

# **Analyst Meeting Presentation Material**

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December 1, 2005

**Mitsui Trust Financial Group**

# Agenda

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## . Management Strategies

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

## . Implementation

1. *Enhancement of Fee Business*
2. *Efficiency in Banking Business*
3. *New Businesses*

## . Strengthening of Balance Sheet

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

## . Management Strategies

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

## Management Direction

# Mitsui Trust Financial Group

**Actions**

**FY3/05**

**FY3/06**

**~ Enhancement  
of Profitability ~**

- **Increase revenues** <sup>\*1</sup>
- **Low cost operations**

**Acceleration**

**Recomposition of revenue structure  
Thoroughly efficient management**

**~ Strengthening of  
Balance Sheet ~**

- **Final disposal of NPLs**
- **Reduction of equity portfolio**

**Nearly  
completed**

**To complete**

# Recomposition of Revenue Structure

Weight of strategic products relative to total revenues exceeded 60%

## Recomposition of Revenue Structure

[Composition of gross operating profit]

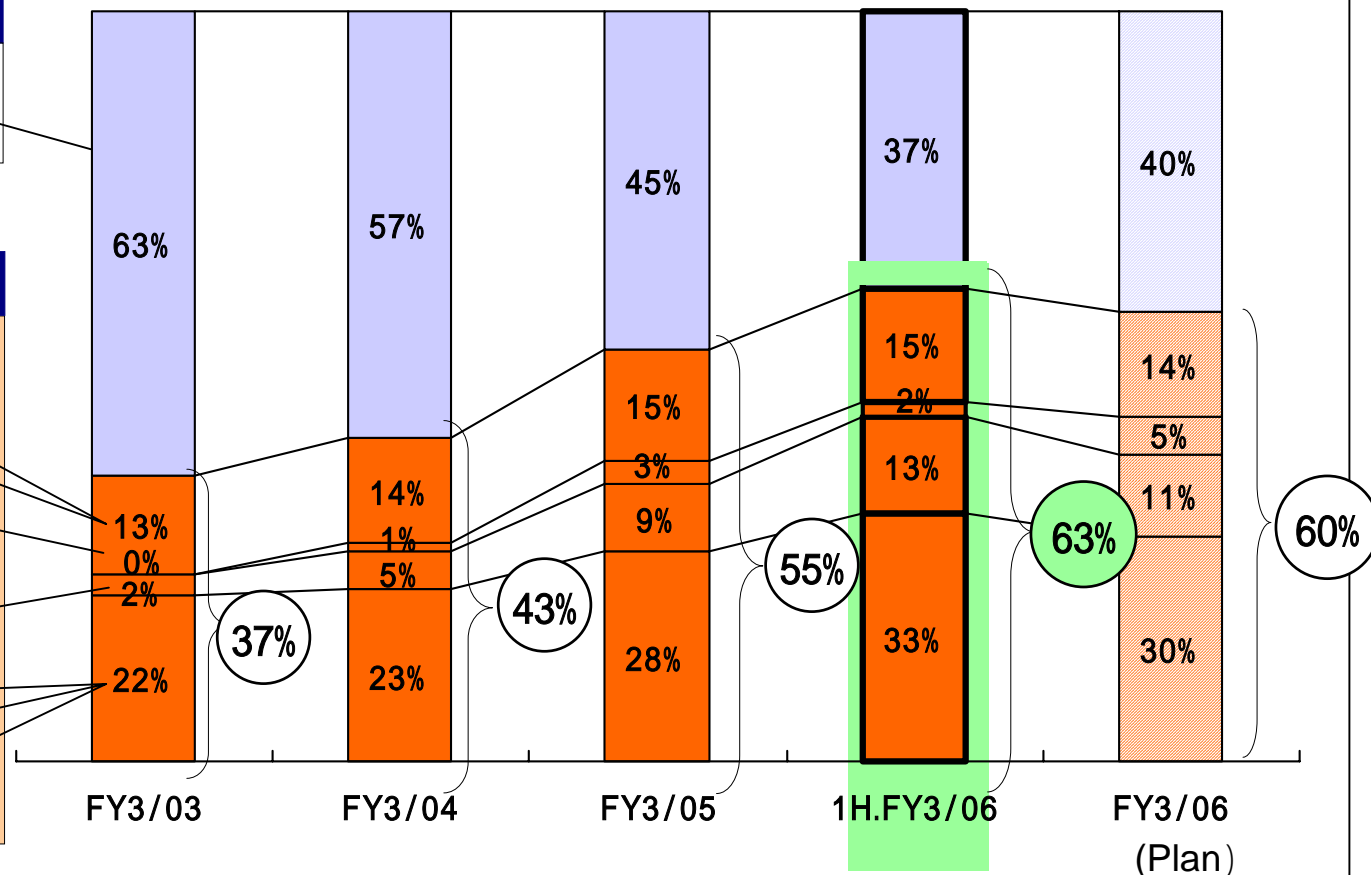
**Conventional Banking Business** \*1

- Corporate loans
- Bond investment, etc.

\*1 Financial intermediary business from household to corporate sector and bond investments

**Strategic Products**

- Loans to individuals (Housing loans, etc.)
- Real estate asset finance
- Alternative investments
- Asset management
  - Investment trust & Annuity insurance sales
  - Real estate
  - Stock transfer agency
  - Pension/Securities, etc.



# Recomposition of Revenue Structure

## Recomposition of Revenue Structure

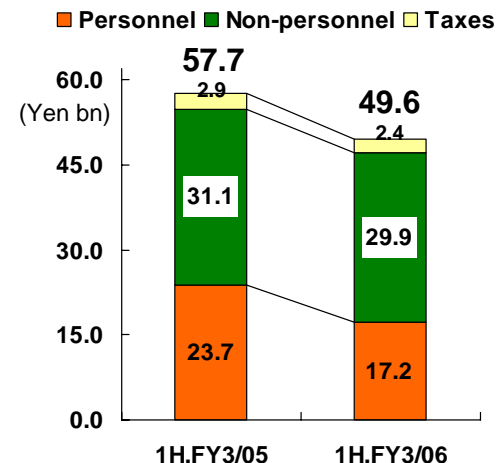
Items	1H.FY3/06 Actual	FY3/06 Plan
Investment trust & annuity insurance sales	Revenues of ¥17.2bn [Initial plan: ¥14.5bn] (¥4.8bn up, or 39% up YoY)	Revise full FY plan upward to ¥32.2bn [Initial plan: ¥27.0bn]
Real estate related fees	Revenues of ¥13.0bn [Initial plan: ¥11.0bn] (¥1.8bn up, or 16% up YoY)	Revise full FY plan upward to ¥30.0bn [Initial target: ¥26.0bn]
Housing loans	New housing loan origination of ¥365.9bn [Initial plan: ¥310bn]	Revise full FY plan upward to ¥710.0bn [Initial plan: ¥630.0bn]
Real estate asset finance	End balance of ¥870.3bn [¥90.5bn securitized]	End balance: ¥850.0bn [¥20.0bn securitized in 10/05]
Funding (time deposits) costs	5bps decline YoY (Managerial basis, avg.. balance basis)	Plan full FY decline of 4.0bp from last FY

# Low Cost Operations

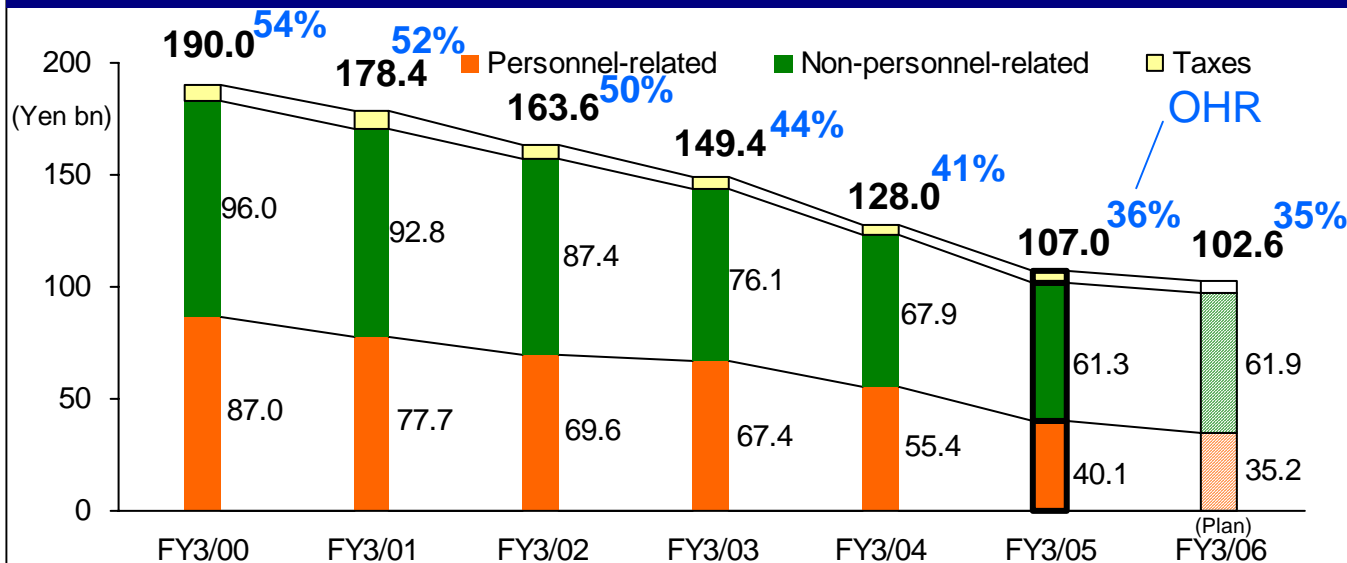
## Low Cost Operations (CMTB+MATB)

Items	1H.FY3/06 Actual	FY3/06 Plan
Operating Expenses	¥8.1bn down YoY	Revise full FY plan to ¥4.9bn reduction [Initial plan: nearly flat]
OHR	38% [3% down YoY]	Keep current efficiency

