

Analyst Meeting Presentation Material



June 1, 2005

Mitsui Trust Financial Group

Agenda

. Management Strategies

• *Management Direction*

• *Profitability & Efficiency*

• *Low Cost Operations*

• *Financial Summary*

• *Trend of Financial Results*

• *Recomposition of Revenue Structure*

• *Strengthening of Financial Base*

• *Revenues by Business Unit*

. Implementation

1. *Efficiency in Banking Business*

2. *Enhancement of Fee Business*

. Strengthening of Balance Sheet

• *Disposal of NPLs*

• *NPLs Balance & NPLs Ratio*

• *Equity Portfolio*

• *Bond Portfolio*

• *Deferred Tax Assets*

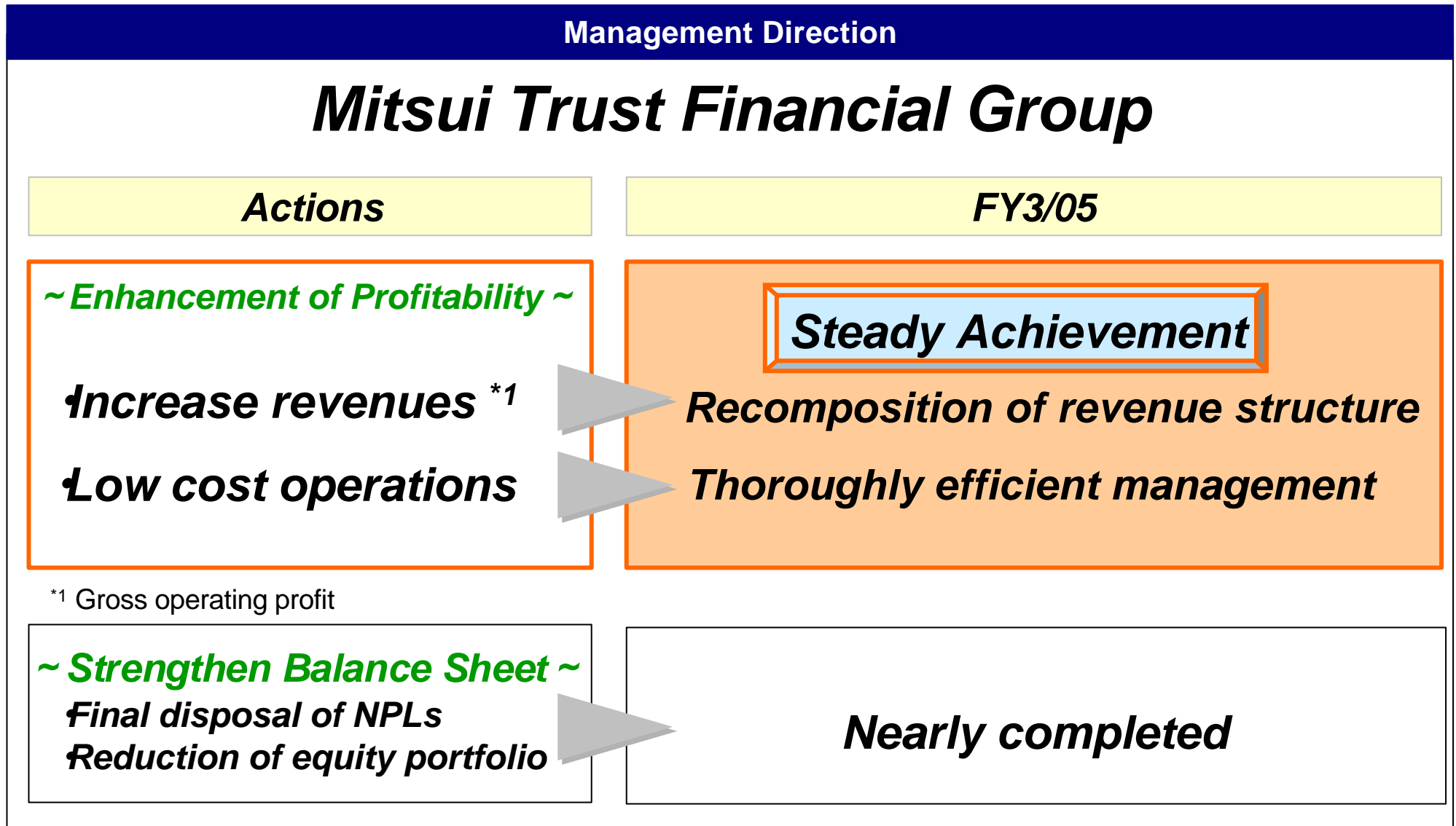
• *Capital*

. New Businesses

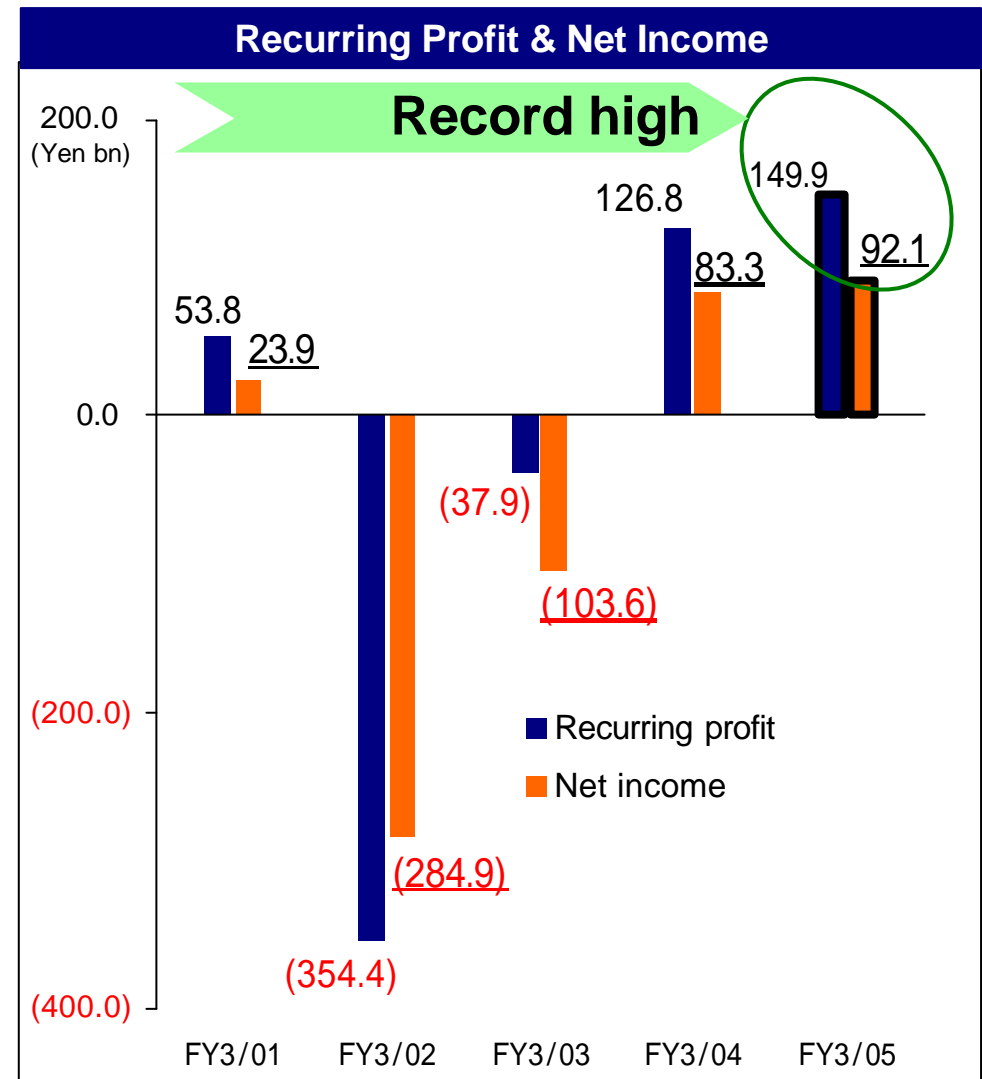
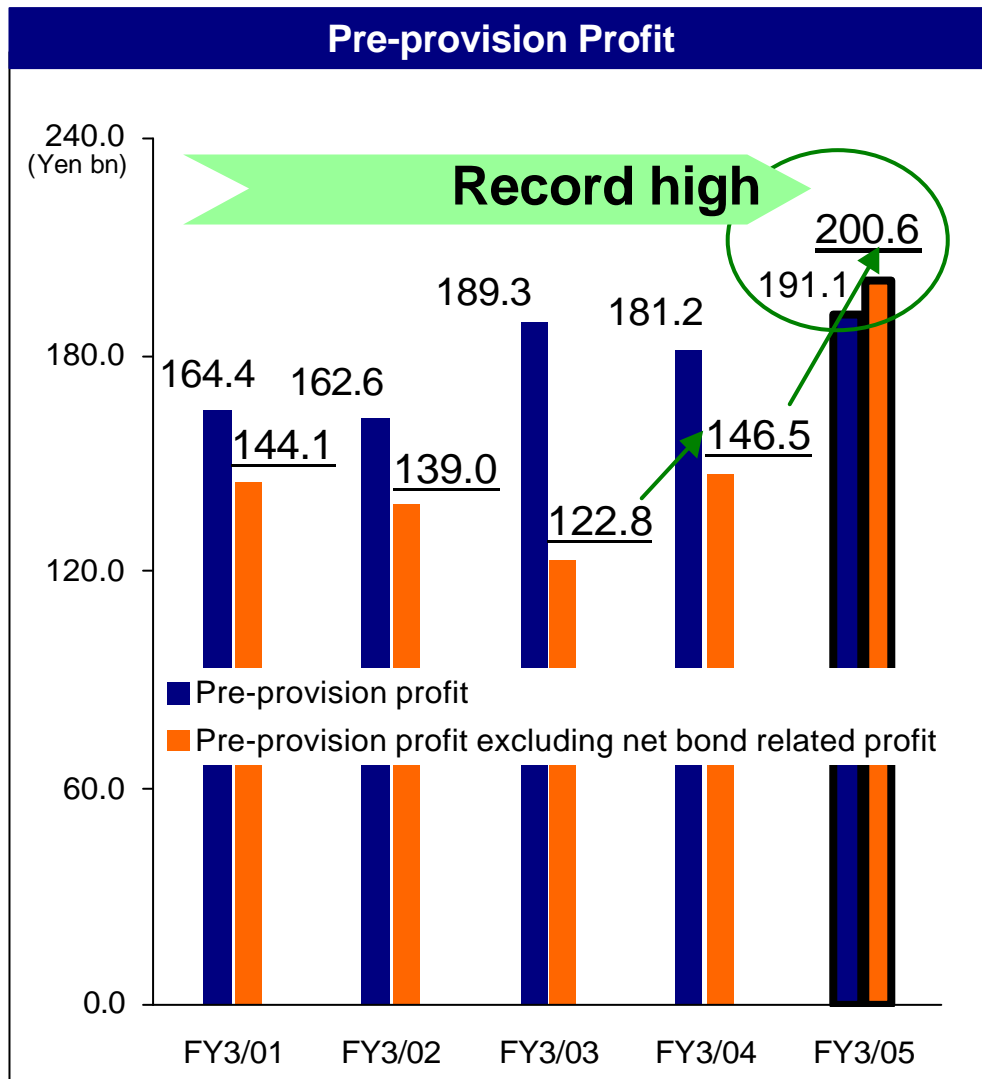
. Management Strategies

- *Management Direction*
- *Trend of Financial Results*
- *Profitability & Efficiency*
- *Recomposition of Revenue Structure*
- *Low Cost Operations*
- *Strengthening of Financial Base*
- *Financial Summary*
- *Revenues by Business Unit*

