

Analyst Meeting Presentation Material



December 2, 2004

Mitsui Trust Financial Group

Agenda

I . Management Strategies

- *Management Direction*
- *Recomposition of Revenue Structure*
- *Thorough Low Cost Operations*
- *Strengthen Financial Base*
- *Financial Summary*
- *Revenues by Business Unit*

II . Implementation

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

III . Strengthening of Balance Sheet

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

I . Management Strategies

- *Management Direction*
- *Recomposition of Revenue Structure*
- *Thorough Low Cost Operations*
- *Strengthen Financial Base*
- *Financial Summary*
- *Revenues by Business Unit*

Management Direction

Management Direction

Mitsui Trust Financial Group

Actions

FY3/05

~Enhancement of Profitability~

- **Increase Revenues** ^{*1}
- **Promote Efficiency**

Recomposition of Revenue Structure
Thorough Low Cost Operations

*1 Gross operating profit

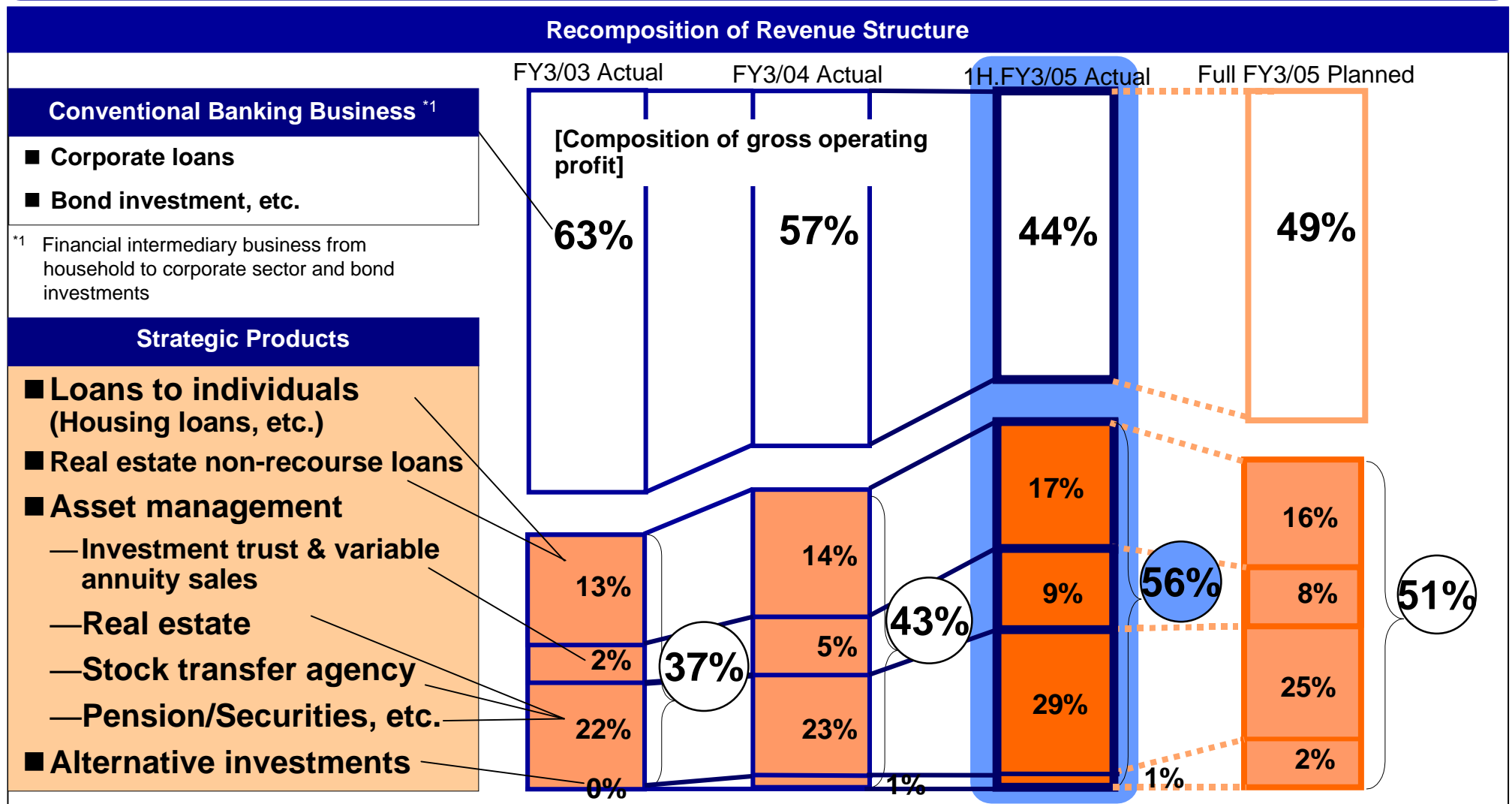
~Strengthen Balance Sheet~

- **Final Disposal of NPLs**
- **Reduction of Equity Portfolio**

Completion

Recomposition of Revenue Structure^①

1H.FY3/05: Weight of strategic products relative to total revenues exceeded 50%



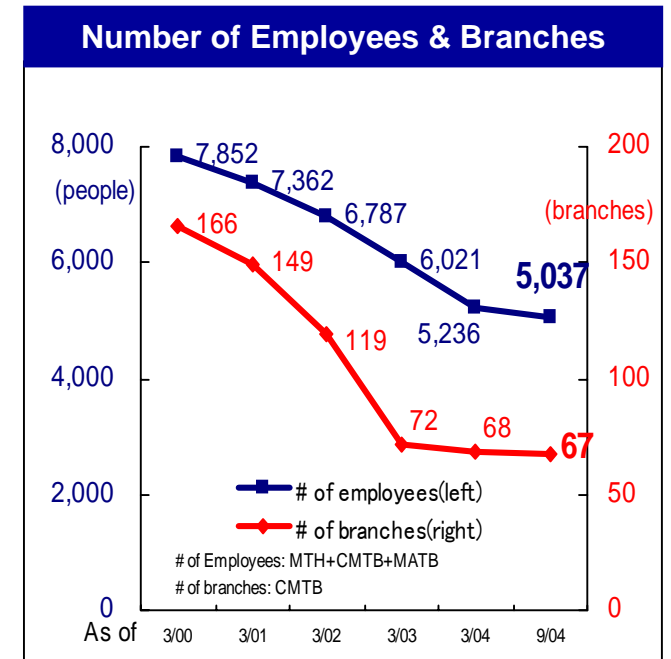
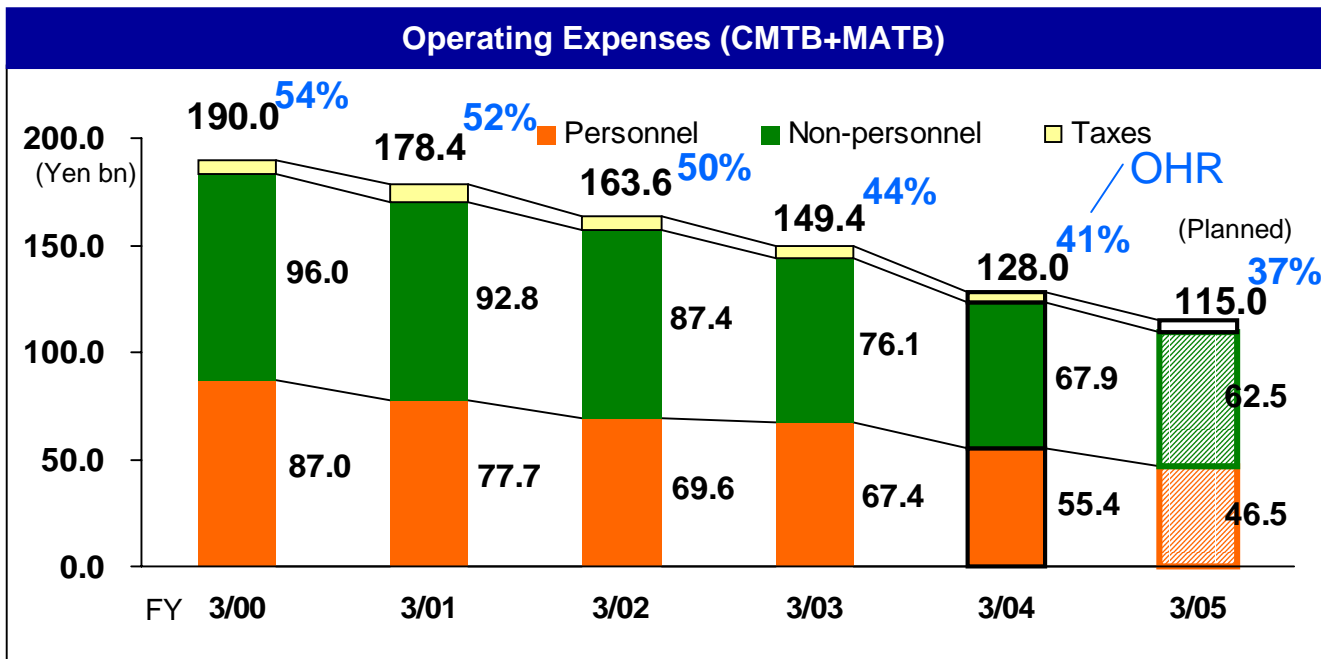
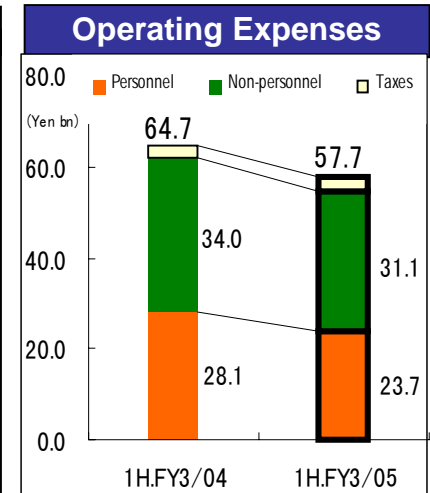
Recomposition of Revenue Structure②

