

Financial Highlights for 1H.FY3/07

November 20, 2006

 **Mitsui Trust Holdings, Inc.**

The Point of Explanation

.Summary of Business Results for 1H.FY3/07

1.Profit and Loss

(1) Mitsui Trust Holdings, Non-consolidated

【Non-consolidated】

(Unit: yen billion)

	No.	1H.FY3/07		1H.FY3/06
			Change	
Ordinary income	1	24.7	0.0	24.7
Recurring profit	2	21.5	(0.2)	21.8
Net income	3	21.6	(0.1)	21.7

(2) Mitsui Trust Holdings, Consolidated

【Consolidated】

(Unit: yen billion)

	No.	1H.FY3/07		1H.FY3/06
			Change	
Ordinary income	4	214.2	(9.4)	223.7
Recurring profit	5	68.4	0.8	67.6
Net income	6	66.9	8.3	58.6

Subsidiaries and affiliates

(Unit: No. of company)

	No.	Half-09/2006		End-03/2006
			Change	
Number of consolidated subsidiaries	7	27	-	27
No. of affiliates accounted for by the equity methods	8	3	-	3

(3) Combined totals from The Chuo Mitsui Trust and Banking [CMTB] and Mitsui Asset Trust and Banking [MATB]

【CMTB + MATB, Non-consolidated】

(Unit: yen billion)

	No.	1H.FY3/07	Change	1H.FY3/06
Gross operating profit	1	124.6	(4.9)	129.6
[Gross operating profit(after trust a/c credit costs)]	2	[121.7]	[(6.4)]	[128.1]
Trust fees	3	40.2	1.1	39.0
[Trust fees(after trust a/c credit costs)]	4	[37.2]	[(0.3)]	[37.5]
Fees on loan trusts and JODMTs*, before trust a/c credit costs	5	14.4	(1.5)	16.0
Other trust fees	6	25.7	2.7	23.0
Trust a/c credit costs (minus)	7	2.9	1.4	1.5
Net interest income	8	45.2	(6.9)	52.1
Domestic	9	44.0	(1.5)	45.6
International	10	1.1	(5.4)	6.5
Net fees and commissions	11	38.4	1.8	36.5
Net trading profit	12	2.4	0.0	2.3
Net other operating profit	13	(1.5)	(1.0)	(0.4)
Net bond related profit	14	(2.4)	3.9	(6.4)
Housing loan securitization profit	15	-	(8.8)	8.8
Operating expense (minus)	16	47.8	(1.7)	49.6
Personnel related (minus)	17	14.3	(2.8)	17.2
Non-Personnel related (minus)	18	31.3	1.4	29.9
Business taxes (minus)	19	2.1	(0.2)	2.4
Pre-provision profit	20	76.8	(3.2)	80.0
[Excluding net bond related profit]	21	[79.2]	[(7.1)]	[86.4]
Transfer to the general reserve (minus)	22	6.6	14.6	(7.9)
Net operating profit before trust a/c credit costs	23	70.1	(17.8)	87.9
Net operating profit	24	67.1	(19.2)	86.4
Net other profit	25	0.1	23.1	(22.9)
Net stock related profit	26	7.2	(2.6)	9.9
Banking a/c credit costs (minus)	27	3.9	(25.4)	29.4
Recurring profit	28	67.2	3.8	63.4
Extraordinary profit	29	18.1	17.8	0.3
Net transfer from reserve for possible loan losses [Note]	30	0.0	0.0	0.0
Gains on partial withdrawal of employee retirement benefit trust	31	15.8	15.8	-
Net income before income tax	32	85.4	21.6	63.8
Current income taxes (minus)	33	4.6	0.7	3.8
Deferred income taxes (minus)	34	10.6	10.5	0.0
Net income	35	70.1	10.2	59.8

*JODMTs : Jointly Operated Designated Money Trust

[Note] Net of transfer from general reserve for possible loan losses is posted as extraordinary profit for MATB