Management Direction



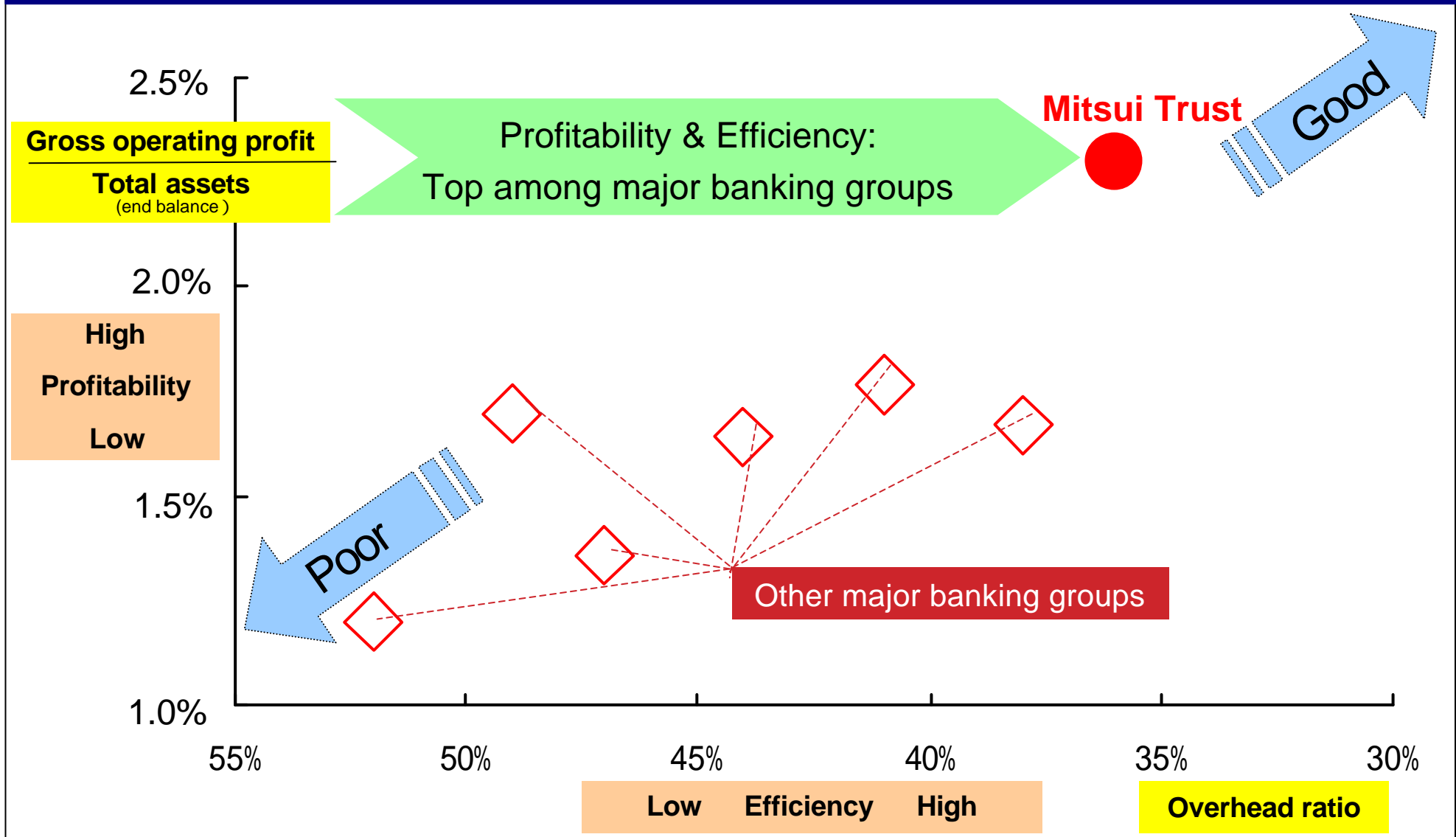
Trend of Financial Results



FY3/01: Chuo Mitsui (CMTB), FY3/02 and after: CMTB+Mitsui Asset (MATB)

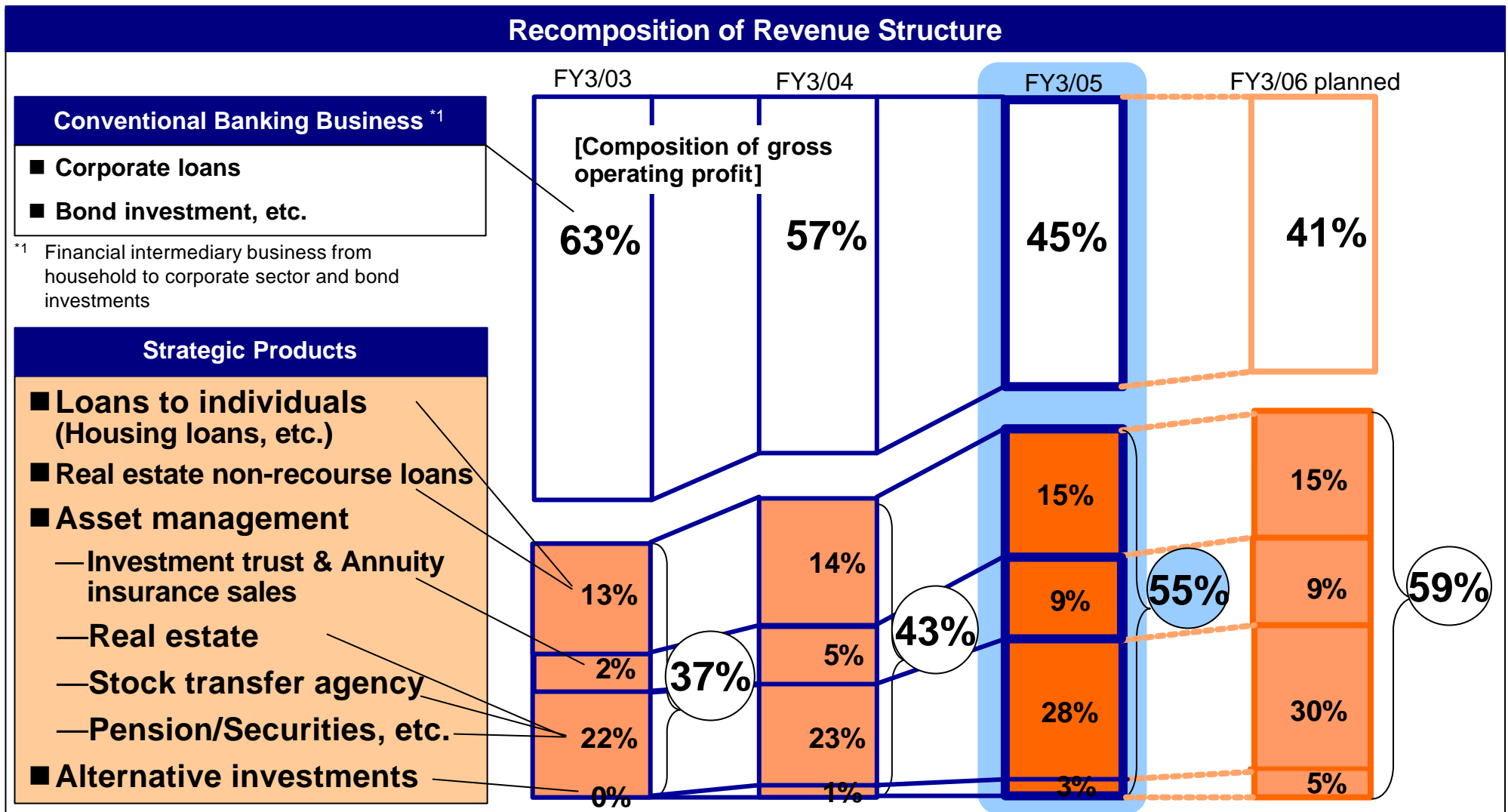
Profitability & Efficiency

Profitability & Efficiency: FY3/05 Comparison of Major Banking Groups



Recomposition of Revenue Structure

Weight of strategic products relative to total revenues exceeded 50%

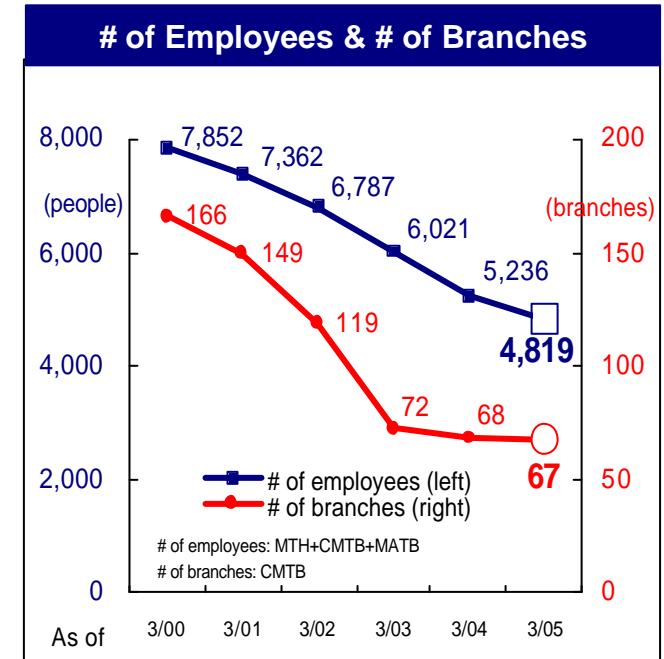
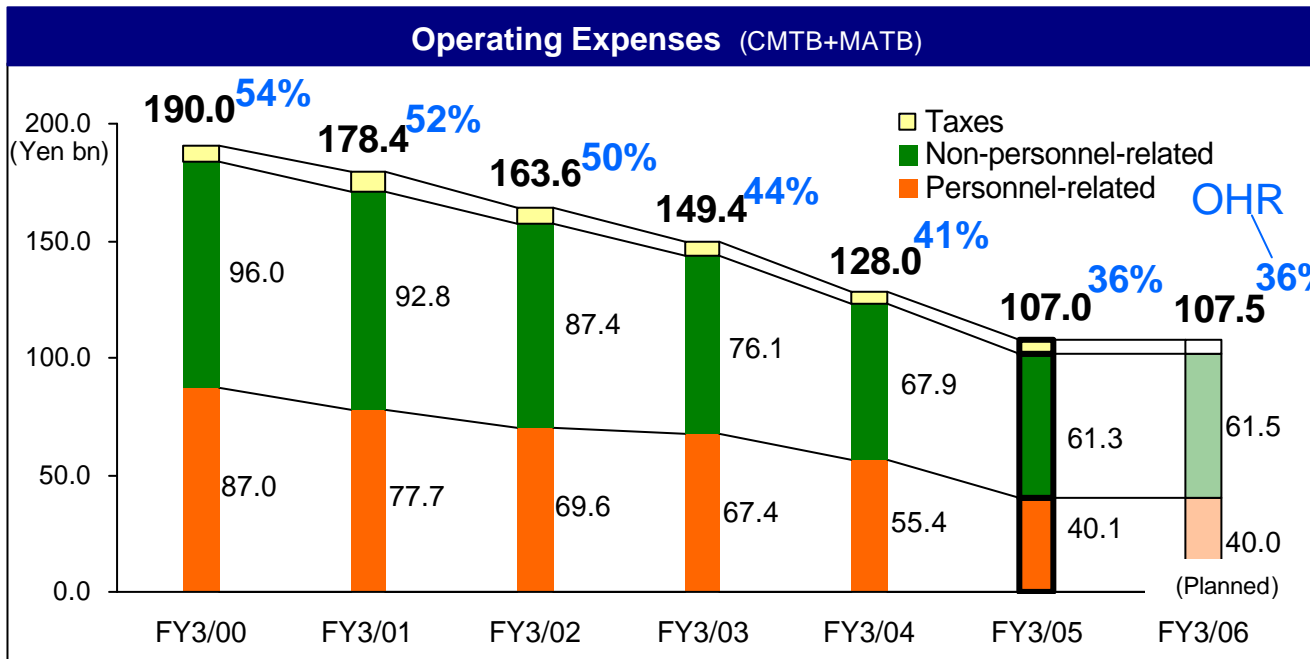


Recomposition of Revenue Structure

Recomposition of Revenue Structure		
Items	FY3/05 Actual	FY3/06 Planned
Housing Loans	New housing loan origination: ¥611.2bn [Record High]	New housing loan origination: ¥630.0bn
Real Estate Asset Finance	End balance: ¥968.8bn [Record High]	End balance: ¥950.0bn
Funding (time deposits) Costs	Decline from FY3/04: 10bp (Managerial basis, average balance basis)	Further decline of 4bp from FY3/05
Investment Trust & Annuity Insurance Sales	Revenues: ¥26.0bn [Record High] (Up 10.7bn, or up 70% from FY3/04)	Revenues: ¥27.0bn
Real Estate related Profit	Revenues; ¥25.3bn [Record High] (Up 11.7bn, or up 86% from FY3/04)	Revenues: ¥26.0bn

Low Cost Operations

Low Cost Operations (CMTB+MATB)		
Items	FY3/05 Actual	FY3/06 Planned
Operating Expenses	Actual ¥107.0bn (21.0)bn, or (16)% from FY3/04	Remain nearly flat
Overhead Ratio	36%: Top among major banks	Keep current efficiency



Strengthen Financial Base

Strengthen Financial Base		
Items	FY3/05 Actual	FY3/06 Planned
Credit Costs ^{*1}	Actual: ¥43.9bn (Down 14.4bn from FY3/04)	Estimate: ¥35.0bn
NPLs Ratio ^{*1} Halve NPLs ratio from 9.2% (at 3/02)	Actual: 2.8% Achieved the target to halve NPLs ratio	End FY estimate: Below 2%
Equity Portfolio ^{*2}	Relative to Tier1 Capital: 73%	To 60% level of Tier1
DTAs ^{*2}	Relative to Tier1 Capital: 35%	To approx. 30% of Tier1
Retained Earnings ^{*3}	Accumulated ¥66.2bn, to ¥165.4bn	Up to approx. ¥250.0bn
Repayment of Public Subordinated Debt	Debt finance in FY3/05: Domestic: ¥70.0bn, Global: US\$850mn ^{*4} Public debt repayment: ¥200.0bn ^{*5}	Effect of reduced interest payment: Approx. ¥4.0bn p.a.

