation is relatively easy for investors who are just beginning to explore the private equity realm.

## ● Venture Capital

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A venture capital project in 2000 launched Chuo Mitsui Capital's fund management activities. Venture capital investment provides risk money through investment in common stock primarily to

companies pursuing promising new businesses and development of innovative technologies. This is the company's basic investment category.

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## Pioneer in Mezzanine Finance

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Of the four investment categories described above, mezzanine finance is the focus of Chuo Mitsui Capital's operations. The company has participated in numerous structures, including those for World Co., Ltd., and Covalent Materials Corporation (formerly, Toshiba Ceramics Co., Ltd.), leading to aggregate mezzanine finance investment worth about ¥145.0 billion.

As a pioneer in Japan's mezzanine finance market, Chuo Mitsui Capital is keen to maximize accumulated investment know-how and an extensive network and will energetically work to expand its presence in mezzanine financing not only in Japan but overseas as well, particularly in other parts of Asia.

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## Quality, Diversified Investment Opportunities

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Chuo Mitsui Capital arranged two new partnerships in fiscal 2007 as successor funds to the Chuo Mitsui Fund of Funds No. 1 Investment Project Limited Liability Partnership, which debuted in fiscal 2006. The Chuo Mitsui Fund of Funds No. 2 Investment Project Limited Liability Partnership and the Chuo Mitsui Private Equity Partners Investment Partnership VII are private equity funds offering diversified investment potential to such investors as financial institutions and pension funds.

Many institutional investors see the application of capital in private equity structures as particularly promising investment targets, and the importance of such investments as an asset class is bound to grow.

Chuo Mitsui Capital will continue to utilize accumulated, high-level expertise in investment and fund operations to give investor-oriented clients an excellent standard of diversified investment opportunities.