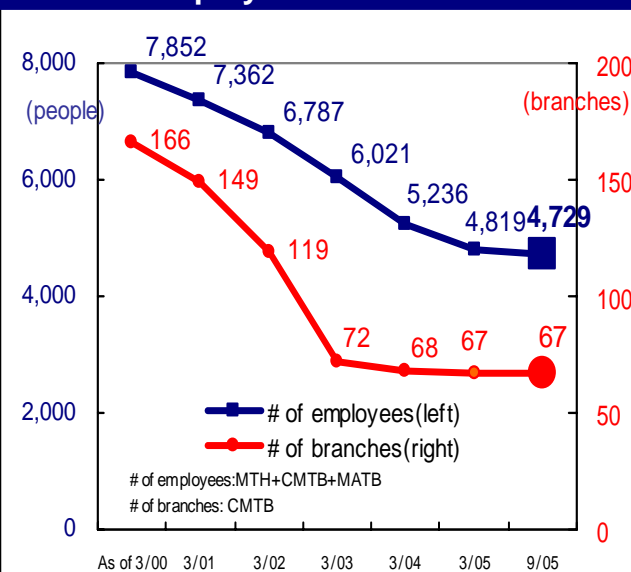
## YoY Comparison



## Operating Expenses (CMTB+MATB)

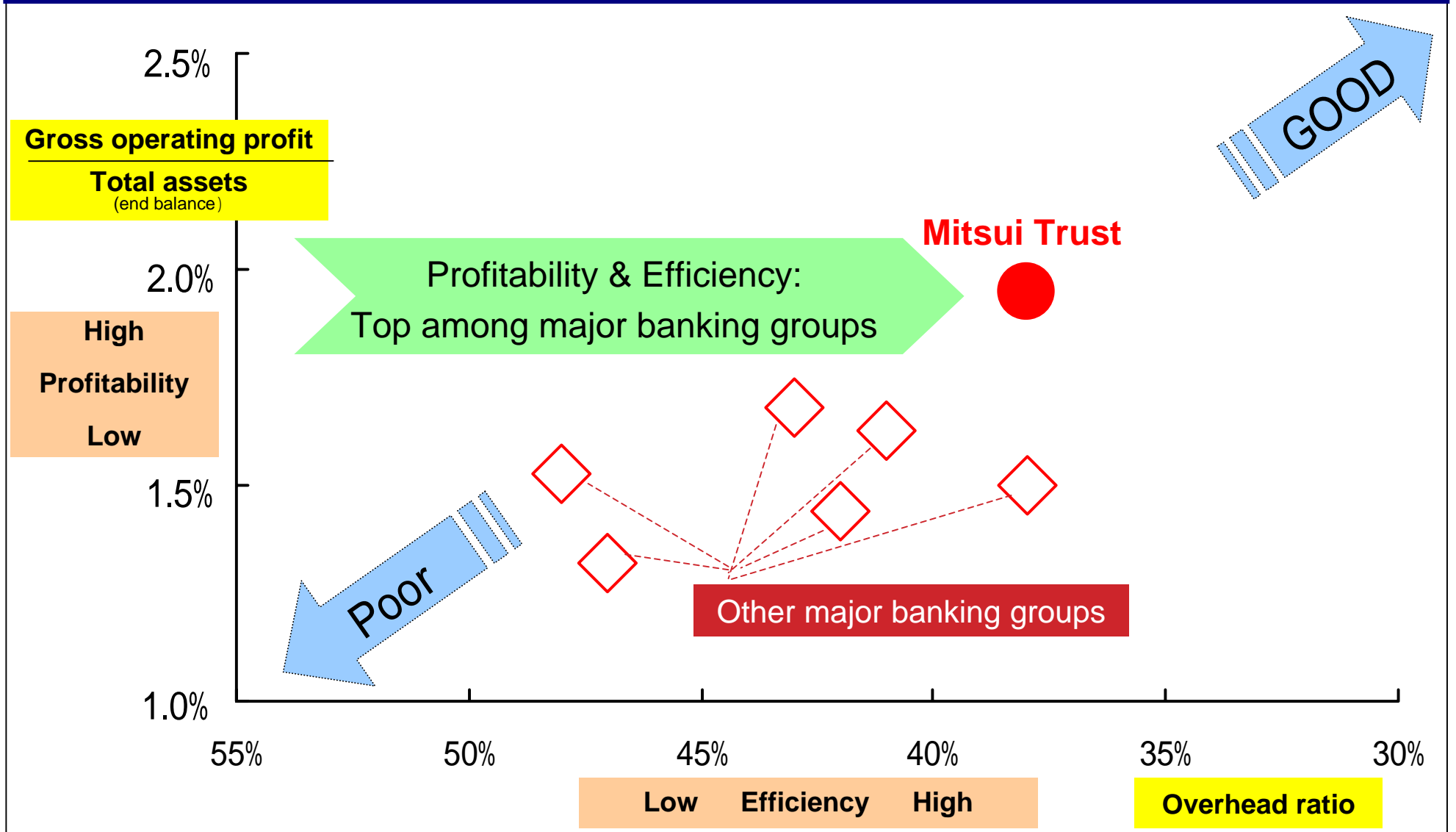


## # of employees & # of branches



# Profitability & Efficiency

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





# Strengthening of Balance Sheet

## Strengthening of Balance Sheet

Items	1H.FY3/06 Actual	FY3/06 Plan
Credit costs <sup>*1</sup>	Actual: ¥22.9bn	Estimate: ¥35.0bn
NPLs Ratio <sup>*1</sup>	Actual: 2.2% (0.6% down from FY3/05)	Estimate: Below 2%
Reduction of equity portfolio <sup>*2</sup>	Relative to Tier1 Capital: 67%	To lower 60's% of Tier1
DTAs <sup>*2</sup>	Relative to Tier1 Capital: 29.9%	To approx. 27% of Tier1
Retained Earnings <sup>*3</sup>	¥41.7bn up to ¥207.1bn	Up to approx. ¥250.0bn

<sup>\*1</sup> CMTB, non-consolidated    <sup>\*2</sup> MTH, consolidated    <sup>\*3</sup> Total retained earnings of MTH+CMTB+MATB subtracted by accumulated earned reserve and dividends paid to outside shareholders



# Financial Summary

## 1H.FY3/06 Highlights & FY3/06 Outlook

	a	b	c:b-a	d	(Yen bn)	e:d-b	
	1H.FY3/05	Actual 1H.FY3/06	Change	FY3/05	Outlook FY3/06	Change	
CMTB+MATB							
Combined totals							
Gross operating profit *1	140.2	129.6	(10.6)	298.1	292.6	(5.5)	
Operating expenses ( )	57.7	49.6	(8.1)	107.0	102.6	(4.4)	
Overhead ratio	41%	38%	(3)%	36%	35%	(0)%	
Pre-provision profit *2	82.5	80.0	(2.4)	191.1	190.0	(1.1)	
Pre-provision profit excl. net bond related profit	93.7	86.4	(7.3)	200.6	200.0	(0.6)	
Net stock related profit	18.8	9.9	(8.9)	15.8	(10.0)	(25.8)	
Recurring profit	71.8	63.4	(8.3)	149.9	130.0	(19.9)	
Deffered income taxes ( )	33.8	0.0	(33.8)	47.1	0.0	(47.1)	
Net income	35.1	59.8	24.7	92.1	120.0	27.9	
Credit costs ( )	21.7	22.9	1.2	43.9	35.0	(8.9)	
MTH, Consolidated	1H.FY3/05	1H.FY3/06	Change	FY3/05	FY3/06	Change	
Recurring profit	76.4	67.6	(8.7)	157.4	140.0	(17.4)	
Net income	35.3	58.6	23.3	94.0	120.0	26.0	
				ROE *3	19%	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						
						(Yen bn)
Total of CMTB & MATB		Actual			Outlook	
Revenues "Gross operating profit"	1H.FY3/05	1H.FY3/06	Change	FY3/05	FY3/06	Change
<b>Asset management business</b>	<b>52.7</b>	<b>59.6</b>	<b>6.9</b>	<b>108.5</b>	<b>122.6</b>	<b>14.1</b>
Sales of investment trusts & annuity insurance	12.4	17.2	4.8	26.0	32.2	6.2
Real estate	11.2	13.0	1.8	25.3	30.0	4.7
Stock transfer agency	8.1	8.1	0.0	15.7	16.3	0.6
Pension	12.4	12.2	(0.2)	24.9	25.2	0.3
Securities	4.2	5.0	0.8	8.8	10.5	1.7
Others	4.1	3.9	(0.2)	7.5	8.1	0.6
<b>Banking business</b>	<b>87.5</b>	<b>70.0</b>	<b>(17.5)</b>	<b>189.5</b>	<b>170.0</b>	<b>(19.5)</b>
Excl. a,b Financing business 3 a/c total, others	58.5	46.1	(12.4)	108.4	101.8	(6.6)
a Loans to individuals, Real estate asset finance	23.6	19.2	(4.4)	46.0	41.1	(4.9)
b Alternative investments	1.8	2.3	0.5	10.1	13.3	3.2
Housing loans securitization	14.8	8.8	(6.0)	34.4	23.8	(10.6)
Net bond related profit	(11.2)	(6.4)	4.8	(9.4)	(10.0)	(0.6)
<b>Revenues "Gross operating profit" total</b>	<b>140.2</b>	<b>129.6</b>	<b>(10.6)</b>	<b>298.1</b>	<b>292.6</b>	<b>(5.5)</b>
<b>Operating expenses</b>	<b>57.7</b>	<b>49.6</b>	<b>(8.1)</b>	<b>107.0</b>	<b>102.6</b>	<b>(4.4)</b>
<b>Pre-provision profit</b>	<b>82.5</b>	<b>80.0</b>	<b>(2.4)</b>	<b>191.1</b>	<b>190.0</b>	<b>(1.1)</b>

## . *Implementation*

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

## - 1. *Enhancement of Fee Business*

- *Investment Trust & Annuity Insurance Sales*
- *Real Estate Business*
- *Stock Transfer Agency Business*
- *Pension & Securities Business in MATB*

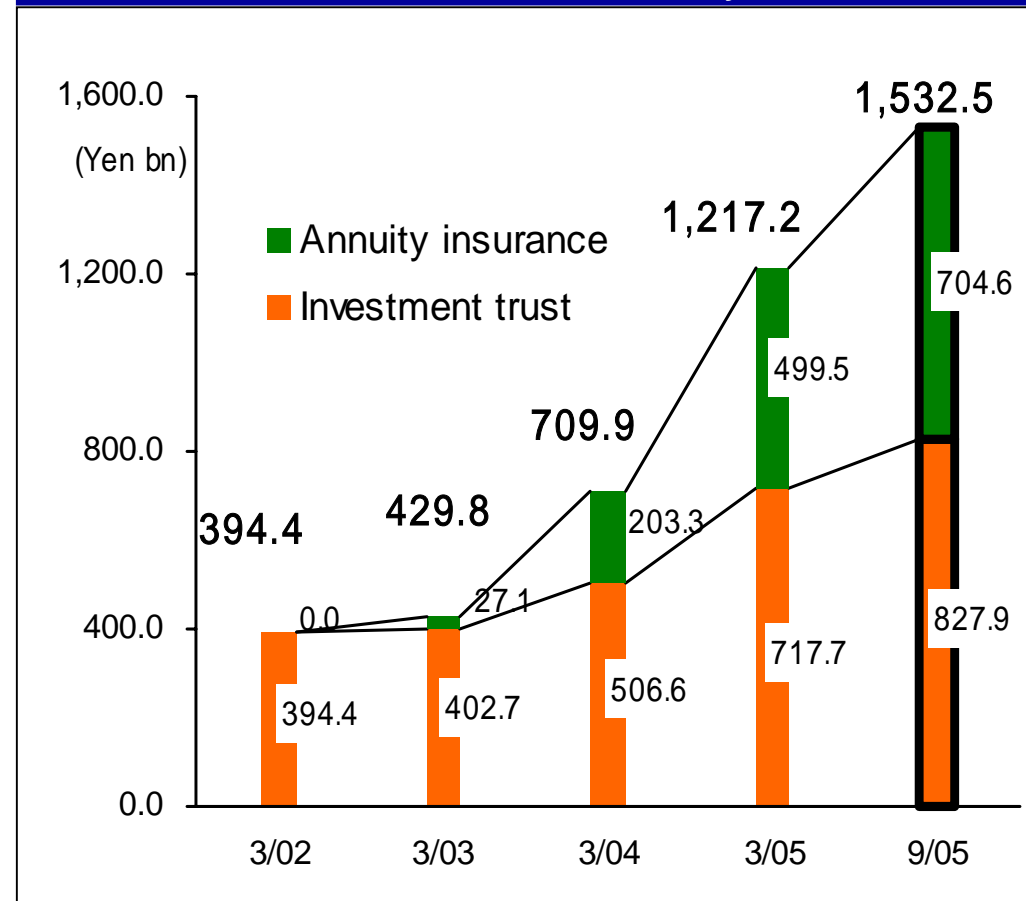
# Investment Trust & Annuity Insurance Sales