^{*1} CMTB, non-consolidated ^{*2} MTH, consolidated ^{*3} Total retained earnings of MTH+CMTB+MATB subtracted by accumulated earned reserve and dividends paid to outside shareholders ^{*4} CMTB ^{*5} MTH

Financial Summary

FY3/05 Highlights & FY3/06 Outlook					
	a	b		d	(Yen bn)
	FY3/04	Actual FY3/05	c:b-a Change	Outlook FY3/06	e:d-b Change
CMTB+MATB					
Combined totals					
Gross operating profit *1	309.3	298.1	(11.1)	297.5	(0.6)
Operating expenses ()	128.0	107.0	(21.0)	107.5	0.5
Overhead ratio	41%	36%	(5)%	36%	0%
Pre-provision profit *2	181.2	191.1	9.8	190.0	(1.1)
Pre-provision profit excl. net bond related profit	146.5	200.6	54.0	200.0	(0.6)
Net stock related profit	39.7	15.8	(23.8)	(10.0)	(25.8)
Recurring profit	126.8	149.9	23.1	130.0	(19.9)
Deferred income taxes ()	66.9	47.1	(19.7)	-	(47.1)
Net income	83.3	92.1	8.8	120.0	27.9
Credit costs ()	58.3	43.9	(14.4)	35.0	(8.9)
MTH, Consolidated					
Recurring profit	105.3	157.4	52.0	140.0	(17.4)
Net income	50.7	94.0	43.2	120.0	26.0
ROE *3	13%	19%	6%	22%	3%

*1 Before trust a/c credit costs *2 Effective net operating profit before trust a/c credit costs & transfer to the general reserve

*3 Outstanding of capital is average balance

Revenues by Business Unit

Revenues by Business Unit					
	a	b	c:b-a	d	(Yen bn)
Total of CMTB & MATB		Actual		Outlook	e:d-b
Revenues "Gross operating profit"	FY3/04	FY3/05	Change	FY3/06	Change
Banking business	222.6	189.5	(33.0)	182.5	(7.0)
Excl. a, b Financing business 3 a/c total, others	139.6	142.8	3.2	131.0	(11.8)
a Loans to individuals, Non-recourse loans	45.6	46.0	0.4	46.0	0.0
b Alternative investments	2.7	10.1	7.4	15.5	5.4
Net bond related profit	34.7	(9.4)	(44.2)	(10.0)	(0.6)
Asset management (fee) business	86.6	108.5	21.9	115.0	6.5
Sales of investment trusts & annuity insurance	15.3	26.0	10.7	27.0	1.0
Real estate	13.6	25.3	11.7	26.0	0.7
Stock transfer agency	15.0	15.7	0.7	17.5	1.8
Pension	25.4	24.9	(0.5)	26.5	1.6
Securities	7.8	8.8	1.0	10.5	1.7
Others	9.4	7.5	(1.9)	7.5	0.0
Revenues "Gross operating profit" total	309.3	298.1	(11.1)	297.5	(0.6)
Operating expenses	128.0	107.0	(21.0)	107.5	0.5
Pre-provision profit	181.2	191.1	9.8	190.0	(1.1)

. *Implementation*

- 1. Efficiency in Banking Business*
- 2. Enhancement of Fee Business*

-1. Efficiency in Banking Business

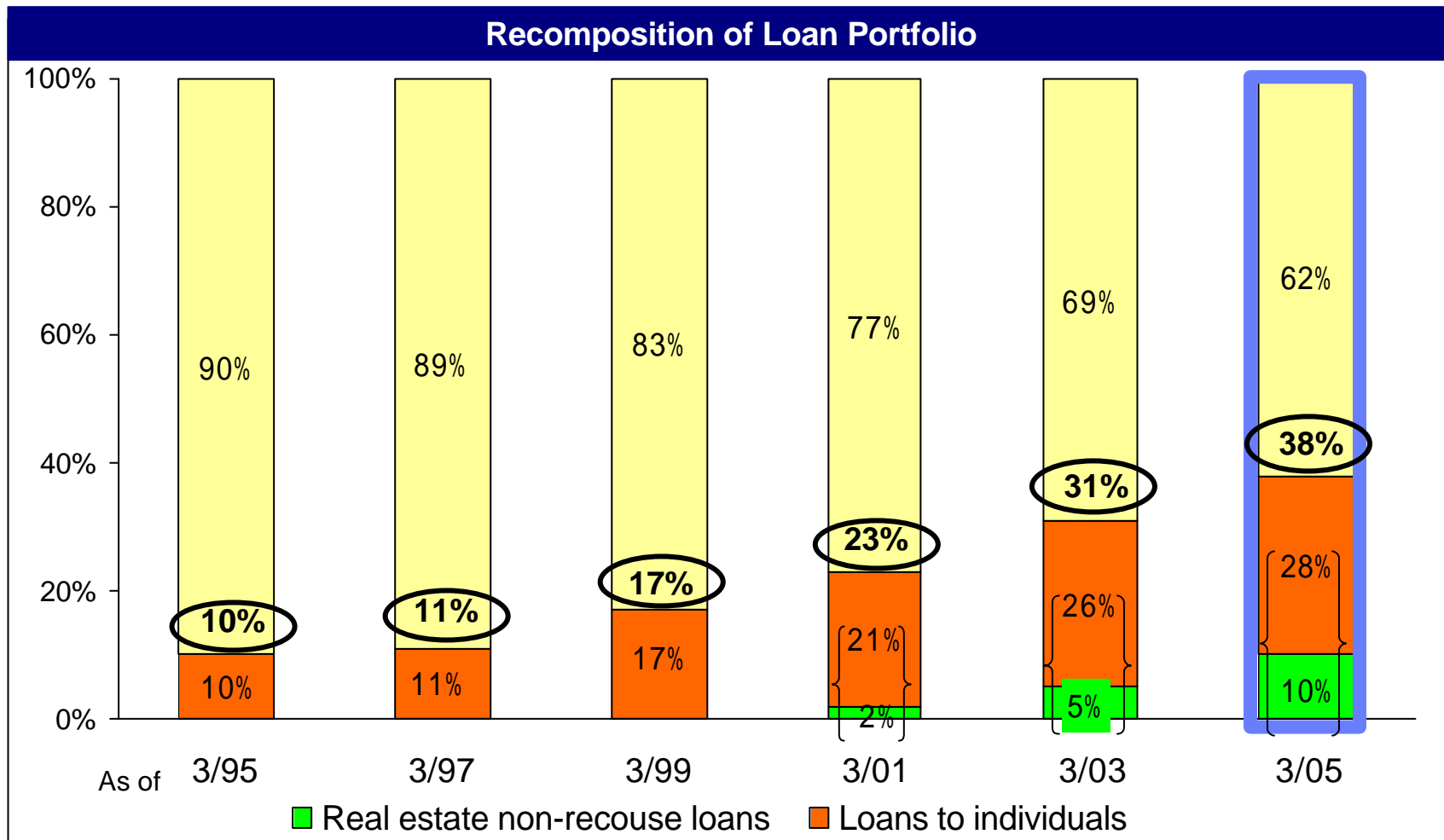
- *Recomposition of Loan Portfolio*
- *Housing Loans*
- *Real Estate Asset Finance*
- *Loan Volume*
- *Yields & Margins*
- *Alternative Investments*

Recomposition of Loan Portfolio

Composition of loans to individuals and real estate non-recourse loans: Reached 38% at 3/05

■ Credit loss rate of loans to individuals: Stable at 0.01%

■ Real estate non-recourse loans: No defaults

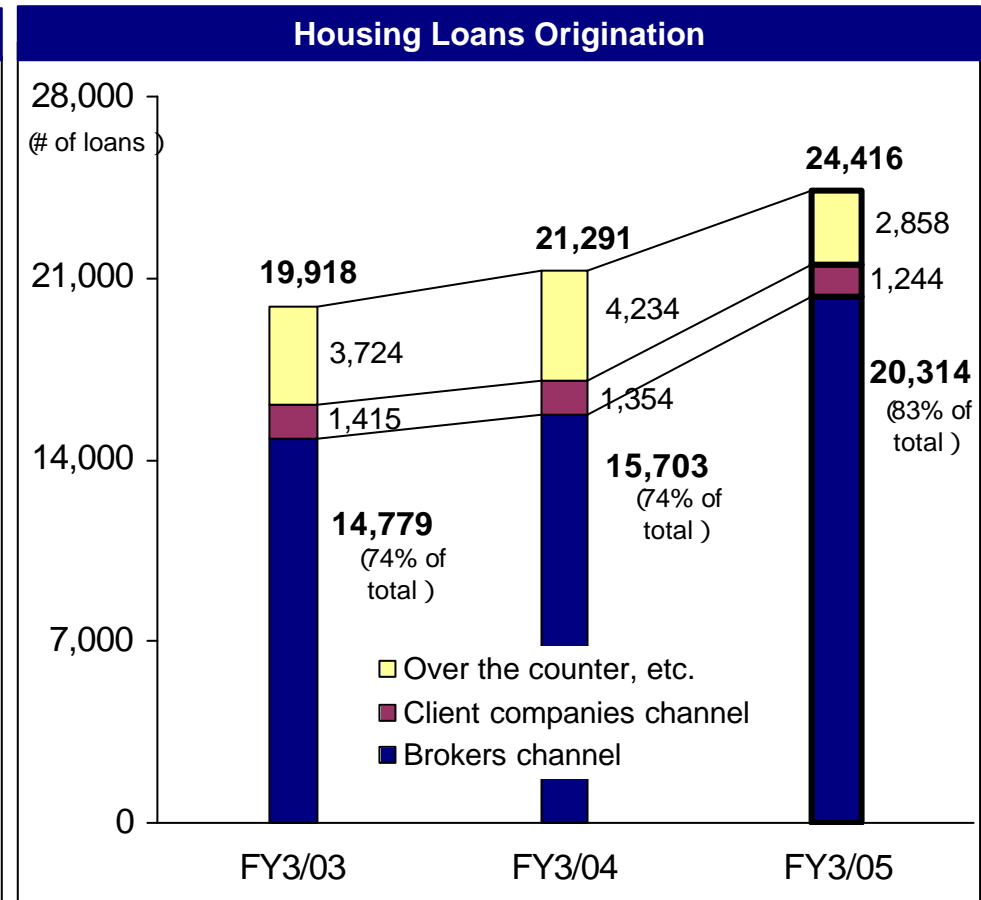
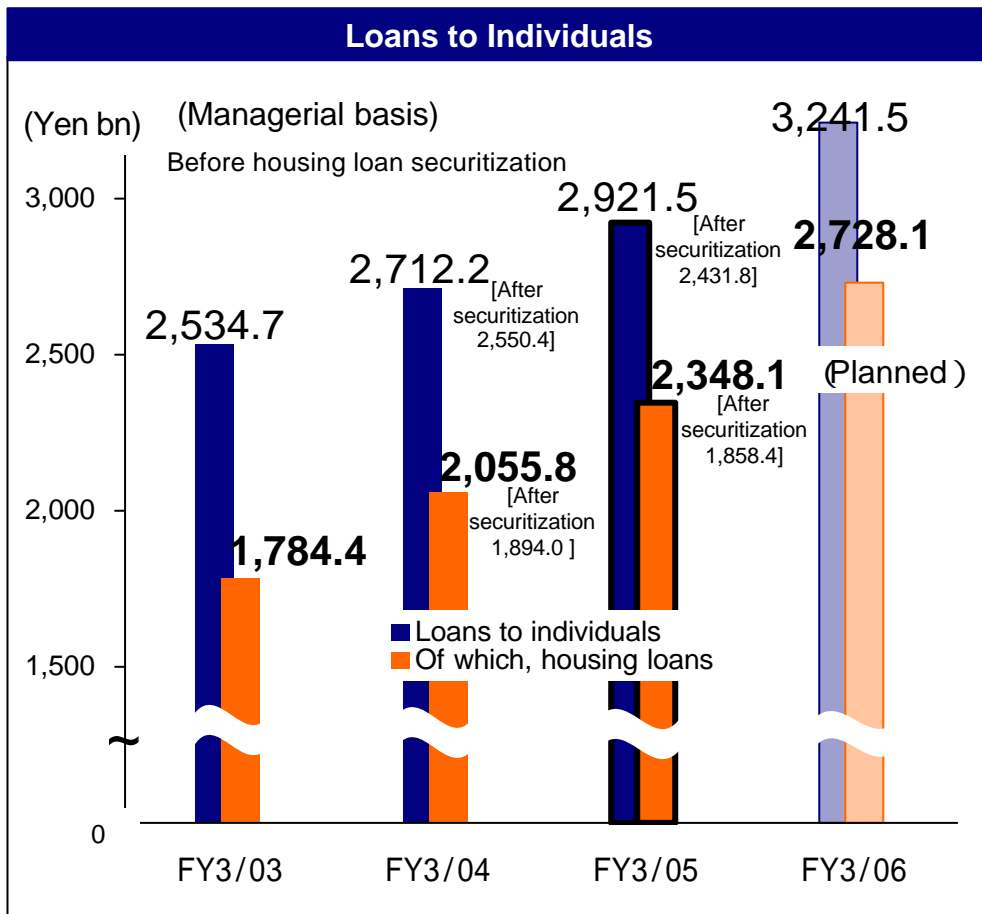


