

# Mitsui Trust Holdings, Inc.

Financial Statements for Fiscal Year 2006<Consolidated>

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Listed Stock Exchanges Tokyo, Osaka, Nagoya

Stock Code Number: 8309

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

Planned Date of Shareholders' Meeting: June 28, 2007

Planned Date of Submission of Financial Statement Report: June 29, 2007

President: Kazuo Tanabe

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

### (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 2006	447,101	(7.1)	159,973	15.6	112,793	(5.8)
Fiscal Year 2005	481,036	(5.8)	138,361	(12.1)	119,684	27.3

Fiscal Year	Net Income per Common Share(Basic)	Net Income Per Common Share(Diluted)	Net Income on Net Assets	Ordinary Profits / Total Assets	Ordinary Profits / Ordinary Income
	yen	yen	%	%	%
Fiscal Year 2006	123.33	62.88	21.2	1.1	35.8
Fiscal Year 2005	139.04	66.74	38.8	1.0	28.8

Note:1 Equity in Earnings from Investments in Affiliates

The Year Ended March 31,2007:802 million

The Year Ended March 31, 2006:905 million

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

### (2) Financial Conditions

Fiscal Year	Total Assets	Net Assets	Net Assets Ratio	Net Assets per Common Share	Consolidated BIS Ratio (Uniform domestic standard)
	yen in millions	yen in millions	%	yen in millions	%
Fiscal Year 2006	14,090,523	1,137,364	7.1	661.98	12.13
Fiscal Year 2005	13,808,769	858,850	6.2	512.08	12.35

### (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 2006	521,847	(568,004)	(2,754)	303,133
Fiscal Year 2005	(472,449)	398,845	(23,012)	351,462

## 2.Dividends

Record Date	Dividends per share			Total Dividends (Annual)	Dividend Payout Ratio (Consolidated)	Total Dividends / Net Assets (Consolidated)
	Interim	Fiscal Year-end	Annual			
	Yen	Yen	Yen	Yen in millions	%	%
Fiscal Year 2005	-	4.00	4.00	3,291	2.9	1.1
Fiscal Year 2006	-	5.00	5.00	4,525	4.1	0.9
Fiscal Year 2007 (Estimate)	-	5.00	5.00		5.6	

### 3. Estimate for Fiscal Year 2007 (from April 1, 2007 to March 31, 2008)

	Ordinary Income	[year on year change]	Ordinary Profits	[year on year change]	Net Income	[year on year change]	Estimate of Net Income per Common Share
	yen in millions	%	yen in millions	%	yen in millions	%	Yen
1 <sup>st</sup> Half	220,000	2.7	65,000	(5.1)	35,000	(47.7)	38.66
Annual	470,000	5.1	155,000	(3.1)	85,000	(24.6)	88.96

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

### 4. Others

#### (1) Changes in the important Subsidiaries and Affiliates (Specified Subsidiary)

Additional Subsidiary: MTH Preferred Capital 5 (Cayman) Limited

#### (2) Changes in the Principles, Procedures and Formats of Accounting

Changes due to changes in the accounting standards Yes

Changes other than No

#### (3) Number of Shares Issued

Common Stocks	As of the Year Ended March 31, 2007:	905,329,045
	As of the Year Ended March 31, 2006:	824,345,213
Treasury Stocks	As of the Year Ended March 31, 2007:	213,109
	As of the Year Ended March 31, 2006:	1,574,204