By Further enhancing consultation capability and Introducing new products, posted record 1H. profit of ¥17.2bn. Revised full FY plan to ¥32.2bn [¥5.2bn up]

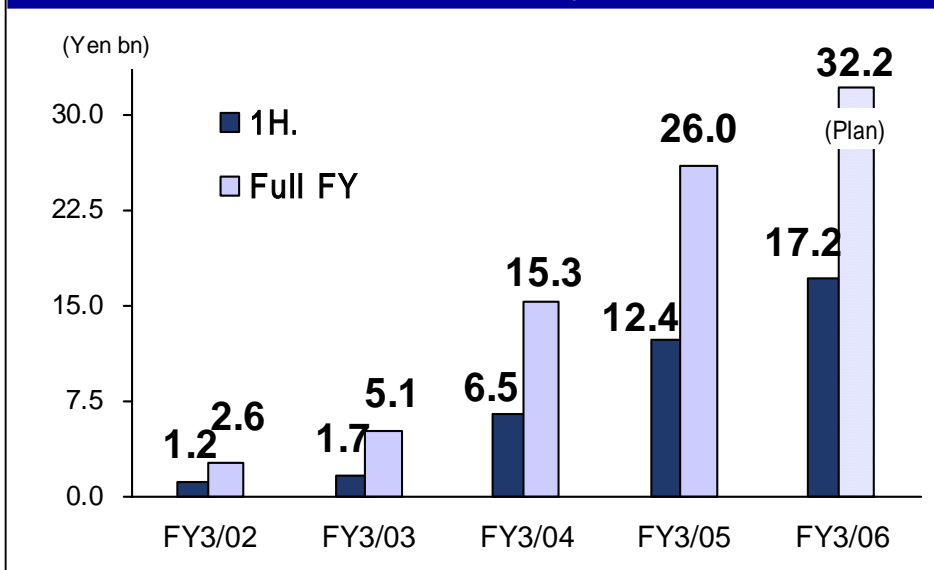
### Sales fees of Investment trusts & Annuity insurance

CMTB	a		b		c:b-a	d		e		(Yen bn) f:e-d Chg.
	1H.FY3/05	1H.FY3/06	Actual	Chg.		FY3/05	FY3/06	Outlook	Chg.	
Investment trust related	4.0	5.0	5.0	1.0	8.8	9.7	9.7	0.9		
Annuity insurance related	8.3	12.1	12.1	3.7	17.1	22.4	22.4	5.3		
<b>Total</b>	<b>12.4</b>	<b>17.2</b>	<b>17.2</b>	<b>4.8</b>	<b>26.0</b>	<b>32.2</b>	<b>32.2</b>	<b>6.2</b>		

### Balance of Investment trusts & Annuity insurance



### Growth of Investment trust & Annuity insurance sales fees



# Real Estate Business

Revenues of Real Estate Sector

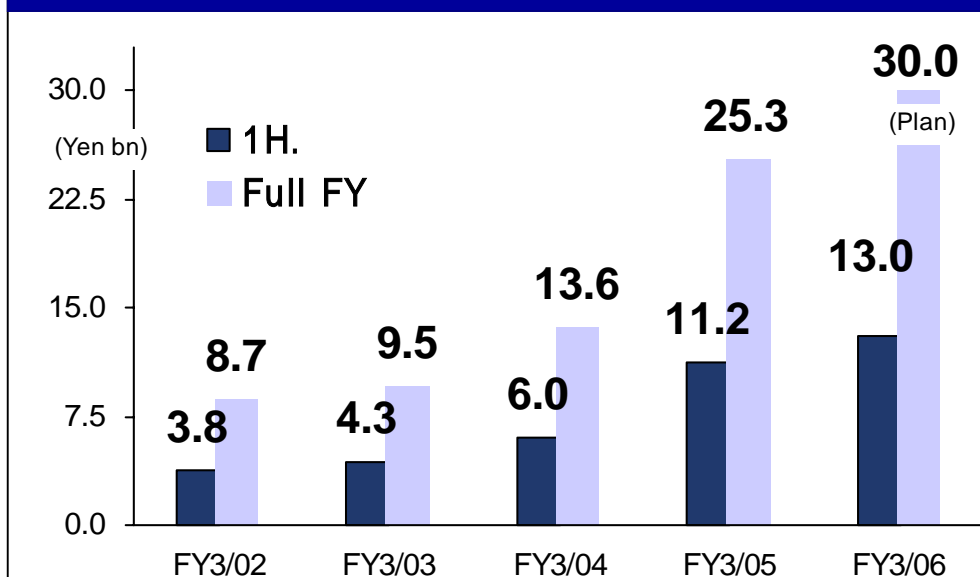
	a	b	c:b-a	d	e	(Yen bn)
CMTB	1H.FY3/05	Actual 1H.FY3/06	Chg.	FY3/05	Outlook FY3/06	f:e-d Chg.
Brokerage, other	9.2	11.0	1.8	21.0	25.5	4.5
Securitization related	2.0	2.1	0.1	4.3	4.4	0.1
<b>Total</b>	<b>11.2</b>	<b>13.0</b>	<b>1.8</b>	<b>25.3</b>	<b>30.0</b>	<b>4.7</b>

■ Due to market expansion and strengthened sales forces, posted record high 1H revenue  
Revised full FY plan to ¥30.0bn [¥4.0bn up]

■ Competitive advantage in fund business brings business opportunities with trend of real estate becoming financial products

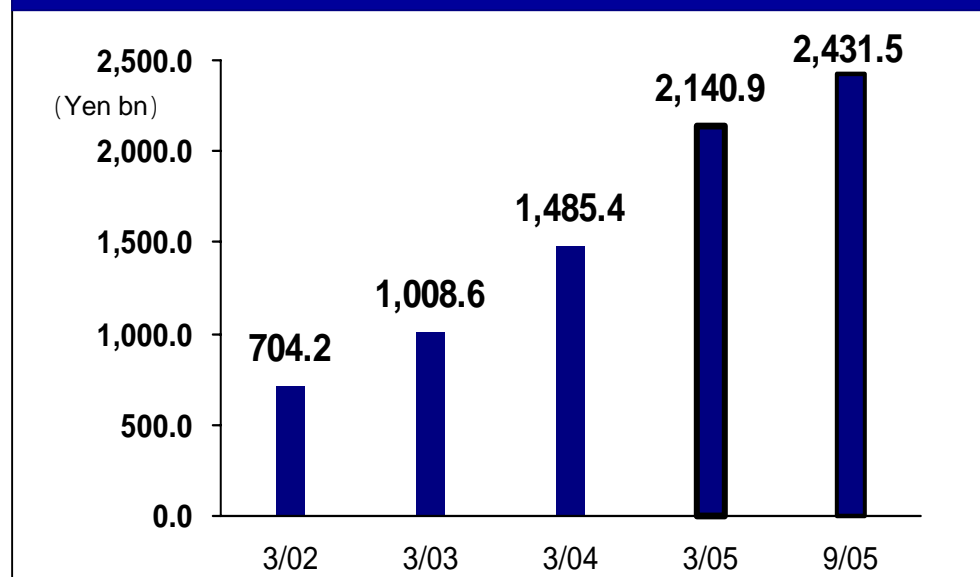
Brokerage fees related to funds & investors increased

Growth of Real Estate Related Revenues



Steady increase in securitization related revenues

Balance of Securitized Real Estate



# Stock Transfer Agency Business

## Revenues of Stock Transfer Agency Sector

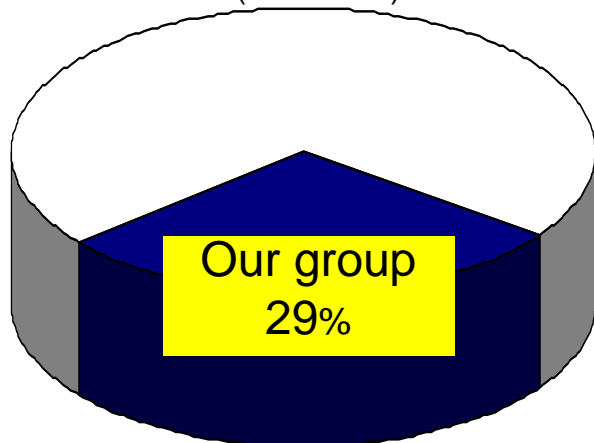
	a	b	c:b-a	d	e	(yen bn)
CMTB	1H.FY3/05	Actual 1H.FY3/06	Chg.	FY3/05	Outlook FY3/06	f:e-d Chg.
Fees received	14.0	13.5	(0.5)	27.0	27.2	0.2
Fees paid (Minus)	5.9	5.3	(0.6)	11.3	10.9	(0.4)
<b>Total</b>	<b>8.1</b>	<b>8.1</b>	<b>0.0</b>	<b>15.7</b>	<b>16.3</b>	<b>0.6</b>

- 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)

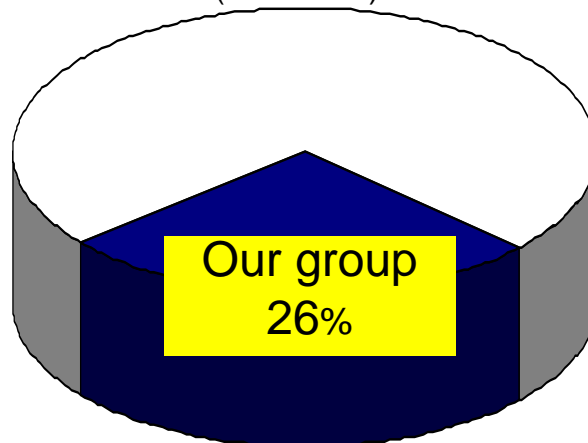
## Acquisition of Tokyo Securities Transfer Agent in 3/05: Share increase of approx. 3%

### Industry Position

# of shareholders under administration  
(As of 9/05)



# of listed company clients  
(As of 9/05)





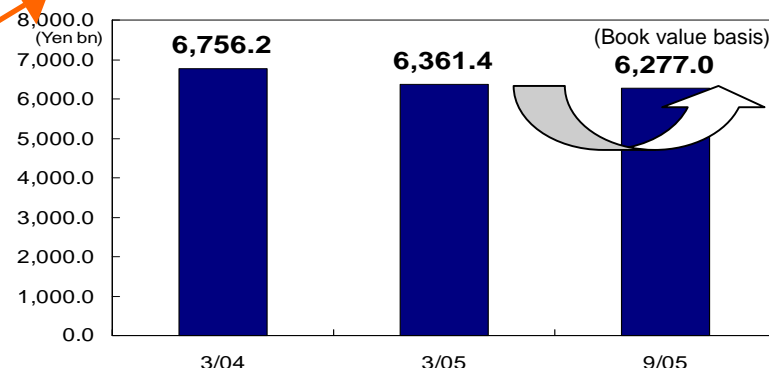
# Pension & Securities Business in Mitsui Asset

