

The 8th Japanese Financial Service Conference

Mitsui Trust Financial Group Management Strategies



September 7, 2006

Mitsui Trust Holdings, Inc.

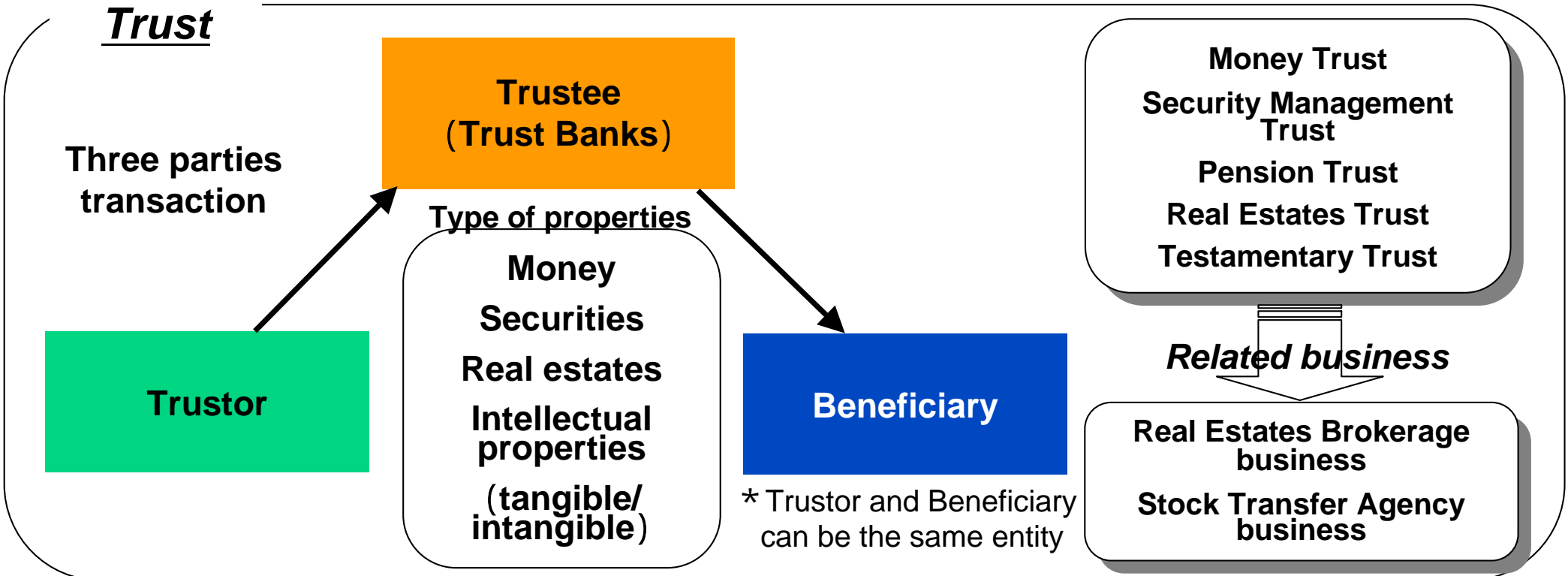
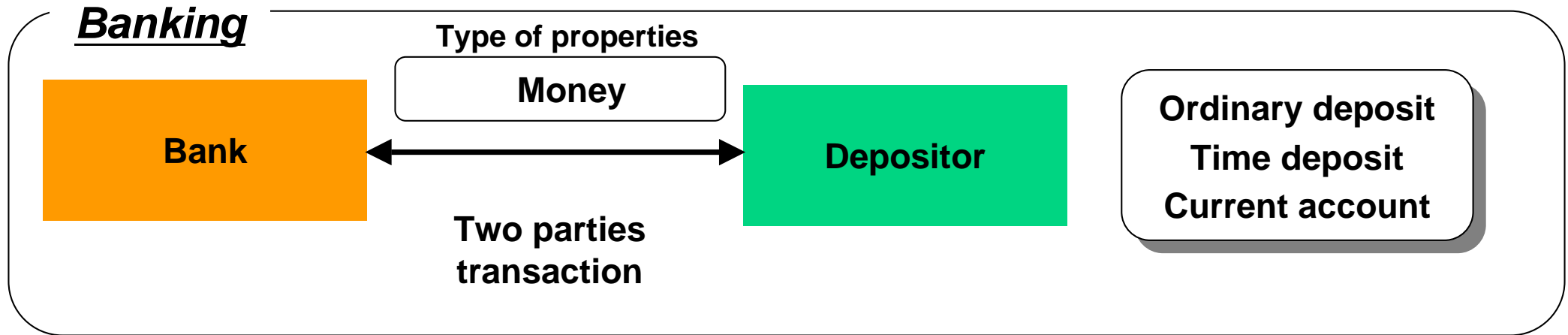
Agenda

. Competitive Advantage of Trust Capability	3
. Management Strategies of Mitsui Trust Financial Group	5
. Asset Management Businesses	12
. Banking Businesses	23
. New Businesses	29
. Capital	34

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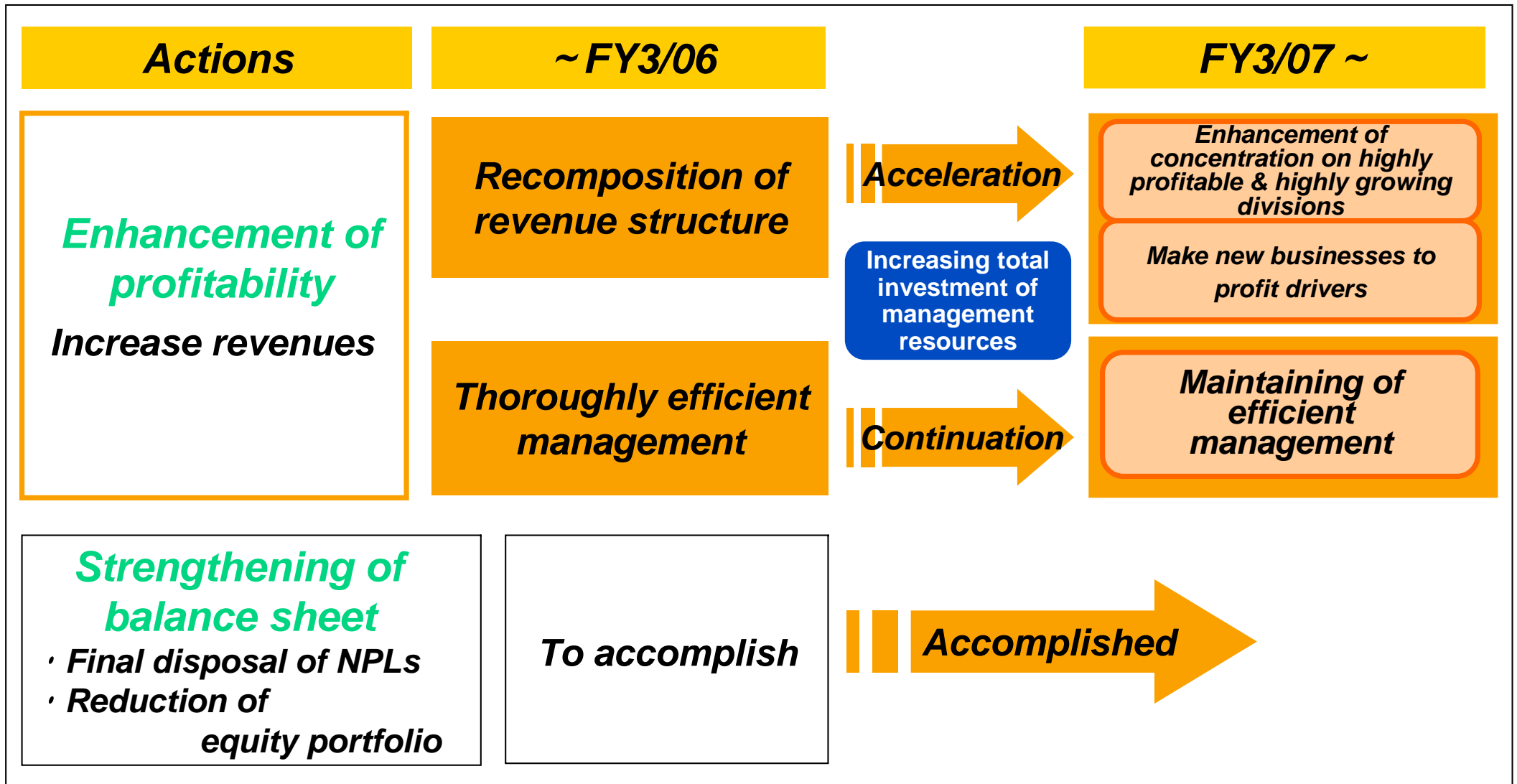
Competitive Advantage of Trust Capability



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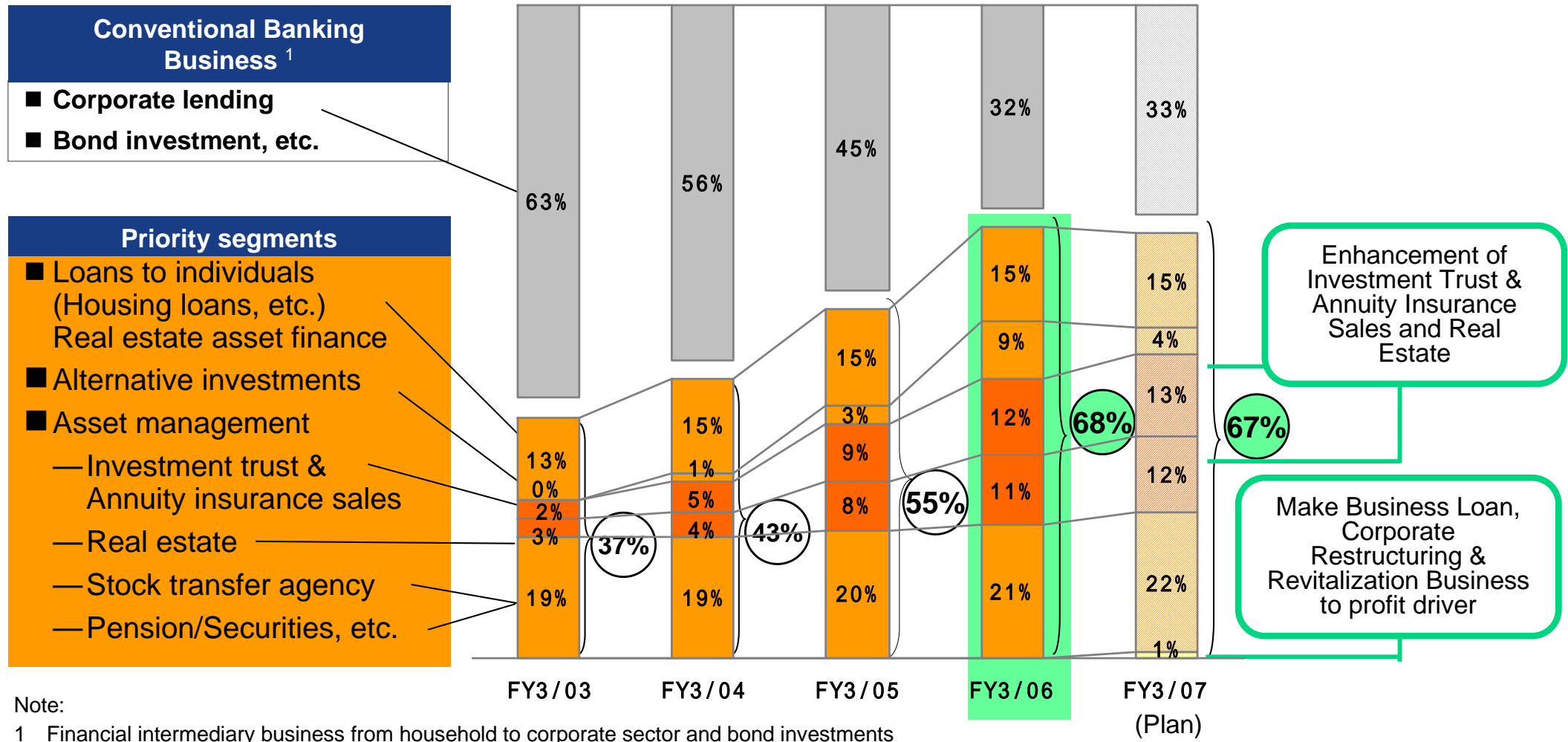
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Management Direction



