

# **Financial Data Highlights for Fiscal Year 2002**

May 26th, 2003

 Mitsui Trust Holdings, Inc.

# 【Summary of business results for FY 2002 ~ Change from previous projection ~】

Previous projection refers to April 11, 2002 announcement.

## 1. Mitsui Trust Holdings Non-consolidated

### 【Non-consolidated】

(unit: billion yen, %)

	No.	FY 3/03	Previous projection	Change	Change rate
Ordinary income	1	19.2	19.0	0.2	1.0
Recurring profit	2	9.8	10.0	-0.2	-2.0
Net income	3	8.2	7.5	0.7	9.3

## 2. Mitsui Trust Holdings Consolidated

### 【Consolidated】

(unit: billion yen, %)

	No.	FY 3/03	Previous projection	Change	Change rate
Ordinary income	1	497.2	490.0	7.2	1.4
Recurring profit	2	-24.7	-35.0	10.3	29.4
Net income	3	-96.7	-50.0	-46.7	-93.4

## 3. Combined totals of Chuo Mitsui T/B and Mitsui Asset T/B

### 【CMTB+MATB】

(unit: billion yen)

	No.	FY 3/03	Previous projection	Change
Effective net operating profit <sup>*1</sup>	1	189.3	186.0	3.3
Recurring profit	2	-37.9	-45.0	7.1
Net income	3	-103.6	-55.0	-48.6
Profit and loss related to stocks held, etc.	4	-83.2	-77.0	-6.2
Loss on disposal of non-performing loans (minus) <sup>*2</sup>	5	124.7	130.0	-5.3

\*1 Before trust account write-offs, before transfer to the general reserve

\*2 Combined totals of banking account and trust account

## The Point of Explanation

### 1. Summary of business results for FY 3/2003

#### (1) Mitsui Trust Holdings Non-consolidated

【Non-consolidated】

(unit: billion yen)

	No.	FY 3/03	FY 3/02	Change
Ordinary income	1	19.2	23.2	-3.9
Recurring profit	2	9.8	22.3	-12.4
Net income	3	8.2	15.9	-7.6

#### (2) Mitsui Trust Holdings Consolidated

【Consolidated】

(unit: billion yen)

	No.	FY 3/03	FY 3/02	Change
Ordinary income	1	497.2	532.1	-34.8
Recurring profit	2	-24.7	-330.0	305.3
Net income	3	-96.7	-277.9	181.1

#### Subsidiaries and affiliates

(unit: number of company)

Number of companies	End of March, 2003	End of March, 2002	Change
Consolidated subsidiaries	23	23	0
Affiliates accounted for by the equity method	2	0	2

## (3) Combined totals of Chuo Mitsui T/B and Mitsui Asset T/B

【CMTB+MATB】

(unit: billion yen)

	No.	FY 3/03	FY 3/02	Change
Gross operating profit	1	309.7	286.0	23.7
(GOP before trust a/c write-offs) (1+5)	2	338.8	326.2	12.5
Trust Fees	3	100.6	104.0	-3.4
(Fees of loan trusts and JODMTs *1, before Trust a/c write-offs)	4	79.3	88.7	-9.4
(Losses from NPLs on trust a/c) (minus)	5	29.0	40.2	-11.1
Net interest income	6	98.4	96.8	1.5
Domestic	7	91.6	87.7	3.8
International	8	6.7	9.0	-2.3
Fees and commissions	9	31.5	32.7	-1.2
Trading net profit	10	0.7	0.4	0.3
Other operating profit	11	78.3	51.9	26.4
(bonds related net profit)	12	66.5	23.5	42.9
Operating expenses (minus)	13	149.4	163.6	-14.1
Personnel related (minus)	14	67.4	69.6	-2.2
Non-personnel related (minus)	15	76.1	87.4	-11.3
Taxes (minus)	16	5.9	6.4	-0.5
Transfer to the general reserve (minus)	17	-3.1	-1.5	-1.5
Net operating profit ("NOP") (1-13-17)	18	163.4	123.9	39.4
NOP before trust a/c write-offs (18+5 )	19	192.5	164.2	28.3
Effective NOP (18+5+17 )	20	189.3	162.6	26.7
Non-recurring profit	21	-201.0	-478.0	276.9
(Net stock related profit)	22	-83.2	-282.6	199.4
(Losses from NPLs on banking a/c) (minus)	23	95.6	129.4	-33.7
Recurring profit	24	-37.9	-354.4	316.5
Net extraordinary profit	25	-15.0	-75.7	60.7
Net income before income taxes	26	-52.9	-430.2	377.2
Current income taxes (minus)	27	6.7	3.7	2.9
Deferred income taxes (minus)	28	43.9	-149.0	193.0
Net income	29	-103.6	-284.9	181.3
Loss on disposal of non-performing loans ( 5+23 )	30	124.7	169.6	-44.8
Credit costs (5+17+23 )	31	121.5	168.0	-46.4