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

	a	b	c:b-a	d	e	(Yen bn) f:e-d
	1H.FY3/05	Actual 1H.FY3/06	Chg.	FY3/05	Outlook FY3/06	Chg.
Gross operating profit	16.1	17.1	1.0	32.8	35.5	2.7
Pension business	12.4	12.2	(0.2)	24.9	25.2	0.3
Securities business	4.2	5.0	0.8	8.8	10.5	1.7
Others	(0.5)	(0.0)	0.5	(0.9)	(0.2)	0.7
Operating expenses	8.1	6.5	(1.5)	14.5	13.5	(1.0)
Overhead ratio	50%	38%	(12)%	44%	38%	(6)%
Pre-provision profit	7.9	10.5	2.6	18.2	22.0	3.8
Net income	5.0	5.8	0.8	10.1	12.0	1.9

Negative impact of “Daiko Henjo” nearly over  
~Enhance profitability by increasing entrusted asset

## Balance of Entrusted Pension Assets & Discretionary Assets under Management



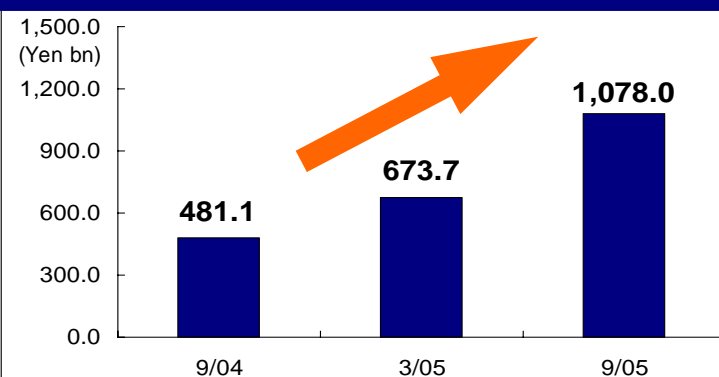
Continuous effort to promote efficiency of operations and outsourcing of asset administration business to JTSTB\* brought in further reduction of operating expenses

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

## Revenues of Pension business & Securities business

	a	b	c:b-a	d	e	(Yen bn) f:e-d
	1H.FY3/05	Actual 1H.FY3/06	Chg.	FY3/05	Outlook FY3/06	Chg.
MATB						
Pension business						
Fees received	15.8	14.8	(0.9)	30.9	25.2	
Fees paid (Minus)	3.4	2.6	(0.7)	6.0		
Total	12.4	12.2	(0.2)	24.9	25.2	0.3
Securities business						
Fees received	5.7	6.3	0.5	11.6	10.5	
Fees paid (Minus)	1.5	1.3	(0.2)	2.8		
Total	4.2	5.0	0.7	8.8	10.5	1.7

## Balance of investment advisory



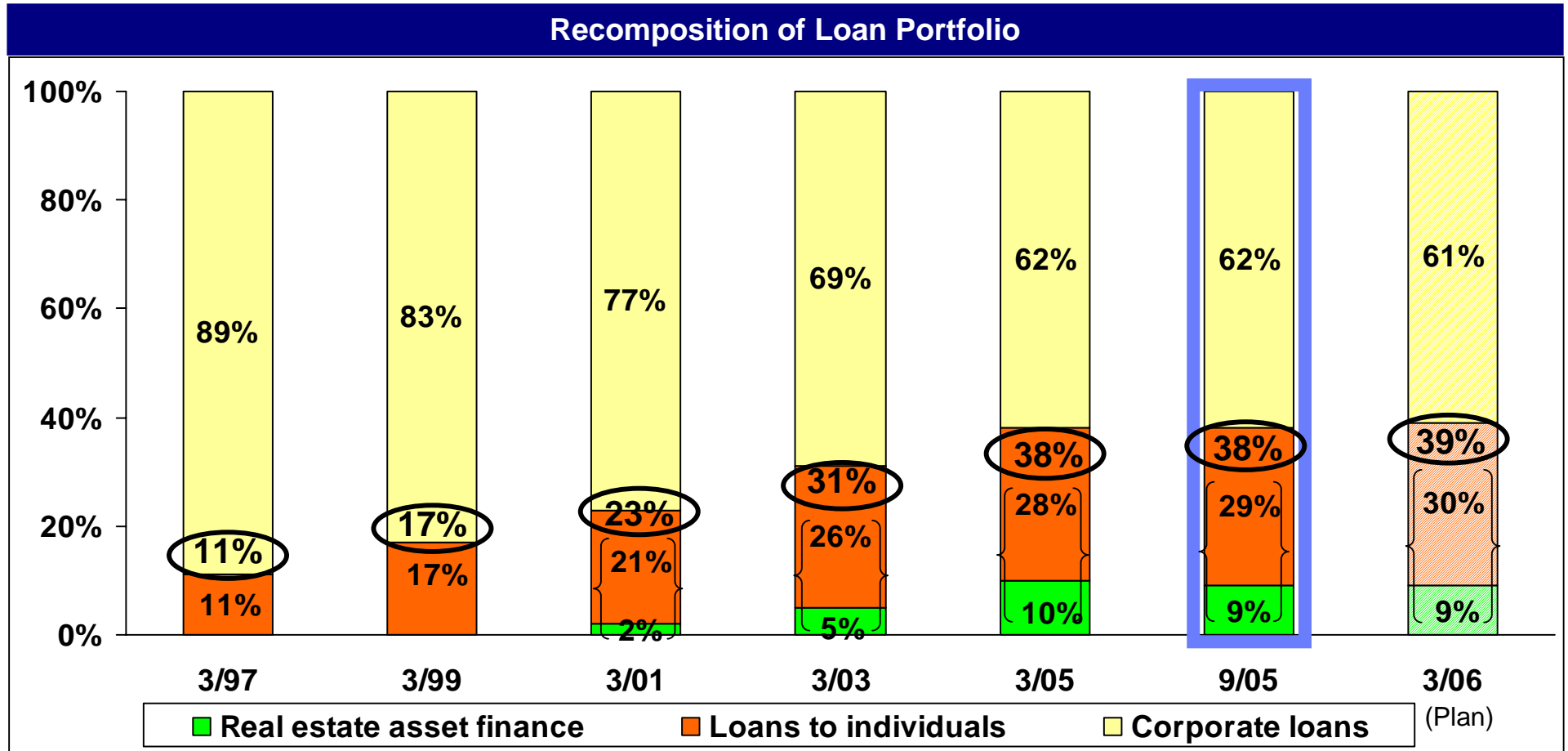
## -2. Efficiency in Banking Business

- *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 asset finance: 38%

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



After implementation of housing loan & real estate asset finance securitization



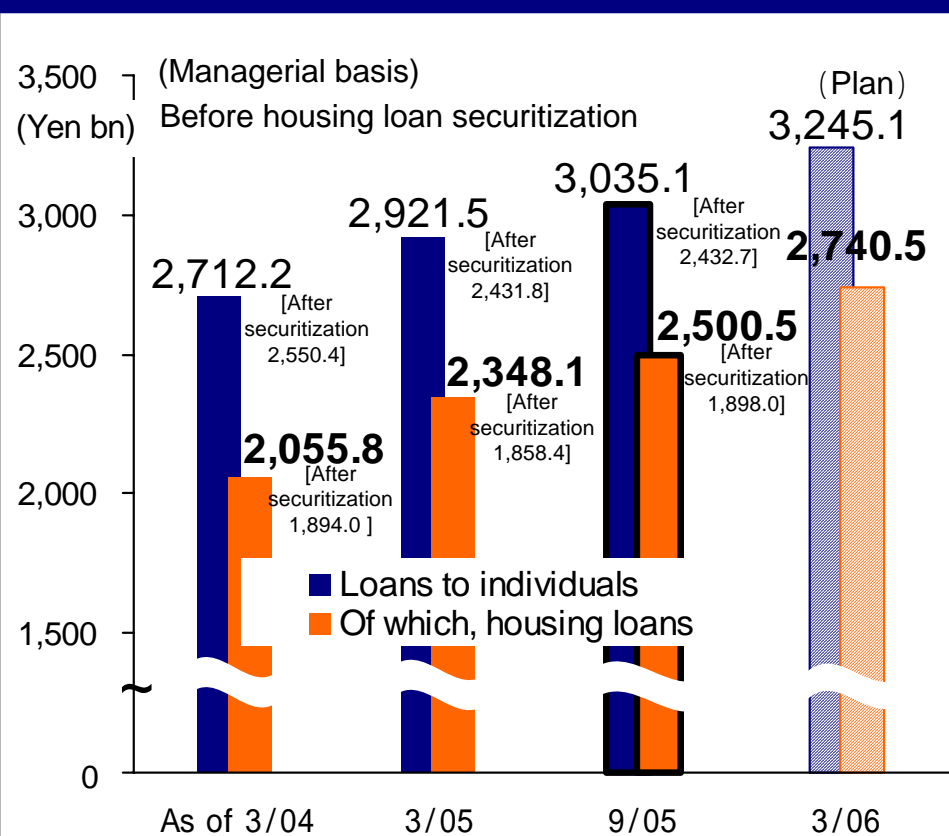
# Housing Loans

## 1H.FY3/06 Actual

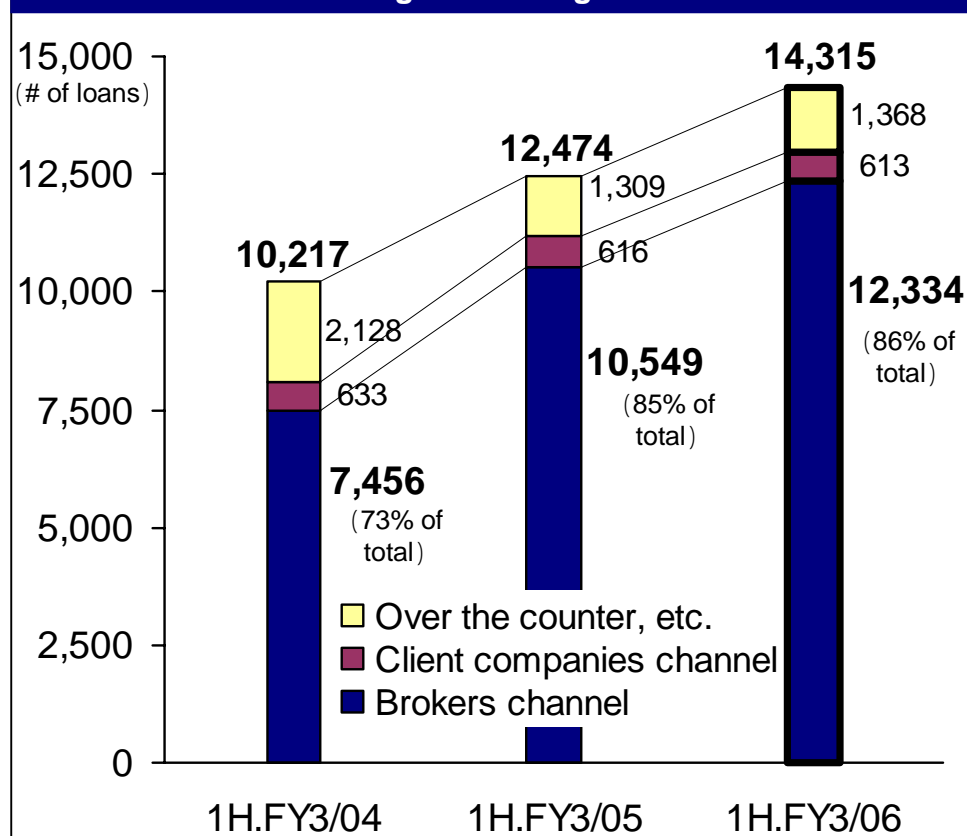
- New housing loan origination: ¥365.9bn  
[Record high]
- Net increase: ¥152.4bn