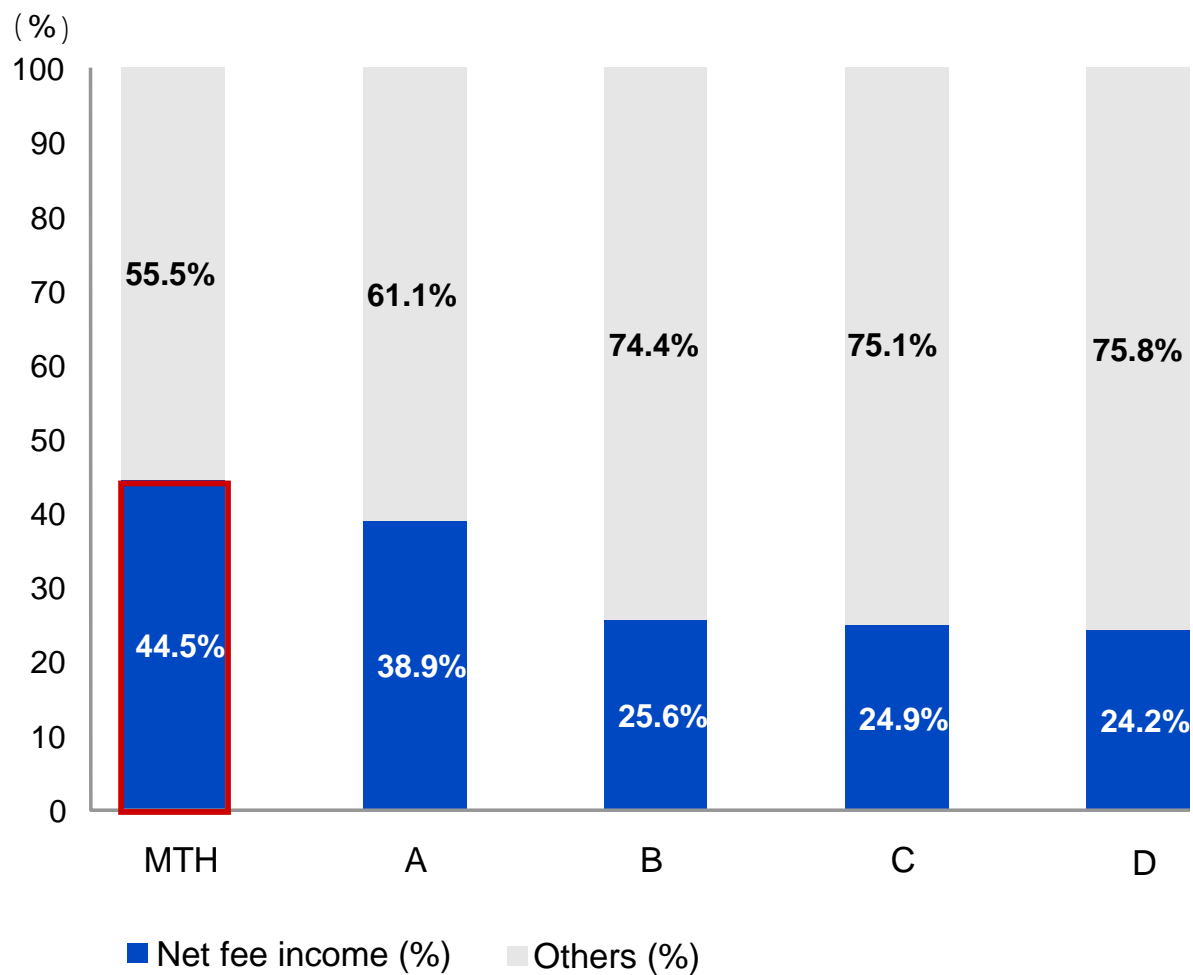
Recomposition of Revenue Structure

Gross operating profit breakdown by business segments (CMTB+MATB, non-consolidated)



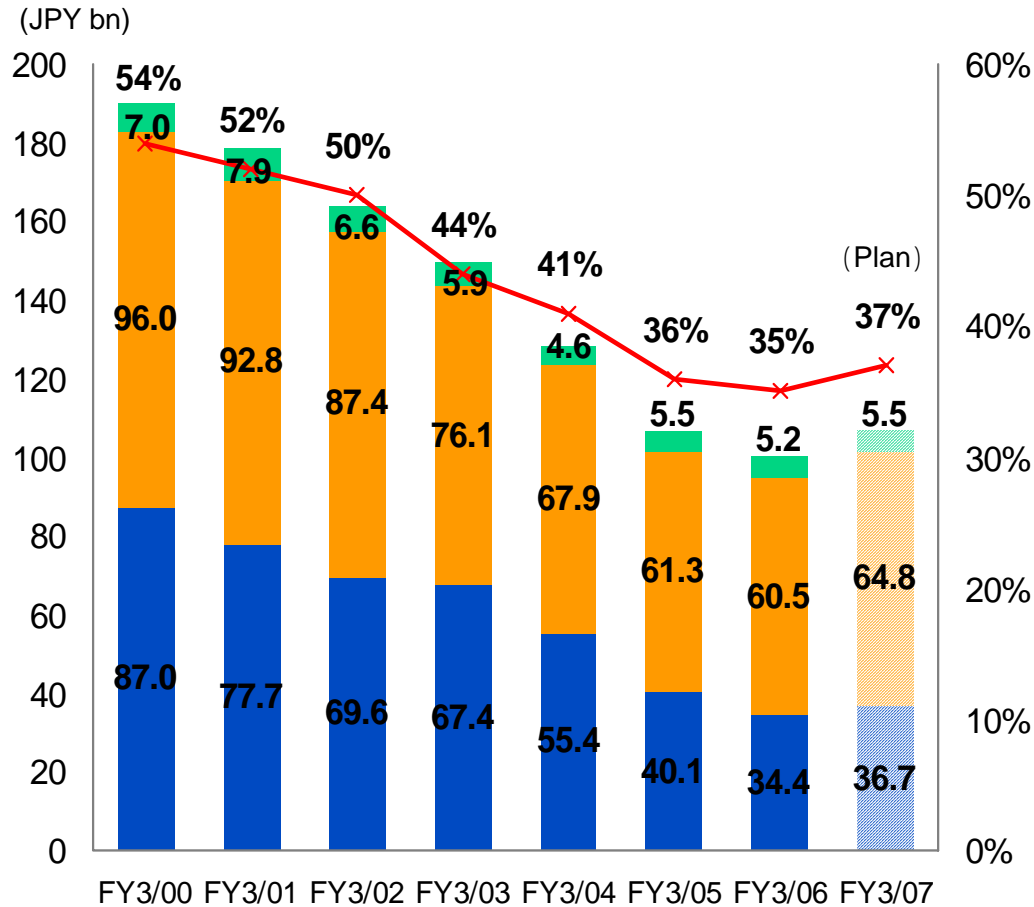
High Percentage of Fee Income

Net fee income as % of gross operating profit for major banks FY3/06
(Sum of operating banks, non-consolidated)



Profitability and Efficiency (1)

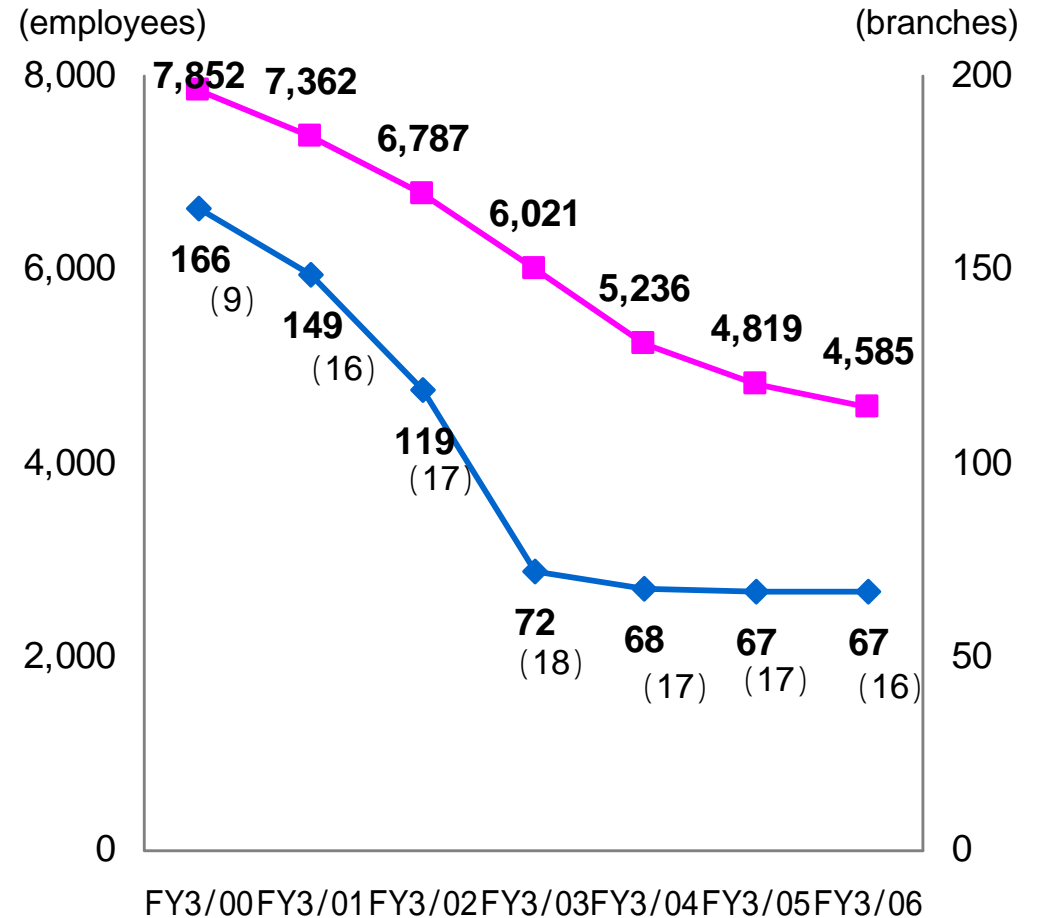
Overhead ratio¹ (CMTB+MATB, non-consolidated)



Legend: Personnel expenses (Blue), Non-personnel (Orange), Taxes (Green), Overhead ratio (Red line with 'x' markers)

Note: 1 Operating expenses divided by gross operating profit before trust a/c credit costs