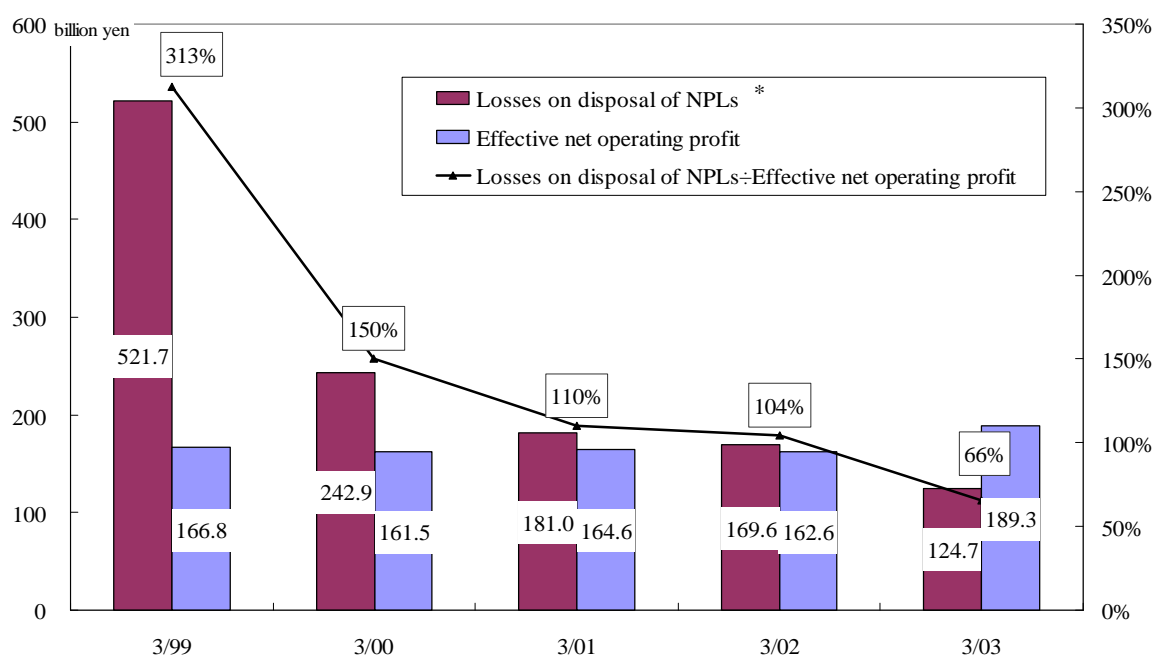
\*1 Jointly Operated Designated Monetary Trusts

## 2. Status of Non-performing loans write-offs

### (1) Losses on disposal of Non-performing loans

【CMTB】 (unit: billion yen)

	FY 3/03	FY 3/02	Change
Total of banking a/c and trust a/c	124.7	169.6	-44.8
Banking account	95.6	129.4	-33.7
Trust account	29.0	40.2	-11.1



\* Combined totals of banking account and trust account

【CMTB】 (unit: billion yen, %)

	End of March, 2003	End of March, 2002	Change
Balance of non-performing loans	702.3	956.9	-254.5
Bankruptcy and Virtual bankruptcy	77.9	133.3	-55.4
High risk	213.8	319.3	-105.5
Close observation	410.6	504.2	-93.5
Total loan balance	9,939.0	10,351.0	-411.9
NPLs ratio	7.0	9.2	-2.1

## (2) Progress of off-balance on Risky claims or below

## 【CMTB】

(unit: billion yen)

Category	Initial balance	Balance as of 3/03 *1	Off-balanced Ratio (A)	Target (B)	Difference (A-B)
1H FY 3/01	606.0	6.8	99%	100%	-1%
2H FY 3/01	88.5	5.5	94%	80%	14%
FY 3/02	245.0	73.1	70%	50%	20%