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

### Loans to Individuals

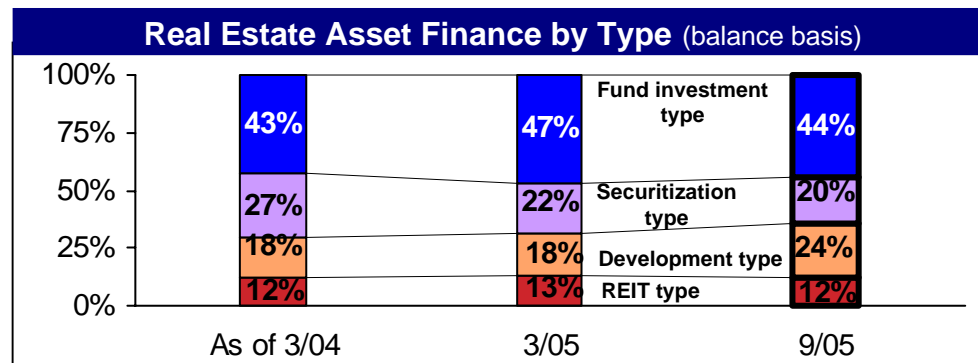
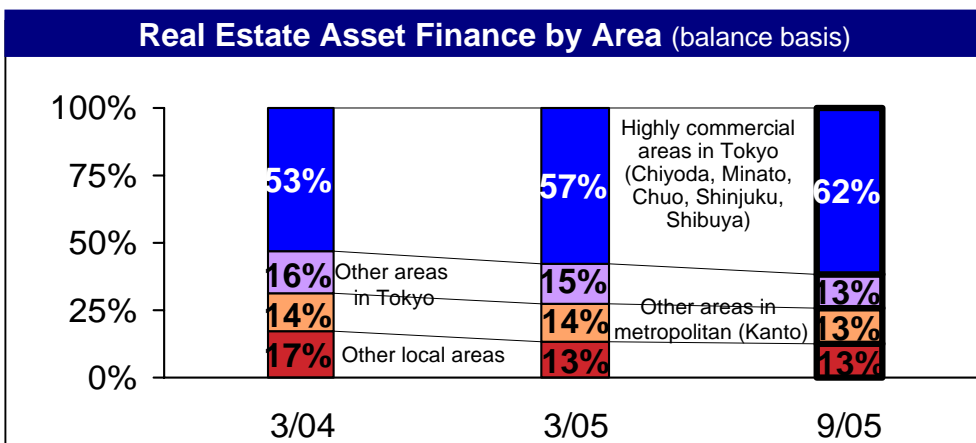
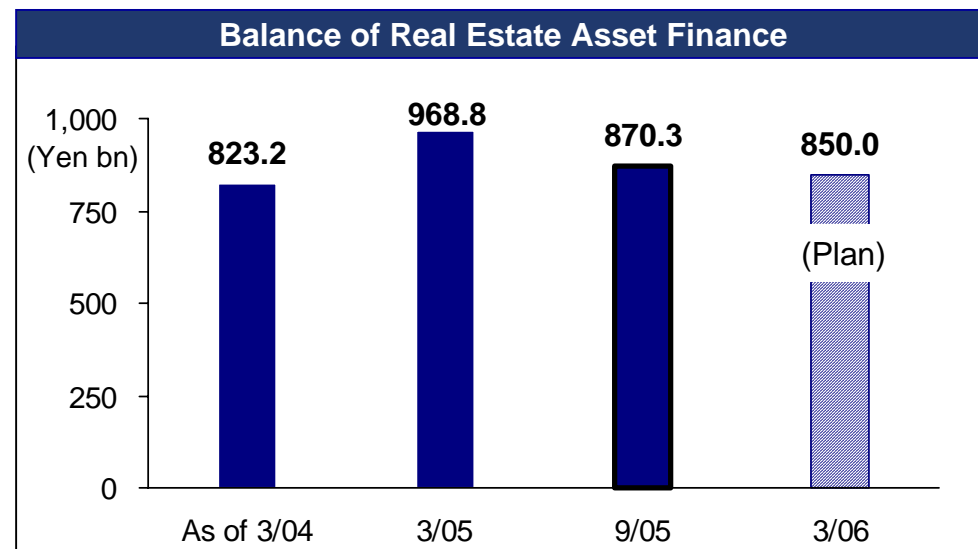
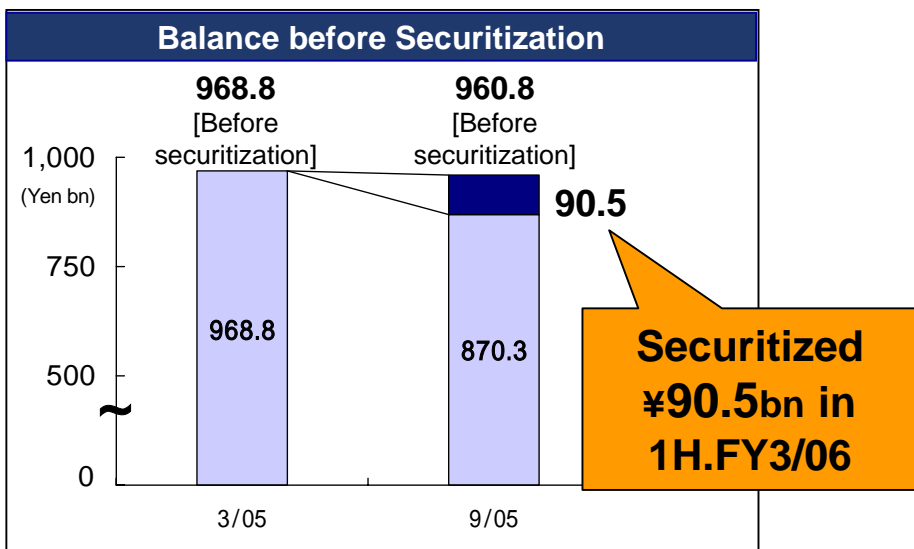


### Housing Loans Origination



# Real Estate Asset Finance

Change business model to fee-oriented business utilizing securitization methods, by taking advantage of position as pioneer in real estate asset finance



*Fund investment type: Real estate fund investment*

*Securitization type: Off-balance real estate of corporations*

*Development type: Build new office buildings and large condominiums*

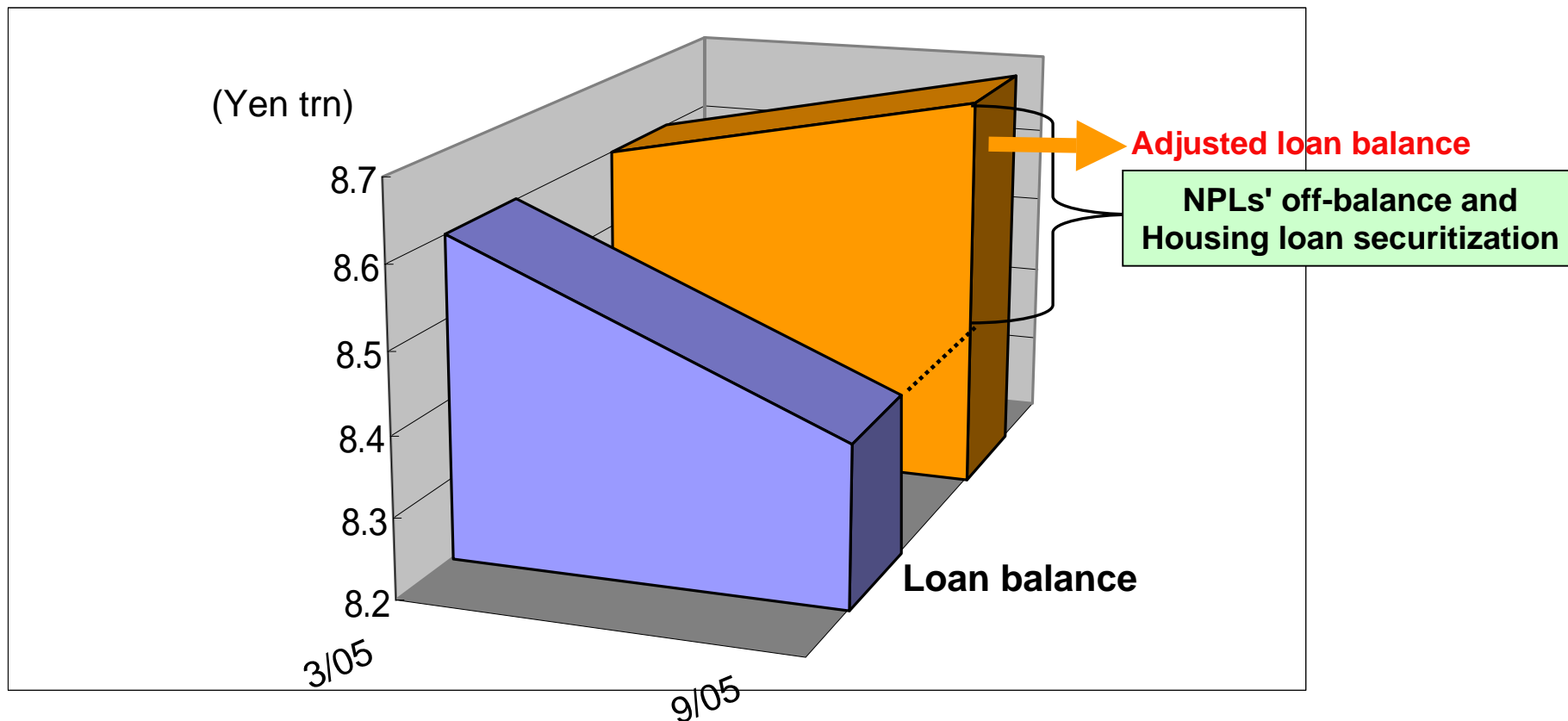
*REIT type: Loans to REIT (to investment company)*

# Loan Volume

Adjusted Loan Balance : Increased from prior year

## Loan Balance

Loan balance : Banking A/C & Trust A/C



# 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	1.09%	1.09%	(0.00)%
2 Average yield on loans and bills discounted	1.39%	1.14%	(0.25)%
Interest yield on securities	0.65%	1.10%	0.44%
3 Average yield on procured funds	0.36%	0.25%	(0.11)%
4 Average yield on deposits	0.23%	0.19%	(0.03)%
Yield margin(1-3)	0.73%	0.84%	0.10%
Yield margin(2-4)	1.16%	0.94%	(0.21)%