Credit Costs (minus)	36	13.6	(9.3)	22.9
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	No.	CMTB, Non-consolidated			MATB, Non-consolidated		
		1H.FY3/07	Change	1H.FY3/06	1H.FY3/07	Change	1H.FY3/06
Gross operating profit	1	104.9	(7.4)	112.4	19.7	2.5	17.1
[Gross operating profit(after trust a/c credit costs)]	2	[101.9]	[(8.9)]	[110.9]	[19.7]	[2.5]	[17.1]
Trust fees	3	18.1	(1.2)	19.3	22.1	2.3	19.7
[Trust fees(after trust a/c credit costs)]	4	[15.1]	[(2.6)]	[17.8]	[22.1]	[2.3]	[19.7]
Fees on loan trusts and JODMTs*, before trust a/c credit costs	5	14.4	(1.5)	16.0	-	-	-
Other trust fees	6	3.6	0.3	3.3	22.1	2.3	19.7
Trust a/c credit costs (minus)	7	2.9	1.4	1.5	-	-	-
Net interest income	8	45.2	(6.9)	52.1	(0.0)	(0.0)	(0.0)
Domestic	9	44.0	(1.5)	45.6	(0.0)	(0.0)	(0.0)
International	10	1.1	(5.4)	6.5	-	-	-
Net fees and commissions	11	40.7	1.6	39.0	(2.3)	0.1	(2.5)
Net trading profit	12	2.4	0.0	2.3	-	-	-
Net other operating profit	13	(1.5)	(1.0)	(0.4)	0.0	0.0	-
Net bond related profit	14	(2.4)	3.9	(6.4)	0.0	0.0	-
Housing loan securitization profit	15	-	(8.8)	8.8	-	-	-
Operating expense (minus)	16	41.3	(1.6)	43.0	6.5	(0.0)	6.5
Personnel related (minus)	17	12.0	(2.7)	14.8	2.2	(0.1)	2.3
Non-Personnel related (minus)	18	27.1	1.3	25.8	4.1	0.0	4.1
Business taxes (minus)	19	2.1	(0.2)	2.3	0.0	0.0	0.0
Pre-provision profit	20	63.6	(5.8)	69.4	13.2	2.6	10.5
[Excluding net bond related profit]	21	[66.0]	[(9.7)]	[75.8]	[13.2]	[2.6]	[10.5]
Transfer to the general reserve (minus)	22	6.6	14.6	(7.9)	-	-	-
Net operating profit before trust a/c credit costs	23	56.9	(20.4)	77.3	13.2	2.6	10.5
Net operating profit	24	53.9	(21.9)	75.8	13.2	2.6	10.5
Net other profit	25	0.7	22.7	(21.9)	(0.6)	0.3	(1.0)
Net stock related profit	26	7.2	(2.6)	9.9	-	-	-
Banking a/c credit costs (minus)	27	3.9	(25.4)	29.4	-	-	-
Recurring profit	28	54.7	0.8	53.9	12.5	2.9	9.5
Extraordinary profit	29	18.1	17.8	0.3	0.0	0.0	(0.0)
Net transfer from reserve for possible loan losses [Note]	30	-	-	-	0.0	0.0	0.0
Gains on partial withdrawal of employee retirement benefit trust	31	15.8	15.8	-	-	-	-
Net income before income tax	32	72.9	18.6	54.2	12.5	2.9	9.5
Current income taxes (minus)	33	0.1	(0.0)	0.1	4.4	0.7	3.6
Deferred income taxes (minus)	34	10.1	10.1	-	0.5	0.4	-
Net income	35	62.6	8.5	54.0	7.5	1.7	5.8

*JODMTs : Jointly Operated Designated Money Trust

[Note] Net of transfer from general reserve for possible loan losses is posted as extraordinary profit for MATB

Credit Costs (minus)	36	13.6	(9.3)	22.9	(0.0)	(0.0)	(0.0)
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2.Capital Adequacy Ratio

(1) Mitsui Trust Holdings, Consolidated

【Consolidated】

(Unit: yen billion, %)