\*1 After implementing off-balance measures are taken

## (3) Status of transfer to the general reserve

## Banking account 【CMTB】

(unit: billion yen)

	End of March, 2003		End of March, 2002	Change
	Reserves	Coverage ratio (%)	Coverage ratio (%)	Coverage ratio (%)
Transfer to the general reserve	70.1	0.98	1.04	-0.06
of which under Close Observation (of which uncovered portion) *	44.8	12.34 (21.77)	8.76 (15.51)	3.58 (6.26)
of which DCF method applied (of which uncovered portion) *	31.4	12.45 (21.63)		

\* Coverage ratio of uncovered portion

DCF method is applied for approximately 70% of claims under Close Observation

### 3. Status of trimming the stock portfolio

#### (1) Status of trimming the stock portfolio (unlisted stocks excluded)

【CMTB】		(unit: billion yen)	
	End of March, 2003	End of March, 2002	Change
Acquisition cost	940.8	1,291.5	-350.7
Book value	785.6	1,296.6	-511.0

Major factor of balance decrease for FY 3/03

(unit: billion yen)	
Sales	-310.4
Devaluation	-59.7
Unrealized loss increase	-160.3

#### (2) Profit and loss related to stocks held

【CMTB】		(unit: billion yen)	
	End of March, 2003	End of March, 2002	Change
Stocks related (3 accounts combined)	-83.2	-282.6	199.4
Gain on sales	33.0	20.5	12.4
Loss on sales	46.3	145.4	-99.0
Devaluation loss	69.8	157.7	-87.8
<Unlisted stocks excluded>	<59.7>	<154.8>	<-95.0>

#### (3) Devaluation

【CMTB】		(unit: billion yen)	
	End of March, 2003	End of March, 2002	Change
Securities total	69.8	161.8	-91.9
Stocks	64.5	157.7	-93.1
Bonds	0.0	0.0	- 0.0
Others	5.2	4.1	1.1

#### 《Standards for devaluation》

- Decline in stock price exceeds 50% : All stocks
- Decline in stock price between 30% - 50% :
  - i) All stocks in companies ranked requiring caution or below
  - ii) Stocks in companies other than those noted above that have no possibility of price recovery
- Stocks in companies ranked possibly insolvent borrowers or below with a decline in stock price less than 30% are subject to devaluation.

	Less than 30%	30-50%	More than 50%
Normal			
Requiring caution			
Possibly insolvent or below			

Full devaluation

... Devaluation subject to possible price recovery



Devaluation of stocks		(unit: billion yen)	
	Less than 30%	30-50%	More than 50%
Normal		(99.3) 41.0	(18.1) 18.1
Requiring caution		( 3.4) 3.4	( 1.3) 1.3
Possibly insolvent or below	( )	( 0.0) 0.0	( 0.4) 0.4

Amounts inside parentheses are targeted unrealized losses

#### 4. Unrealized profit/loss on securities

【CMTB】

( unit : billion yen )

	End of March, 2003			End of March, 2002			Change		
	Net value			Net value			Net value		
		Gain	Loss		Gain	Loss		Gain	Loss
Total	-144.9	42.9	187.9	-0.4	82.7	83.2	-144.5	-39.8	104.6
Stocks	-155.1	23.4	178.6	5.1	72.0	66.8	-160.3	-48.5	111.7
Bonds	12.9	18.0	5.0	5.3	9.4	4.0	7.6	8.6	1.0
Other	-2.7	1.3	4.1	-10.9	1.3	12.3	8.1	-	-8.1

The average fair value for one month until the end of the month is used for calculating fair value of available-for-sales stocks and investment trusts among "other" securities.

#### 5. Deferred Tax Assets

【CMTB+MATB】

( unit : yen billion )

	End of March, 2003	End of March, 2002	Change
Deferred tax assets (A)	342.7	386.8	-44.1
<Amount of non-booked>	<163.2>	<23.0>	<140.2>
Effective net operating profit (B)	189.3	162.6	26.7
A/B	1.8	2.3	

#### 6. Capital adequacy ratio

( unit: billion yen, %)

		As of End of March, 2003		
		Mitsui Trust Holdings (consolidated)		
			CMTB ( non-consolidated )	MATB ( non-consolidated )
Total		689.1	606.2	35.8
TIER		344.9	303.1	35.8
	Net unrealized gain/loss on securities	-143.9	-145.9	0.0
TIER		344.9	303.1	0.0
Deduction		0.7	0.0	-
Risk assets		9,179.0	9,028.7	35.0
Capital adequacy ratio		7.50	6.71	102.28