Housing Loans

Steady growth in housing loan net increase

FY3/03	FY3/04	FY3/05
¥266.5bn	¥271.4bn	¥292.3bn

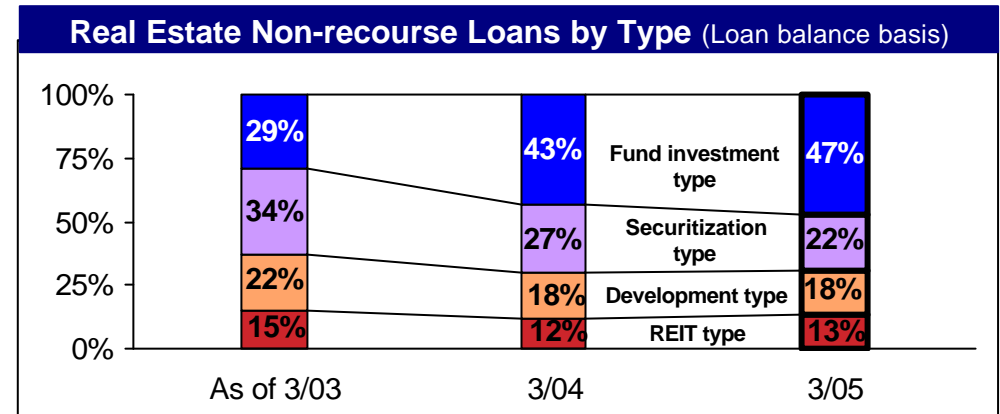
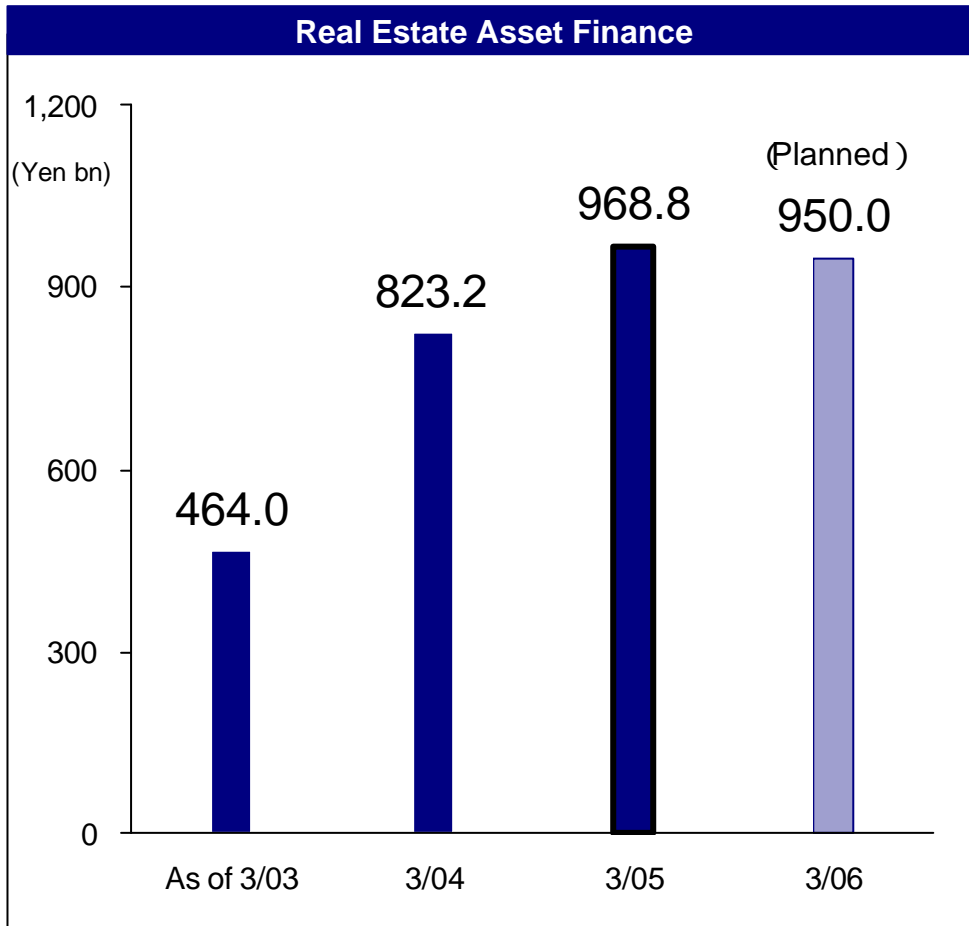
“Route sales (channels with real estate agents and developers)” strategy brings in successful differentiation with competitors



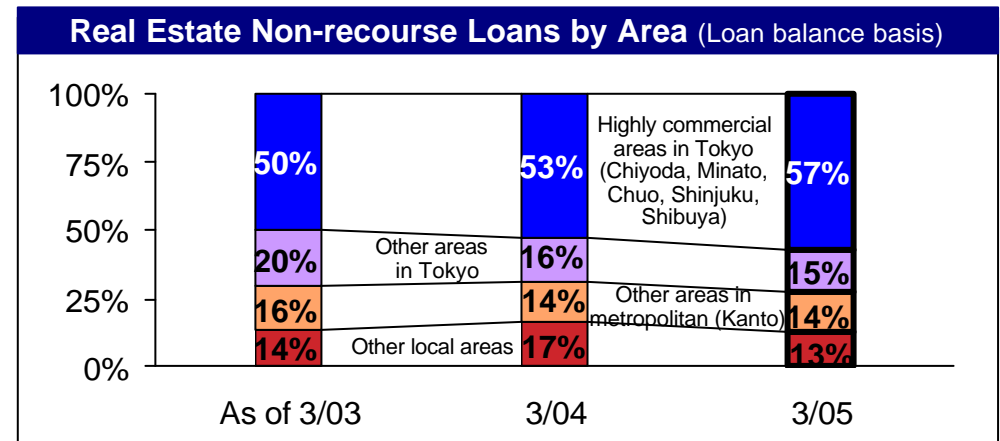
Real Estate Asset Finance

Plans securitization of real estate asset finance this FY
(In 5/05, securitized ¥63bn)

Significant growth of fund investment type continues

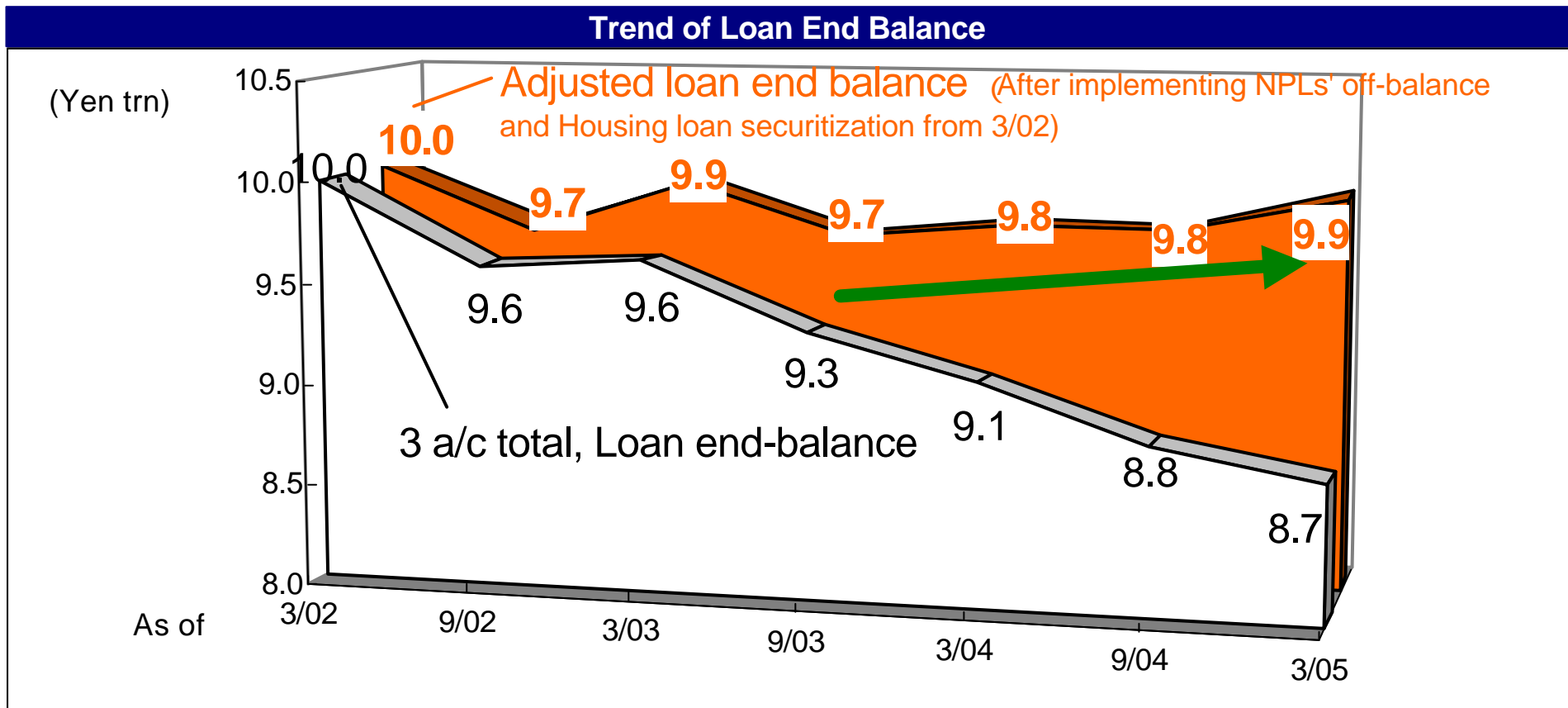


Fund investment type: Real estate fund investment, *Securitization type:* Off-balance real estate of corporations
Development type: Build new office buildings and large condominiums
REIT type: Loans to REIT (to investment company)



Loan Volume

There is a clear sign of bottom out in loan volume.