	No.	Half-9/2006			End-3/2006	Half-9/2005
		(a)	(a-b)	(a-c)	(b)	(c)
Total Capital	1	1,146.1	59.3	130.6	1,086.8	1,015.4
Tier1	2	807.4	59.4	110.3	747.9	697.0
Risk Adjusted Assets	3	9,164.2	368.6	(54.3)	8,795.6	9,218.6
Capital Adequacy Ratio	4	12.50	0.15	1.49	12.35	11.01
Tier1 Ratio	5	8.81	0.31	1.25	8.50	7.56

(2) CMTB, Non-consolidated

【CMTB】

(Unit: yen billion, %)

	No.	Half-9/2006			End-3/2006	Half-9/2005
		(a)	(a-b)	(a-c)	(b)	(c)
Total Capital	6	1,077.5	61.9	120.9	1,015.5	956.5
Tier1	7	738.7	62.6	99.3	676.0	639.3
Risk Adjusted Assets	8	9,136.4	378.5	(118.2)	8,757.8	9,254.6
Capital Adequacy Ratio	9	11.79	0.20	1.46	11.59	10.33
Tier1 Ratio	10	8.08	0.37	1.18	7.71	6.90

(3) MATB, Non-consolidated

【MATB】

(Unit: yen billion, %)

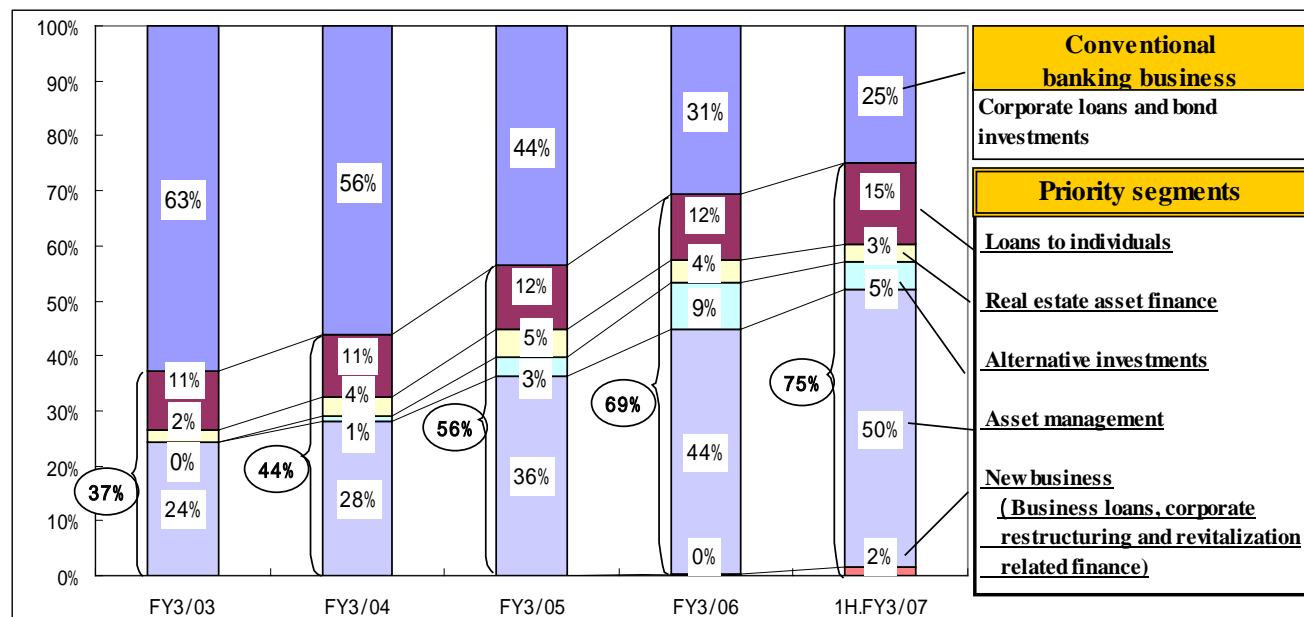
	No.	Half-9/2006			End-3/2006	Half-9/2005
		(a)	(a-b)	(a-c)	(b)	(c)
Total Capital	11	43.5	7.5	4.4	35.9	39.0
Tier1	12	43.5	7.5	4.4	35.9	39.0
Risk Adjusted Assets	13	36.9	2.7	1.1	34.1	35.7
Capital Adequacy Ratio	14	117.87	12.57	8.66	105.30	109.21
Tier1 Ratio	15	117.87	12.60	8.68	105.27	109.19