# Mitsui Trust Holdings, Inc.

## Consolidated Balance Sheets

(in millions of yen)	March 31, 2007	March 31, 2006	Change
<b>ASSETS</b>			
Cash and due from banks .....	498,096	431,560	66,536
Call loans and bills bought .....	111,121	164,553	(53,432)
Receivables under resale agreements .....	-	900	(900)
Receivables under securities borrowing transactions .....	80,099	74,243	5,856
Monetary claims bought .....	104,146	108,982	(4,836)
Trading assets .....	52,803	44,883	7,920
Money held in trust .....	2,710	7,651	(4,940)
Securities .....	4,511,730	3,835,789	675,940
Loans and bills discounted .....	7,377,362	7,292,088	85,274
Foreign exchanges .....	940	37,598	(36,658)
Other assets .....	351,678	454,267	(102,588)
Tangible fixed assets .....	203,672	-	203,672
Intangible fixed assets .....	77,163	-	77,163
Premises and equipment .....	-	220,351	(220,351)
Deferred tax assets .....	82,850	164,313	(81,462)
Goodwill .....	-	8,965	(8,965)
Customers' liabilities for acceptances and guarantees .....	711,121	1,023,351	(312,230)
Reserve for possible loan losses .....	(74,974)	(60,730)	(14,244)
<b>Total assets .....</b>	<b>14,090,523</b>	<b>13,808,769</b>	<b>281,754</b>
<b>LIABILITIES, MINORITY INTERESTS AND SHAREHOLDERS' EQUITY</b>			
<b>Liabilities:</b>			
Deposits .....	8,143,660	8,380,196	(236,535)
Negotiable certificates of deposit .....	386,050	426,760	(40,710)
Call money and bills sold .....	547,378	394,088	153,289
Payables under repurchase agreements .....	114,467	38,307	76,159
Payables under securities lending transactions .....	1,062,543	840,412	222,131
Trading liabilities .....	4,398	6,945	(2,547)
Borrowed money .....	393,235	165,445	227,789
Foreign exchanges .....	48	47	0
Subordinated bonds .....	195,119	211,591	(16,471)
Subordinated convertible bonds .....	47	120	(72)
Payables to trust account .....	1,222,593	1,161,278	61,314
Other liabilities .....	131,796	150,615	(18,819)
Reserve for employee' bonus payment .....	3,247	3,187	60
Reserve for retirement benefits for directors and corporate auditors .....	1,060	-	1,060
Reserve for employee retirement benefits .....	2,107	1,842	264
Reserve for possible losses related to land trust .....	9,934	9,539	395
Deferred tax liabilities .....	24,346	29,646	(5,299)
Acceptances and guarantees .....	711,121	1,023,351	(312,230)
<b>Total liabilities .....</b>	<b>12,953,158</b>	<b>12,843,377</b>	<b>109,780</b>
<b>NET ASSETS</b>			
Common stock and preferred stock .....	261,608	-	261,608
Capital surplus .....	127,342	-	127,342
Retained earnings .....	378,812	-	378,812
Treasury stock .....	(195)	-	(195)
Total owners' equity .....	767,568	-	767,568
Net unrealized gains on available-for-sale securities .....	259,248	-	259,248
Net deferred losses on hedging instruments, net of taxes .....	(7,439)	-	(7,439)
Land revaluation difference .....	(15,532)	-	(15,532)
Foreign currency translation adjustments .....	53	-	53
Total valuation and translation adjustments .....	236,329	-	236,329
Minority interest .....	133,467	-	133,467
<b>Total net assets .....</b>	<b>1,137,364</b>	<b>-</b>	<b>1,137,364</b>
<b>Total liabilities and net assets .....</b>	<b>14,090,523</b>	<b>-</b>	<b>14,090,523</b>
<b>Minority interests in consolidated subsidiaries .....</b>	<b>-</b>	<b>106,541</b>	<b>(106,541)</b>
<b>Shareholders' equity:</b>			
Common stock and preferred stock .....	-	261,579	(261,579)
Capital surplus .....	-	126,297	(126,297)
Retained earnings .....	-	274,583	(274,583)
Land revaluation difference .....	-	(15,527)	15,527
Net unrealized gains on available-for-sale securities .....	-	213,547	(213,547)
Foreign currency translation adjustments .....	-	(539)	539
Treasury stock .....	-	(1,090)	1,090
<b>Total shareholders' equity .....</b>	<b>-</b>	<b>858,850</b>	<b>(858,850)</b>
<b>Total liabilities, minority interests in consolidated subsidiaries and shareholders' equity .....</b>	<b>-</b>	<b>13,808,769</b>	<b>(13,808,769)</b>