Number of employees¹ and branches^{2,3}

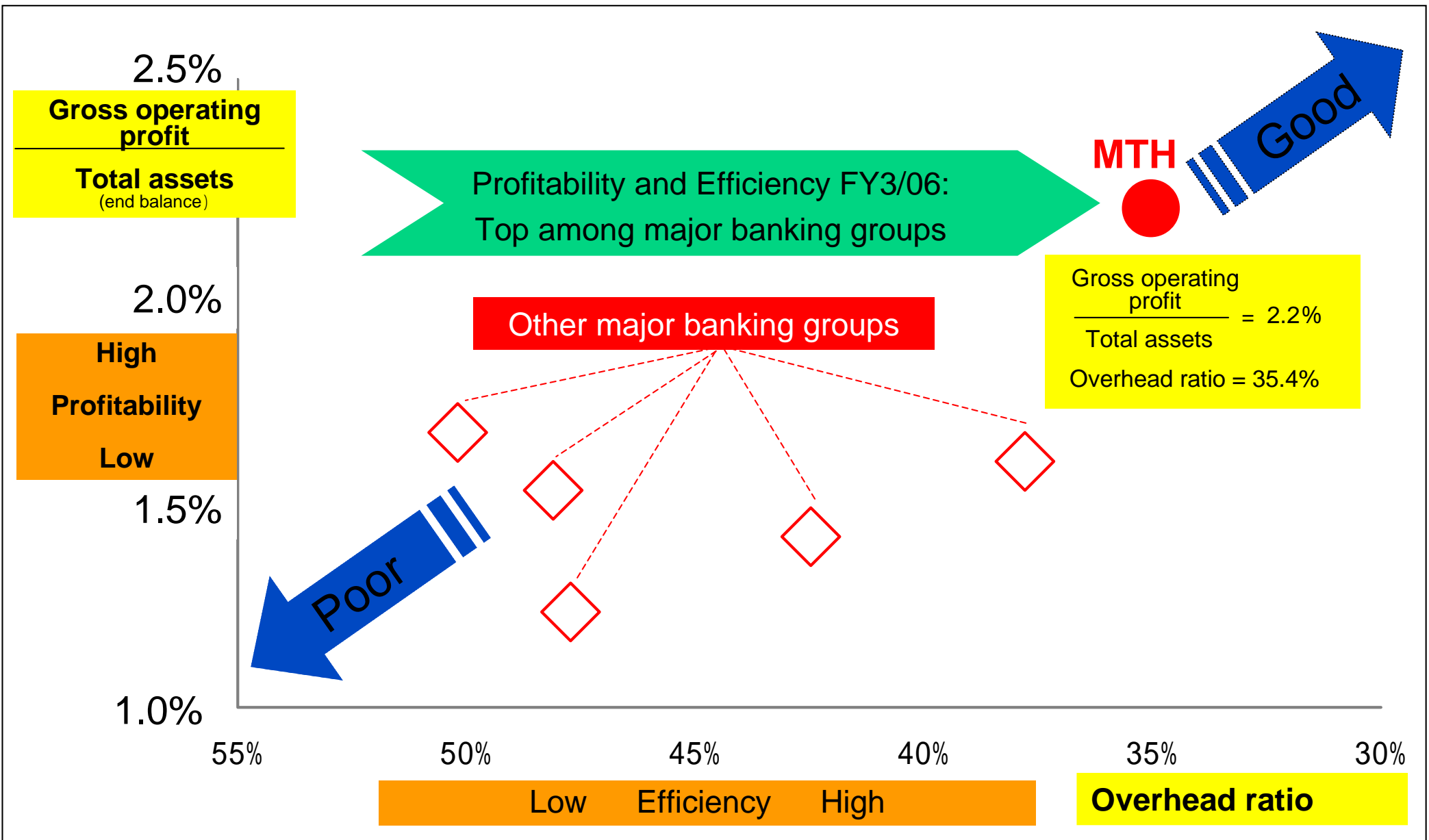


Legend: # of employees (Pink line with square markers), # of branches (Blue line with diamond markers)

Notes:

- 1 Combined non-consolidated basis for MTH + CMTB + MATB
- 2 CMTB only
- 3 figures in parentheses are Consulplaza, which are in-store mini branches (not included in # of branches)

Profitability and Efficiency (2)



Financial Summary

Gross operating profit¹ by business activity (CMTB+MATB, non-consolidated)

(JPY bn) CMTB+MATB	a	b	c:b-a	Growth	d	e:d-b	Growth	CAGR
	FY3/05	Actual FY3/06	Change	rate	Outlook FY3/07	Change	rate	FY3/05~
Asset management business	108.5	125.9	17.4	16%	134.0	8.1	6%	11%
Investment trust & annuity insurance sales	26.0	34.4	8.4	32%	36.5	2.1	6%	18%
Real estate	25.3	30.3	5.0	20%	35.0	4.7	16%	18%
Stock transfer agency	15.7	16.7	1.0	6%	16.0	(0.7)	(4)%	1%
Pension	24.9	25.7	0.8	3%	28.5	2.8	11%	7%
Securities	8.8	10.5	1.7	19%	12.5	2.0	19%	19%
[^{of which} Investment advisory fees & fees from entrustment of investment trust assets]	[3.9]	[6.1]	[2.2]	[56%]	[8.0]	[1.9]	[31%]	[43%]
Others	7.5	8.2	0.7	9%	5.5	(2.7)	(33)%	(14)%
Banking business	189.5	157.4	(32.1)	(17)%	153.0	(4.4)	(3)%	(10)%
excl.* Financing business 3 a/c total, others	118.5	106.6	(11.9)	(10)%	108.0	1.4	1%	(5)%
* Loans to individuals, Real estate asset finance	46.0	41.0	(5.0)	(11)%	44.0	3.0	7%	(2)%
Housing loan securitization profit	34.4	16.2	(18.2)	(53)%	0.0	(16.2)	-	-
Net bond-related profit	(9.4)	(6.4)	3.0	-	1.0	7.4	-	-
Gross operating profit	298.1	283.3	(14.8)	(5)%	287.0	3.7	1%	(2)%
Operating expenses	107.0	100.2	(6.8)	(6)%	107.0	6.8	7%	0%
Pre-provision profit ²	191.1	183.0	(8.1)	(4)%	180.0	(3.0)	(2)%	(3)%
Recurring profit	149.9	125.2	(24.6)	(16)%	150.0	24.8	20%	0%
Deferred income taxes	47.1	0.1	(47.0)	(100)%	19.0	18.9	-	(36)%
Net income	92.1	118.2	26.1	28%	120.0	1.8	2%	14%
Credit costs	43.9	65.6	21.7	49%	20.0	(45.6)	(70)%	(33)%
MTH, consolidated ROE ³	21%	23%	2%		19%	(4)%		

Notes:

- 1 Before trust account credit costs
- 2 Before trust account credit costs and provision (reversal) of general allowance for possible loan losses
- 3 Net income divided by adjusted average shareholders' equity. Adjusted average shareholders' equity is the average of (i) total shareholders' equity at the beginning of the fiscal year, less net unrealized gains on available-for-sale securities at the beginning of the fiscal year and (ii) total shareholders' equity at the end of the fiscal year, less net unrealized gains on available-for-sale securities at the end of the fiscal year, less net income for the fiscal year

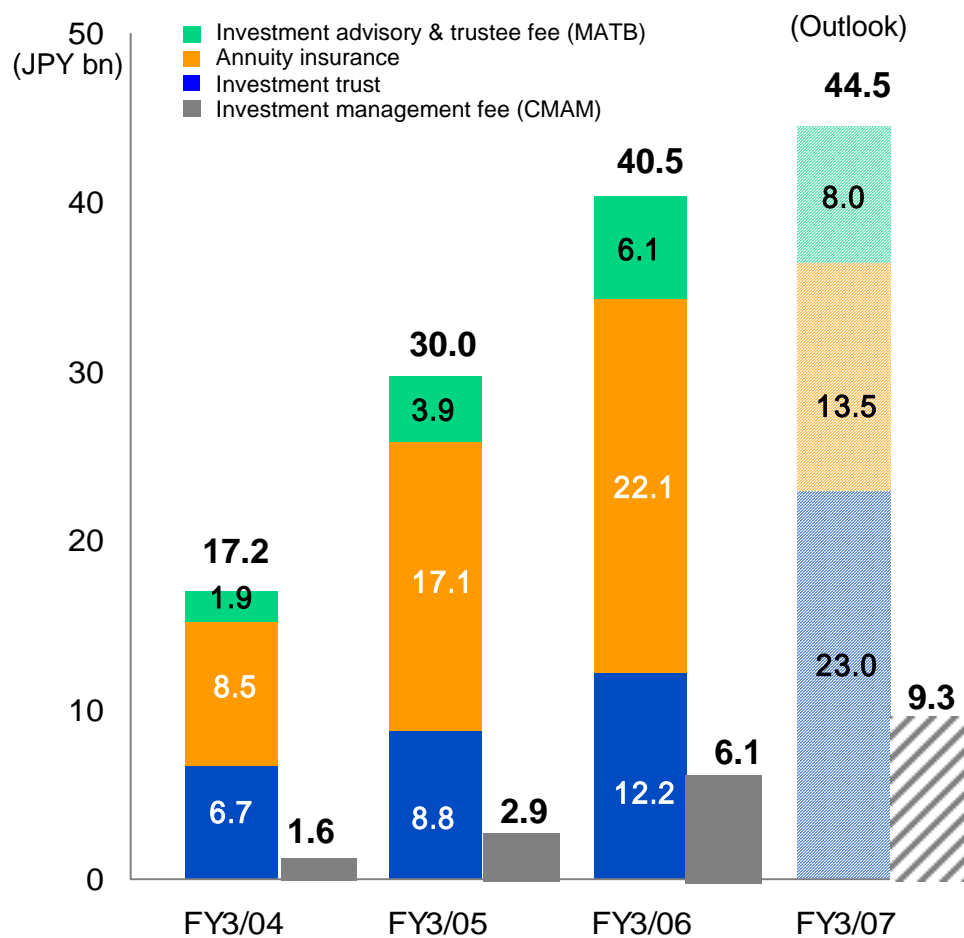


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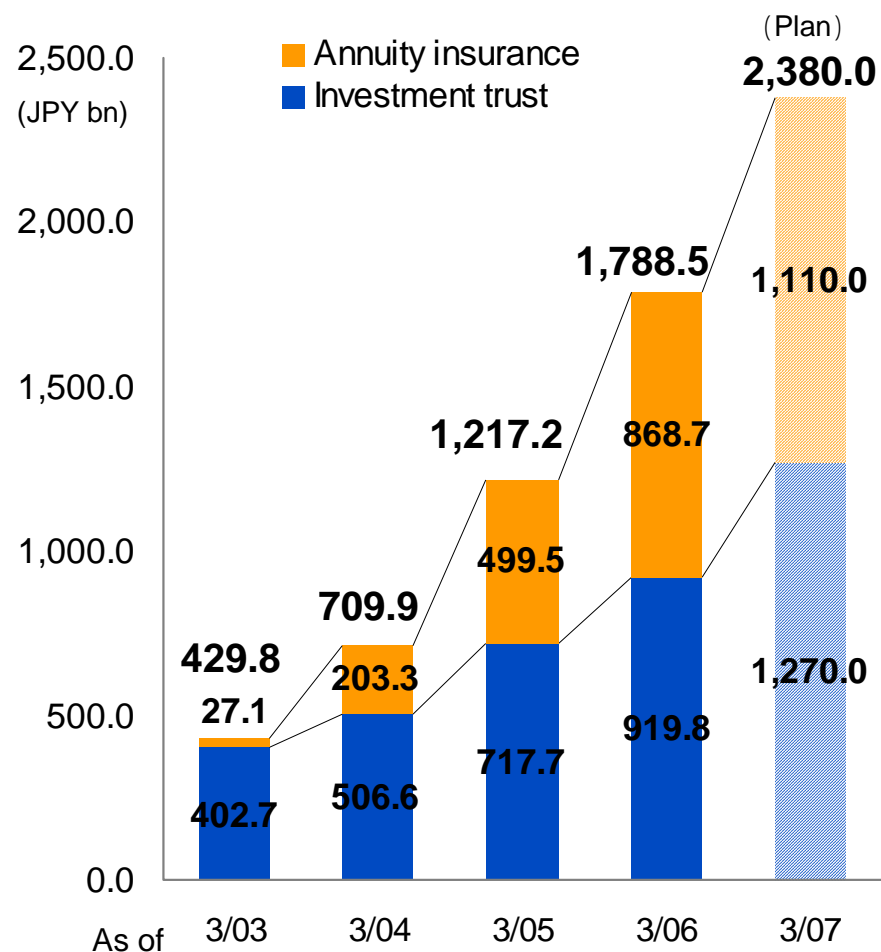
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Investment Trust and Annuity Insurance Sales (1)

