

# Mitsui Trust Holdings, Inc.

Financial Statements for Fiscal Year 2005<Consolidated>

33-1,Shiba 3-chome, Minato-ku, Tokyo 105-8574 Japan

Listed Stock Exchanges Tokyo, Osaka, Nagoya

Stock Code Number: 8309

(URL <http://www.mitsuitrust-fg.co.jp/>)

Date of Board of Directors' Meeting: May 22,2006

Date of Shareholders' Meeting: June 29,2006

President: Kiichiro Furusawa

## 1.Financial Highlights for Fiscal Year 2005 (from April 1, 2005 to March 31, 2006)

### (1) Operating Results

<Note>Amounts less than million yen are omitted

Fiscal Year	Ordinary Income	[year on year change]	Ordinary Profits	[year on year change]	Net Income	[year on year change]
	yen in millions	%	yen in millions	%	yen in millions	%
Fiscal Year 2005	481,036	(5.8)	138,361	(12.1)	119,684	27.3
Fiscal Year 2004	510,911	(1.0)	157,408	49.4	94,036	85.2

Fiscal Year	Net Income per Common Share(Basic)	Net Income Per Common Share(Diluted)	Net Income on Equity	Ordinary Profits / Total Assets	Ordinary Profits / Ordinary Income
	yen	yen	%	%	%
Fiscal Year 2005	139.04	66.74	38.8	1.0	28.8
Fiscal Year 2004	107.86	52.43	91.1	1.2	30.8

Note:1 Equity in Earnings from Investments in Affiliates

The Year Ended March 31,2006:905 million

The Year Ended March 31, 2005: 724 million

2.Average Number of Common Shares Outstanding

The year Ended March 31,2006:822,814,410 shares

The Tear Ended March 31, 2005: 822,917,013 shares

3.Percentage figures represent rate of increase or decrease in comparison with the same period previous year

### (2) Financial Conditions

Fiscal Year	Total Assets	Net Capital	Net Capital Ratio	Net Capital per Common Share	Consolidated BIS Ratio (Uniform domestic standard)
	yen in millions	yen in millions	%	yen in millions	%
Fiscal Year 2005	13,808,769	858,850	6.2	512.08	<i>Preliminary</i> 12.35
Fiscal Year 2004	13,431,441	606,611	4.5	205.49	10.34

Notes: Number of Common Shares Issued at The Year Ended Mach 31,2006: 822,771,009

The Year Ended Mach 31,2005: 822,830,932

### (3) Conditions of Cash Flow

Fiscal Year	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Cash and Cash Equivalents at the End of the Year
	yen in millions	yen in millions	yen in millions	yen in millions
Fiscal Year 2005	(472,449)	398,845	(23,012)	351,462
Fiscal Year 2004	310,097	(231,703)	(88,032)	448,014

### (4) Scope of Consolidation and Application of the Equity Method

Number of Consolidated subsidiaries: 27

Number of Unconsolidated Subsidiaries Accounted for Entity Method:

Number of Affiliates Accounted for Entity Method: 3

### (5) Change in Number of Subsidiaries and Affiliates

Consolidated Subsidiaries:

Affiliates Accounted for Entity Method:

## 2.Estimate for Fiscal Year 2006 (from April 1,2006 to March 31,2007)

	Ordinary Income	Ordinary Profits	Net Income
	yen in millions	yen in millions	yen in millions
1 <sup>st</sup> Half	210,000	70,000	60,000
Annual	440,000	160,000	120,000

Estimate of Net Income per Common Share : 139.43 yen

The above estimates are based on information available at this moment and plan. Actual results may differ form the estimates, depending on future events.