## CMTB: 3 a/c Yields

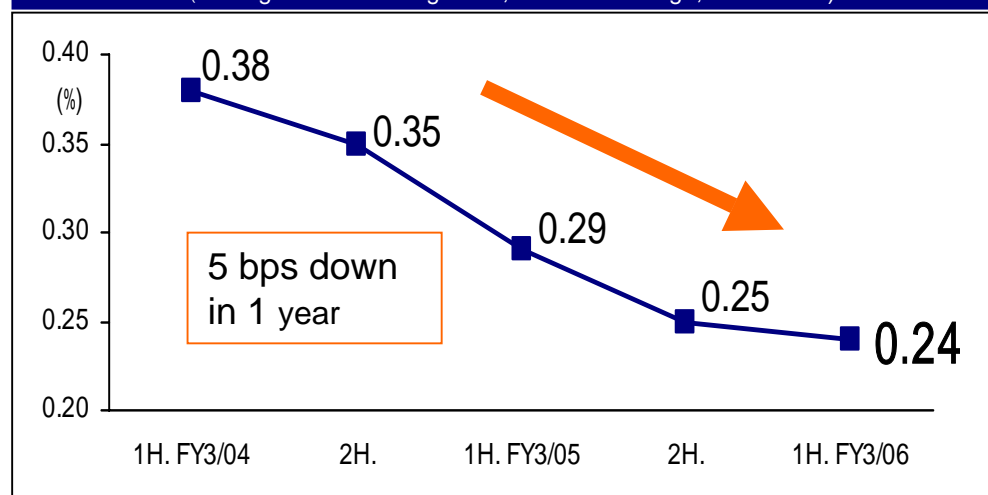
Banking a/c(domestic funds) + Loan Trusts + JODMTs\*

	a	b	c:b-a
	FY3/04	FY3/05	Change
1 Average yield	1.17%	1.10%	(0.06)%
2 Average yield on loans and bills discounted	1.45%	1.21%	(0.24)%
Average yield on securities	0.87%	1.28%	0.41%
3 Average yield on procured funds	0.29%	0.20%	(0.08)%
4 Average yield on deposits and principals	0.18%	0.15%	(0.02)%
Yield margin(1-3)	0.88%	0.89%	0.01%
Yield margin(2-4)	1.27%	1.05%	(0.22)%

\*Jointly Operated Designated Money Trusts

## Yields on Time Deposits

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



# Alternative Investments

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

## Alternative Investments: Actual & Planned

		(Yen bn)			
		Actual	Actual	Plan	Plan
		FY3/05	1H.	2H.	FY3/06
a	End balance	680.0	730.0	780.0	780.0
a	Avg. balance	560.0	700.0	750.0	730.0
b	Returns <sup>*1</sup>	12.6	8.4	15.0	23.4
b/a	Rate of returns	2.2%	2.3%	4.0%	3.2%

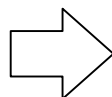
\*1 Gross basis (before considering funding costs)

## Types of Alternative Investments

- Securitized product investments
  - RMBS
  - Credit linked notes
  - Repackaging of bonds
- Venture capital investments
- Non-performing loan investments
- Equity fund investments
- Real estate equity investments
- Funds of hedge funds, others

## Reference: Risk Quantity on Alternative Investments

- Improvement of loan portfolio
- Reduction of equity portfolio

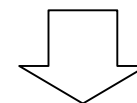


Reduction of risk quantity excluding alternative investments in past 2 fiscal years: Approx. ¥110bn

Increase of capital in past 2 years: Approx. ¥300bn

## Improvement in risk tolerance

(Approx. ¥410bn)



Risk quantity increased by alternative investments: Approx. ¥100bn



## -3. *New Businesses*

- *New Businesses*
- *Corporate Restructuring & Revitalization Business*

# New Businesses

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## **Corporate Restructuring & Revitalization Business**

- Provide Leveraged finance, DIP finance in response to funding needs of corporate restructuring and revitalization

## **Small Business Loans**

- Established specialized division in Chuo Mitsui, “Business Loan Dept.”
  - Expand operations to Nagoya
- Co-established “Chuo Mitsui Finance Service” with Nissin Co. Ltd.

**Seeking  
new growth  
drivers of  
profit which  
lead the  
next stage**

## **Reverse Mortgage**

- Engaged in the business ahead of peers in anticipation of coming aging society
- Gradually expand sales by changing features of products

## **Private Banking**

- Opened “Private Trust Saloon” to provide wealth management products and services to high-net-worth individuals

## **Securities Brokerage**

- Add foreign bonds and others to our products lineup to meet the needs of clients, amid an acceleration in the shift of personal financial asset from “deposits” to “investments”

# Corporate Restructuring & Revitalization Business

Established specialized division to meet the diversified needs of corporate clients by offering corporate restructuring and revitalization, M&A, buyout related finance and services

## ■ Established “Specialized Finance Dept” in 4/04

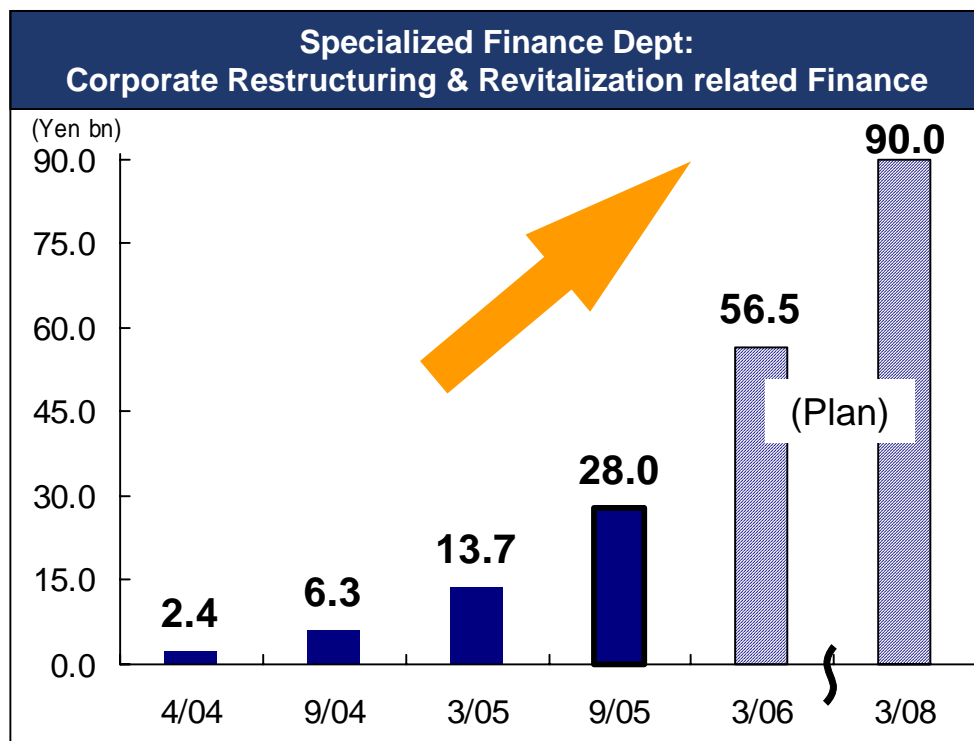
- DIP finance, Bridge / Exit finance, others
- MBO / LBO finance
- Non-performing loan investments

## ■ Major player as provider of DIP finance

- Ohki Corporation (construction)
- Tohoku Bunka Gakuen University
- Honma Golf Co. Ltd., others

## ■ Positioned as leading provider of financing products to improve corporate value, such as corporation going private

- Technol Eight, others



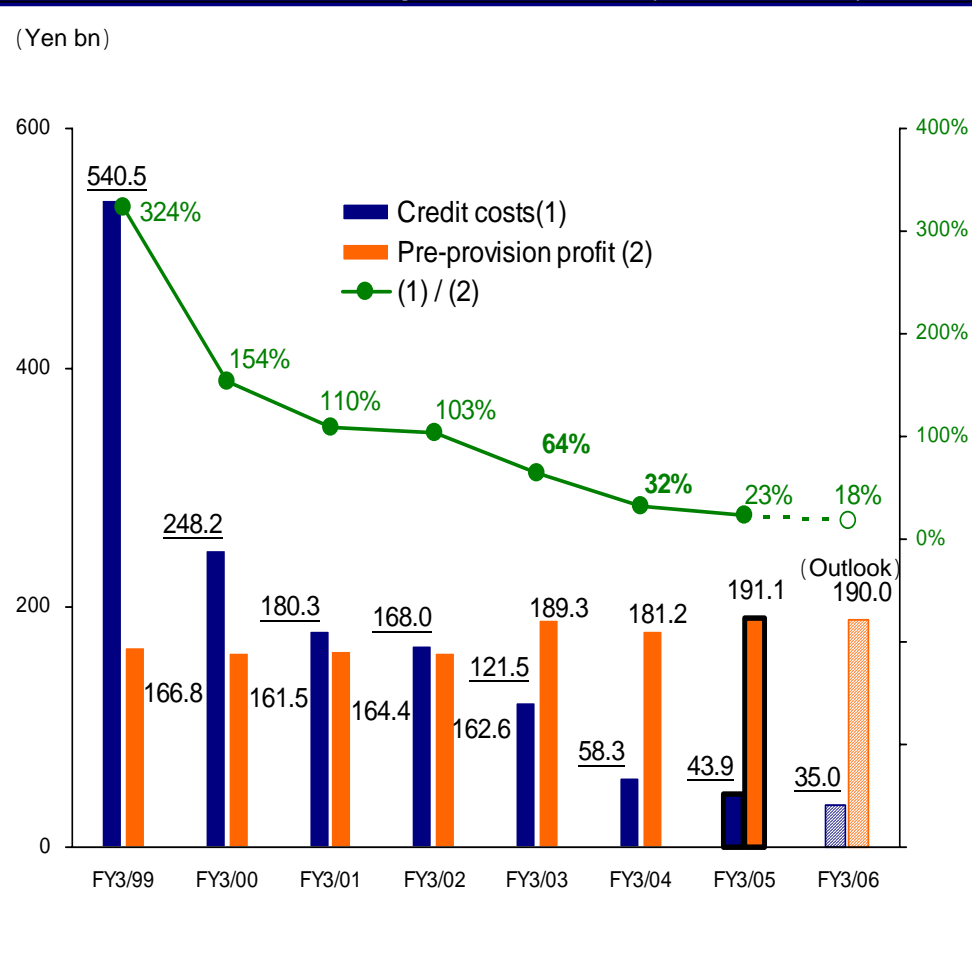
## . *Strengthening of Balance Sheet*

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

# Disposal of NPLs

Credit costs to decline for 7 consecutive years, to below 20% of pre-provision profit

### Credit Costs & Pre-provision Profit (CMTB+MATB)



### Breakdown of Credit Costs

CMTB	a	b	c:b-a	d	e	(Yen bn)
	1H.FY3/05	Actual 1H.FY3/06	Chg.	FY3/05	Outlook FY3/06	f:e-d
New NPLs costs	10.3	25.3	15.0	38.1	29.0	(9.1)
Off-balance costs	16.1	5.5	(10.6)	22.0	14.0	(8.0)
Transfer to the general reserve	(4.7)	(7.9)	(3.2)	(16.2)	(8.0)	8.2
<b>Total</b>	<b>21.7</b>	<b>22.9</b>	<b>1.2</b>	<b>43.9</b>	<b>35.0</b>	<b>(8.9)</b>