Recomposition of Revenue Structure		
Contents	1H. Actual	Full FY Planned
Enhancing housing loans	New housing loan origination of ¥300.1bn [Initial target: ¥300bn]	Revise full FY target upward to ¥630bn [Initial target: ¥600bn]
Enhancing real estate asset finance	End balance of ¥927.0bn [Initial target: ¥900bn]	Revise full FY target upward to ¥1.05trn [Initial target: ¥1trn]
Reducing funding (time deposits) costs	10bp decline <small>(Managerial basis, avg. balance basis)</small> [Initial target: 10bp decline from 1H.FY3/04]	Planning full FY decline of 10bp from last FY, as initially targeted
Strengthening investment trust & variable annuity sales	Revenues of ¥12.4bn [Initial target: ¥10.0bn]	Revise full FY target upward to ¥24.5bn [Initial target: ¥20.0bn]
Enhancing of real estate business	Revenues of ¥11.2bn [Initial target: ¥8.0bn]	Revise full FY target upward to ¥22.0bn [Initial target: ¥19.0bn]

Low Cost Operations

MTH: Mitsui Trust Holdings
 CMTB: Chuo Mitsui T/B MATB: Mitsui Asset T/B

Thorough Low Cost Operations (CMTB+MATB)		
Contents	1H. Actual	Full FY Planned
Reducing operating expenses	1H. on 1H. reduction: ¥(7.0)bn [Initial target: ¥(3.7)bn]	Revise full FY target to ¥(13.0)bn reduction [Initial target: ¥(6.0)bn reduction]
Declining OHR	Achieved 41% [1H.FY3/04 actual: 46%]	Full FY plan: 37% [Targeting below 40%]



Strengthen Financial Base

Strengthen Financial Base		
Contents	1H. Actual	Full FY Planned
Credit costs ^{*1}	Actual: ¥21.7bn [Initial estimate: ¥24.0bn]	Full FY estimate: ¥40.0bn [No revision]
NPLs ratio ^{*1} Halve NPLs ratio from 9.2% (at 3/02)	Actual: 3.9% Achieved 6 months ahead of deadline set by FSA	Revise full end-FY estimate to approx. 3.0% [Initial estimate: approx. 3.8%]
Reduction of equity portfolio ^{*2}	Equity portfolio relative to Tier1: 80% [End-3/04 actual: 95%]	Further reduction: To approx. 70% of Tier1
Reduction of DTAs ^{*3}	DTAs relative to Tier1: 40% [End-3/04 actual: 49%]	Further reduction: To 30% level of Tier1

*1 CMTB, Non-consolidated *2 MTH, Consolidated *3 Deferred Tax Assets. MTH, Consolidated

Financial Summary

1H.FY3/05 Highlights & Full FY3/05 Outlook

Yen bn						
CMTB+MATB	1H.Actual			Full FY Outlook		
Combined totals	1H.FY3/04	1H.FY3/05	Change	FY3/04	FY3/05	Change
Gross operating profit ^{*1}	141.4	140.2	(1.1)	309.3	315.0	5.7
Operating expenses [minus]	64.7	57.7	(7.0)	128.0	115.0	(13.0)
Overhead ratio	46%	41%	(5)%	41%	37%	(5)%
Pre-provision profit ^{*2}	76.6	82.5	5.8	181.2	200.0	18.7
Net stock related profit	38.2	18.8	(19.4)	39.7	16.0	(23.7)
Recurring profit	74.0	71.8	(2.1)	126.8	160.0	33.1
Deffered income taxes [minus]	23.8	33.8	10.0	66.9	58.0	(8.9)
(Interim) Net income	54.2	35.1	(19.0)	83.3	90.0	6.6
Credit costs [minus]	32.4	21.7	(10.7)	58.3	40.0	(18.3)
MTH, Consolidated	1H.FY3/04	1H.FY3/05	Change	FY3/04	FY3/05	Change
Recurring profit	48.0	76.4	28.4	105.3	165.0	59.6
(Interim) Net income	22.4	35.3	12.8	50.7	85.0	34.2
			ROE ^{*3}	13%	19%	

*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						
				(Yen bn)		
Total of CMTB & MATB	1H.FY3/04	1H.Actual 1H.FY3/05	Change	FY3/04	Full FY Outlook FY3/05	Change
Revenues "Gross operating profit"						
Banking business	104.0	87.5	(16.5)	222.6	210.0	(12.6)
Excl. a,b Financing business 3 a/c total	55.0	73.3	18.3	139.6	152.0	12.4
a Loans to individuals, Non-recourse loans	20.4	23.6	3.2	45.6	50.5	4.9
b Alternative investments	4.0	1.8	1.4	2.7	6.5	3.8
Net bond related profit	28.2	(11.2)	(39.4)	34.7	1.0	(33.7)
Asset management business	37.4	52.7	15.2	86.6	105.0	18.4
Sales of investment trusts & variable annuities	6.5	12.4	5.9	15.3	24.5	9.2
Real estate	6.0	11.2	5.2	13.6	22.0	8.4
Stock transfer agency	7.9	8.1	0.2	15.0	16.5	1.5
Pension	12.5	12.4	(0.1)	25.4	25.5	0.1
Securities	1.1	4.2	3.1	7.8	8.0	0.2
Others	3.3	4.1	0.8	9.4	8.5	(0.9)
Revenues "Gross operating profit" total	141.4	140.2	(1.1)	309.3	315.0	5.7
Operating expenses	64.7	57.7	(7.0)	128.0	115.0	(13.0)
Pre-provision profit	76.6	82.5	5.8	181.2	200.0	18.7

II . Implementation

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

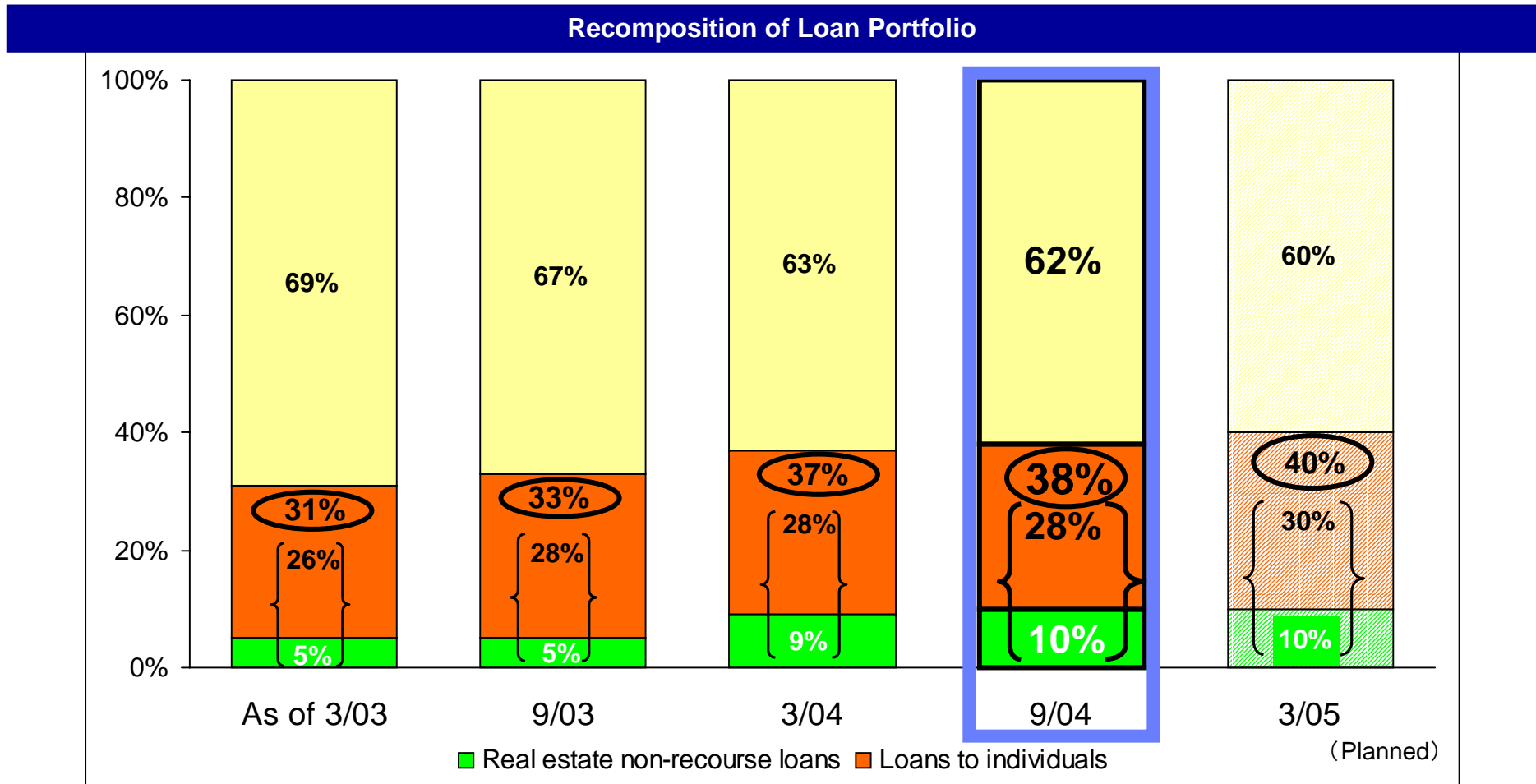
II - 1. Efficiency in Banking Business

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

Recomposition of Loan Portfolio

Composition of loans to individuals and real estate non-recourse loans:
 Reached 38% at 9/04 → Planned up to 40% at 3/05

- Credit loss rate of loans to individuals: Stable at 0.01%
- Real estate non-recourse loans: No defaults