Investment trust & Annuity insurance-related sales fees and commissions (CMTB, non-consolidated)



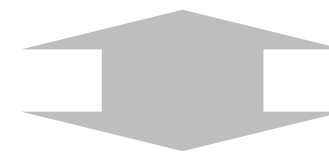
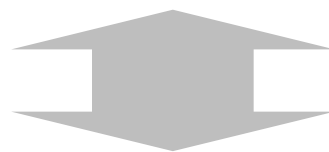
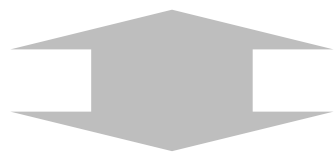
Aggregate balance of investment trust and annuity insurance products sold (CMTB, non-consolidated)



Investment Trust and Annuity Insurance Sales (2)

Expansion of investment trust and annuity insurance markets positively affecting all aspects of sales, administration, and management contributing to each group member company's earnings

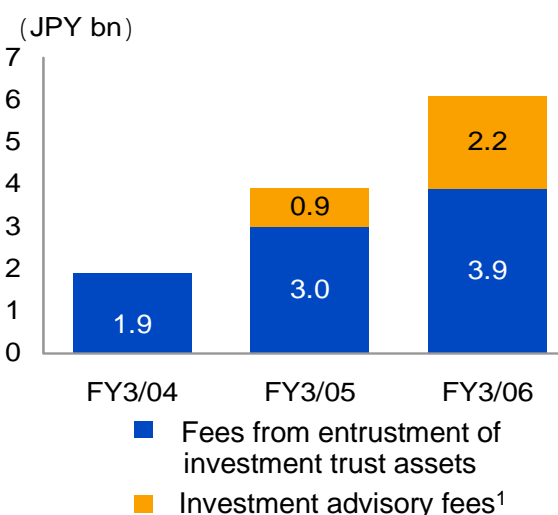
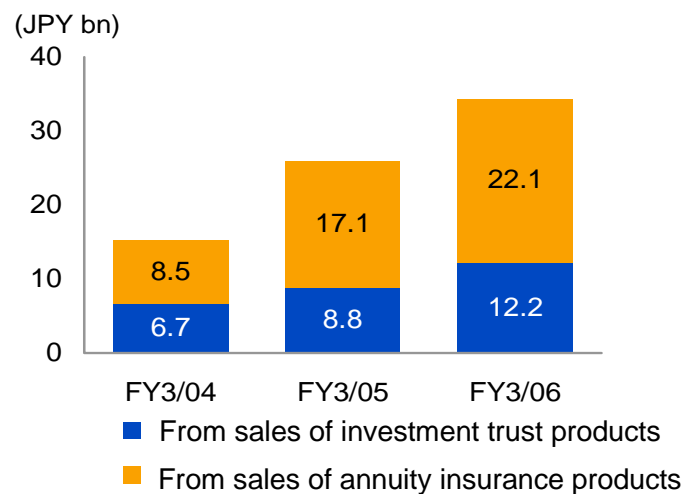
Expansion of investment trust and annuity insurance markets



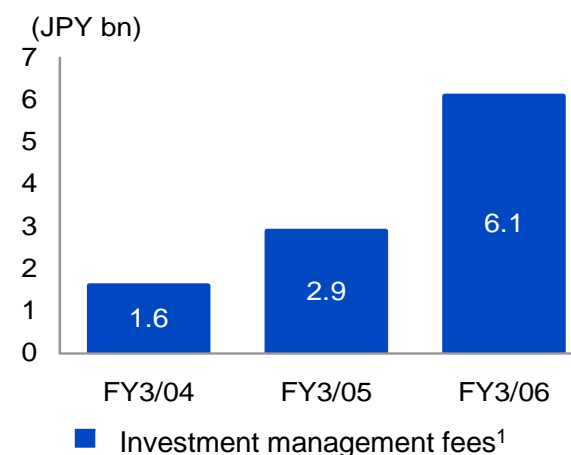
Investment trust and annuity insurance sales fees and commissions (CMTB, non-consolidated)

Investment advisory fees and fees from entrustment of investment trust assets¹ (MATB, non-consolidated)

Investment management fees, etc. (CMAM, non-consolidated)



Note:
1 Largely made up of amount received from CMAM

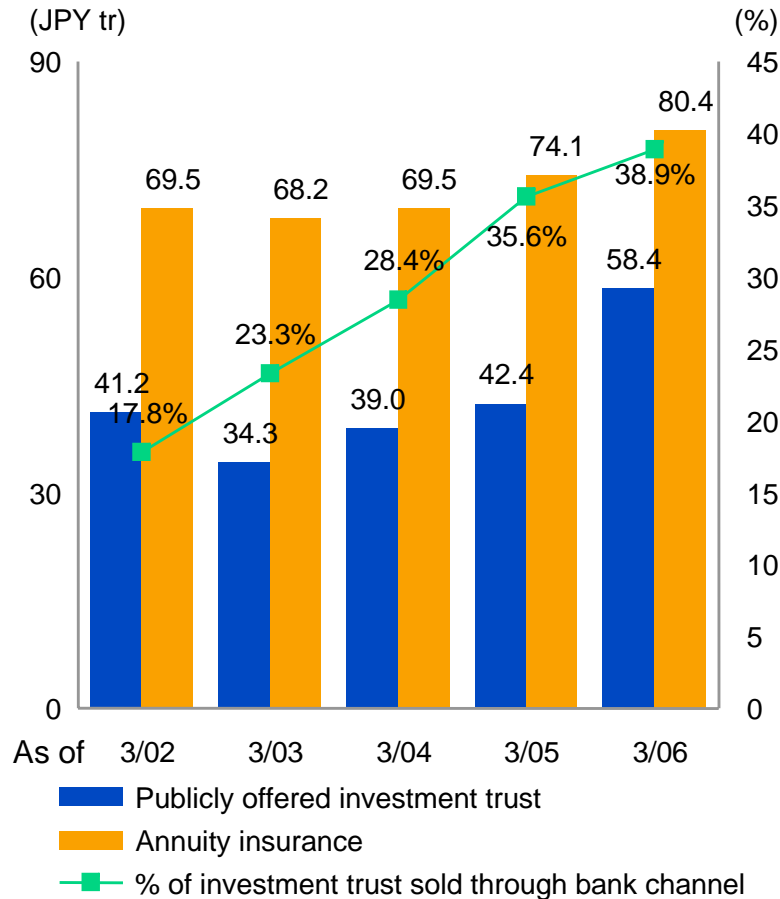


Note:
1 Includes investment advisory fees paid to MATB

Macro fundamentals of Financial Assets of Individuals (1)

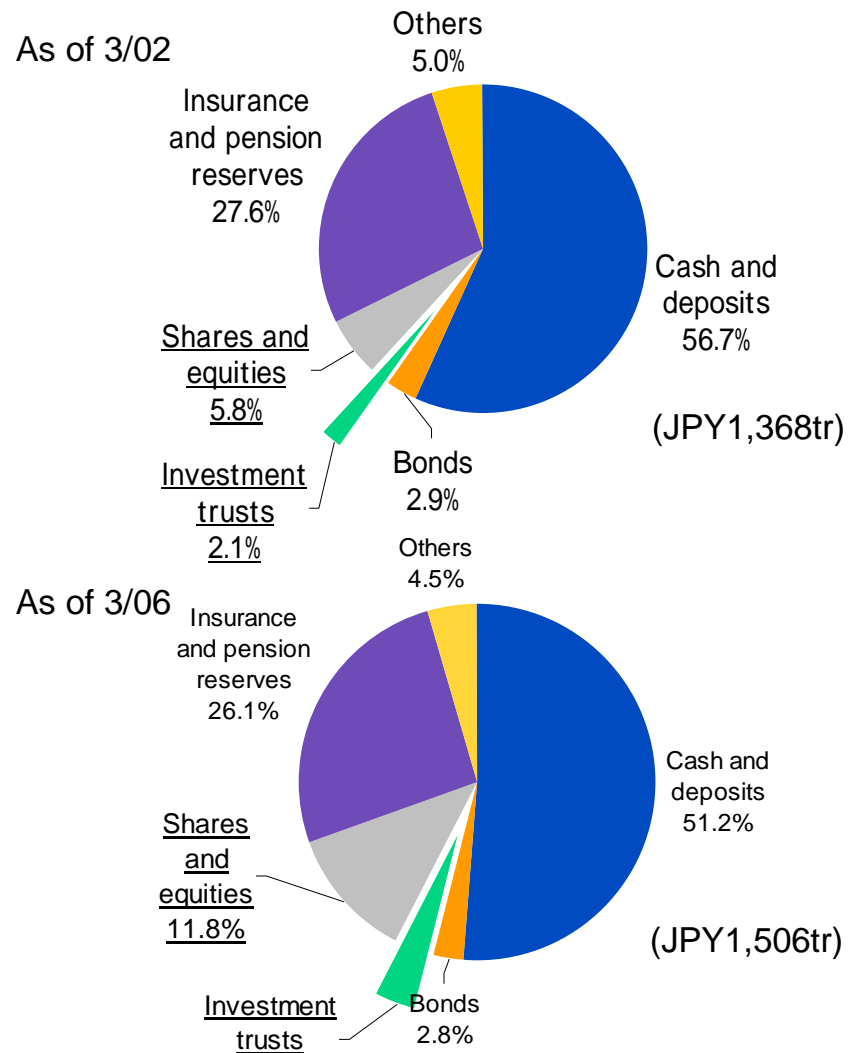
Shift from savings to investments accelerating

Market trend of investment trusts and annuity insurance



Source: The Investment Trusts Association,
The Life Insurance Association of Japan

Composition of financial assets of individuals for Japan

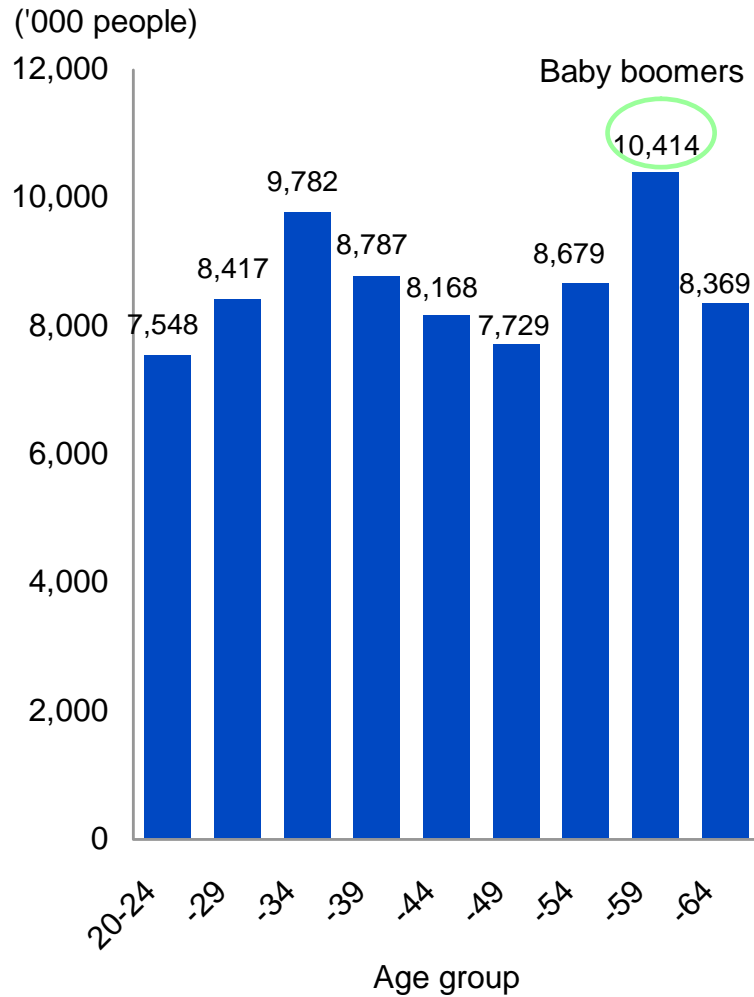


Source: Flow of Funds (3/06) from the Bank of Japan

Macro fundamentals of Financial Assets of Individuals (2)