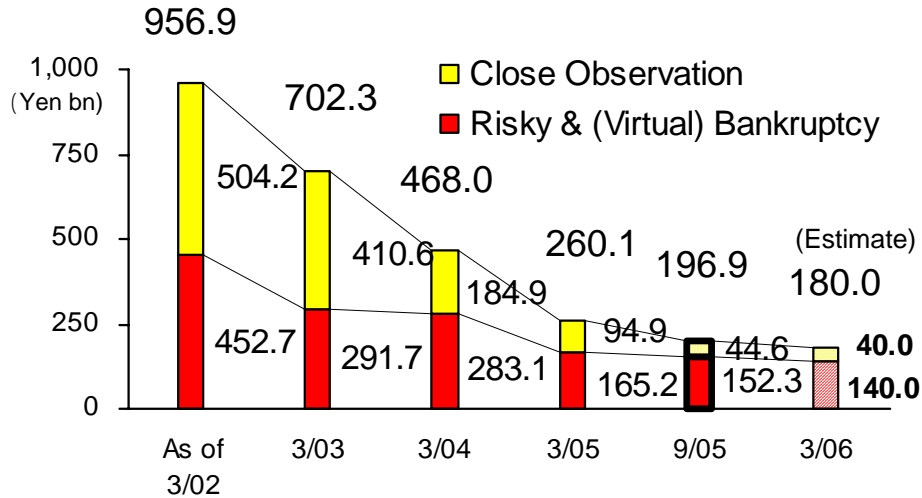
### Amount of Off-balance

CMTB	a	b	c:b-a	d	e	(Yen bn)
Off-balance	1H.FY3/05	Actual 1H.FY3/05	Chg.	FY3/05	Outlook FY3/06	f:e-d
Amount	128.3	59.9	(68.4)	253.7	110.0	(143.7)

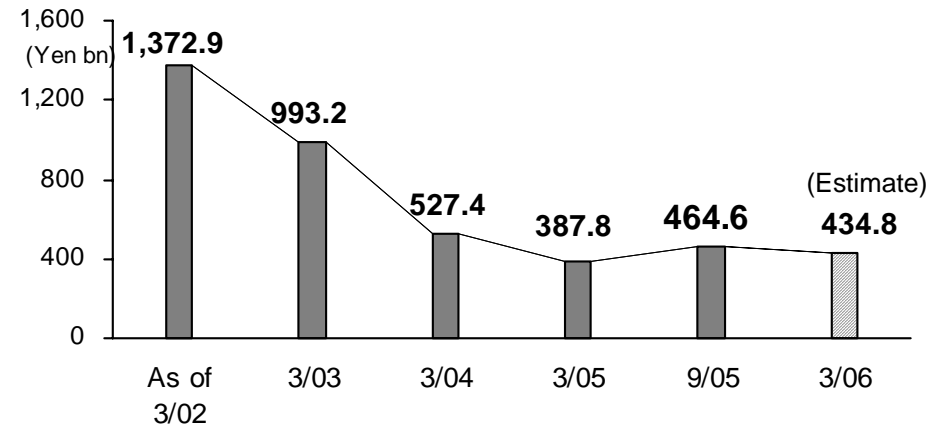
# NPLs Balance & NPLs Ratio

**NPLs Ratio: down to 2.2%**

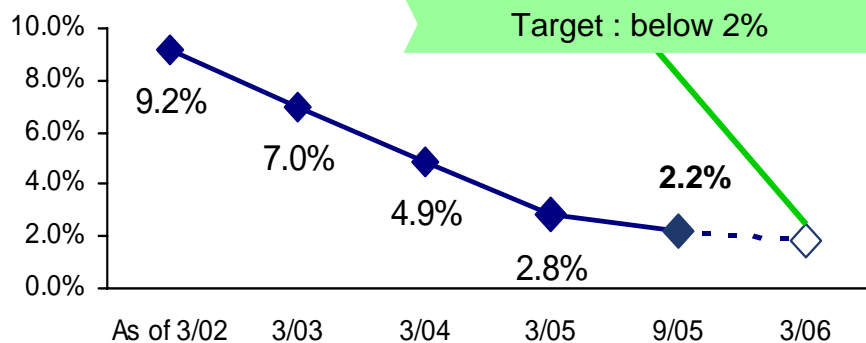
**NPLs Balance (Banking a/c + Trust a/c)**



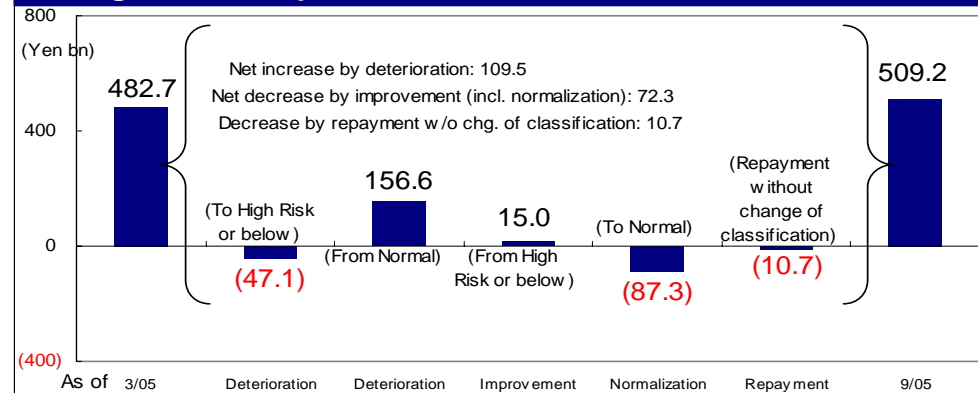
**Balance of "Other" Special Mention Loans (Banking a/c + Trust a/c)**



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



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

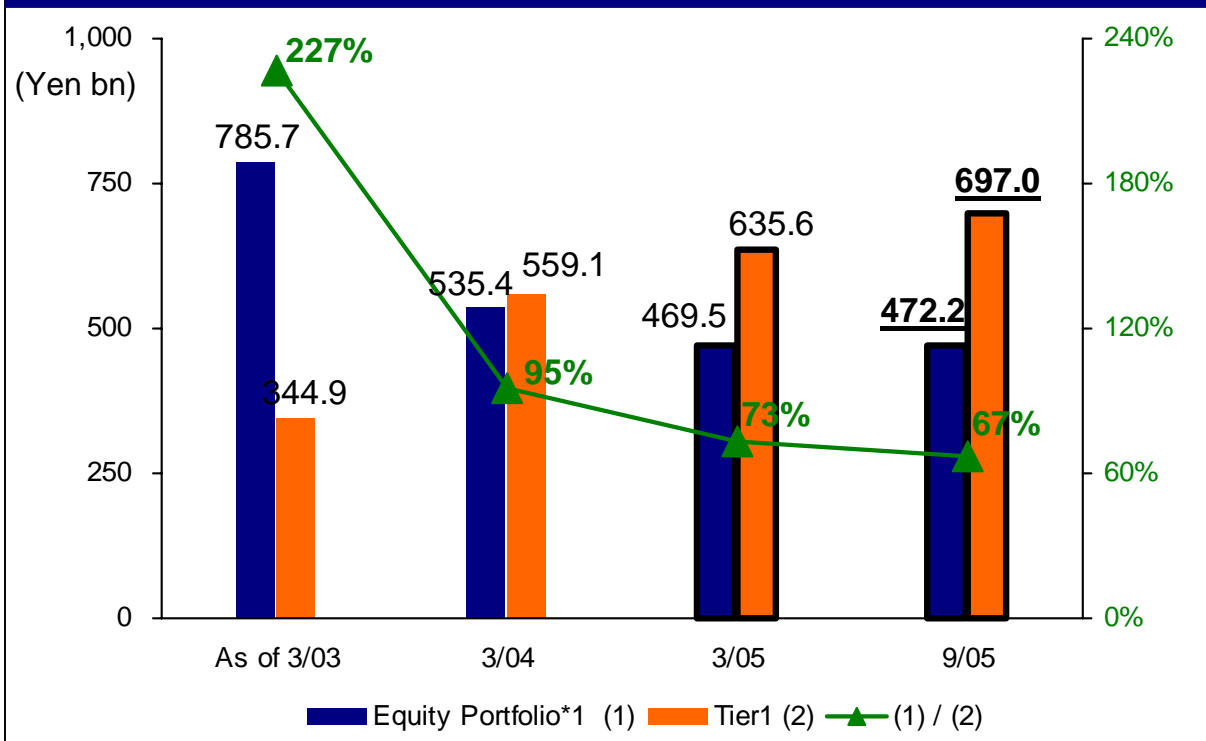


# Equity Portfolio

The balance declined to below 70% of Tier1 Capital

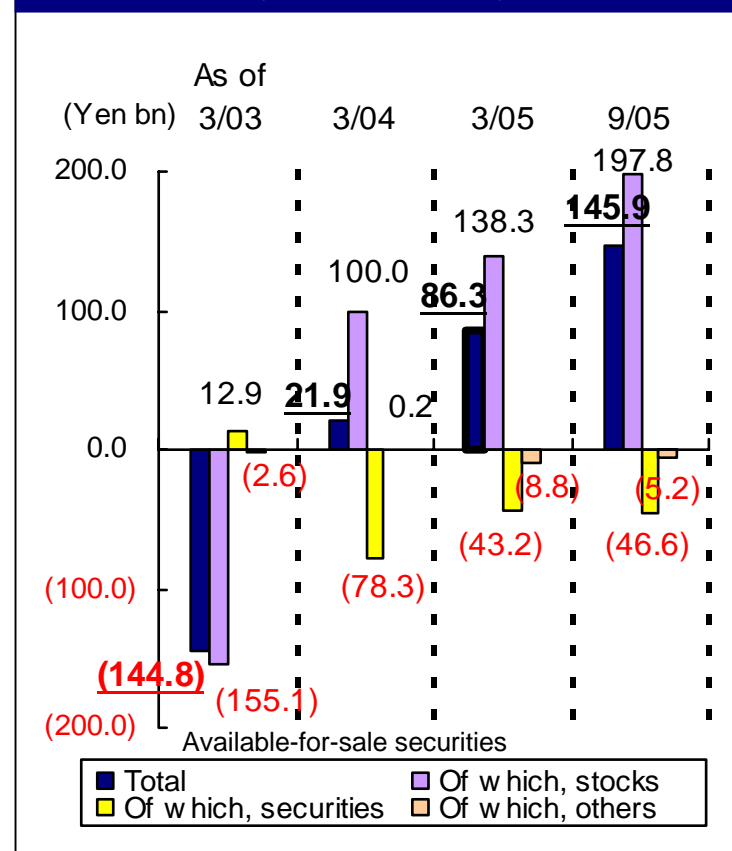
Net unrealized gains on securities held increased

Equity Portfolio & Tier1 (MTH, Consolidated)