Yields & Margins

CMTB: Banking a/c [domestic] Yields

CMTB, Banking a/c, Domestic funds

	a	b	c:b-a
	FY3/04	FY3/05	Change
1 Average yield	1.26%	1.13%	(0.12)%
2 Average yield on loans and bills discounted	1.61%	1.40%	(0.20)%
Interest yield on securities	0.73%	0.74%	0.01%
3 Average yield on procured funds	0.41%	0.33%	(0.07)%
4 Average yield on deposits	0.29%	0.22%	(0.07)%
Yield margin(1-3)	0.85%	0.80%	(0.04)%
Yield margin(2-4)	1.31%	1.18%	(0.13)%

Declining trend of funding costs continues

CMTB: 3 a/c Yields

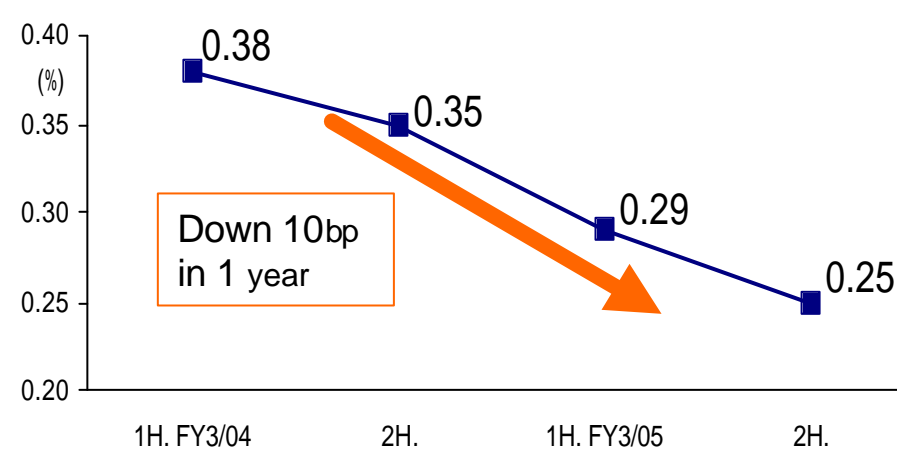
Banking a/c(domestic funds) + Loan Trusts + JODMTs*

	a	b	c:b-a
	FY3/04	FY3/05	Change
1 Average yield	1.31%	1.19%	(0.12)%
2 Average yield on loans and bills discounted	1.62%	1.46%	(0.16)%
Average yield on securities	1.03%	0.96%	(0.06)%
3 Average yield on procured funds	0.32%	0.27%	(0.05)%
4 Average yield on deposits and principals	0.21%	0.17%	(0.04)%
Yield margin(1-3)	0.99%	0.92%	(0.07)%
Yield margin(2-4)	1.41%	1.29%	(0.11)%

*Jointly Operated Designated Money Trusts

Yields on Time Deposits

(Managerial accounting basis, 6 month average, stock basis)

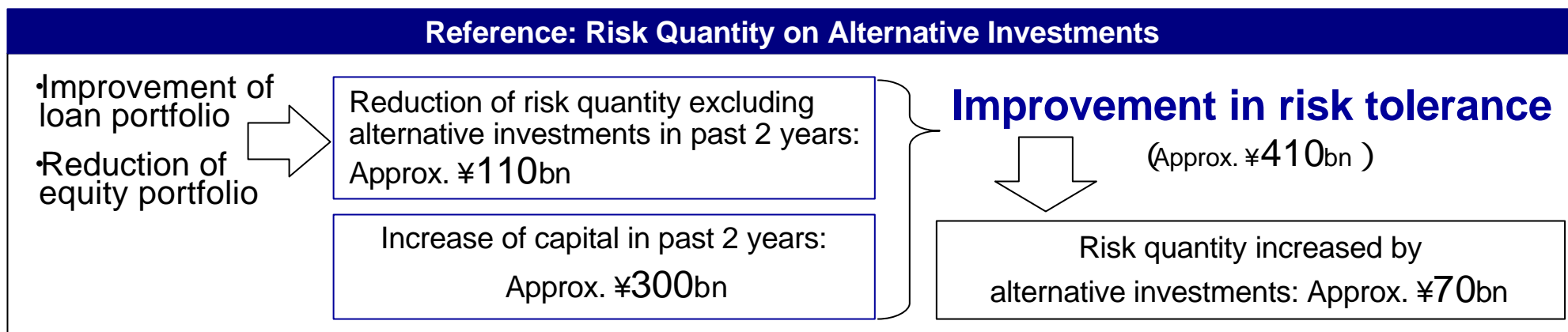


Alternative Investments

Alternative Investments: Actual & Planned			
	Actual FY3/04	Actual FY3/05	Planned FY3/06
	(Yen bn)		
End balance	350.0	680.0	850.0
a Average balance	80.0	560.0	750.0
b Returns ^{*1}	4.7	12.6	23.0
b/a Rate of returns	5.9%	2.2%	3.1%

- Diversifying asset management, reallocation of risk capital allowed by reduction of equity portfolio, etc.
- Risk control thoroughly considered

*1 Gross basis (before considering funding costs)



- 2. Enhancement of Fee Business

- *Investment Trust & Annuity Insurance Sales*
- *Real Estate Business*
- *Stock Transfer Agency Business*
- *Pension & Securities Business in Mitsui Asset T/B*

Investment Trust & Annuity Insurance Sales

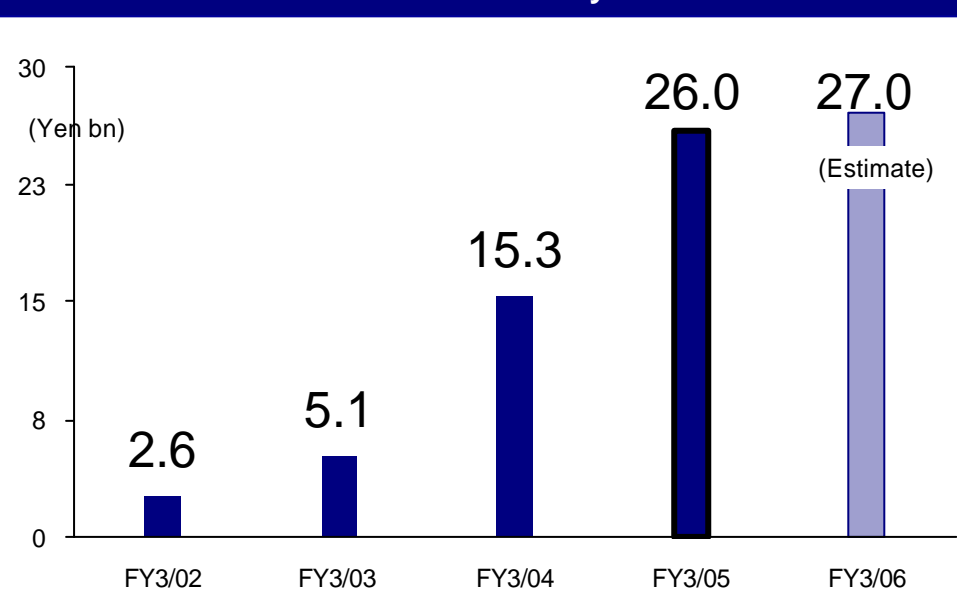
Posted annual profit of ¥26.0bn by:

Further enhancing consultation capability, Introducing new products

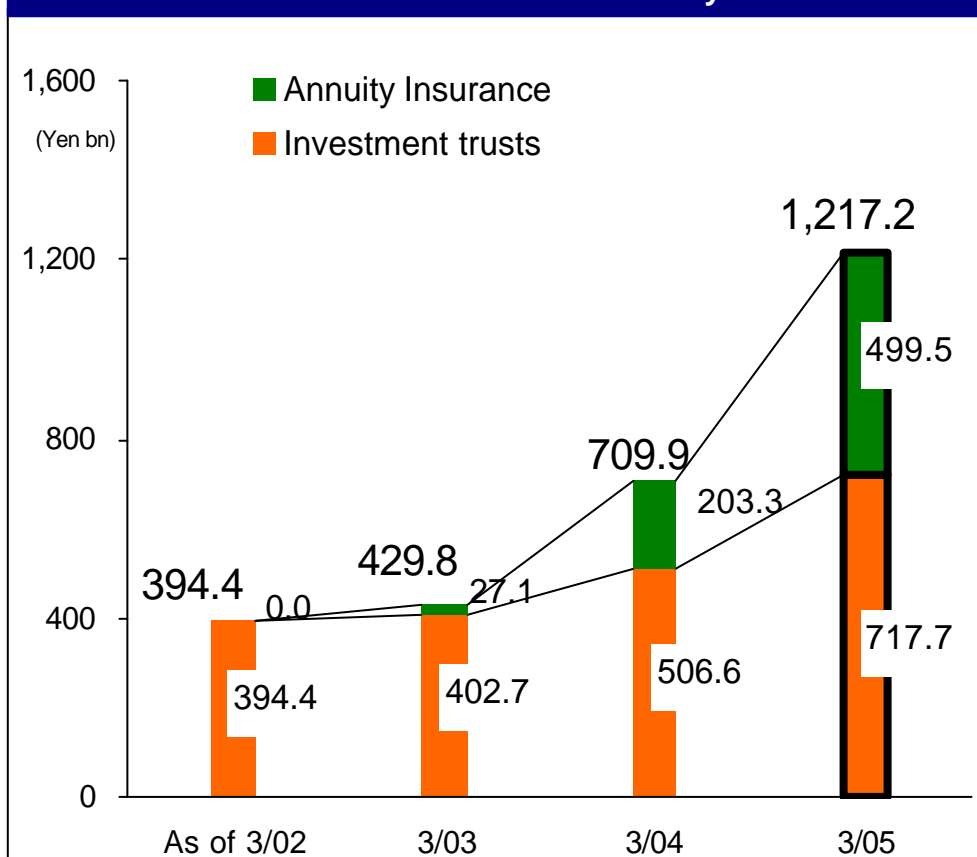
Sales Fees of Investment Trusts & Annuity Insurance

CMTB	a	b	c:b-a Chg.	d	(Yen bn)
	FY3/04	Actual FY3/05		Outlook FY3/06	e:d-b Chg.
Investment trust related	6.7	8.8	2.1	9.0	0.2
Annuity insurance related	8.5	17.1	8.6	18.0	0.9
Total	15.3	26.0	10.7	27.0	1.0

Growth of Investment Trust & Annuity Insurance Sales Fees



Balance of Investment Trusts & Annuity Insurance



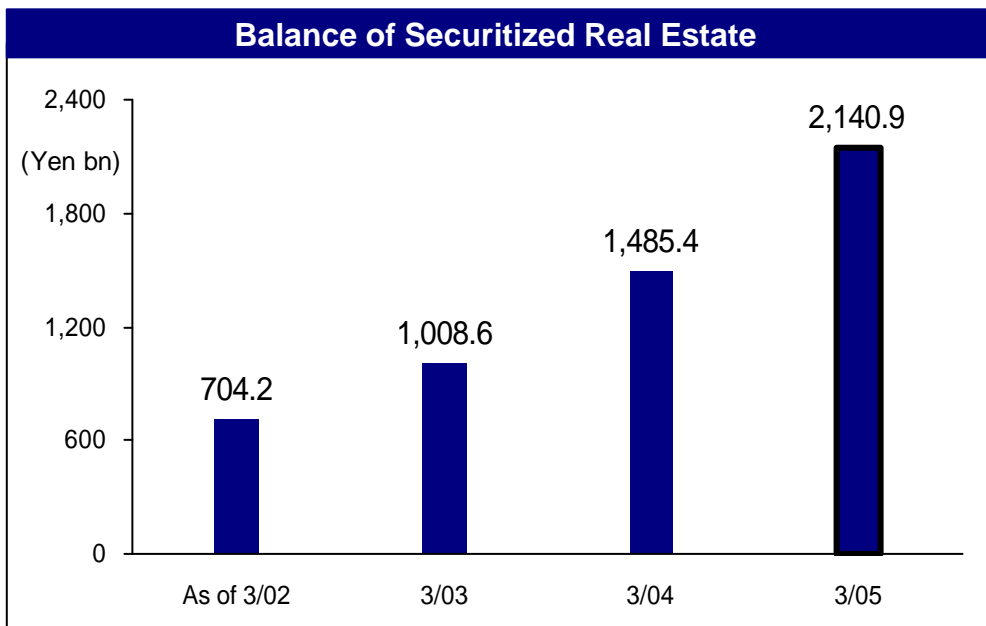
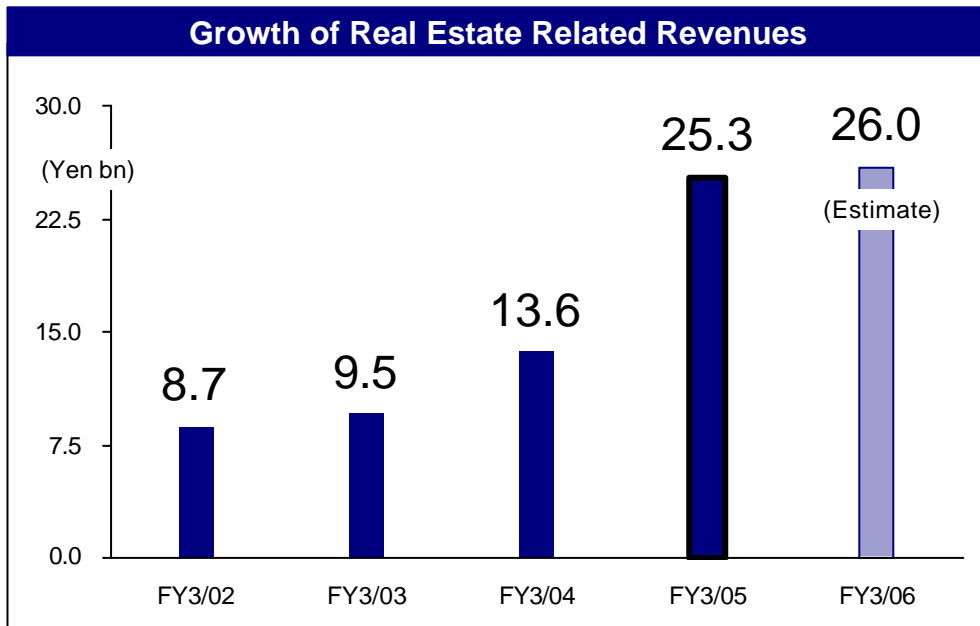
Real Estate Business