**Mitsui Trust Holdings, Inc.**  
**Consolidated Balance Sheets**

(in millions of yen)	March 31, 2006	March 31, 2005	Change
<b>ASSETS</b>			
Cash and due from banks .....	431,560	509,803	(78,242)
Call loans and bills bought .....	164,553	12,010	152,542
Receivables under resale agreements .....	900	900	-
Receivables under securities borrowing transactions .....	74,243	53,750	20,493
Monetary claims bought .....	108,982	116,341	(7,359)
Trading assets .....	44,883	29,249	15,633
Money held in trust .....	7,651	11,785	(4,134)
Securities .....	3,835,789	4,006,293	(170,504)
Loans and bills discounted .....	7,292,088	7,114,578	(147,509)
Foreign exchanges .....	37,598	1,881	35,717
Other assets .....	454,267	373,165	81,101
Premises and equipment .....	220,351	220,823	(472)
Deferred tax assets .....	164,313	236,157	(71,844)
Goodwill .....	8,965	9,111	(145)
Customers' liabilities for acceptances and guarantees .....	1,023,351	771,790	251,561
Reserve for possible loan losses .....	(60,730)	(66,220)	5,470
<b>Total assets .....</b>	<b>13,808,769</b>	<b>13,431,441</b>	<b>377,327</b>
<b>LIABILITIES, MINORITY INTERESTS AND SHAREHOLDERS' EQUITY</b>			
<b>Liabilities:</b>			
Deposits .....	8,380,196	8,729,578	(349,381)
Negotiable certificates of deposit .....	426,760	208,010	218,750
Call money and bill sold .....	394,088	325,231	68,857
Payables under repurchase agreements .....	38,307	49,999	(11,691)
Payables under securities lending transactions .....	840,412	875,826	(35,414)
Trading liabilities .....	6,945	8,226	(1,281)
Borrowed money .....	165,445	174,072	(8,627)
Foreign exchanges .....	47	36	11
Subordinated bonds .....	211,591	199,675	11,915
Subordinated convertible bonds .....	120	381	(260)
Payables to trust account .....	1,161,278	1,239,126	(77,847)
Other liabilities .....	150,615	118,757	31,858
Reserve for bonus payment .....	3,187	3,053	134
Reserve for retirement benefits .....	1,842	1,567	275
Reserve for possible losses related to land trust .....	9,539	-	9,539
Reserve for expenses related to EXPO 2005 Japan .....	-	89	(89)
Deferred tax liabilities .....	29,646	12,914	16,731
Acceptances and guarantees .....	1,023,351	771,790	251,561
<b>Total liabilities .....</b>	<b>12,843,377</b>	<b>12,718,338</b>	<b>125,039</b>
<b>Minority interests in consolidated subsidiaries .....</b>	<b>106,541</b>	<b>106,492</b>	<b>49</b>
<b>Shareholders' equity:</b>			
Common stock and preferred stock .....	261,579	261,504	75
Capital surplus .....	126,297	126,171	125
Retained earnings .....	274,583	161,516	113,066
Land revaluation difference .....	(15,527)	(14,810)	(717)
Net unrealized gains on available-for-sale securities .....	213,547	73,591	139,955
Foreign currency translation adjustments .....	(539)	(610)	70
Treasury stock .....	(1,090)	(752)	(337)
<b>Total shareholders' equity .....</b>	<b>858,850</b>	<b>606,611</b>	<b>252,238</b>
<b>Total liabilities, minority interests in consolidated subsidiaries and shareholders' equity .....</b>	<b>13,808,769</b>	<b>13,431,441</b>	<b>377,327</b>