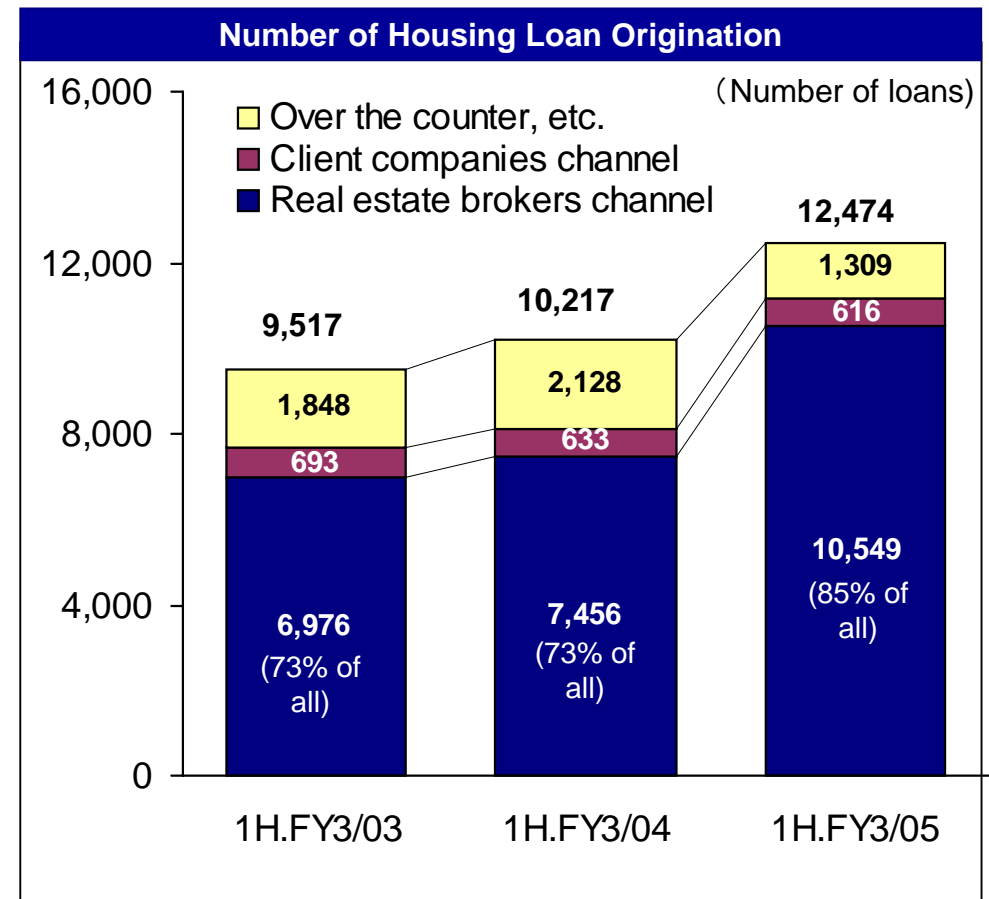
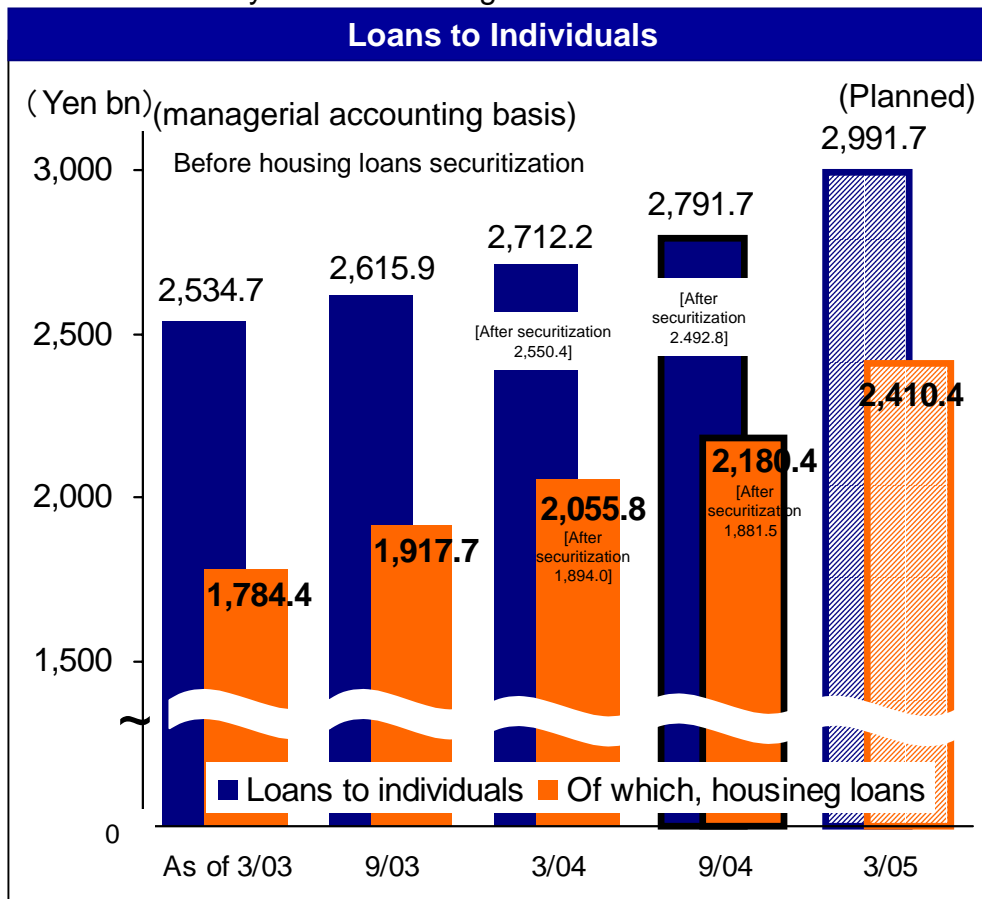


Housing Loans

- 1H.FY3/05: New housing loan origination of ¥300.1bn is a record high
- Growth rate of 6% in 1H.FY3/05 is top among major banks in Japan *1

*1Our survey. Before housing loans securitization

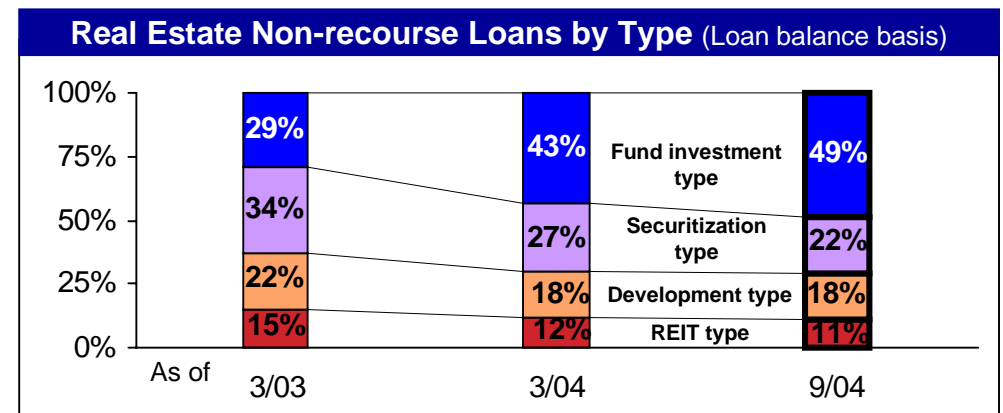
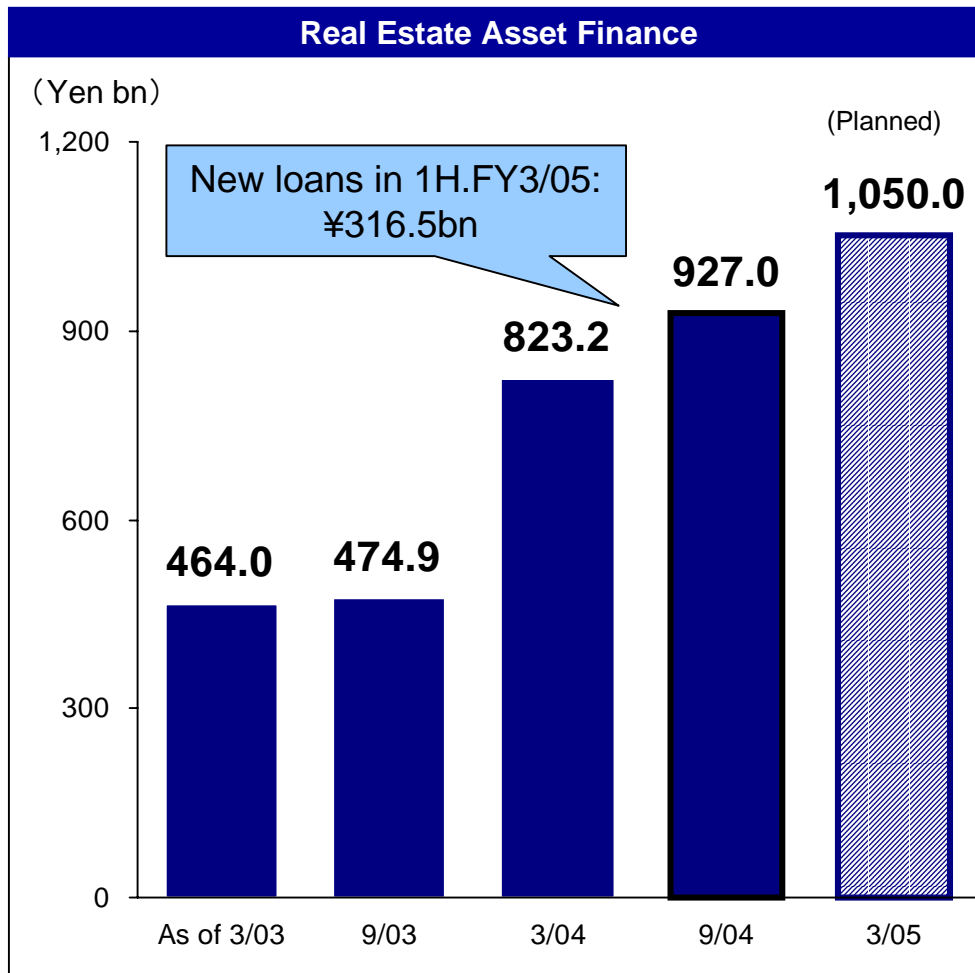
“Route sales (channels with real estate agents and developers)” strategy brings in successful differentiation with competitors