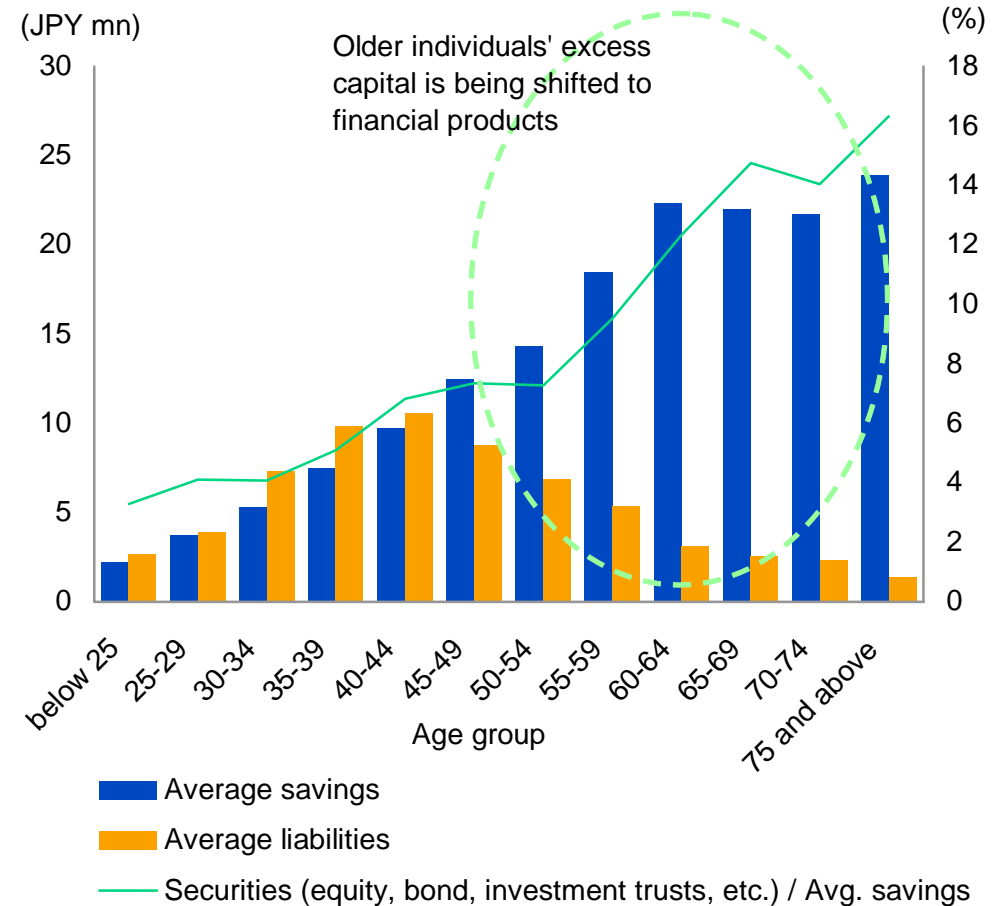
Core investors will be the “Baby Boomers”, the generation who will be retiring in 2 to 3 years

Population breakdown by age groups



Source: Population Estimates (1/06) from the Statistics Bureau (Ministry of Internal Affairs and Communications)

Average savings, liabilities and percentage of securities to average savings per household¹



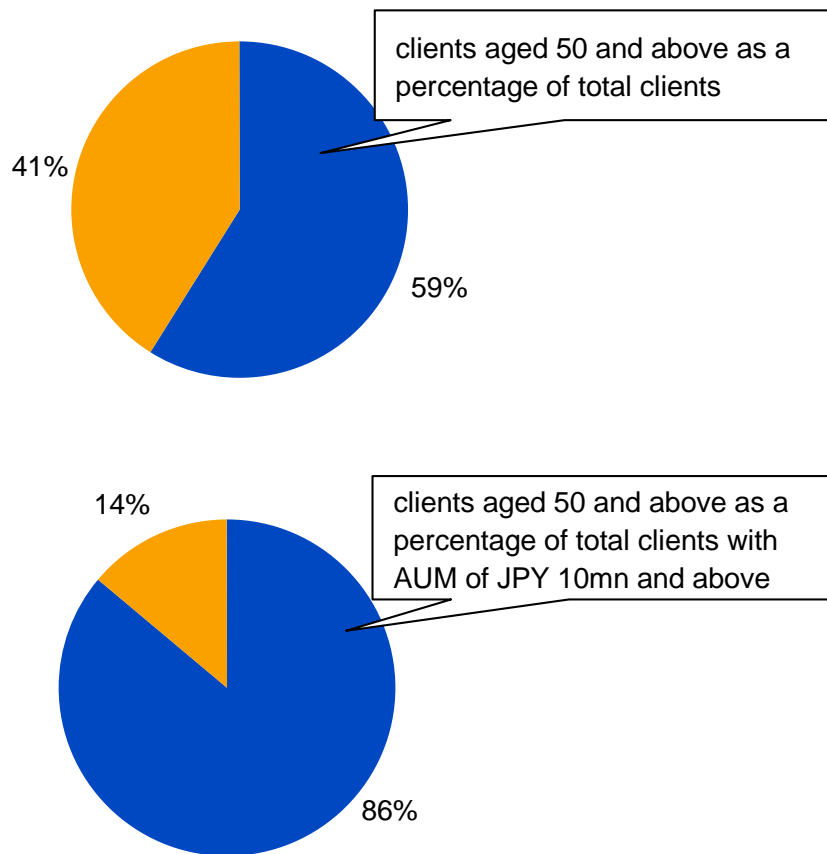
Source: National Survey of Family Income and Expenditure (FY 2004) from the Statistics Bureau (Ministry of Internal Affairs and Communications)

Note:

¹ Households with 2 or more people

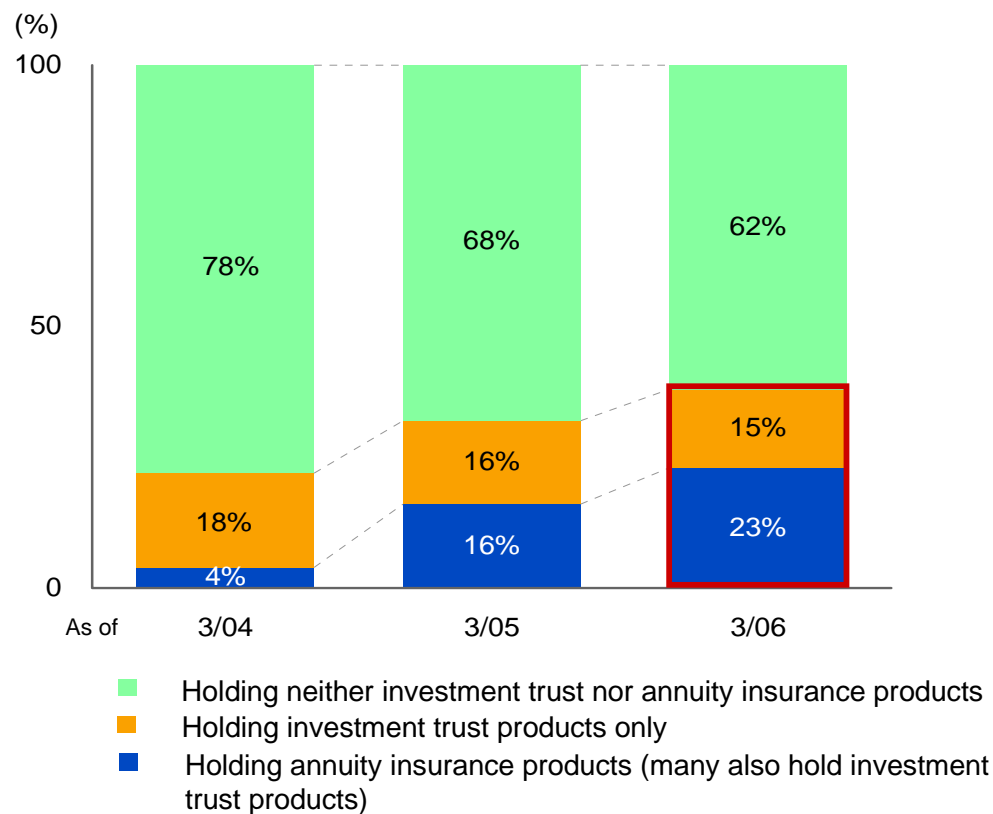
Retail Client Base Centered on Wealthy Older Clients

Retail client breakdown¹ by age group (CMTB, non-consolidated)



Note:
1 As of Mar 2006. Based on number of clients

Percentage holdings of investment trust and annuity insurance products by wealthy older clients^{1,2}

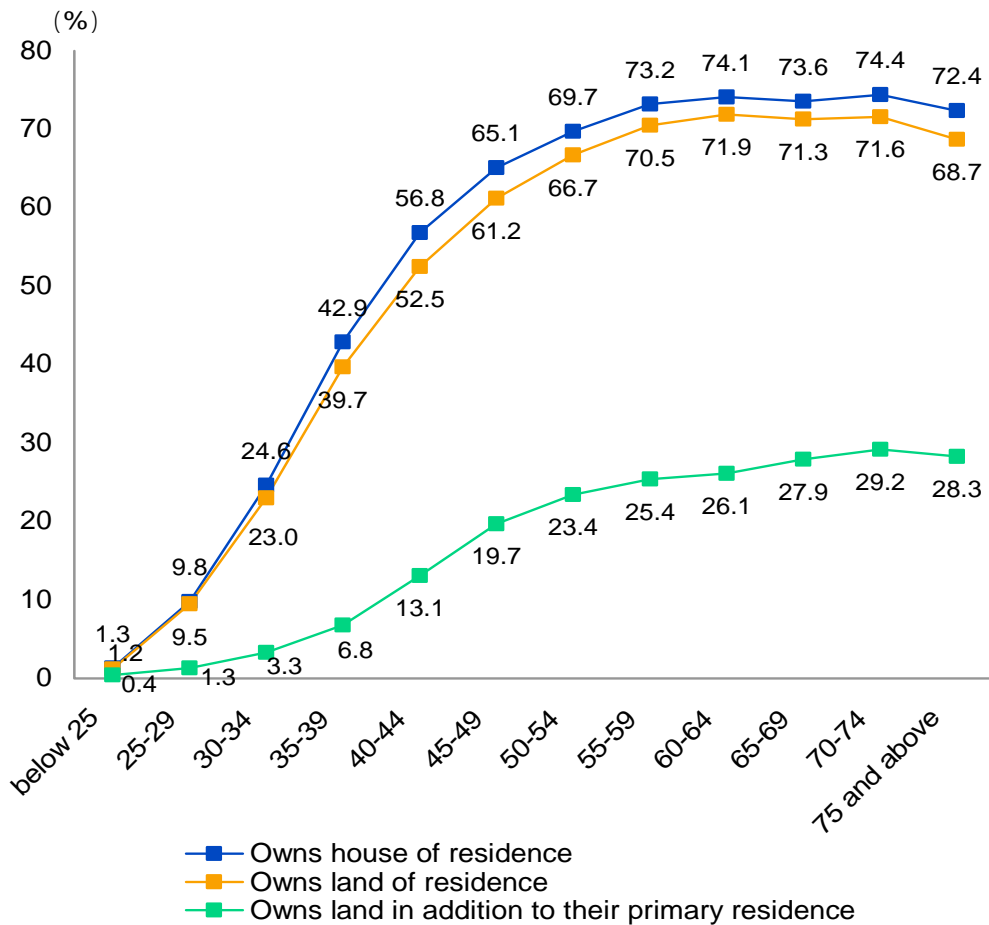


Notes:
1 Based on number of clients aged 50 and above with AUM of JPY 10mn or more
2 Non-consolidated basis for CMTB

Serving Real Estate-related Needs of Wealthy Older Clients

Utilize the trust bank's traditionally strong real estate capabilities to offer various real estate-related services to wealthy older individuals, who have high real estate holdings rate
 In addition, aim to serve the financial needs of new clients gained through inheritance consultations, etc.