Actions toward Management Objectives

【Enhancement of Profitability】

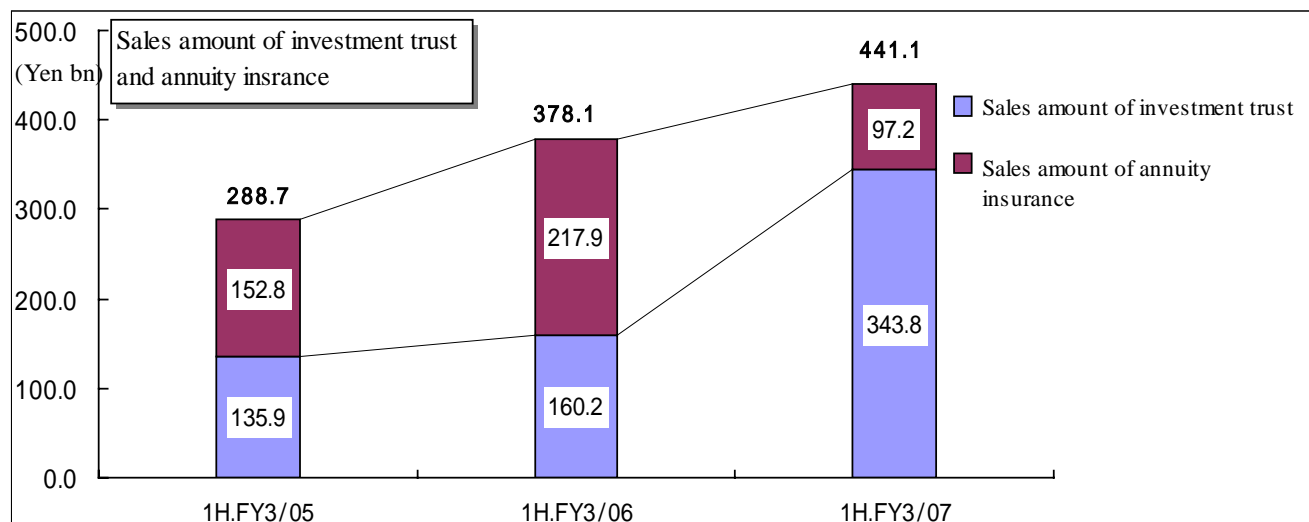
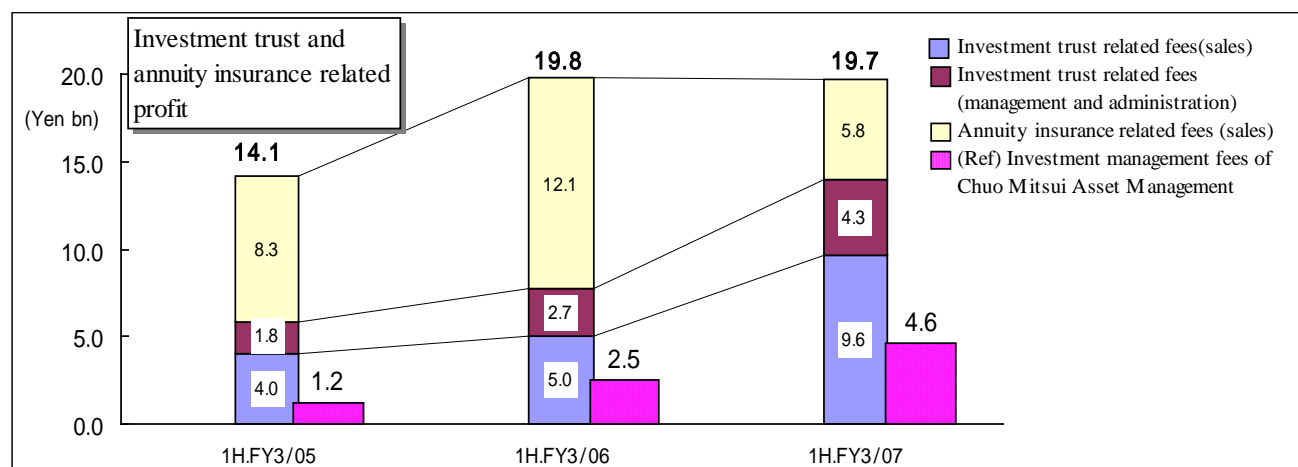
1. Enlargement of Revenues