<Note>Amounts less than one million yen are omitted

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

(in millions of yen)	Fiscal Year 2006	Fiscal Year 2005	Change
<b>Ordinary income</b> .....	<b>447,101</b>	<b>481,036</b>	<b>(33,935)</b>
Trust fees .....	75,565	72,049	3,516
Interest income .....	161,448	165,450	(4,002)
Interest on loans and bills discounted .....	84,450	84,237	213
Interest and dividends on securities .....	70,958	72,920	(1,962)
Interest on call loans and bills bought .....	991	59	931
Interest on receivables under resale agreements .....	3	0	3
Interest on receivables under securities borrowing transactions.....	375	4	370
Interest on deposits with banks .....	1,876	887	989
Other interest income .....	2,791	7,340	(4,549)
Fees and commissions .....	133,119	122,711	10,408
Trading gains.....	3,291	4,503	(1,212)
Other operating income .....	6,491	22,577	(16,086)
Other income .....	67,185	93,743	(26,558)
<b>Ordinary expenses</b> .....	<b>287,127</b>	<b>342,675</b>	<b>(55,547)</b>
Interest expenses .....	62,607	46,622	15,984
Interest on deposits .....	25,456	16,992	8,464
Interest on negotiable certificates of deposit .....	1,342	174	1,168
Interest on call money and bills sold .....	4,599	2,418	2,181
Interest on payables under repurchase agreements .....	3,129	648	2,480
Interest on payables under securities lending transactions.....	10,317	9,662	655
Interest on commercial paper.....	4	-	4
Interest on borrowings .....	4,520	4,562	(41)
Interest on bonds and notes.....	8,254	8,027	226
Interest on convertible bonds and notes .....	0	0	(0)
Other interest expenses .....	4,980	4,135	844
Fees and commissions .....	15,059	15,691	(631)
Trading losses .....	120	139	(19)
Other operating expenses.....	5,846	19,579	(13,732)
General and administrative expenses.....	121,725	129,007	(7,282)
Other expenses .....	81,768	131,635	(49,866)
Net provision for possible loan losses .....	20,343	15,266	5,077
Other.....	61,425	116,369	(54,944)
<b>Ordinary profits</b> .....	<b>159,973</b>	<b>138,361</b>	<b>21,612</b>
<b>Extraordinary profits</b> .....	<b>20,904</b>	<b>3,391</b>	<b>17,512</b>
Gains on disposal of premises and equipment .....	3	174	(171)
Recoveries of written-off claims .....	5,085	3,217	1,868
Gains on return of securities from retirement benefits trust.....	15,814	-	15,814
<b>Extraordinary losses</b> .....	<b>1,245</b>	<b>1,831</b>	<b>(586)</b>
Losses on disposal of premises and equipment.....	540	1,253	(712)
Other extraordinary losses .....	704	577	126
<b>Income before income taxes and minority interests</b> .....	<b>179,632</b>	<b>139,921</b>	<b>39,711</b>
<b>Provision for income taxes</b> .....	<b>19,003</b>	<b>12,201</b>	<b>6,801</b>
<b>Deferred income taxes</b> .....	<b>41,905</b>	<b>1,901</b>	<b>40,003</b>
<b>Minority interests in net income</b> .....	<b>5,930</b>	<b>6,132</b>	<b>(202)</b>
<b>Net income</b> .....	<b>112,793</b>	<b>119,684</b>	<b>(6,891)</b>

<Note>Amounts less than one million yen are omitted

**Mitsui Trust Holdings, Inc.**  
**Consolidated statement of changes in Net Assets**

(from April 1, 2006 to March 31, 2007)