<Note>Amounts less than one million yen are omitted

**Mitsui Trust Holdings, Inc.**  
**Consolidated Statements of Income**

(in millions of yen)	Fiscal Year 2005	Fiscal Year 2004	Change
<b>Ordinary income</b> .....	<b>481,036</b>	<b>510,911</b>	<b>(29,875)</b>
Trust fees .....	72,049	89,157	(17,108)
Interest income .....	165,450	159,988	5,462
Interest on loans and bills discounted .....	84,237	103,096	(18,858)
Interest and dividends on securities .....	72,920	53,558	19,361
Interest on call loans and bills bought .....	59	56	2
Interest on receivables under resale agreements .....	0	1	(0)
Interest on receivables under securities borrowing transactions.....	4	3	0
Interest on deposits with banks .....	887	812	74
Other interest income .....	7,340	2,459	4,880
Fees and commissions .....	122,711	99,341	23,369
Trading gains.....	4,503	7,793	(3,289)
Other operating income .....	22,577	74,841	(52,263)
Other income.....	93,743	79,788	13,954
<b>Ordinary expenses</b> .....	<b>342,675</b>	<b>353,503</b>	<b>(10,828)</b>
Interest expenses .....	46,622	46,598	24
Interest on deposits .....	16,992	19,725	(2,732)
Interest on negotiable certificates of deposit .....	174	82	91
Interest on call money and bills sold .....	2,418	596	1,822
Interest on payables under repurchase agreements .....	648	0	648
Interest on payables under securities lending transactions.....	9,662	6,183	3,478
Interest on borrowings .....	4,562	9,088	(4,526)
Interest on bonds and notes.....	8,027	4,926	3,101
Interest on convertible bonds and notes .....	0	2	(1)
Other interest expenses .....	4,135	5,992	(1,857)
Fees and commissions .....	15,691	16,168	(476)
Trading losses .....	139	737	(598)
Other operating expenses.....	19,579	56,369	(36,790)
General and administrative expenses.....	129,007	127,266	1,741
Other expenses .....	131,635	106,364	25,271
Net provision for possible loan losses .....	15,266	10,888	4,377
Other.....	116,369	95,475	20,893
<b>Ordinary profits</b> .....	<b>138,361</b>	<b>157,408</b>	<b>(19,046)</b>
<b>Extraordinary profits</b> .....	<b>3,391</b>	<b>2,970</b>	<b>420</b>
Gains on disposal of premises and equipment .....	174	378	(204)
Recoveries of written-off claims .....	3,217	1,364	1,853
Other extraordinary profits.....	-	1,227	(1,227)
<b>Extraordinary losses</b> .....	<b>1,831</b>	<b>10,191</b>	<b>(8,359)</b>
Losses on disposal of premises and equipment.....	1,253	1,652	(398)
Other extraordinary losses .....	577	8,538	(7,960)
<b>Income before income taxes and minority interests</b> .....	<b>139,921</b>	<b>150,188</b>	<b>(10,266)</b>
<b>Provision for income taxes</b> .....	<b>12,201</b>	<b>5,485</b>	<b>6,716</b>
<b>Deferred income taxes</b> .....	<b>1,901</b>	<b>44,502</b>	<b>(42,601)</b>
<b>Minority interests in net income</b> .....	<b>6,132</b>	<b>6,163</b>	<b>(30)</b>
<b>Net income</b> .....	<b>119,684</b>	<b>94,036</b>	<b>25,648</b>

<Note>Amounts less than one million yen are omitted

**Mitsui Trust Holdings, Inc.**  
**Consolidated Statements of Capital Surplus and Retained Earnings**

(in millions of yen)	Fiscal Year 2005	Fiscal Year 2004	Change
<b>Capital surplus:</b>			
<b>Balance of r capital surplus at beginning of period .....</b>	<b>126,171</b>	<b>125,802</b>	<b>369</b>
<b>Increase .....</b>	<b>125</b>	<b>369</b>	<b>(244)</b>
Conversion of convertible bonds.....	75	42	32
Gains on disposal of treasury stock.....	50	326	(276)
<b>Balance of r capital surplus at end of period .....</b>	<b>126,297</b>	<b>126,171</b>	<b>125</b>
<b>Retained earnings:</b>			
<b>Balance of retained earnings at beginning of period .....</b>	<b>161,516</b>	<b>74,732</b>	<b>86,783</b>
<b>Increase .....</b>	<b>120,402</b>	<b>94,110</b>	<b>26,291</b>
Net income.....	119,684	94,036	25,648
Reversal of land revaluation difference .....	717	74	642
<b>Decrease .....</b>	<b>7,335</b>	<b>7,326</b>	<b>8</b>
Cash dividends .....	7,335	7,326	8
<b>Balance of retained earnings at end of period .....</b>	<b>274,583</b>	<b>161,516</b>	<b>113,066</b>