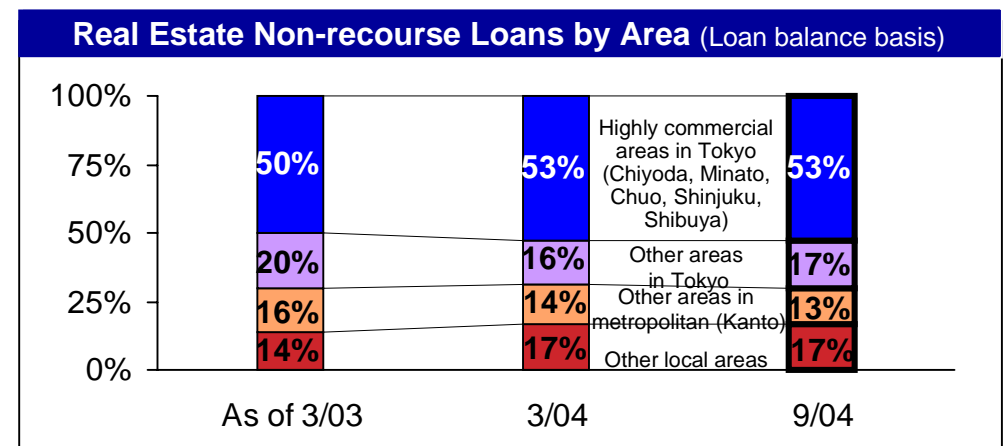
Real Estate Asset Finance

Plan to increase to ¥1.05trn by end-FY

Growth of fund investment type significant

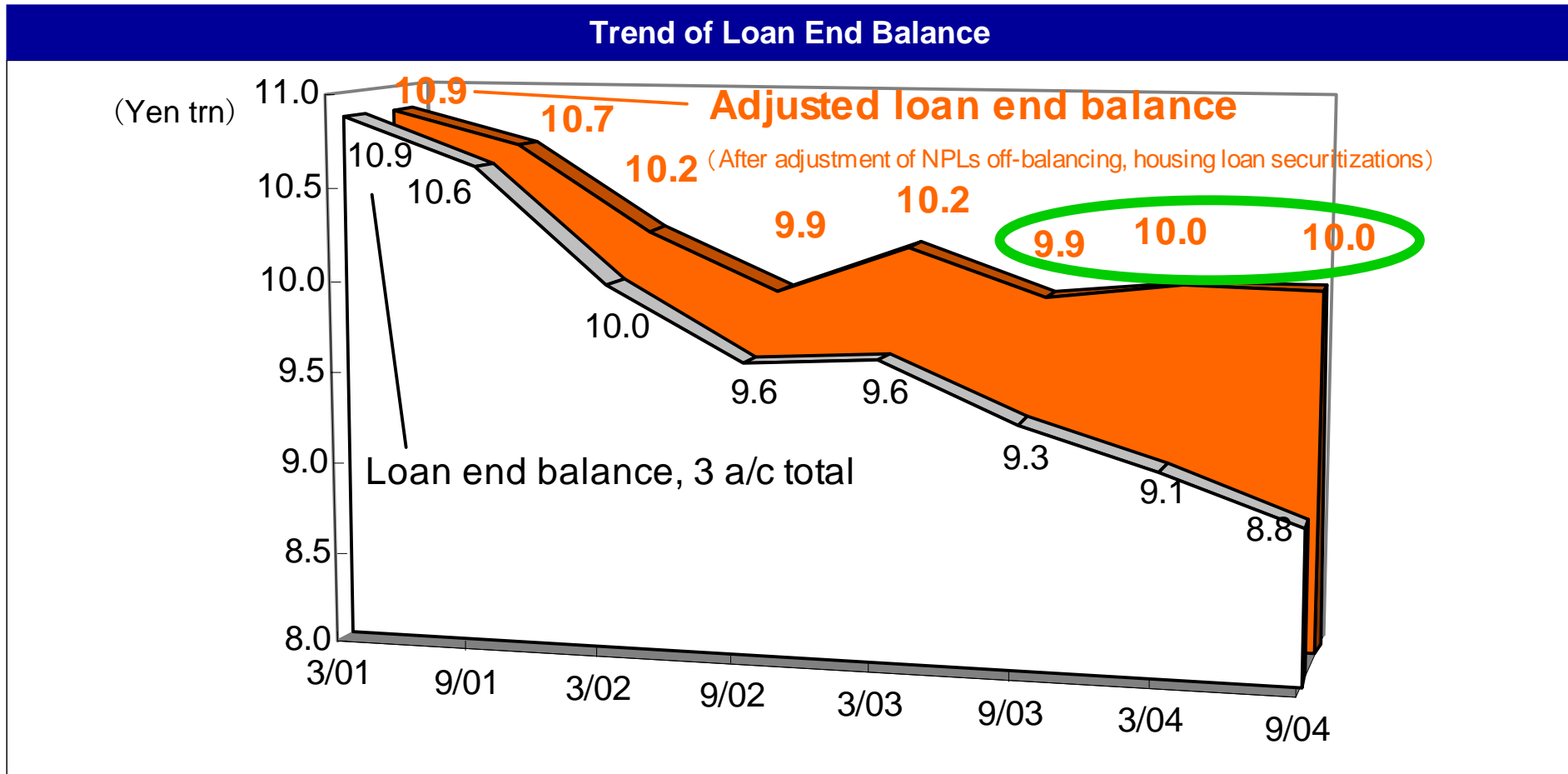


Fund investment type: Real estate fund investment, Securitization type: Off-balance real estate of corporations
Development type: Build new office buildings and large condominiums
REIT type: Loans to REIT (to investment company)



Loan Volume

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



Yields & Margins

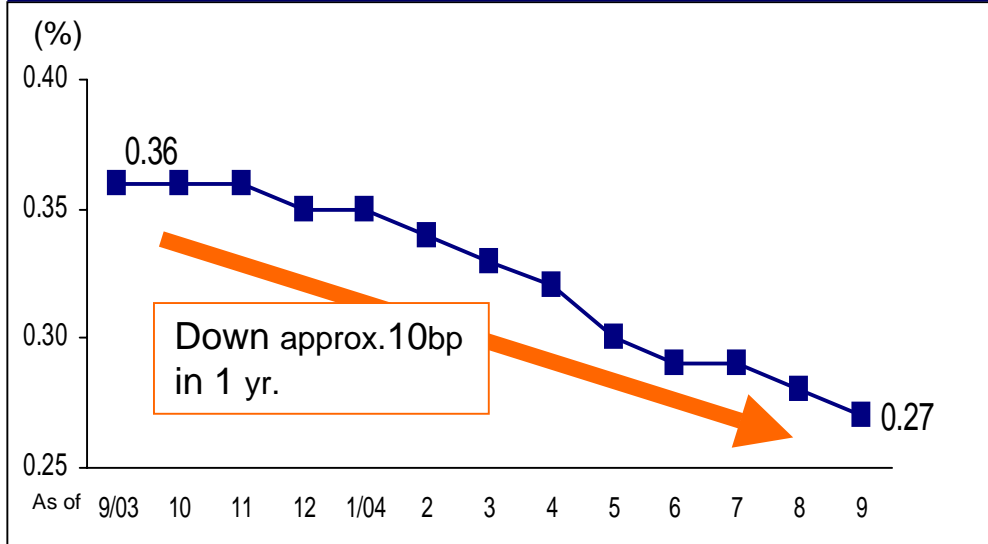
CMTB: Banking a/c [domestic] Yields

	a		b		c:b-a Chg.
	1H. FY3/04	1H. FY3/05	1H. FY3/04	1H. FY3/05	
1 Average yield	1.20%	1.09%			(0.10)%
2 Loans and bills discounted	1.56%	1.39%			(0.17)%
Securities	0.61%	0.65%			0.04%
3 Average yield on procured funds	0.42%	0.36%			(0.06)%
4 Deposits	0.30%	0.23%			(0.07)%
Yield margin (1-3)	0.77%	0.73%			(0.04)%
Yield margin (2-4)	1.25%	1.16%			(0.09)%

Declining trend of funding costs continues

Yields on Time Deposits

(Managerial accounting basis, monthly average, stock basis)



Alternative Investments & New Business

Alternative Investments

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

Alternative Investments: Actual & Planned

		(Yen bn)			
		Actual	Actual	Planned	Planned
		FY3/04	1H.	2H.	FY3/04
	End balance	350.0	610	800.0	800.0
a	Average balance	80.0	470.0	700.0	585.0
b	Returns* ¹	4.7	3.2	8.4	11.6
b/a	Rate of returns	5.9%	1.4%	2.4%	2.0%

*1 Gross basis (before considering funding costs)

Types of Alternative Investments

- Foreign investment trusts
- Credit linked notes
- RMBS
- Fund investments
- Repackaging of bonds
- Real estate equity investments, etc.

Pursuit for new business

- Establishment of joint venture engaged in small business lending, with Nissin Co., Ltd.
- Combination of Mitsui Trust's brand value and Nissin's expertise in small business lending

Continue to seek new opportunities of alliances, which could complement our businesses and create synergies, in various business areas.

II - 2. Enhancement of Fee Business

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

Investment Trust & Variable Annuity Sales

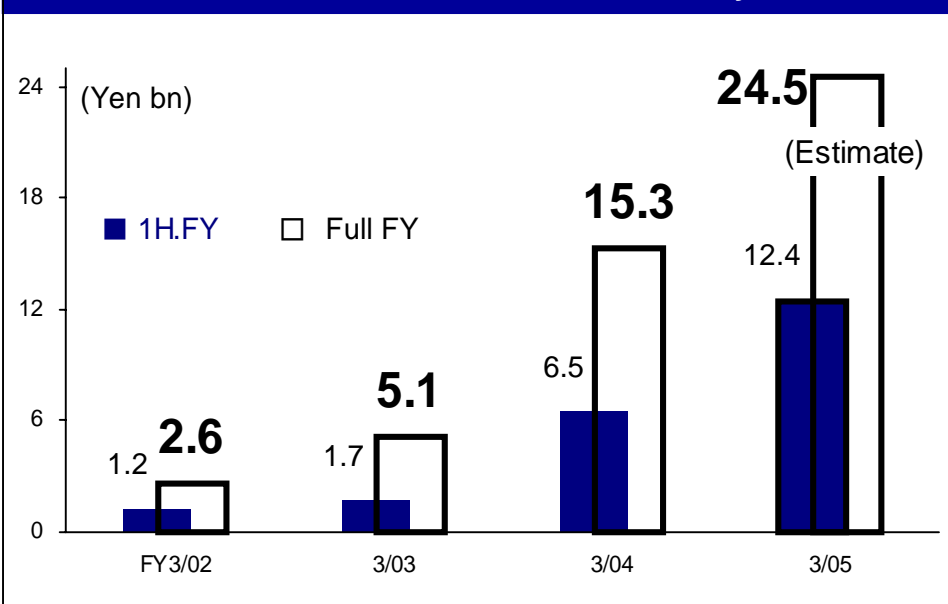
By ①Further enhancing consultation capability and ②Introducing new products,
 Achieved 1H. profit of ¥12.4bn. Planned full FY profit: ¥24.5bn, YoY increase of ¥9.2bn, or up 60%