~ Recomposition of Revenue Structure ~

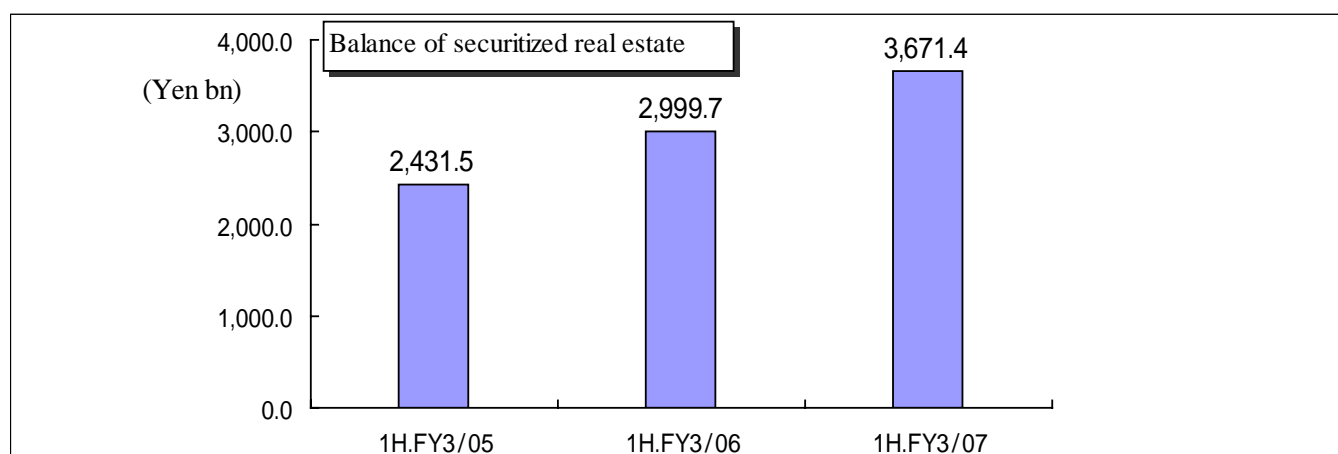
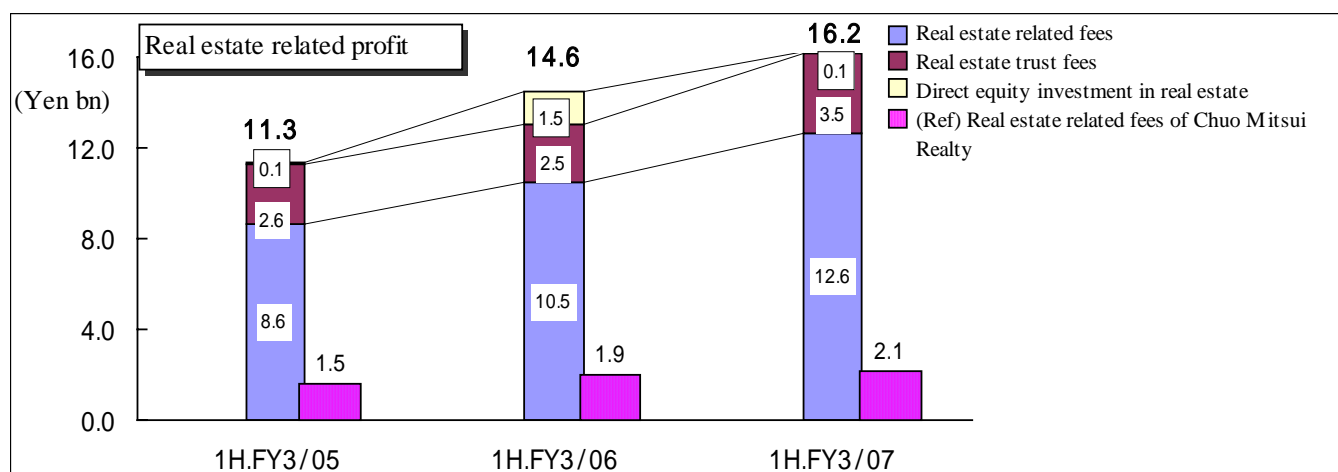