## 7. Strengthening of profitability

### (1) Enlargement of gross operating profit

#### • Banking Business

- Improvement of profitability on loan portfolio

Composition of all loans

	(Actual) 3/00	(Actual) 3/03	(Target) 3/04
Loans to individuals	19%	26%	28%
Non-recourse loans related to real estate	0%	5%	7%

- Spread improvement

(Actual) FY 3/03	(Target) FY 3/04
0.10%	Approx. 0.20%
Chg. from FY 3/02	Chg. from FY 3/03

#### • Asset Management Business

- Shift our sales force into real estate business, stock transfer agency business
- Increase entrusted pension assets, by maximizing our value-added services

### (2) Operating cost reduction

	(Actual) 3/00	(Actual) 3/03	(Target) 3/04
Number of employees <sup>*1</sup>	7,852	6,021	5,260
Number of branches <sup>*2</sup>	166	72	Examining further streamlining
Operating expenses <sup>*3</sup> (yen bn)	190.0	149.4	139.0
Overhead ratio <sup>*4</sup>	54%	44%	41%

\*1 MTH+CMTB+MATB

\*2 CMTB

\*3, \*4 CMTB+MATB

## 8. Projection for business results for FY 3/2004

### (1) Mitsui Trust Holdings Non-consolidated

#### 【Non-consolidated】

(unit: billion yen)

	No.	FY 3/04 projection	
		1H FY 3/04 projection	
Ordinary income	1	12.5	16.5
Recurring profit	2	7.0	5.5
Net income	3	7.0	5.5
Common stock dividend per share	4	-	2 yen 50 sen
Class I preferred share dividend per share	5	-	40 yen 0 sen
Class II preferred share dividend per share	6	-	14 yen 40 sen
Class III preferred share dividend per share	7	-	20 yen 0 sen

### (2) Mitsui Trust Holdings Consolidated

#### 【Consolidated】

(unit: billion yen)

	No.	FY 3/04 projection	
		1H FY 3/04 projection	
Ordinary income	1	230.0	480.0
Recurring profit	2	55.0	135.0
Net income	3	30.0	75.0

### (3) Combined totals of Chuo Mitsui T/B and Mitsui Asset T/B

#### 【CMTB+MATB】

(unit: billion yen)

	No.	FY 3/04 projection	
		1H FY 3/04 projection	
Effective net operating profit	1	90.0	200.0
Transfer to the general reserve (minus)	2	-	-
Losses from NPLs on trust a/c (minus)	3	12.0	18.0
Effective NOP before trust a/c write-offs (1-2)	4	90.0	200.0
Net operating profit(1-2-3)	5	78.0	182.0
Losses from NPLs on banking a/c (minus)	6	14.0	28.0
Recurring profit	7	55.0	130.0
Net income	8	30.0	75.0

(For your reference)

**1. Profit margins**

(1) Banking account (domestic)

(unit: %)

【CMTB】	FY 3/03	FY 3/02	Change
Average yield (A)	1.33%	1.29%	0.03%
Average yield on loans and bills discounted (C)	1.60%	1.59%	0.00%
Average yield on procured funds (B)	0.48%	0.58%	-0.10%
Average yield on deposits and principals (D)	0.37%	0.47%	-0.10%
Yield margin (A)-(B)	0.85%	0.71%	0.13%
Yield margin between loans and deposits (C)-(D)	1.22%	1.12%	0.10%

(2) Combined totals of 3 accounts [Banking a/c(domestic)+JODMTs+loan trust]

(unit: %)

【CMTB】	FY 3/03	FY 3/02	Change
Average yield	1.38%	1.35%	0.02%
Average yield on loans and bills discounted	1.68%	1.71%	-0.03%
Average yield on procured funds	0.35%	0.43%	-0.07%
Average yield on deposits and principals	0.25%	0.32%	-0.07%
Yield margin	1.03%	0.92%	0.10%
Yield margin between loans and deposits	1.43%	1.38%	0.04%

**2. ROE**

【CMTB+MATB】

(unit: %)

	FY 3/03	FY 3/02	Change
Effective net operating profit basis	33.71%	20.64%	13.07%
Net operating profit basis	29.10%	15.73%	13.36%
Net income basis	-18.45%	-36.16%	17.70%