	Owners' Equity				
	Common Stock and Preferred Stock	Capital Surplus	Retained Earnings	Treasury Stock	Total Owners' Equity
Balance at the end of previous period	261,579	126,297	274,583	(1,090)	661,369
Changes of items during the period					
Conversion of convertible bonds	29	29	-	-	58
Dividends from surplus	-	-	(8,569)	-	(8,569)
Net income	-	-	112,793	-	112,793
Acquisition of treasury stock	-	-	-	(246)	(246)
Disposal of treasury stock	-	1,015	-	1,141	2,157
Reversal of land revaluation difference	-	-	5	-	5
Net changes of items other than owners' equity	-	-	-	-	-
Total changes of items during the period	29	1,045	104,229	894	106,198
Balance at the end of the current period	261,608	127,342	378,812	(195)	767,568

	Valuation and Translation Adjustments					Minority Interests	Total Net Assets
	Net Unrealized Gains on Available-for-Sale Securities	Net Deferred Gains(Losses) on Hedging Instruments, Net of Tax	Land Revaluation Defference	Foreign Currency Translation Adjustments	Total Valuation and Translation Adjustments		
Balance at the end of previous period	213,547	-	(15,527)	(539)	197,480	106,541	965,391
Changes of items during the period							
Conversion of convertible bonds	-	-	-	-	-	-	58
Dividends from surplus	-	-	-	-	-	-	(8,569)
Net income	-	-	-	-	-	-	112,793
Acquisition of treasury stock	-	-	-	-	-	-	(246)
Disposal of treasury stock	-	-	-	-	-	-	2,157
Reversal of land revaluation difference	-	-	-	-	-	-	5
Net changes of items other than owners' equity	45,701	(7,439)	(5)	592	38,849	26,925	65,774
Total changes of items during the period	45,701	(7,439)	(5)	592	38,849	26,925	171,973
Balance at the end of the current period	259,248	(7,439)	(15,532)	53	236,329	133,467	1,137,364