Revenues of Real Estate Sector					
	a	b		d	(Yen bn)
CMTB	FY3/04	Actual FY3/05	c:b-a Chg.	Outlook FY3/06	e:d-b Chg.
Brokerage and other	10.5	21.0	10.5	21.5	0.5
Securitization related	3.1	4.3	1.2	4.5	0.2
Total	13.6	25.3	11.7	26.0	0.7

- Due to market expansion and strengthened sales forces, posted record high revenues since Chuo Mitsui's establishment in 2000.
- Competitive advantage in fund business brings in business chances in the trend of real estate becoming financial products

Brokerage fees related to funds & investors increased

Steady increase in securitization related revenues

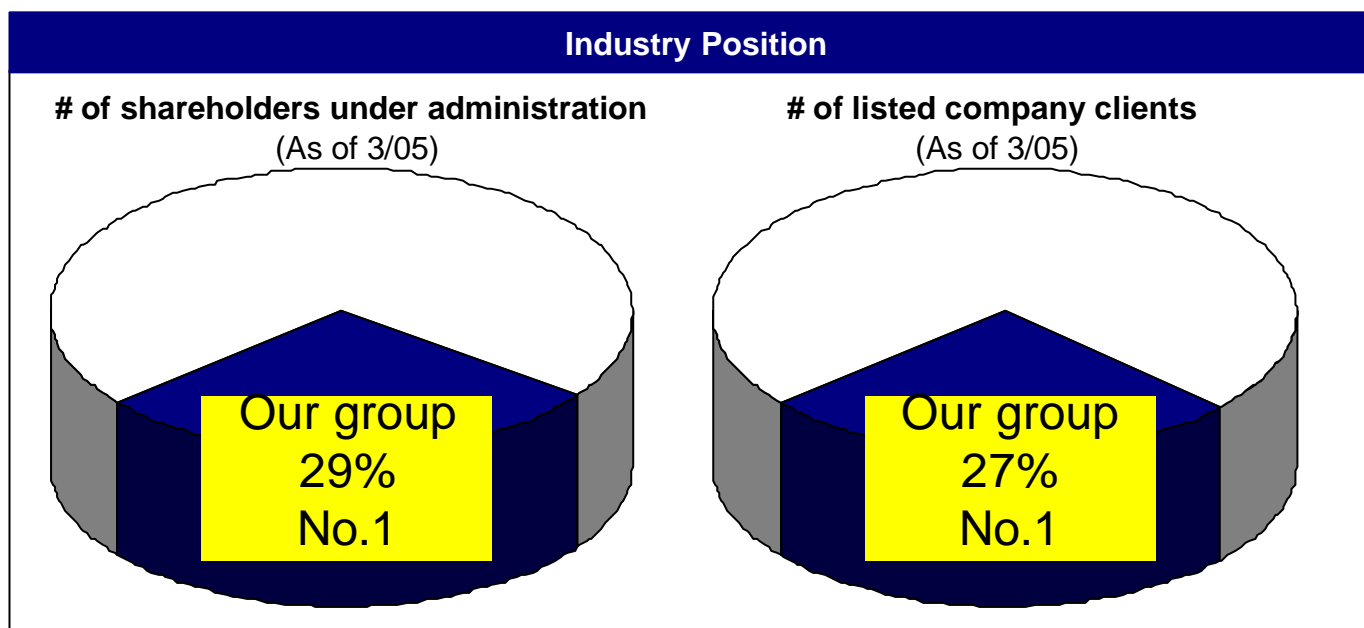


Stock Transfer Agency Business

Revenues of Stock Transfer Agency Sector					
	a	b	c:b-a	d	(Yen bn) e:d-b
CMTB	FY3/04	Actual FY3/05	Chg.	Outlook FY3/06	Chg.
Fees received	24.6	27.0	2.4	29.0	2.0
Fees paid (Minus)	9.6	11.3	1.7	11.5	0.2
Total	15.0	15.7	0.7	17.5	1.8

- Acquisition of Tokyo Securities Transfer Agent brings economy of scale in IT investment
- Plan to increase # of shareholders under administration through trust agency agreement with SMBC (Sumitomo Mitsui Banking Corporation)

**Acquisition of Tokyo Securities Transfer Agent in 3/05 :
Share increase of approx. 3%**



Pension & Securities Business in Mitsui Asset T/B

Mitsui Asset: FY3/05 Highlights & FY3/06 Outlook

	a	b	c:b-a	d	(Yen bn) e:d-b
	FY3/04	Actual FY3/05	Change	Outlook FY3/06	Change
Gross operating profit	32.7	32.8	0.1	36.0	3.2
Pension business	25.4	24.9	(0.5)	26.5	1.6
Securities business	7.8	8.8	1.0	10.5	1.7
Others	(0.4)	(0.9)	(0.5)	(1.0)	(0.1)
Operating expenses	21.0	14.5	(6.5)	14.0	(0.5)
Overhead ratio	64%	44%	(20%)	39%	(5%)
Pre-provision profit	11.6	18.2	6.6	22.0	3.8
Net income	4.6	10.1	5.5	12.0	1.9

By cross-selling of highly profitable alternative products etc.,
Fees received turned to increase

Revenues of Pension Operations Sector

	a	b	c:b-a	d	(Yen bn) e:d-b
	FY3/04	Actual FY3/05	Chg.	Outlook FY3/06	Chg.
MATB					
Fees received	28.5	30.9	2.4	26.5	
Fees paid (Minus)	3.1	6.0	2.9		
Total	25.4	24.9	(0.5)	26.5	1.6

Revenues of Securities Sector

	a	b	c:b-a	d	(Yen bn) e:d-b
	FY3/04	Actual FY3/05	Chg.	Outlook FY3/06	Chg.
MATB					
Fees received	10.8	11.6	0.8	10.5	
Fees paid (Minus)	3.0	2.8	(0.2)		
Total	7.8	8.8	1.0	10.5	1.7

In addition to continuous effort to promote efficiency of operations, outsourcing of asset administration business to JTSB* significantly reduced operating expenses

*JTSB: Japan Trustee Services Bank

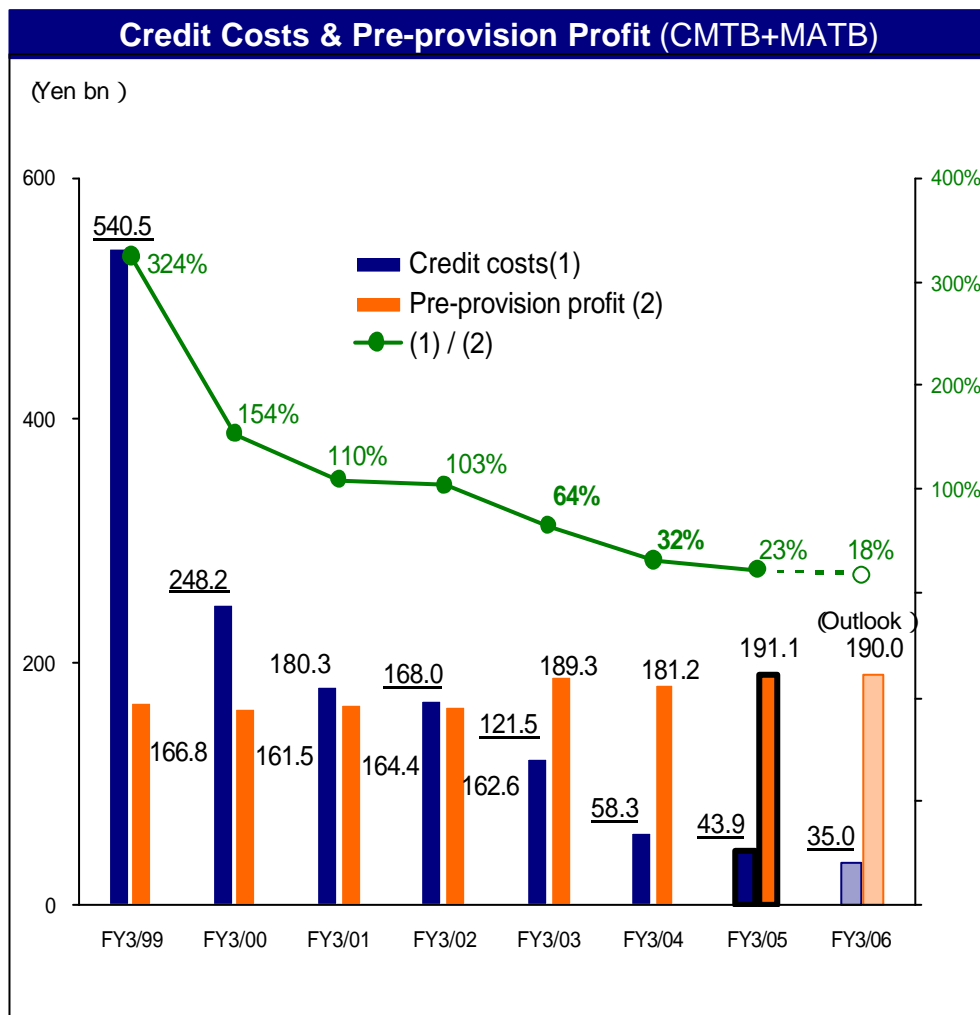
Enhance approach to the expanding investment trust market, to increase balances of entrusted asset & investment advisory

. *Strengthening of Balance Sheet*

- *Disposal of NPLs*
- *NPLs Balance & NPLs Ratio*
- *Equity Portfolio*
- *Bond Portfolio*
- *Deferred Tax Assets*
- *Capital*

Disposal of NPLs

Credit costs to decline for 6 consecutive years, to 23% of pre-provision profit



Breakdown of Credit Costs

	a	b	c:b-a	d	e:d-b
CMTB	FY3/04	Actual FY3/05	Chg.	Outlook FY3/06	Chg.
New NPLs costs	42.4	38.1	(4.3)	22.0	(16.1)
Off-balance costs	45.2	22.0	(23.2)	13.0	(9.0)
Transfer to the general reserve					
	(29.3)	(16.2)	13.1	-	16.2
Total	58.3	43.9	(14.4)	35.0	(8.9)

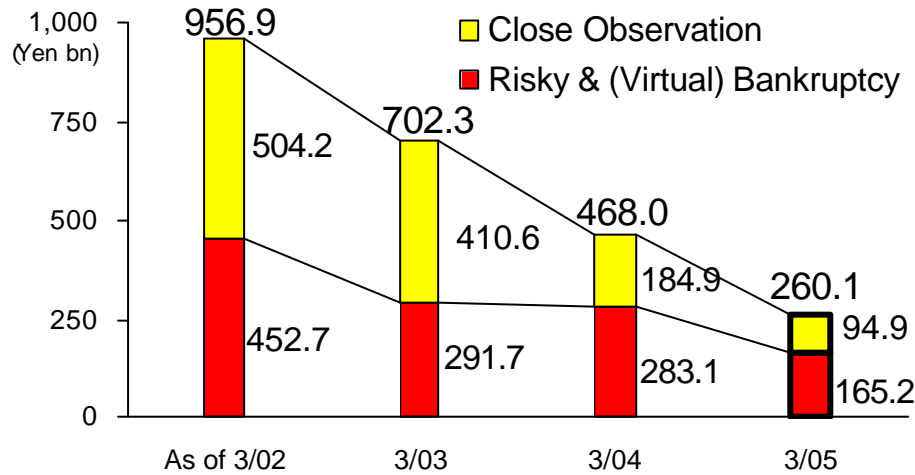
Amount of Off-balance

	a	b	c:b-a	d	e:d-b
CMTB	FY3/04	Actual FY3/05	Chg.	Outlook FY3/06	Chg.
Off-balance					
Amount	198.3	253.7	55.4	110.0	(143.7)