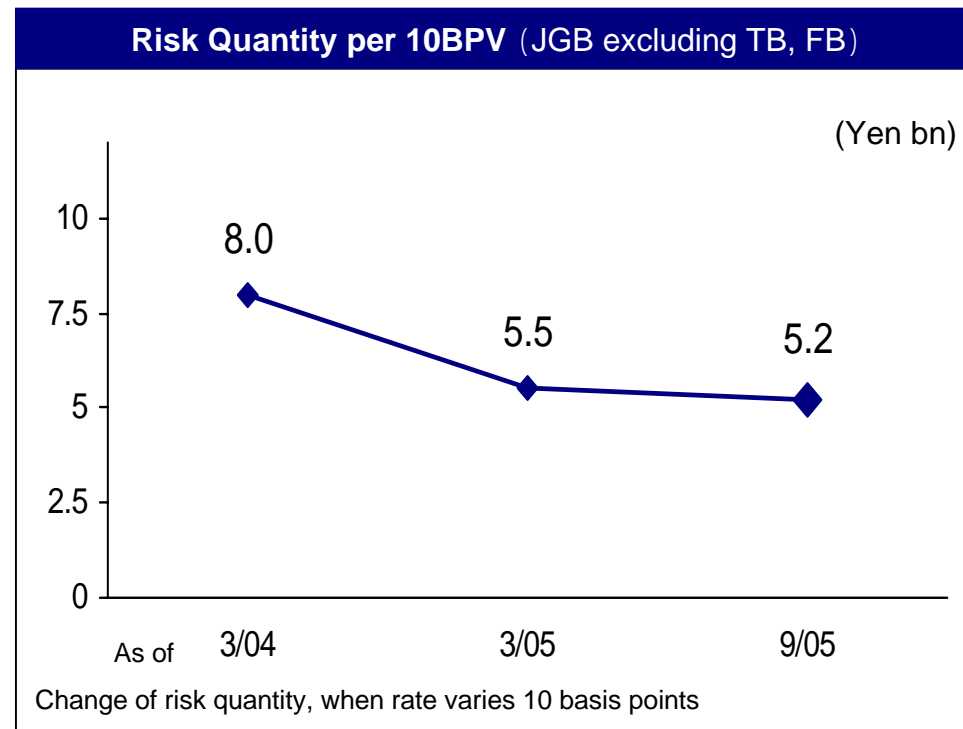
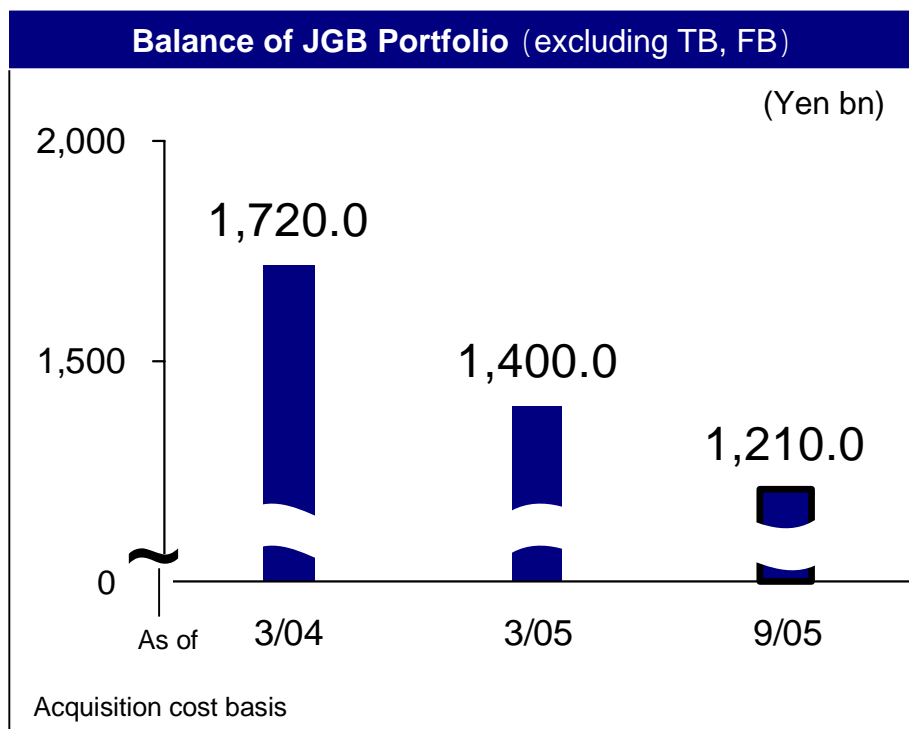
\*1 Acquisition cost basis, except for 3/03 figure (book value basis, due to net unrealized losses)

Net Unrealized Gains on Securities Held (MTH, Consolidated)



# Bond Portfolio

Executed risk managed operation



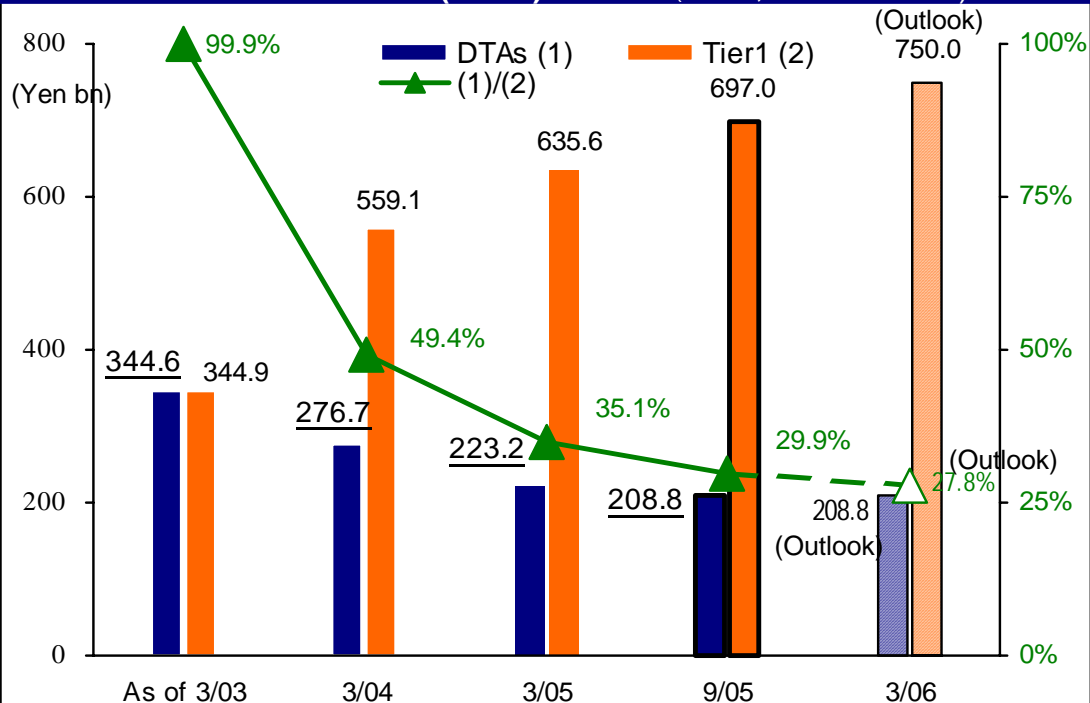


# Deferred Tax Assets

9/05 : 29.9% of Tier1 capital (MTH, Consolidated)

Estimation: DTAs in size will be flat until the end of FY3/06

Deferred Tax Assets (DTAs) & Tier1 (MTH, Consolidated)



## Breakdown of Deferred tax Assets & Liabilities

CMTB: Non-consolidated (Yen bn)

As of		3/05	9/05	Chg.
1	Deferred tax assets	240.3	238.5	(1.8)
	Allowance for possible loan losses	43.9	45.6	1.6
	Securities write-offs	30.3	29.1	(1.2)
	Unrealized losses on available-for-sale securities	-	-	-
	Reserve for retirement benefits	13.8	12.0	(1.7)
	Tax loss carryforwards	235.2	21.5	(20.2)
	Others	21.1	20.3	(0.7)
	Valuation allowance (Non-booked)	(104.3)	(83.7)	20.6
2	Deferred tax liabilities	14.4	23.0	8.5
	Gains on establishment of retirement benefit trusts	11.4	10.7	(0.7)
	Unrealized gains on available-for-sale securities	-	10.3	10.3
	Others	3.0	1.9	(1.0)
1-2	Net deferred tax assets	225.9	215.5	(10.3)

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

		Estimated profit		Adjusted amount	Estimated profit for DTA	
Assumption for estimation		5 yrs total			5 yrs total	
	Pre-provision profit	917.1		(249.4)	667.7	Approx. 130 bn yen p.a.
	Net income before taxes	716.8		(177.1)	539.7	Approx. 110 bn yen p.a.
					a	
	Adjustment on tax account				b	9.8
	Taxable income before adjustments				a+b	549.5
						Approx. 110 bn yen p.a.

# Capital

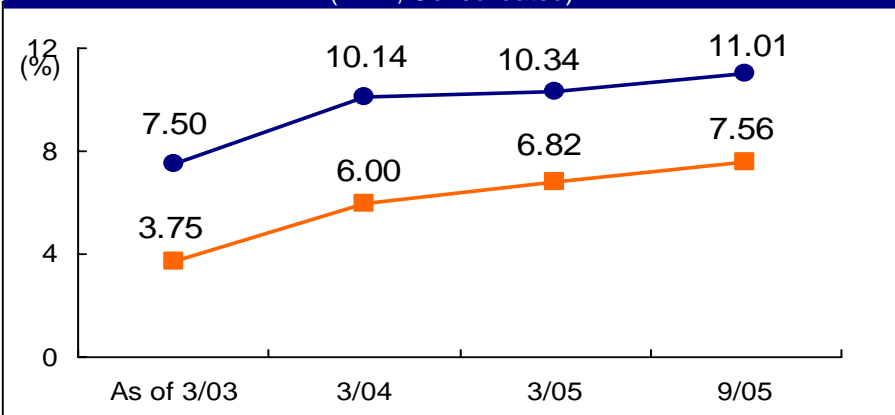
## Capital Adequacy Ratio (MTH, Consolidated)

	a		b		c:b-a		d:Estimate		e:d-b	
MTH, Consolidated	3/05	9/05	Change	3/06	Change	(Yen bn)	3/06	Change		
Tier1	635.6	697.0	61.3	750.0	53.0		750.0	53.0		
Tier2	331.4	321.3	(10.1)	320.0	(1.3)		320.0	(1.3)		
Risk-weighted assets	9,320.5	9,218.6	(101.8)	9,500.0	281.4		9,500.0	281.4		
Capital Adequacy Ratio	10.34%	11.01%	0.67%	11.0 to 11.4%			11.0 to 11.4%			
Tier1 Ratio	6.82%	7.56%	0.74%	7.5 to 7.9%			7.5 to 7.9%			

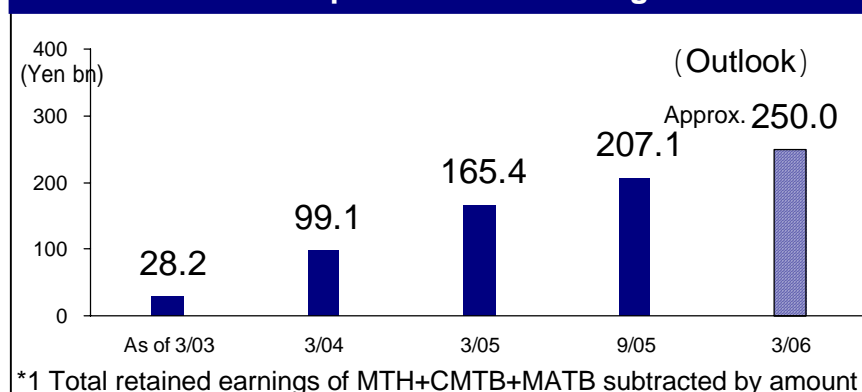
## Risk Assets Change in FY3/06 (Plan)

	End balance [Risk assets chg.]	
	chg.	chg.]
Increase of high yield assets	+270	[+165]
Loans to individuals	+210	[+105]
Alternative investments	+60	[+60]
Others	+130	[+125]
Total	+400	[+290]

## 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 and dividends paid to shareholders

## Preferred Shares

	Amount (Yen bn)	Type	Year/Month of Injection	Dividend Rate	Current Conversion Price	Reset Floor	Annual reset date, Up/Downward 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,	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





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.