<Note>Amounts less than one million yen are omitted

# Mitsui Trust Holdings, Inc.

## Consolidated Statements of Cash Flows

(in millions of yen)	Fiscal Year 2006	Fiscal Year 2005	Change
<b>1. Operating activities:</b>			
Income before income taxes and minority interests .....	179,632	139,921	39,711
Depreciation and amortization .....	42,043	46,023	(3,979)
Impairment losses .....	-	540	(540)
Amortization of goodwill .....	985	-	985
Amortization of consolidation goodwill .....	-	145	(145)
Equity in earnings of associated companies .....	(802)	(905)	102
Increase (decrease) in allowance for possible loan losses .....	14,933	(5,470)	20,403
Increase (decrease) in reserve for bonus payment .....	60	134	(73)
Increase (decrease) in reserve for retirement benefits for directors and corporate auditors .....	1,060	-	1,060
Increase (decrease) in reserve for employee retirement benefits .....	265	275	(9)
Increase (decrease) in reserve for possible losses related to land trust .....	395	9,539	(9,143)
Increase (decrease) in reserve for expenses related to Expo 2005 Japan .....	-	(89)	89
Interest income .....	(161,448)	(165,450)	4,002
Interest expenses .....	62,607	46,622	15,984
Net gain on securities .....	(14,314)	(20,937)	6,623
Gain on money held in trust .....	(1,413)	(766)	(647)
Foreign exchange losses (gains) .....	2,875	(41,403)	44,279
Losses (gains) on disposals of tangible fixed assets .....	537	-	537
Losses (gains) on disposals of premises and equipment .....	-	1,079	(1,079)
Decrease (increase) in trading assets .....	(7,920)	(15,633)	7,713
Increase (decrease) in trading liabilities .....	(2,547)	(1,281)	(1,265)
Decrease (increase) in loans and bills discounted .....	(85,274)	(147,509)	62,235
Increase (decrease) in deposits .....	(239,802)	(349,381)	109,579
Increase (decrease) in negotiable certificates of deposits .....	(40,710)	218,750	(259,460)
Increase (decrease) in borrowed money (excluding subordinated borrowings) .....	232,289	4,372	227,917
Decrease (increase) in due from banks (excluding cash equivalents) .....	(114,865)	(18,308)	(96,556)
Decrease (increase) in call loans and bills bought .....	52,578	(145,493)	198,072
Decrease (increase) in receivables under securities borrowing transactions .....	(5,856)	(20,493)	14,637
Increase (decrease) in call money and bills sold .....	229,448	57,165	172,283
Increase (decrease) in payables under securities lending transactions .....	222,131	(35,414)	257,545
Decrease (increase) in foreign exchanges (assets) .....	36,658	(35,717)	72,375
Increase (decrease) in foreign exchanges (liabilities) .....	0	11	(10)
Increase (decrease) in payable to trust account .....	61,314	(77,847)	139,162
Interest income (cash basis) .....	159,560	173,103	(13,543)
Interest expenses (cash basis) .....	(52,415)	(48,563)	(3,852)
Other—net .....	(34,662)	(32,360)	(2,301)
<b>Subtotal</b> .....	<b>537,348</b>	<b>(465,344)</b>	<b>1,002,693</b>
Income taxes paid .....	(15,500)	(7,104)	(8,396)
<b>Net cash provided by (used in) activities</b> .....	<b>521,847</b>	<b>(472,449)</b>	<b>994,297</b>
<b>2. Investing activities:</b>			
Purchase of securities .....	(3,017,378)	(3,097,698)	80,319
Proceeds from sales of securities .....	757,484	1,293,925	(536,440)
Proceeds from redemptions of securities .....	1,764,186	2,230,062	(465,876)
Decrease in money held in trust .....	5,349	5,231	117
Purchases of tangible fixed assets .....	(30,253)	-	(30,253)
Purchases of premises and equipment .....	-	(36,607)	36,607
Proceeds from sales of tangible fixed assets .....	3,201	-	3,201
Proceeds from sales of premises and equipment .....	-	3,931	(3,931)
Purchases of intangible fixed assets .....	(13,734)	-	(13,734)
Proceeds from sales of intangible fixed assets .....	1,391	-	1,391
Payment for purchase of stocks of subsidiaries .....	(38,252)	-	(38,252)
<b>Net cash provided by (used in) investing activities</b> .....	<b>(568,004)</b>	<b>398,845</b>	<b>(966,849)</b>
<b>3. Financing activities:</b>			
Proceeds from subordinated borrowings .....	2,500	-	2,500
Payment of subordinated borrowings .....	(7,000)	(13,000)	6,000
Proceeds from subordinated bonds and subordinated convertible bonds .....	-	5,000	(5,000)
Redemption of subordinated bonds and subordinated convertible bonds .....	(17,000)	(2,000)	(15,000)
Issuance of capital stock to minority interests .....	33,000	-	33,000
Dividends paid .....	(8,569)	(7,335)	(1,234)
Dividends paid for minority interests .....	(5,450)	(5,279)	(171)
Purchase of treasury stock .....	(246)	(404)	157
Proceeds from sales of treasury stock .....	12	6	5
<b>Net cash provided by (used in) financing activities</b> .....	<b>(2,754)</b>	<b>(23,012)</b>	<b>20,258</b>
<b>4. Foreign currency translation adjustments on cash and cash equivalents</b> .....	<b>582</b>	<b>66</b>	<b>515</b>
<b>5. Net increase (decrease) in cash and cash equivalents</b> .....	<b>(48,329)</b>	<b>(96,551)</b>	<b>48,221</b>
<b>6. Cash and cash equivalents, beginning of year</b> .....	<b>351,462</b>	<b>448,014</b>	<b>(96,551)</b>
<b>7. Cash and cash equivalents, end of year</b> .....	<b>303,133</b>	<b>351,462</b>	<b>(48,329)</b>

<Note>Amounts less than one million yen are omitted