Sales Fees of Investment Trusts & Variable Annuities

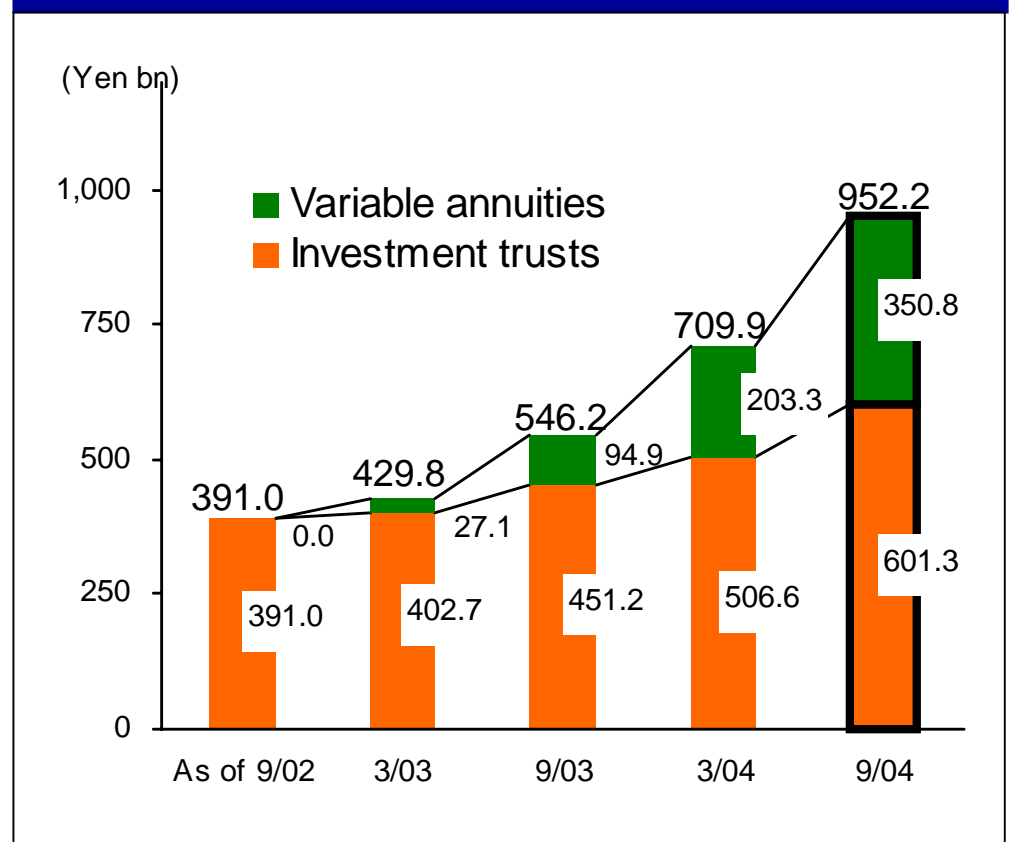
CMTB	1H.Actual			Full FY Outlook		
	1H.FY3/04	1H.FY3/05	Chg.	FY3/04	FY3/05	Chg.
Investment trust related	3.1	4.0	0.9	6.7	8.0	1.3
Variable annuity related	3.3	8.3	5.0	8.5	16.5	8.0
Total	6.5	12.4	5.9	15.3	24.5	9.2

(Yen bn)

Growth of Investment Trust & Variable Annuity Sales Fees



Balance of Investment Trusts & Variable Annuities



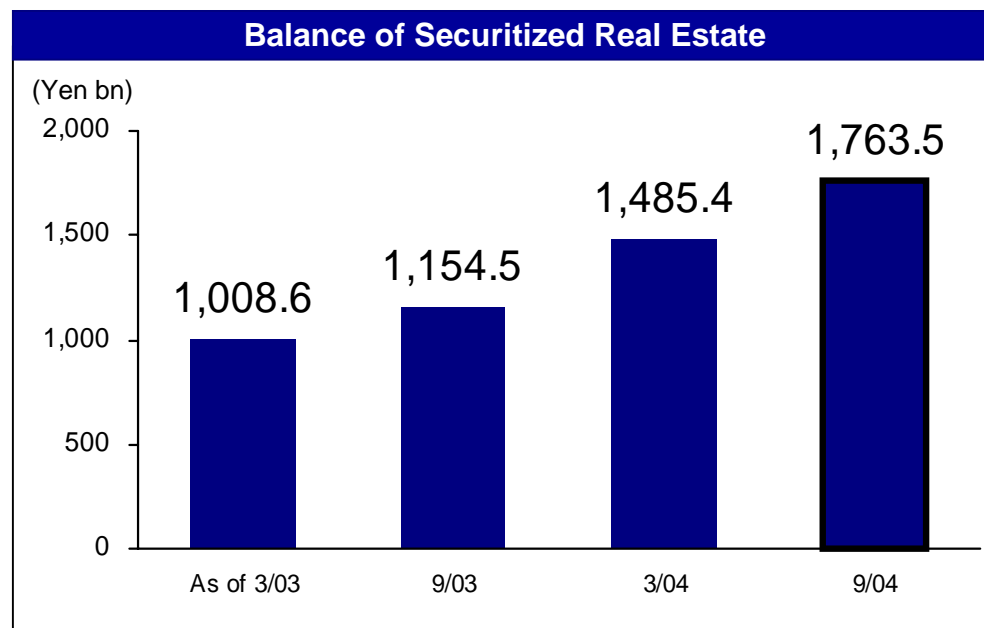
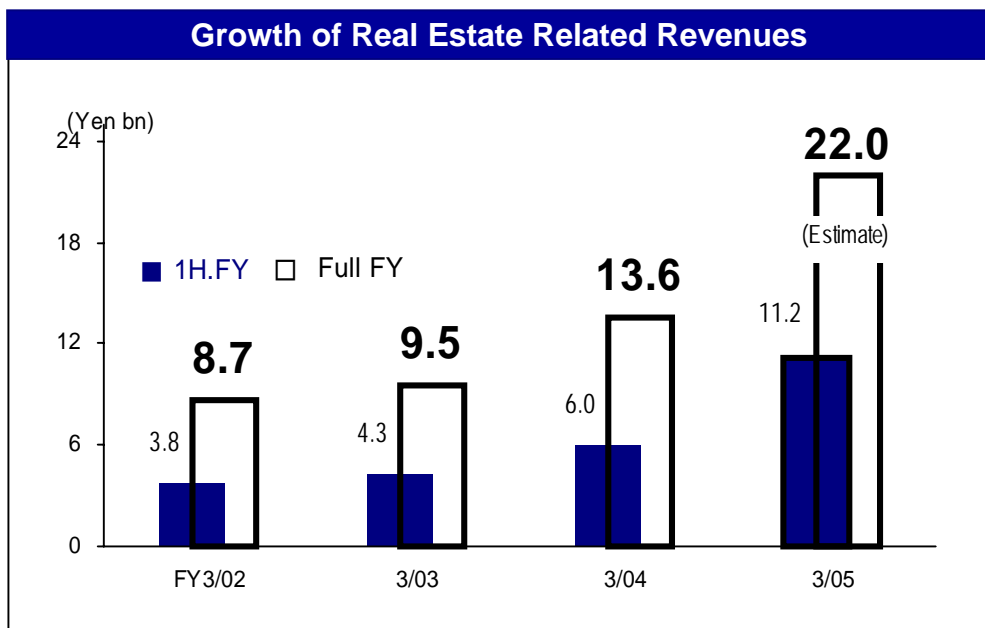
Real Estate Business

Revenues of Real Estate Sector						
CMTB	1H.Actual			Full FY Outlook		
	1H.FY3/04	1H.FY3/05	Chg.	FY3/04	FY3/05	Chg.
Brokerage and other	4.8	9.2	4.4	10.5	17.5	7.0
Securitization related	1.2	2.0	0.8	3.1	4.5	1.4
Total	6.0	11.2	5.2	13.6	22.0	8.4

(Yen bn)

- Due to expansion of real estate market and strengthened sales forces, gained a record high interim revenues, since establishment of Chuo Mitsui in 2000.
- With competitive advantage in real estate fund business, surely acquiring business chance in the trend of real estate becoming financial products

- Increase in brokerage fees related to funds & investors
- Securitization related revenues showing steady increase



Stock Transfer Agency Business

Revenues of Stock Transfer Agency Sector

CMTB	1H. Actual			Full FY Outlook		
	1H.FY3/04	1H.FY3/05	Chg.	FY3/04	FY3/05	Chg.
Fees received	12.7	14.0	1.3	24.6	27.0	2.4
Fees paid (Minus)	4.8	5.9	1.1	9.6	10.5	0.9
Total	7.9	8.1	0.2	15.0	16.5	1.5

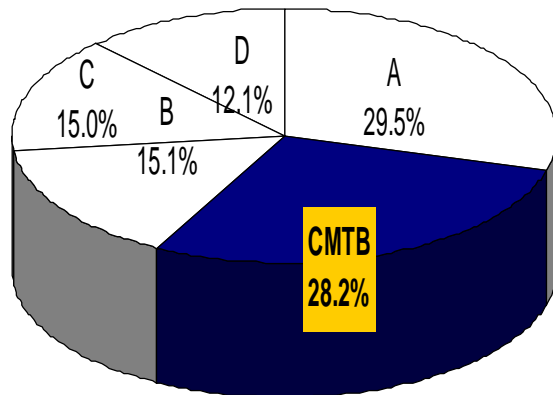
(Yen bn)

1H.FY3/05: Due to 3 large contracts, no. of shareholders under administration increased by over 500,000.