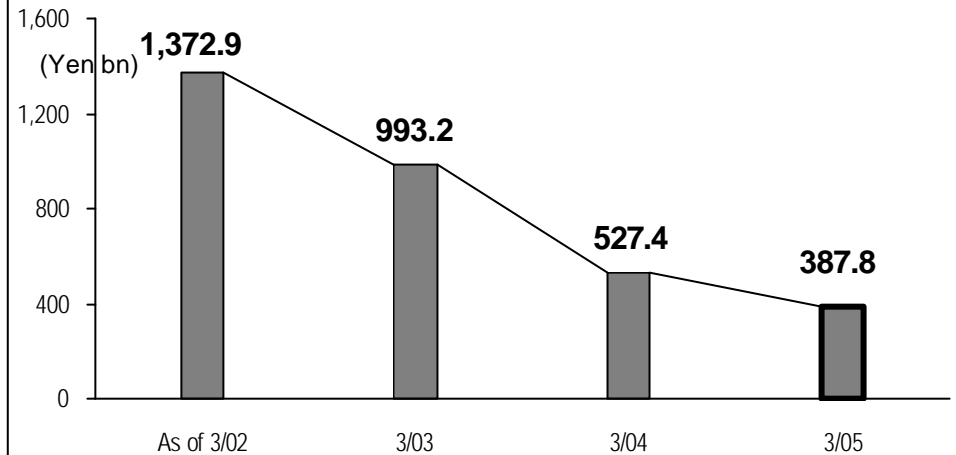
NPLs Balance & NPLs Ratio

NPLs Ratio: down to 2.8%

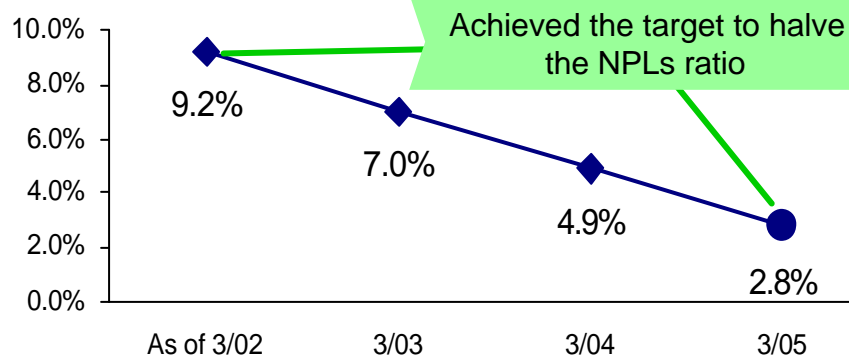
NPLs Balance (Banking a/c + Trust a/c)



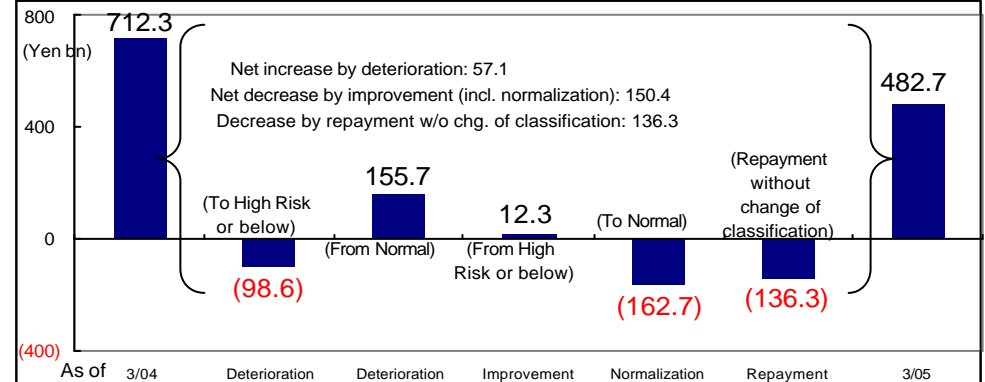
Balance of "Other" Special Mention Loans (Banking a/c + Trust a/c)



NPLs Ratio (Banking a/c + trust a/c)



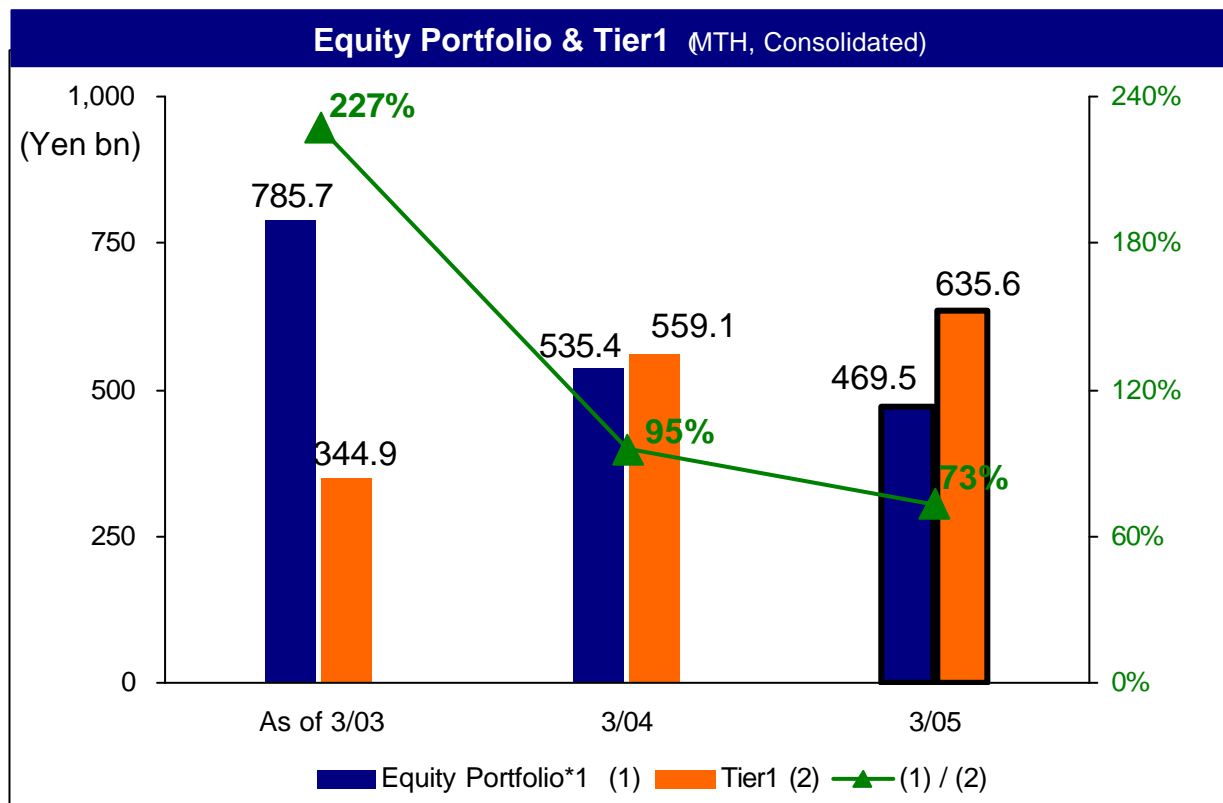
Migration on Special Mention Loans (Banking a/c + trust a/c)



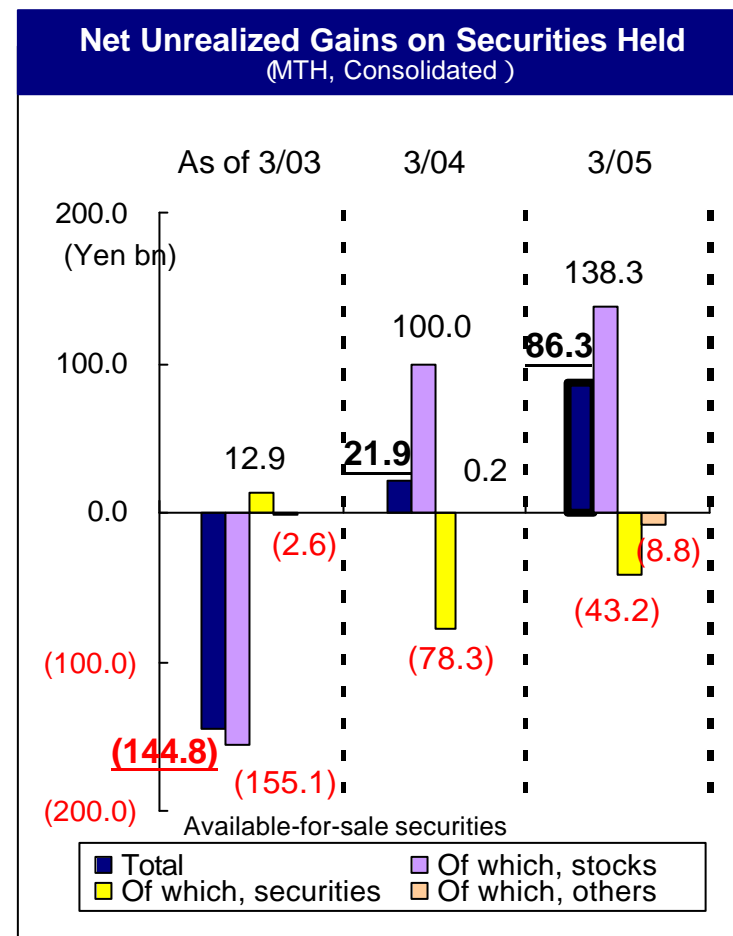
Equity Portfolio

The balance declined to 73% of Tier1 Capital

Net unrealized gains on securities held increased

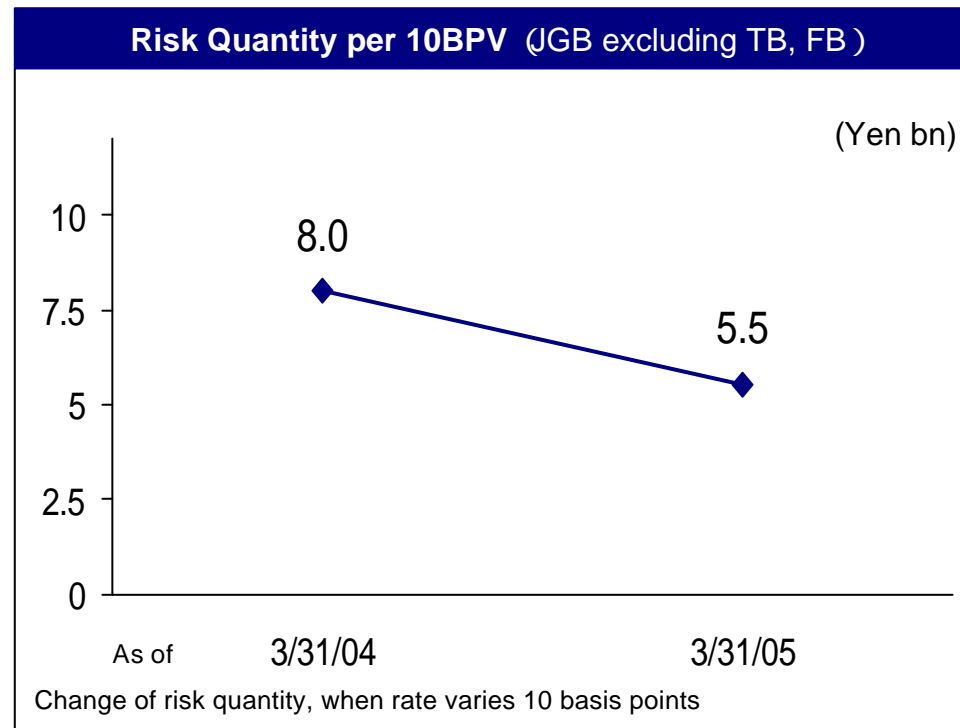
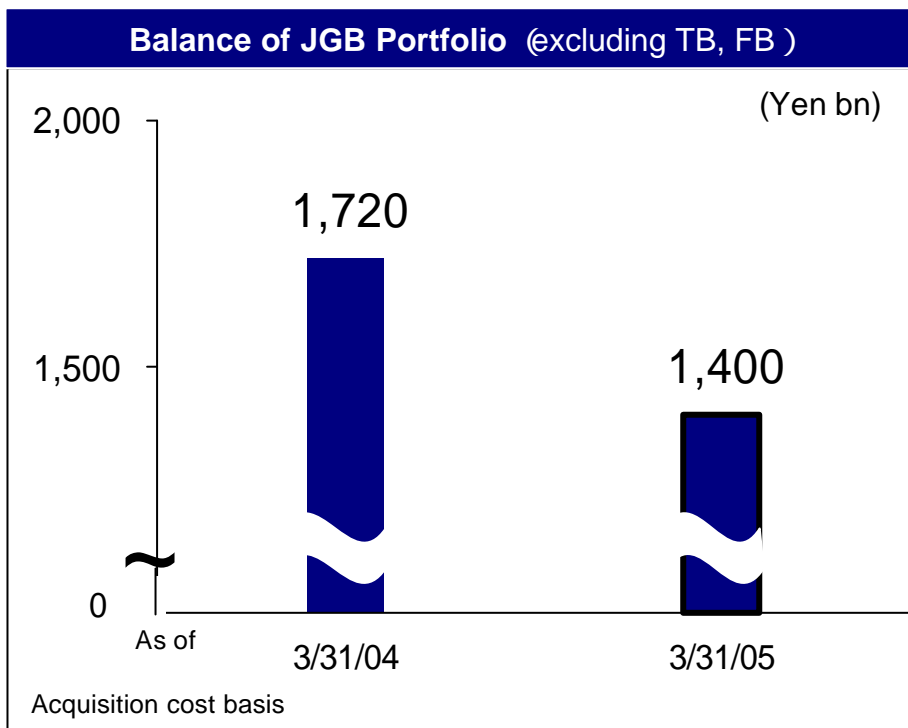