<Note>Amounts less than one million yen are omitted

# Mitsui Trust Holdings, Inc.

## Consolidated Statements of Cash Flows

(in millions of yen)	Fiscal Year 2005	Fiscal Year 2004	Change
<b>1. Operating activities:</b>			
Income before income taxes and minority interests .....	139,921	150,188	(10,266)
Depreciation and amortization .....	46,023	47,227	(1,204)
Impairment losses .....	540	-	540
Amortization of consolidation goodwill .....	145	483	(337)
Equity in earnings of associated companies .....	(905)	(724)	(180)
Increase (decrease) in allowance for possible loan losses .....	(5,470)	(33,191)	27,720
Increase (decrease) in reserve for bonus payment .....	134	(34)	168
Increase (decrease) in reserve for retirement benefits .....	275	(262)	537
Increase (decrease) in reserve for possible losses related to land trust .....	9,539	-	9,539
Increase (decrease) in reserve for expenses related to Expo 2005 Japan .....	(89)	44	(134)
Interest income .....	(165,450)	(159,988)	(5,462)
Interest expenses .....	46,622	46,598	24
Net gain on securities .....	(20,937)	(6,343)	(14,593)
Gain on money held in trust .....	(766)	49	(815)
Foreign exchange losses (gains) .....	(41,403)	(8,723)	(32,680)
Losses (gains) on disposals of premises and equipment .....	1,079	1,273	(193)
Decrease (increase) in trading assets .....	(15,633)	(8,144)	(7,488)
Increase (decrease) in trading liabilities .....	(1,281)	3,928	(5,210)
Decrease (increase) in loans and bills discounted .....	(147,509)	45,374	(192,884)
Increase (decrease) in deposits .....	(349,381)	(170,962)	(178,418)
Increase (decrease) in negotiable certificates of deposits .....	218,750	(7,520)	226,270
Increase (decrease) in borrowed money (excluding subordinated borrowings) .....	4,372	(27,923)	32,296
Decrease (increase) in due from banks (excluding cash equivalents) .....	(18,308)	2,504	(20,812)
Decrease (increase) in call loans and bills bought .....	(145,493)	(57,156)	(88,337)
Decrease (increase) in receivables under securities borrowing transactions .....	(20,493)	(19,323)	(1,170)
Increase (decrease) in call money and bills sold .....	57,165	57,213	(47)
Increase (decrease) in payables under securities lending transactions .....	(35,414)	457,644	(493,058)
Decrease (increase) in foreign exchanges (assets) .....	(35,717)	4,832	(40,549)
Increase (decrease) in foreign exchanges (liabilities) .....	11	7	3
Increase (decrease) in payable to trust account .....	(77,847)	(103,973)	26,126
Interest income (cash basis) .....	173,103	164,231	8,872
Interest expenses (cash basis) .....	(48,563)	(53,476)	4,912
Other—net .....	(32,360)	(4,531)	(27,828)
<b>Subtotal</b> .....	<b>(465,344)</b>	<b>319,319</b>	<b>(784,664)</b>
Income taxes paid .....	(7,104)	(9,222)	2,117
<b>Net cash provided by (used in) operating activities</b> .....	<b>(472,449)</b>	<b>310,097</b>	<b>(782,546)</b>
<b>2. Investing activities:</b>			
Purchase of securities .....	(3,097,698)	(6,379,365)	3,281,667
Proceeds from sales of securities .....	1,293,925	2,853,137	(1,559,212)
Proceeds from redemptions of securities .....	2,230,062	3,319,477	(1,089,415)
Increase in money held in trust .....	-	(580)	580
Decrease in money held in trust .....	5,231	5,629	(397)
Purchases of premises and equipment .....	(36,607)	(27,561)	(9,046)
Proceeds from sales of premises and equipment .....	3,931	7,579	(3,648)
Payment for purchase of stocks of subsidiaries (affecting the scope of consolidation) .....	-	(10,019)	10,019
<b>Net cash provided by (used in) investing activities</b> .....	<b>398,845</b>	<b>(231,703)</b>	<b>630,548</b>
<b>3. Financing activities:</b>			
Proceeds from subordinated borrowings .....	-	35,000	(35,000)
Payment of subordinated borrowings .....	(13,000)	(175,000)	162,000
Proceeds from subordinated bonds and subordinated convertible bonds .....	5,000	161,247	(156,247)
Redemption of subordinated bonds and subordinated convertible bonds .....	(2,000)	(100,000)	98,000
Issuance of capital stock to minority interests .....	-	150	(150)
Dividends paid .....	(7,335)	(7,326)	(8)
Dividends paid for minority interests .....	(5,279)	(4,592)	(687)
Purchase of treasury stock .....	(404)	(698)	293
Proceeds from sales of treasury stock .....	6	3,186	(3,180)
<b>Net cash provided by (used in) financing activities</b> .....	<b>(23,012)</b>	<b>(88,032)</b>	<b>65,019</b>
<b>4. Foreign currency translation adjustments on cash and cash equivalents</b> .....			
	66	134	(68)
<b>5. Net increase (decrease) in cash and cash equivalents</b> .....	<b>(96,551)</b>	<b>(9,504)</b>	<b>(87,046)</b>
<b>6. Cash and cash equivalents, beginning of year</b> .....	<b>448,014</b>	<b>457,518</b>	<b>(9,504)</b>
<b>7. Cash and cash equivalents, end of year</b> .....	<b>351,462</b>	<b>448,014</b>	<b>(96,551)</b>