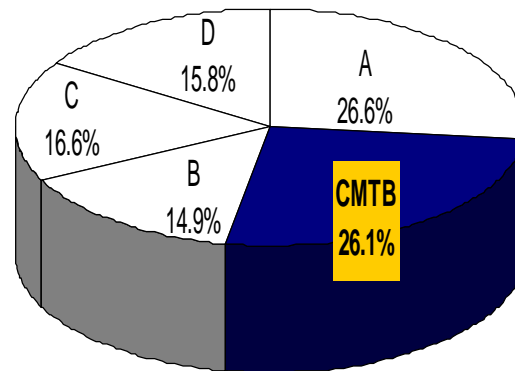
- Increase revenues by increasing no. of shareholders under administration, by capturing external conditions (unwinding of cross shareholdings increase no. of individual shareholders)
- Increase no. of shareholders under administration by utilizing trust agent function with SMBC (Sumitomo Mitsui Banking Corporation)

Industry Position

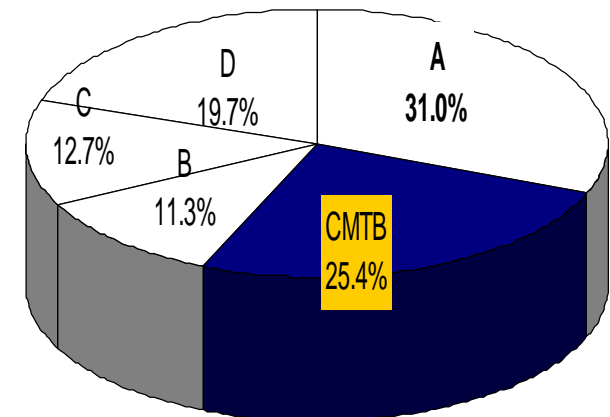
No. of shareholders under admin.
(As of 9/04)



No. of listed company clients
(As of 9/04)



No. of IPO companies (1H.FY3/05)



Pension & Securities Business in Mitsui Asset T/B

Revenues of Pension Operations Sector						
MATB	1H. Actual			Full FY outlook		
	1H. FY3/04	1H. FY3/05	Chg.	FY3/04	FY3/05	Chg.
Fees received	13.2	15.8	2.6	28.5	31.0	2.5
Fees paid (Minus)	0.7	3.4	2.7	3.1	5.5	2.4
Total	12.5	12.4	(0.1)	25.4	25.5	0.1

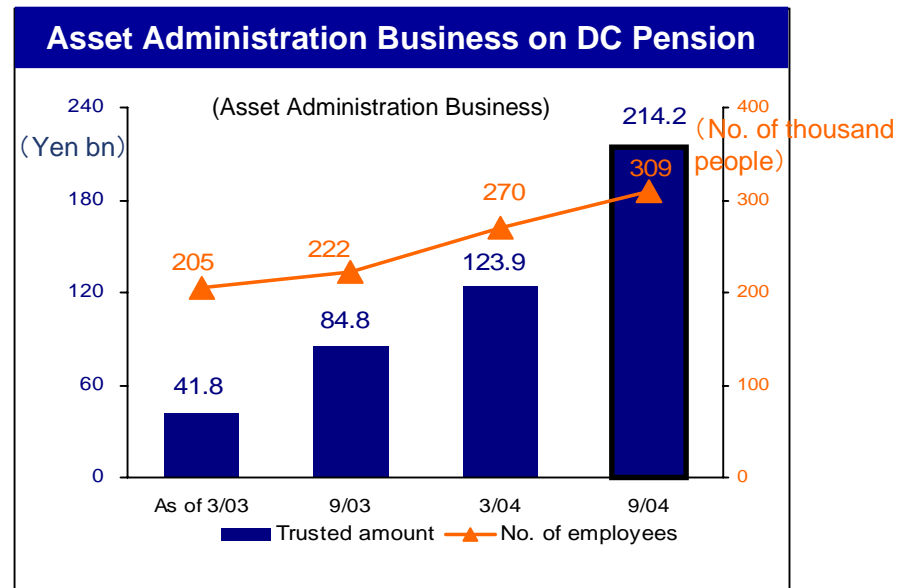
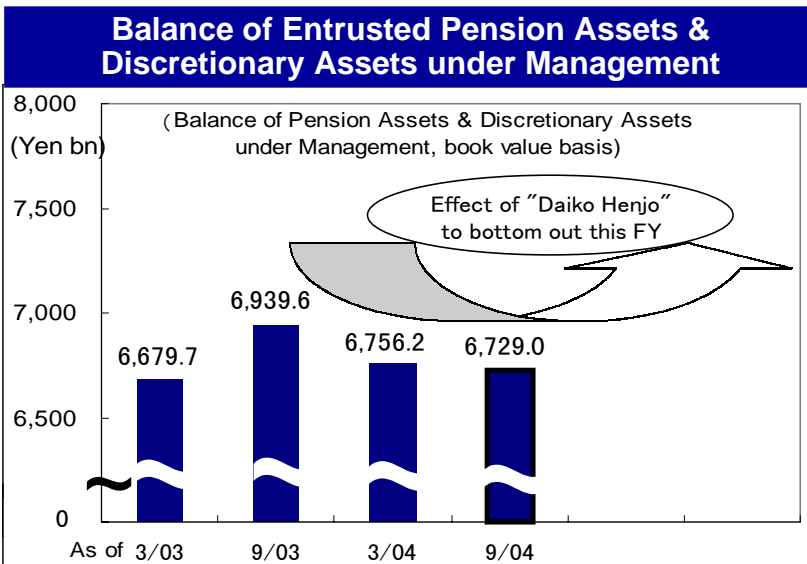
Revenues of Securities Sector						
MATB	1H. Actual			Full FY outlook		
	1H. FY3/04	1H. FY3/05	Chg.	FY3/04	FY3/05	Chg.
Fees received	1.2	5.7	4.5	10.8	11.0	0.2
Fees paid (Minus)	0.1	1.5	1.4	3.0	3.0	0.0
Total	1.1	4.2	3.1	7.8	8.0	0.2

- Promote cross-selling of highly profitable alternative products etc. by utilizing competitive advantage of asset management expertise and high quality consultation
- Amended investment advisory law enabled entry to advisory business
→ Began non-discretionary advisory services on investment trust for pension funds and individual investors

Clients' evaluation of asset managers

- Among trust banks: Ranked No.1 for 4 consecutive years
- Among all institutions: No. 4 (Up 1 rank from previous evaluation)

Source: Newsletter on Pensions & Investment



III. Strengthening of Balance Sheet

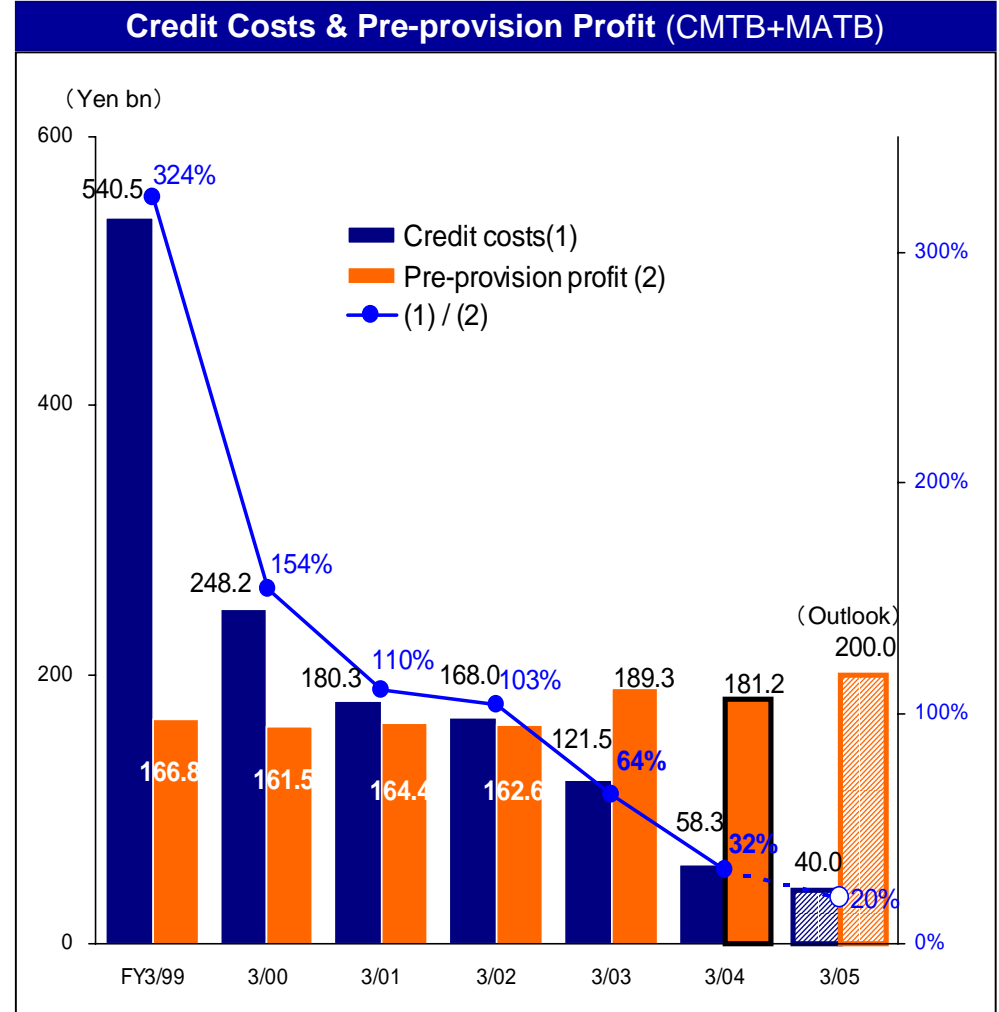
- *Disposal of NPLs*
- *NPLs Balance & NPLs Ratio*
- *Equity Portfolio*
- *Bond Portfolio*
- *Deferred Tax Assets*
- *Capital Adequacy Ratio*

Disposal of NPLs

FY3/05 Estimate: Credit costs to decline for 6 consecutive years, to approx. 20% of pre-provision profit