*1 Acquisition cost basis, except for 3/03 figure (book value basis, due to net unrealized losses)



Bond Portfolio

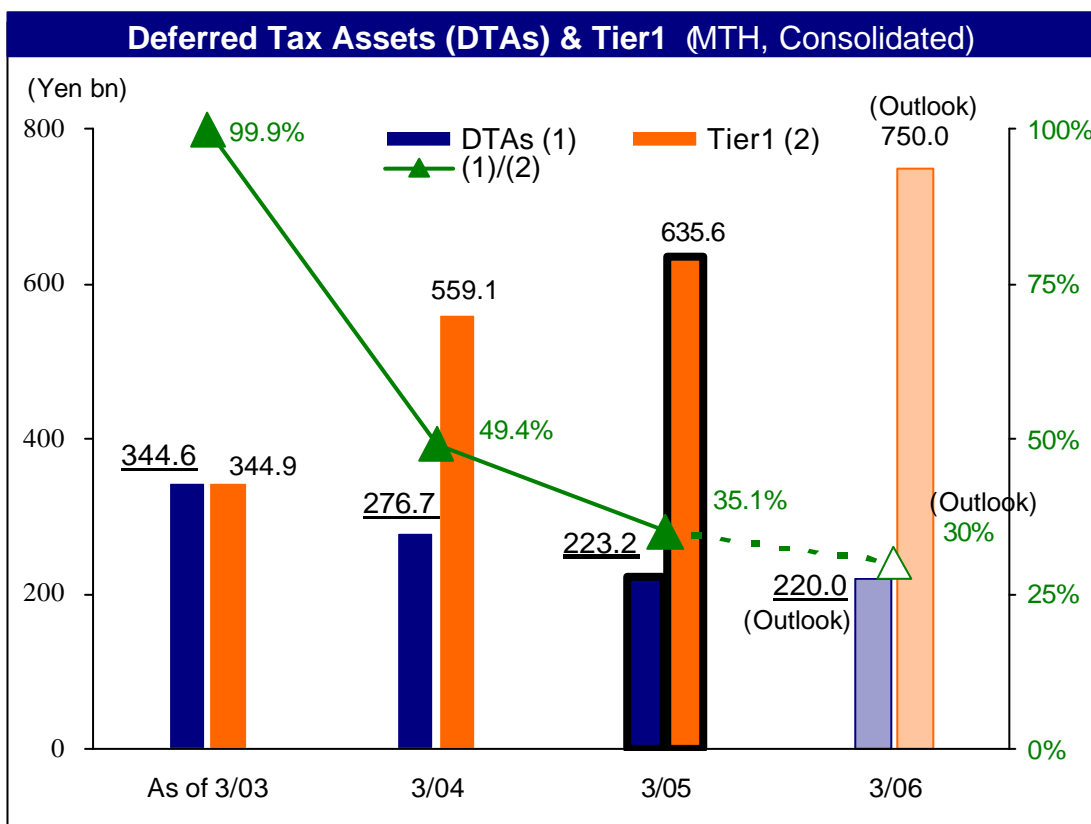
Executed reduction of risk quantity



Deferred Tax Assets

To 35% of Tier1 capital (MTH, Consolidated)

FY3/06 estimate: DTAs to remain nearly flat



Breakdown of Deferred tax Assets & Liabilities

CMTB: Non-consolidated (Yen bn)

	As of	3/04	3/05	Chg.
1	Deferred tax assets	284.6	240.3	(44.2)
	Allowance for possible loan losses	60.4	43.9	(16.4)
	Securities write-offs	31.8	30.3	(1.4)
	Unrealized losses on available-for-sale securities	5.5	-	(5.5)
	Reserve for retirement benefits	15.1	13.8	(1.2)
	Tax loss carryforwards	270.3	235.2	(35.0)
	Others	18.7	21.1	2.3
	Valuation allowance (Non-booked)	(117.4)	(104.3)	13.0
2	Deferred tax liabilities	15.7	14.4	(1.2)
	Gains on establishment of retirement benefit trusts	12.9	11.4	(1.4)
	Unrealized gains on available-for-sale securities	-	-	-
	Others	2.7	3.0	0.2
1-2	Net deferred tax assets	268.9	225.9	(43.0)

Estimation of CMTB's Taxable Income before Adjustments (5 Years Total)

(Yen bn)

Assumption for estimation	Estimated profit	Adjusted amount	Estimated profit for DTA
5 yrs total			5 yrs total
Pre-provision profit	1,300.0	(693.6)	606.4
Net income before taxes	1,150.0	(705.5)	444.5
		Adjustment on tax account	102.0
		Taxable income before adjustments	546.5

Approx. 120yen bn p.a.
Approx. 90yen bn p.a.
Approx. 110yen bn p.a.

Capital

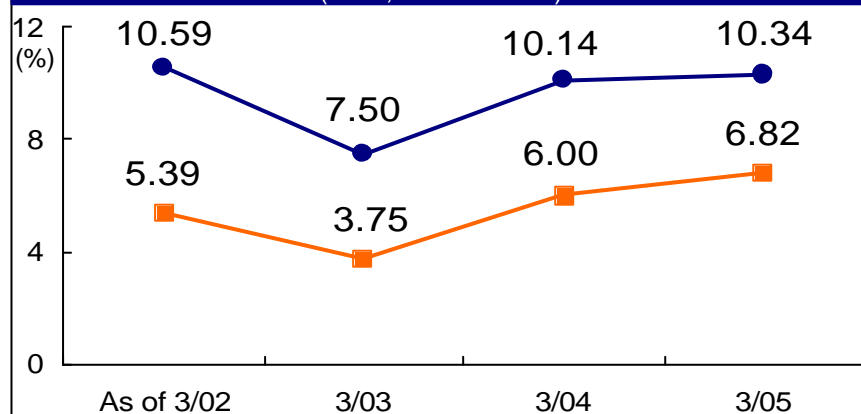
Capital Adequacy Ratio (MTH, Consolidated)

	(Yen bn)				
	a	b	c:b-a	d:Estimate	e:d-b
MTH, Consolidated	3/04	3/05	Change	3/06	Change
Tier1	559.1	635.6	76.5	750.0	114.4
Tier2	386.3	331.4	(54.9)	320.0	(11.4)
Risk-weighted assets	9,307.3	9,320.5	13.2	9,700.0	379.5
Capital Adequacy Ratio	10.14%	10.34%	0.20%	Approx. 11%	
Tier1 Ratio	6.00%	6.82%	0.82%	7.5 to 7.9%	

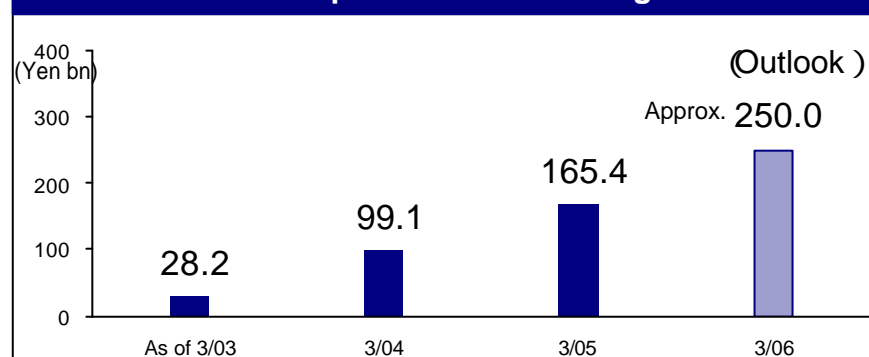
Risk Assets Change in FY3/06 (Planned)

	(Yen bn)	
	End balance	[Risk assets
	chg.	chg.]
Increase of high yield assets	+550	[+360]
Housing loans	+380	[+190]
Alternative investments	+170	[+170]
Others	+20	[+20]
Total	+570	[+380]

Capital Adequacy Ratio & Tier1 Capital Ratio (MTH, Consolidated)



The Group's Retained Earnings *1



*1 Total retained earnings of MTH+CMTB+MATB subtracted by amount required for accumulated earned reserve

Preferred Shares

	Amount (Yen bn)	Type	Year/Month of Injection	Dividend Rate	Current Conversion Price	Reset Floor	Annual reset date, Up/Down ward Resets	Mandatory conversion date	Conversion Price at mandatory conversion date	Final Reset Floor (Yen)
Class I	32.0	Convertible	3/1998	2.50%	395.40	395.40	August 1, Downward	8/1/2018	Market price *	400
Class II	150.0	Convertible	3/1999	0.90%	450	450	Downward	8/1/2009	Market price *	400
Class III	250.25	Convertible	3/1999	1.25%	450	450	reset only	8/1/2009	Market price *	400
Total	432.25									

* 30-day average for common share prices, starting from 45 days prior to mandatory conversion

. *New Businesses*

New Businesses

New growth driver of profit to lead the next stage

Turnaround Management Business

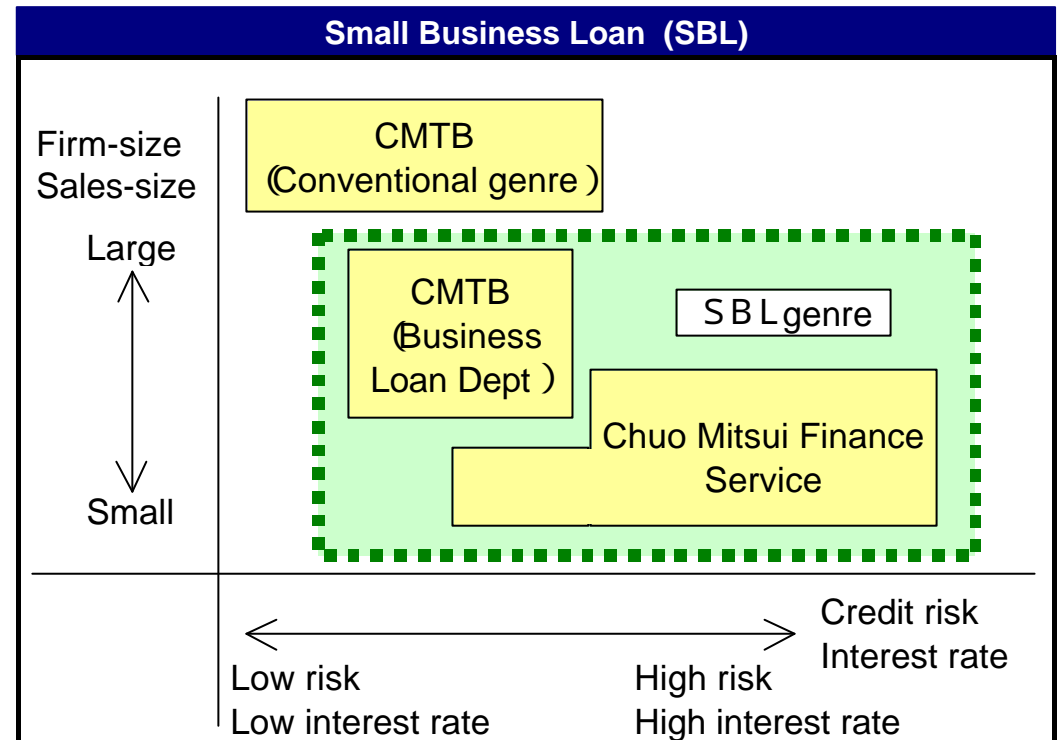
Enhancement of corporate revitalization finance & buyout-related finance

Small Business Loans

- Newly established special division in CMTB, "Business Loan Dept."
- Co-established Chuo Mitsui Finance Service Co. Ltd. with Nissin Co., Ltd.
- Adoption of auto-scoring system

Reverse Mortgage

Engaged in the business ahead of peers in anticipation of coming aging society





This material contains certain forward-looking statements. These statements are not guarantees of future performance, and involve risks and uncertainties. Actual results may differ from these forward-looking statements contained in the present material, due to various factors, including, but not limited, to changes in overall economic conditions.