Housing and land holding rate of households by age group



Source: *Housing and Land Survey* (10/03) from the Statistics Bureau (Ministry of Internal Affairs and Communications)

Real estate-related services

Brokerage

- ◆ Chuo Mitsui Realty Co., Ltd. provides real estate (housing) brokerage services

Reverse mortgage

- ◆ First of the major banks to offer this service
- ◆ Joint product development with Mitsui Sumitomo Insurance

Testamentary services and inheritance consultation

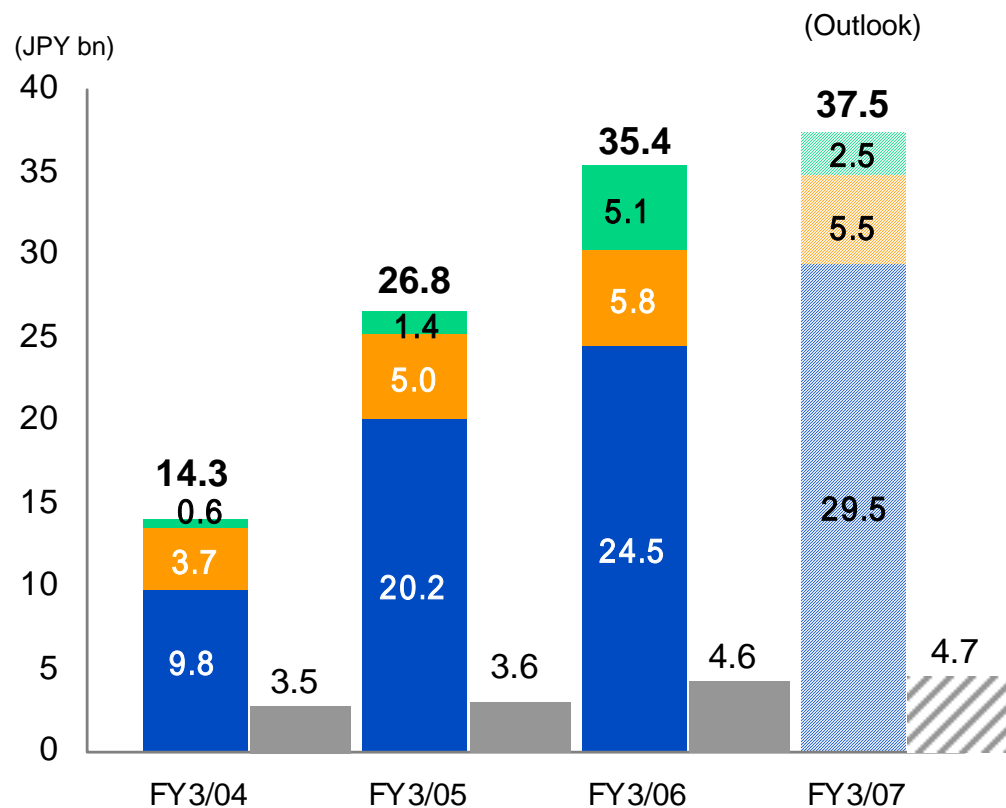
- ◆ Traditional trust bank business

Real estate management consultation

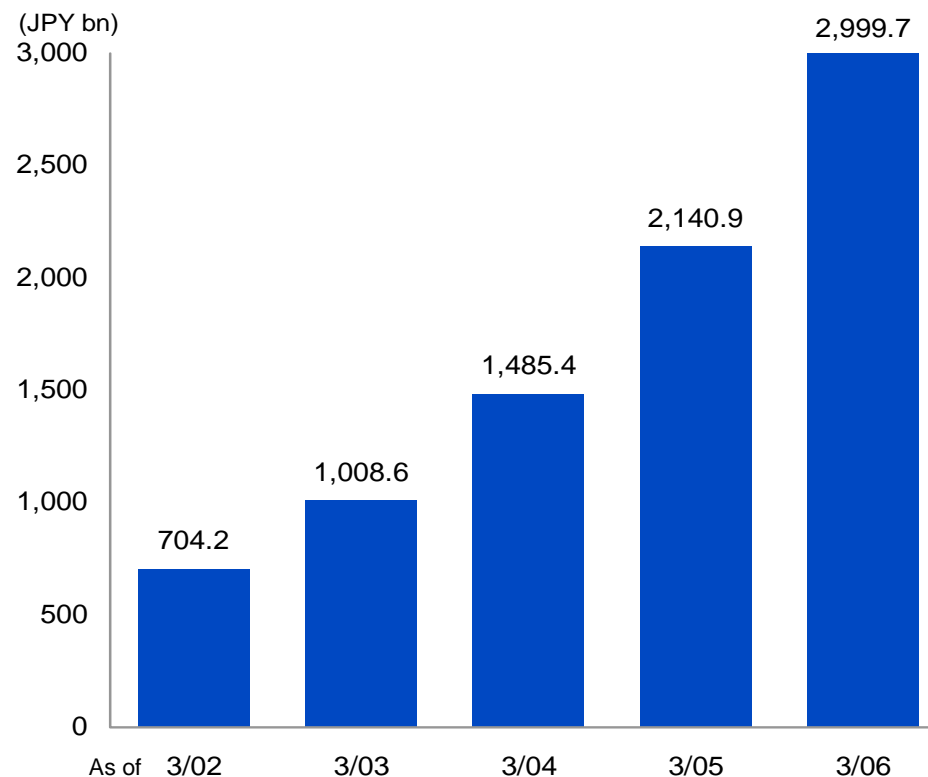
- ◆ Also being developed as part of private banking services

Real Estate-related Operations (1)

**Real estate-related income
(CMTB and Chuo Mitsui Realty, non-consolidated)**



**Aggregate balance of real estate securitization undertaken
(CMTB, non-consolidated)**



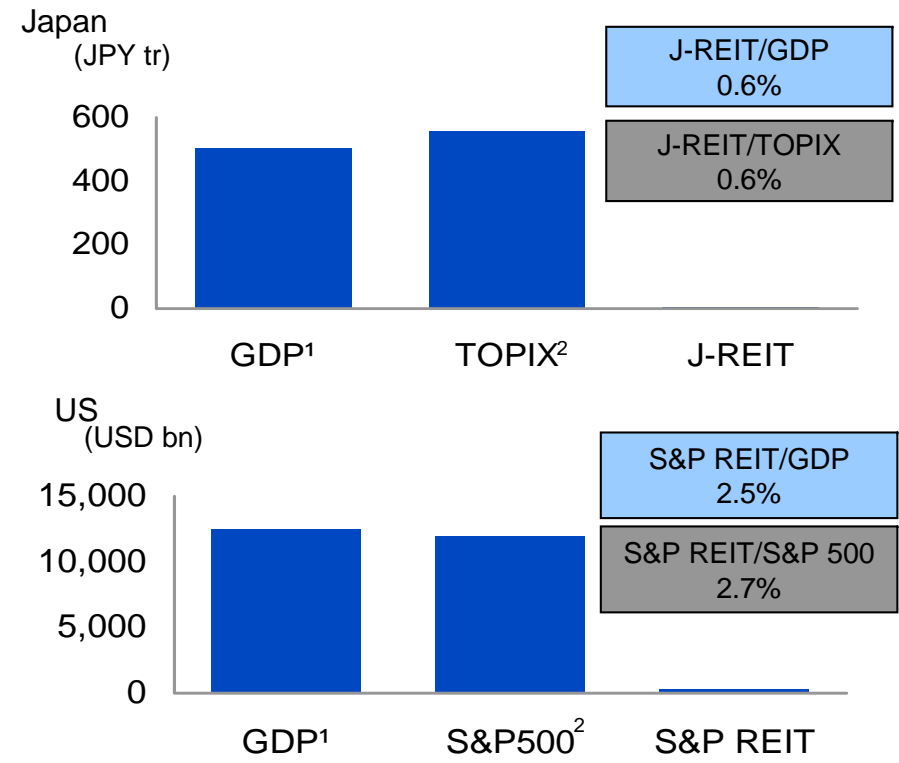
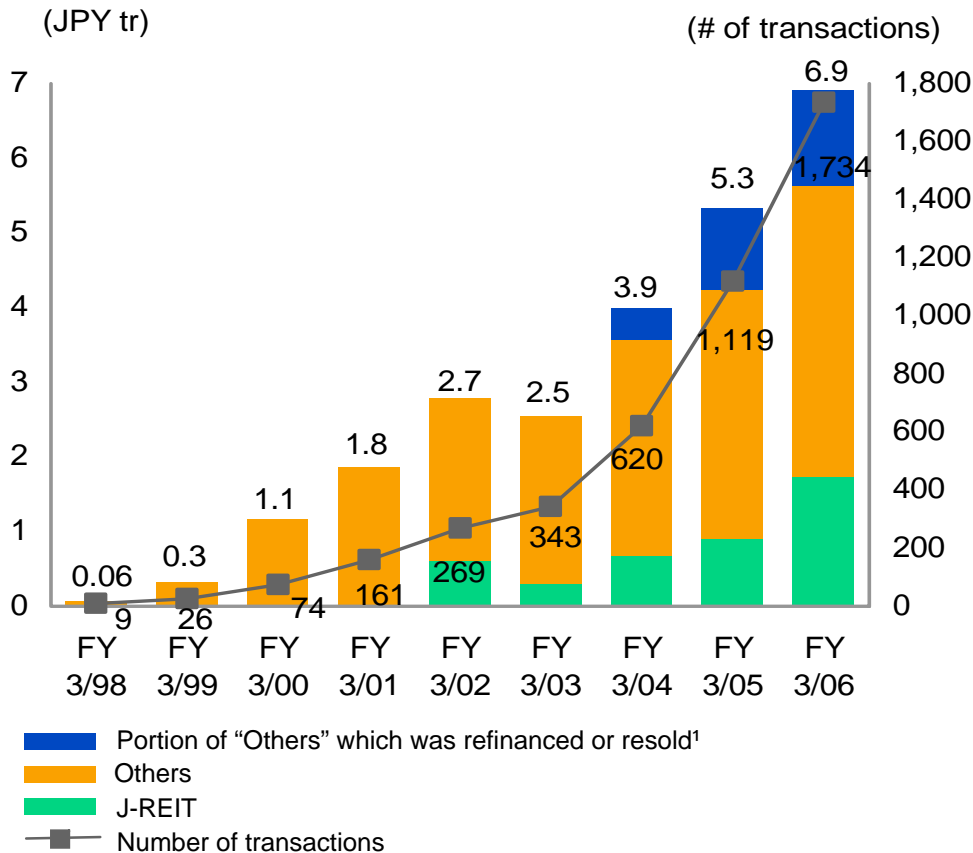
- Income from direct equity investment in real estate (CMTB)
- Real estate trust fees (CMTB)
- Real estate brokerage fees, etc. (CMTB)
- Real estate brokerage fees, etc. (Chuo Mitsui Realty)