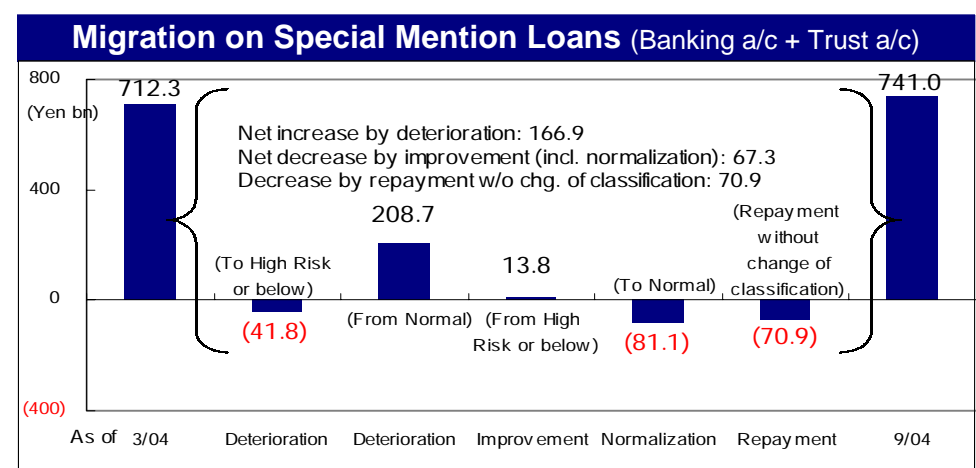
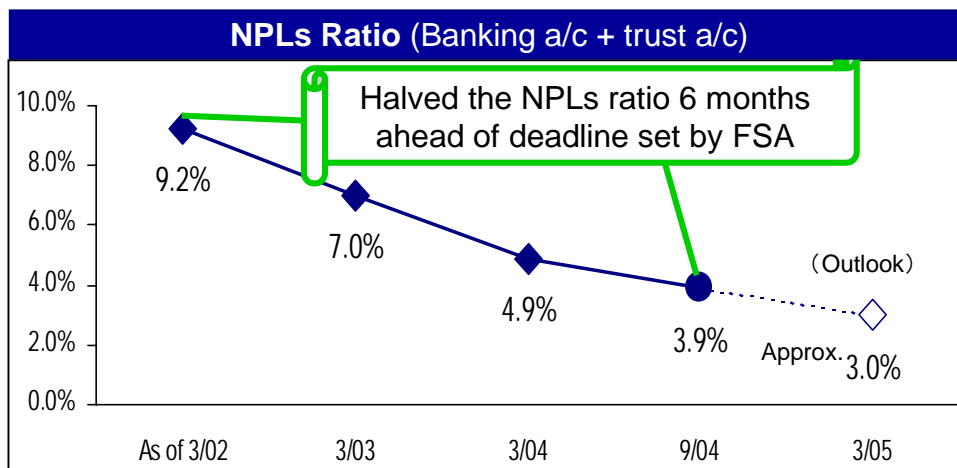
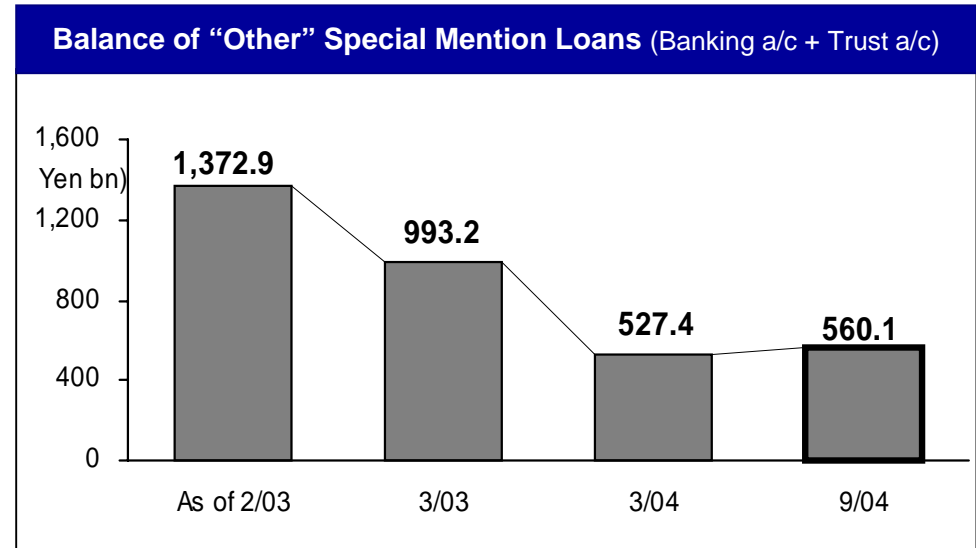
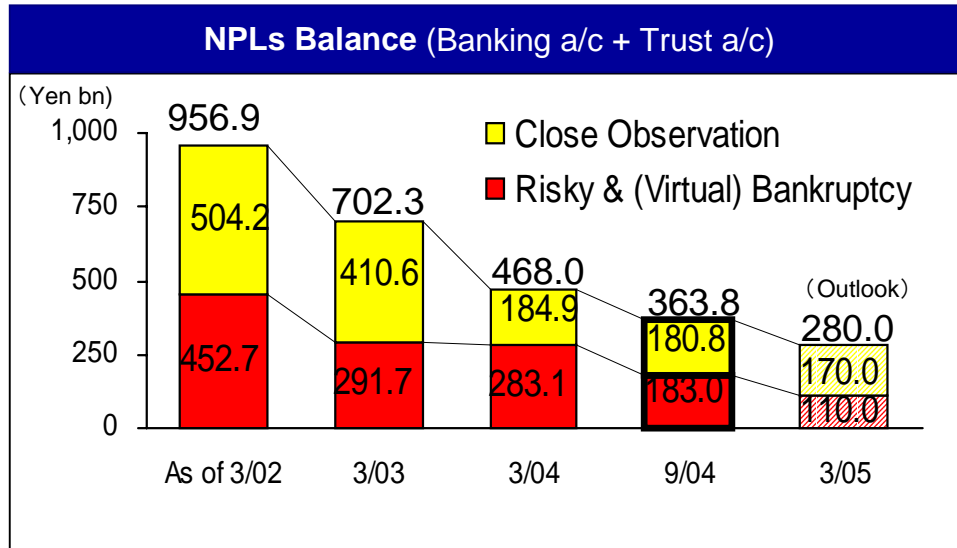
Breakdown of Credit Costs						
CMTB	1H.Actual			Full FY Outlook		
	1H.FY3/04	1H.FY3/05	Chg.	FY3/04	FY3/05	Chg.
New NPLs costs	23.0	10.3	(12.7)	42.4	approx. 15.0	
Off-balance costs	20.3	16.1	(4.2)	45.2	approx. 25.0	
Transfer to the general reserve	(10.9)	(4.7)	6.2	(29.3)		
Total	32.4	21.7	(10.7)	58.3	40.0	(18.3)

Amount of Off-balance						
CMTB	1H.Actual			Full FY Outlook		
	1H.FY3/04	1H.FY3/05	Chg.	FY3/04	FY3/05	Chg.
Off-balance	69.1	128.3	59.2	198.3	230.0	31.7



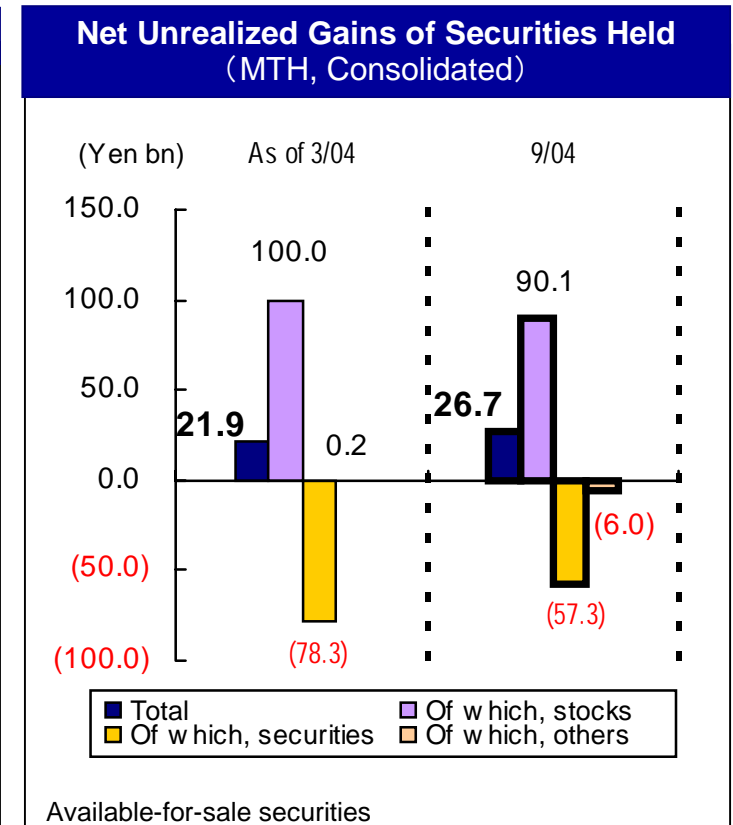
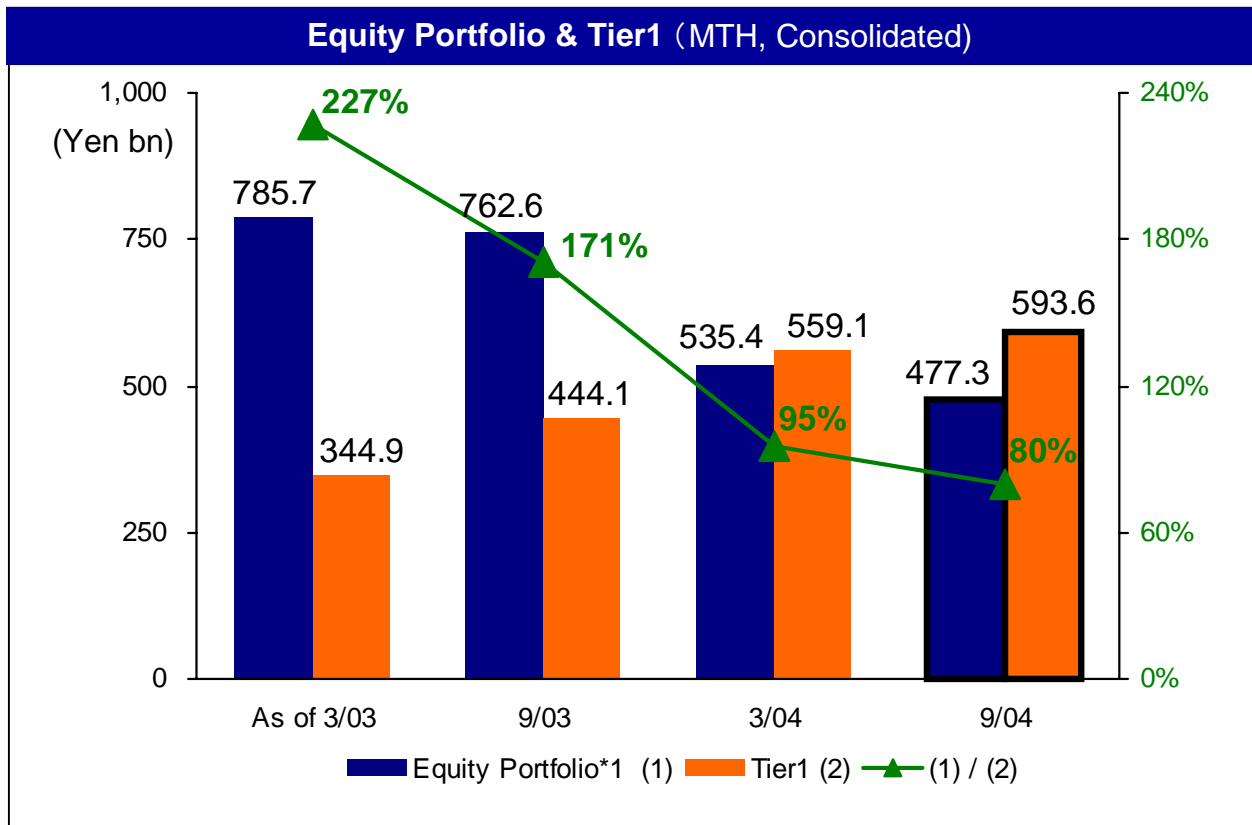
NPLs Balance & NPLs Ratio