(1) Asset management businesses

Sales of Investment trust and annuity insurance 【CMTB+MATB】



Real estate business related fees 【CMTB】



(2)Loans to individuals 【CMTB】

	Half-9/2005 (a)	End-3/2006 (b)	Half-9/2006 (c)	(c)-(b)
Loans to individuals (*)	2,432.7	2,415.7	2,456.5	40.8
Balance of housing loan (*)	1,898.0	1,918.9	1,991.3	72.4

(*)Balance after housing loan securitization

	1H.FY3/06	FY3/06	1H.FY3/07
Amount of housing loan securitization	162.0	382.0	-

(3)Real estate asset finance 【CMTB】

	Half-9/2005 (a)	End-3/2006 (b)	Half-9/2006 (c)	(c)-(b)
Balance of real estate asset finance(*)	870.3	815.4	842.8	27.4

(*)Balance after real estate asset finance securitization

	1H.FY3/06	FY3/06	1H.FY3/07
Amount of real estate asset finance securitization	90.5	140.7	30.0

(4) Alternative investment 【CMTB】

(Unit: yen billion)

	1H.FY3/05 (a)	1H.FY3/06 (b)	1H.FY3/07 (c)	(c)-(b)
Returns	3.2	8.4	11.8	3.4
Of which buy-out related	0.0	0.3	5.1	4.8
Of which equity investments related	0.8	2.7	4.0	1.3
Of which securitized products related	1.3	1.6	1.4	(0.2)
Of which hedge funds	0.2	1.5	0.0	(1.5)

(5) New Businesses

Business loans

(Unit: yen billion)

	Half-9/2005 (a)	End-3/2006 (b)	Half-9/2006 (c)	(c)-(b)
Balance of business loans	2.2	6.6	26.8	20.2

Reference

Balance of loans in Chuo Mitsui Finance Service	3.2	5.8	14.9	9.1
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Corporate restructuring & revitalization related finance

(Unit: yen billion)

	Half-9/2005 (a)	End-3/2006 (b)	Half-9/2006 (c)	(c)-(b)
Balance of corporate restructuring & revitalization related finance	28.0	41.2	60.7	19.5

2. Operating Expense

~ Thorough Low Cost Operations ~

【CMTB+MATB】

(Unit: yen billion)

	1H.FY3/05 (a)	1H.FY3/06 (b)	1H.FY3/07 (c)	(c)-(b)
Operating expenses	57.7	49.6	47.8	(*1) (1.7)
Personnel expenses	23.7	17.2	14.3	(*1) (2.8)
Non-personnel expenses	31.1	29.9	31.3	1.4
Taxes	2.9	2.4	2.1	(0.2)