Real Estate-related Operations (2) - Macro Fundamentals

Recovery of real estate market and increase in real estate-related securitizations are accelerating

Real estate securitization market

Comparison of REIT markets



Source: Survey of Real Estate Securitization from the Ministry of Land, Infrastructure and Transport

Note:
 1 Data available only from FY3/04 and onwards

Source: Bloomberg

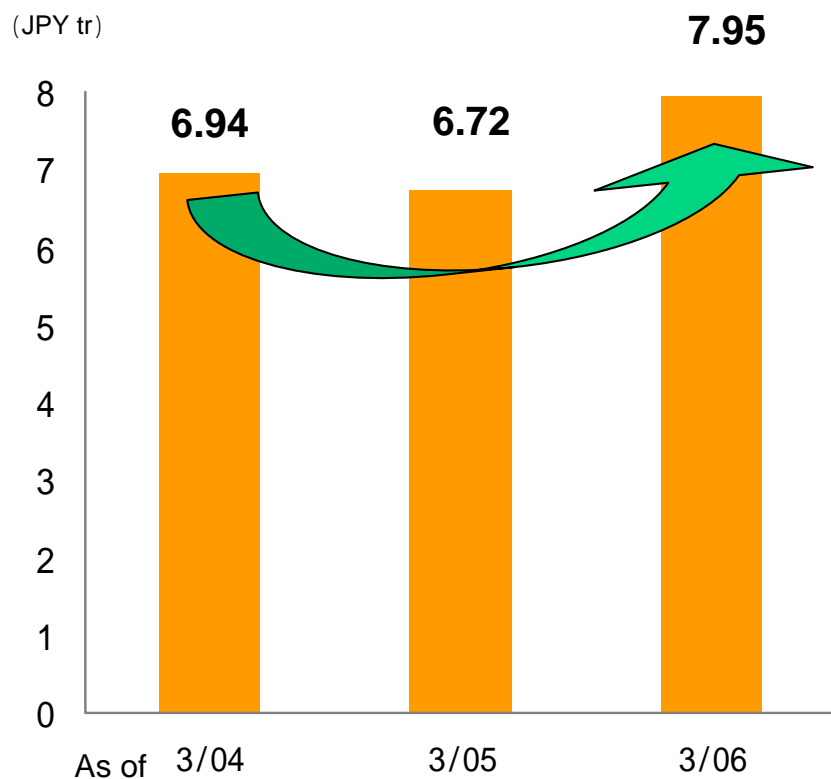
Notes:
 1 GDP figures are that of nominal GDP as of end of 2005 while all other figures are as of Mar 2006
 2 Market capitalization

- ◆ Rapid growth in real estate securitization market is attributable to the entry of real estate funds and J-REIT

- ◆ Japan's ratios of REIT to GDP and to TOPIX market cap are still low when compared to equivalent ratios of the US, showing potential for further growth

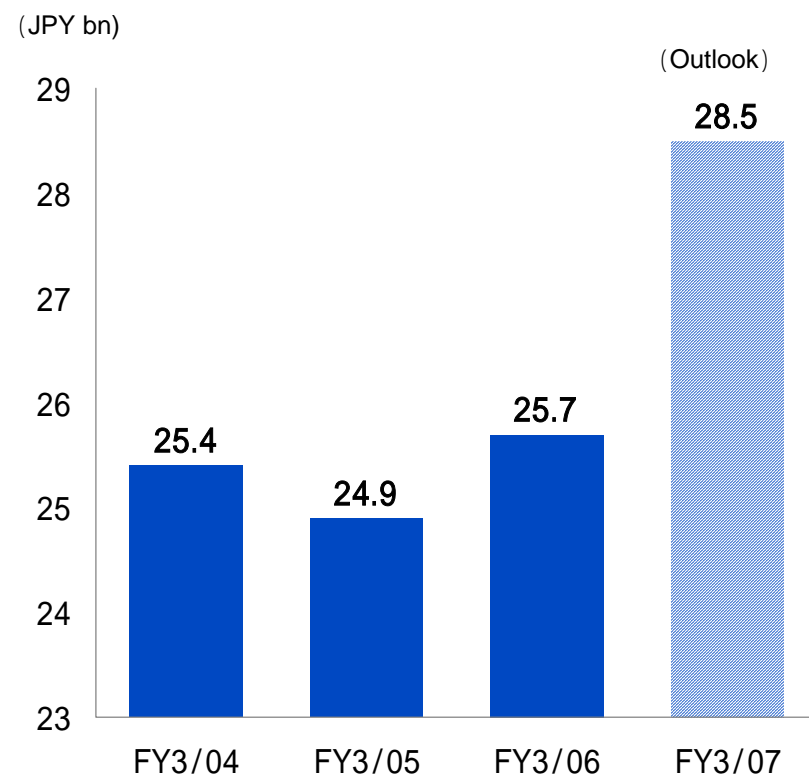
Pension Trust Businesses

Pension trust business: balance of entrusted assets
(MATB, non-consolidated, market value basis)



- ◆ Negative impact of “Daiko Henjo” has almost run its course, balance recovered as of Mar 2006

Gross operating profit of pension trust businesses (MATB, non-consolidated)

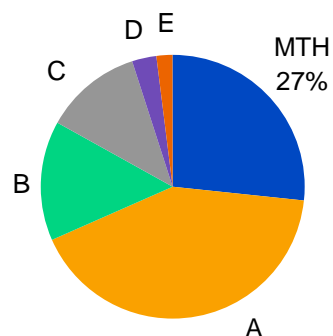


- ◆ Gross operating profit turned to increase dramatically because of increase of entrusted assets and improvement of investment environment

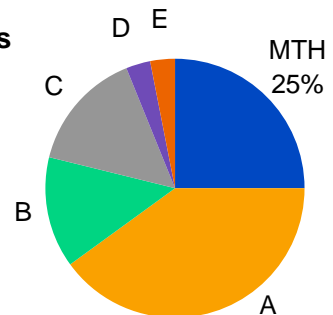
Stock Transfer Agency Businesses

Stock transfer agency business: market share

Based on
shareholders
under
administration
(FY3/06)



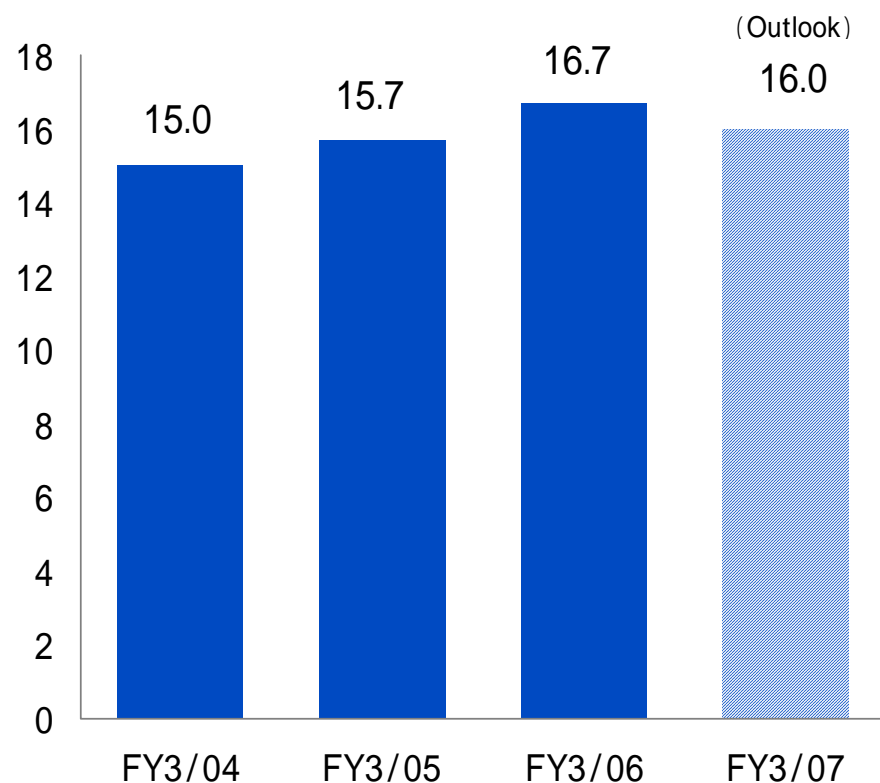
Based on listed
company clients
(FY3/06)



- ◆ Oligopoly market with the top 2 controlling approximately 70% of the market
- ◆ Acquisition of Tokyo Securities Transfer Agent provided economy-of-scale benefits for market share expansion
- ◆ Trust agency agreement with SMBC is expected to increase number of shareholders under administration

Gross operating profit of stock transfer agency businesses (CMTB, non-consolidated)

(JPY bn)