NPLs Ratio: 3.9%. Halved from FY3/02 ratio of 9.2%, 6 months ahead of the deadline set by FSA



Equity Portfolio

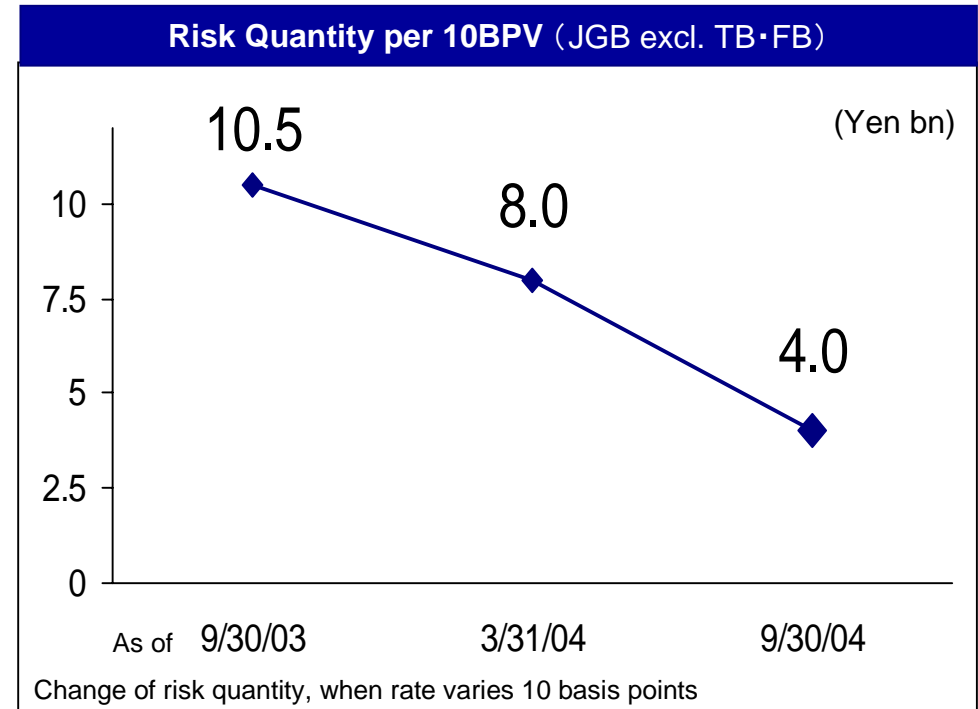
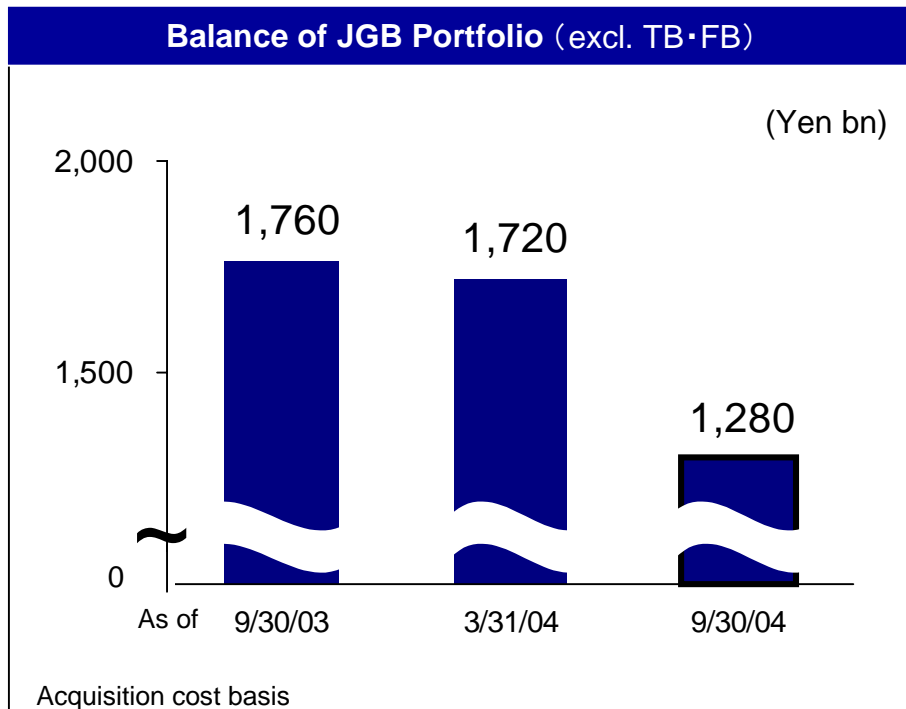
- The balance declined to 80% of Tier1 Capital at 9/04
- Further reduction to approx. 70% of Tier1 Capital



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

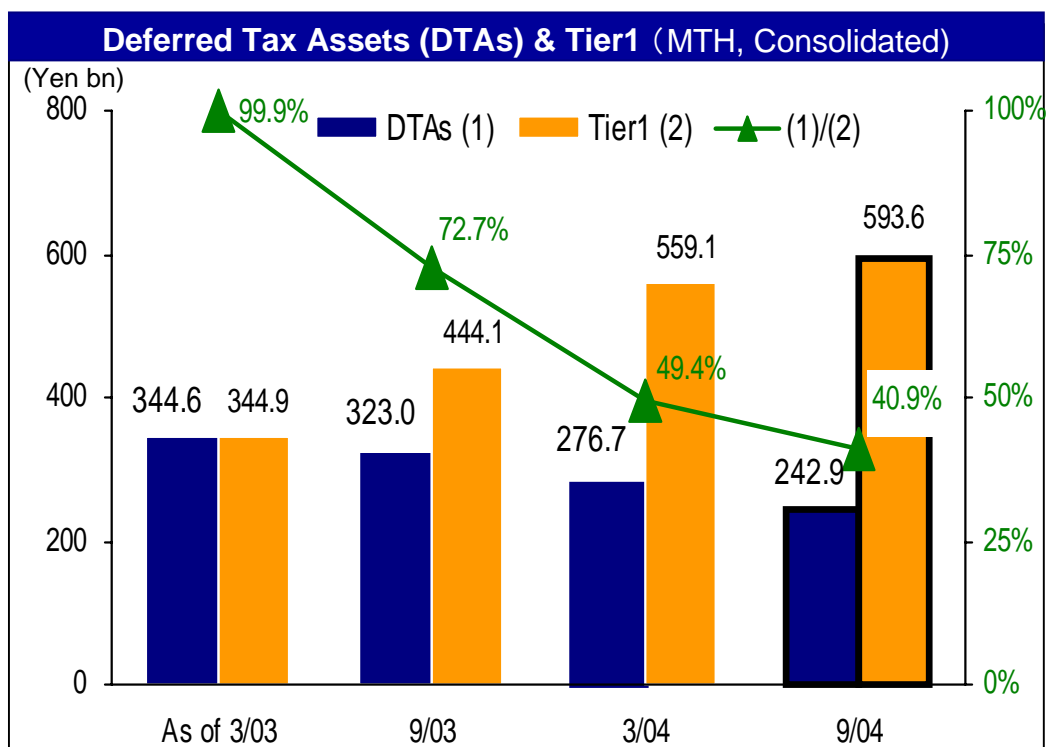
Bond Portfolio

- Executed reduction of risk quantity
- Pursue profit opportunity by agile operation



Deferred Tax Assets

- In 1H.FY3/05, reduced ¥33.7bn, to 40% of Tier1 capital
- As of 3/05, estimated to be 30% level of Tier1 Capital (MTH, Consolidated)



Breakdown of Deferred Tax Assets & Liabilities

CMTB: Non-consolidated (Yen bn)

	As of	3/04	9/04	Chg.
1	Deferred tax assets	284.6	252.3	(32.2)
	Allowance for possible loan losses	60.4	55.6	(4.7)
	Securities w rite-offs	31.8	30.5	(1.3)
	Unrealized losses on available-for-sale securities	5.5	5.1	(0.3)
	Reserve for retirement benefits	15.1	14.7	(0.3)
	Tax loss carryforwards	270.3	250.7	(19.5)
	Others	18.7	18.7	(0.0)
	Valuation allowance (Non-booked)	(117.4)	(123.2)	(5.8)
2	Deferred tax liabilities	15.7	14.4	(1.2)
	Gains on establishment of retirement benefit trusts	12.9	11.6	(1.3)
	Unrealized gains on available-for-sale securities	-	-	-
	Others	2.7	2.8	0.1
1-2	Net deferred tax assets	268.9	237.9	(31.0)

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

(Yen bn)

Assumption for estimation	Estimated profit, based on our "Financial Health Improvement Plan"*1	Adjusted amount	Estimated profit for DTAs
5 yrs total	1,200.0	(553.0)	647.0
Pre-provision profit	1,050.0	(594.0)	456.0
Net income before taxes			122.1
			578.1

Adjustment on tax account

Taxable income before adjustments a+b

Approx. 130yen bn p.a.
Approx. 90yen bn p.a.
Approx. 115yen bn p.a.

*1 Estimation based on the scenario in our "Financial Health Improvement Plan"

Capital Adequacy Ratio

Continue to keep the 10% level

Capital Adequacy Ratio (MTH, Consolidated)					
	a	b	c:b-a	d:Estimate	e:d-b
MTH, Consolidated	3/04	9/04	Change	3/05	Change
Tier1	559.1	593.6	34.5	630.0	36.4
Tier2	386.3	359.5	(26.8)	330.0	(29.5)
Risk-weighted assets	9,307.3	9,468.0	160.7	9,700.0	232.0
Capital adequacy ratio	10.14%	10.03%	(0.11)%	Approx. 10%	
Tier1 ratio	6.00%	6.27%	0.26%	Approx. 6.5%	

Risk Assets Change in 2H.FY3/05 (Planned)		
	End balance	[Risk assets
	chg.	chg.]
Increase of high yield assets	+540	[+425]
Housing loans	+230	[+115]
Non-recourse loans	+120	[+120]
Alternative investments	+190	[+190]
Others	(193)	[(193)]
Total	+347	[+232]



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.