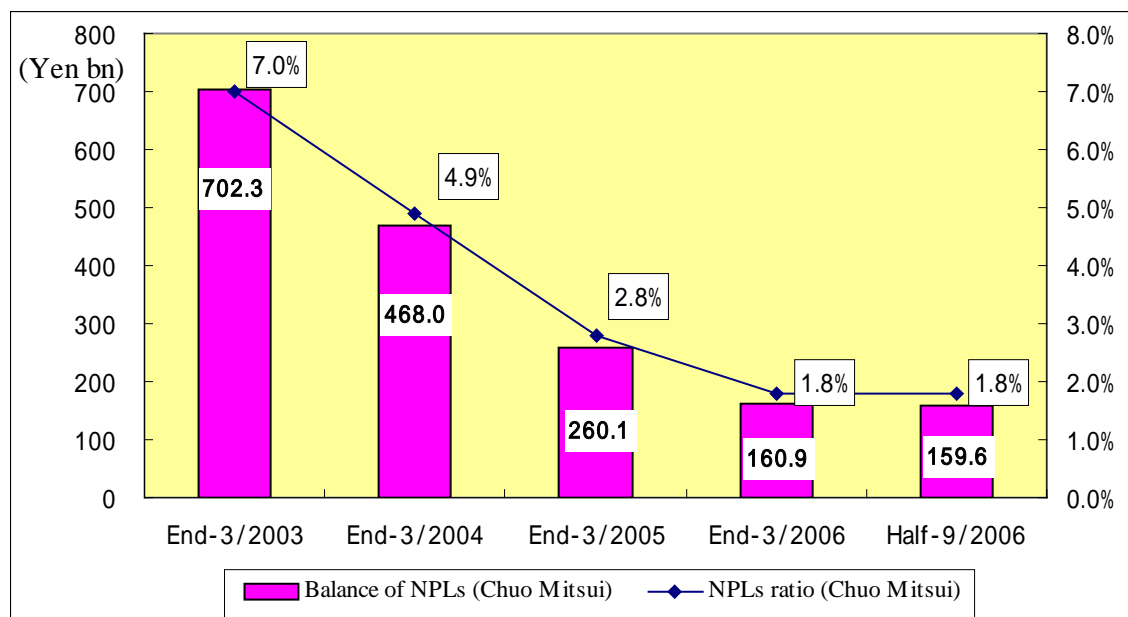
Overhead ratio(*2)	41.1%	38.3%	38.4%	0.1%
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(*1) Decrease mainly due to net periodic benefit cost (3.7)

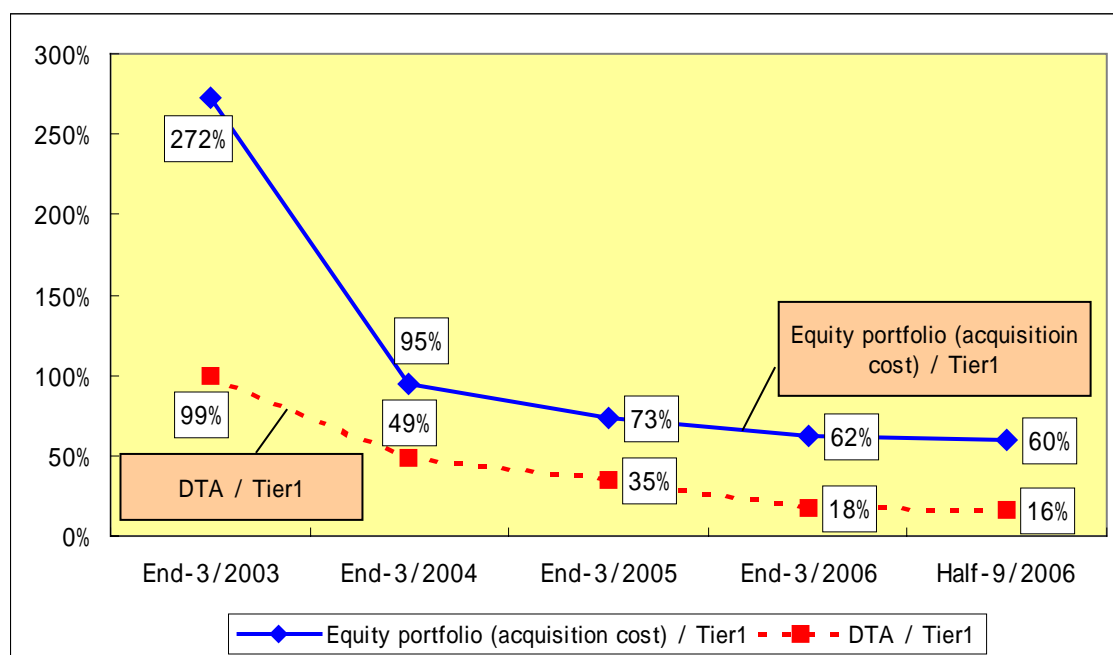
(*2) Over head ratio: operating expenses / gross operating profit

【Strengthen Financial Base】

3. Disposal of Non-performing Assets



4.Reduction of Stock Portfolio, Deferred Tax Assets



Outlook for FY3/07

(1) Mitsui Trust Holdings, Non-consolidated

【Non-consolidated】

(Unit: yen billion)

	No.	1H.FY3/07 Actual	FY3/07 Outlook	Chg. From FY3/06	FY3/06 Actual	At 5/06 FY3/07 Outlook
Ordinary income	1	24.7	25.0	(0.6)	25.6	25.0
Recurring profit	2	21.5	20.0	-	20.0	20.0
Net income	3	21.6	20.0	0.1	19.9	20.0
Dividends per share: common stocks	4	-	5.00yen	1.00yen	4.00yen	5.00yen
Dividends per share: Class preferred stocks	5	-	-	(40.00yen)	40.00yen	40.00yen
Dividends per share: Class preferred stocks	6	-	14.40yen	-	14.40yen	14.40yen
Dividends per share: Class preferred stocks	7	-	20.00yen	-	20.00yen	20.00yen

All Class preferred stocks have been converted to common stocks in July, 2006.

(2) Mitsui Trust Holdings, Consolidated

【Consolidated】

(Unit: yen billion)

	No.	1H.FY3/07 Actual	FY3/07 Outlook	Chg. From FY3/06	FY3/06 Actual	At 5/06 FY3/07 Outlook
Ordinary income	8	214.2	440.0	(41.0)	481.0	440.0
Recurring profit	9	68.4	160.0	21.7	138.3	160.0
Net income	10	66.9	120.0	0.4	119.6	120.0

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

【CMTB+MATB】

(Unit: yen billion)

	No.	1H.FY3/07 Actual	FY3/07 Outlook	Chg. From FY3/06	FY3/06 Actual	At 5/06 FY3/07 Outlook
Pre-provision profit	11	76.8	180.0	(3.0)	183.0	180.0
Net operating profit	12	67.1	168.0	4.4	163.6	176.0
Recurring Profit	13	67.2	155.0	29.8	125.2	150.0
Net income	14	70.1	120.0	1.8	118.2	120.0
Credit Costs(minus)	15	13.6	20.0	(45.6)	65.6	20.0

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

Reference Financial Statements of Subsidiary Banks

Summary of Business Results for 1H.FY3/07

【CMTB】【MATB】

(Unit: yen million)

	CMTB(Non-Consolidated)				MATB(Non-consolidated)			
	1H.FY3/07 (A)	(A)-(B)	1H.FY3/06 (B)	FY3/05 (Reference)	1H.FY3/07 (C)	(C)-(D)	1H.FY3/06 (D)	FY3/05 (Reference)
Ordinary Income	164,178	(8,364)	172,542	374,345	26,634	3,331	23,302	48,833
Ordinary Profit	54,746	842	53,903	104,299	12,553	2,979	9,573	20,979
Net Income	62,635	8,556	54,078	105,684	7,555	1,737	5,818	12,604
Number of Common Share Issued (thousand Shares)	1,326,514	81,043	1,245,470	1,245,570	600	-	600	600
Common Shares Outstanding (thousand Shares)	1,274,759	29,424	1,245,334	1,245,402	600	-	600	600
Net Income per Common Share (yen)	49.13	5.70	43.43	80.62	12,592.32	2,895.60	9,696.72	21,008.27
Total Assets	12,513,140	(28,757)	12,541,897	12,790,068	139,961	(22,827)	162,789	168,397
Net Capital	852,088	152,892	699,196	824,785	43,512	4,446	39,065	45,847
Net Capital Ratio	6.8%	1.2%	5.5%	6.4%	31.0%	7.0%	23.9%	27.2%
Net Capital per Common Share (yen)	340.62	126.28	214.33	310.91	72,520.87	7,411.35	65,109.51	76,411.98

(Notes) Formulas for computing ratio are follows

Net income per common share

$$\frac{\text{Net income} - \text{Total dividends on preferred stock}}{\text{Average number of common stock during the period}}$$

Shareholders' equity per common share

$$\frac{\text{Shareholders' equity at end of period} - \text{Deduction from shareholders' equity}}{\text{Number of common stock at end of period}}$$

excluding treasury stock

number of preferred stock × issue price + total dividends on preferred stock