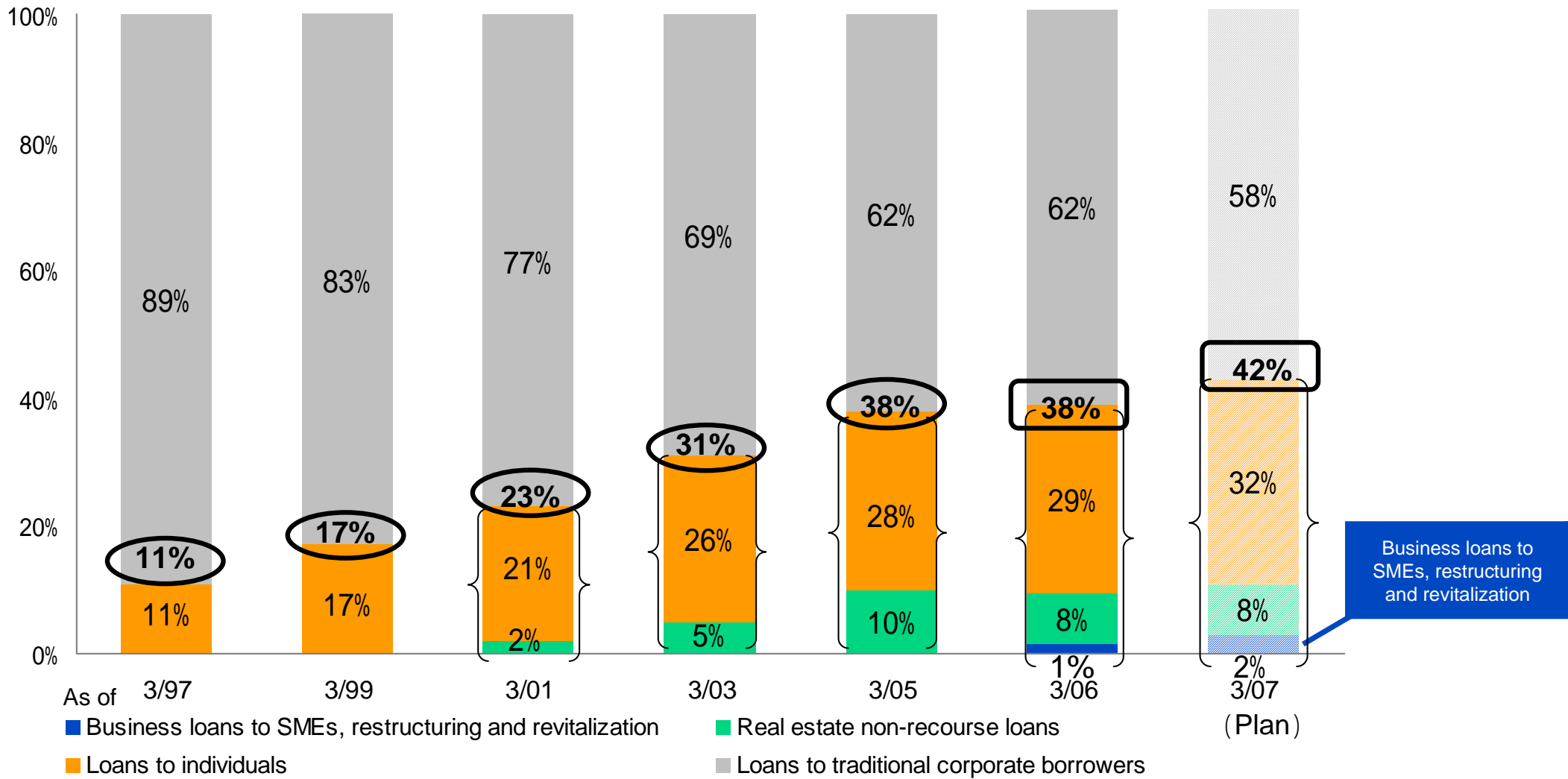


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Loans portfolio composition

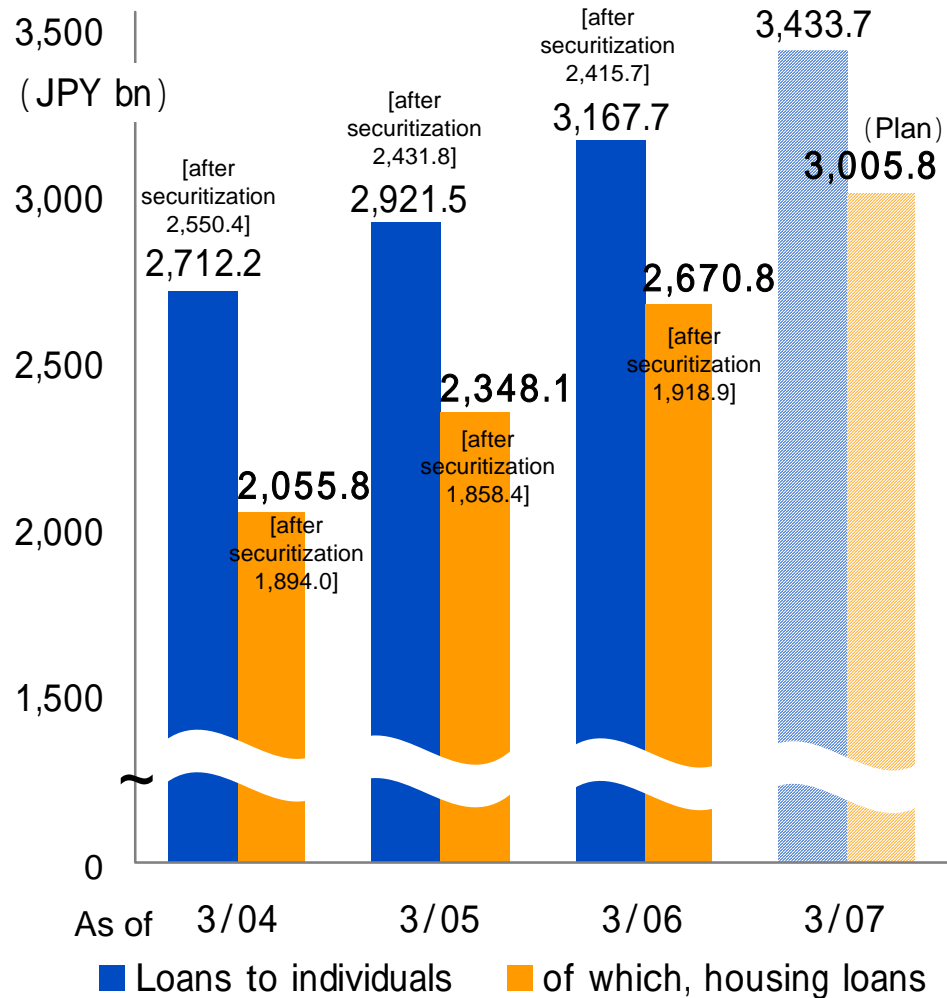
Loan portfolio composition¹ (CMTB, non-consolidated)



Notes: 1 After securitization of housing loan and real estate non-recourse loans

Housing Loans

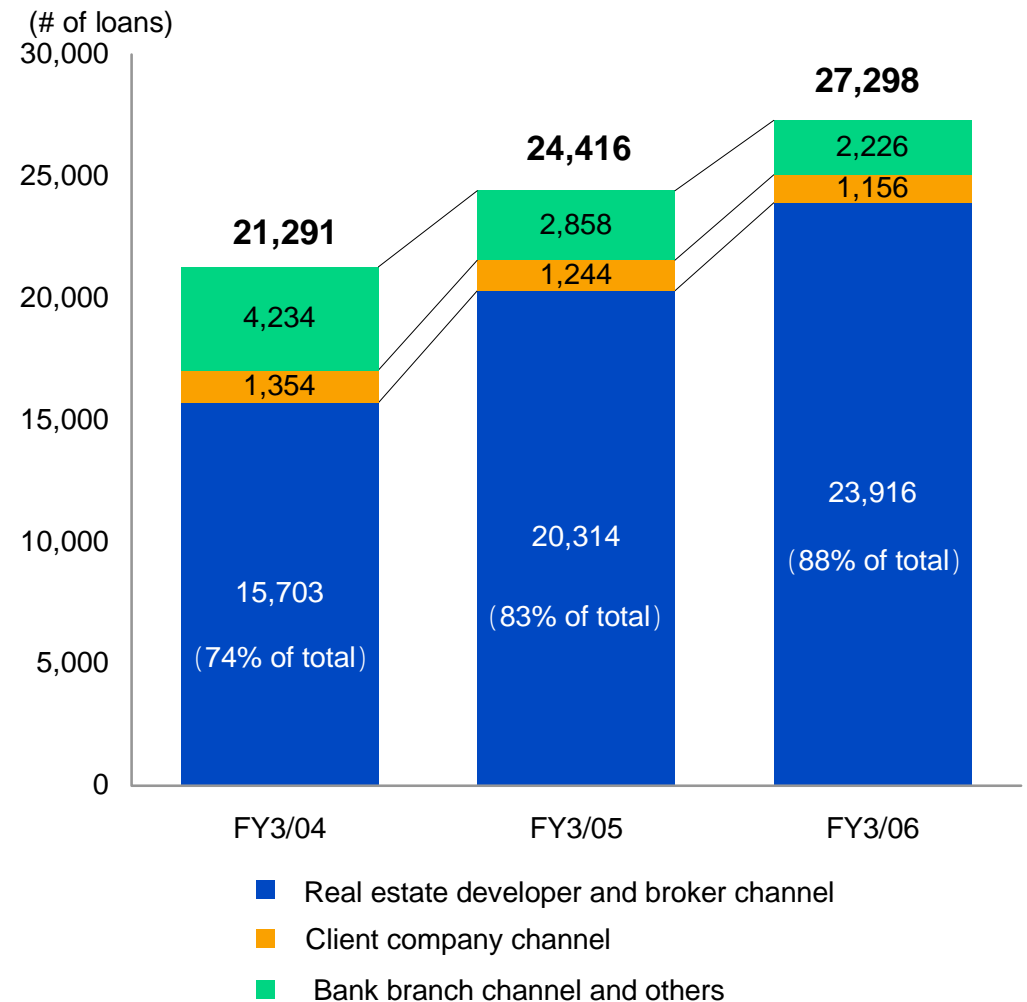
Balance of loans to individuals¹
(CMTB, non-consolidated)



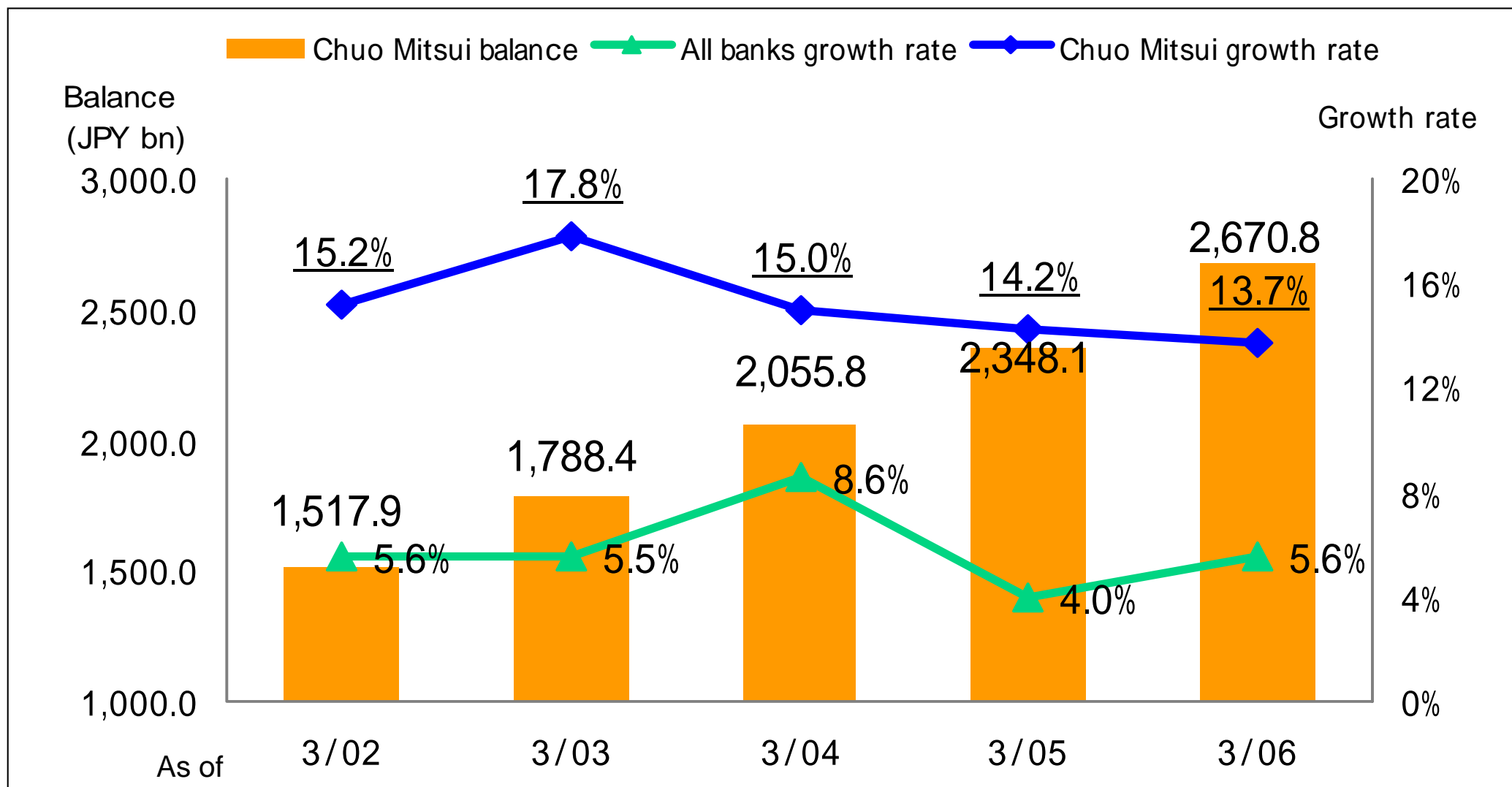
Note:

¹ Before securitization of housing loans.

Housing loans origination by channel
(CMTB, non-consolidated)



Housing Loan: Market Growth

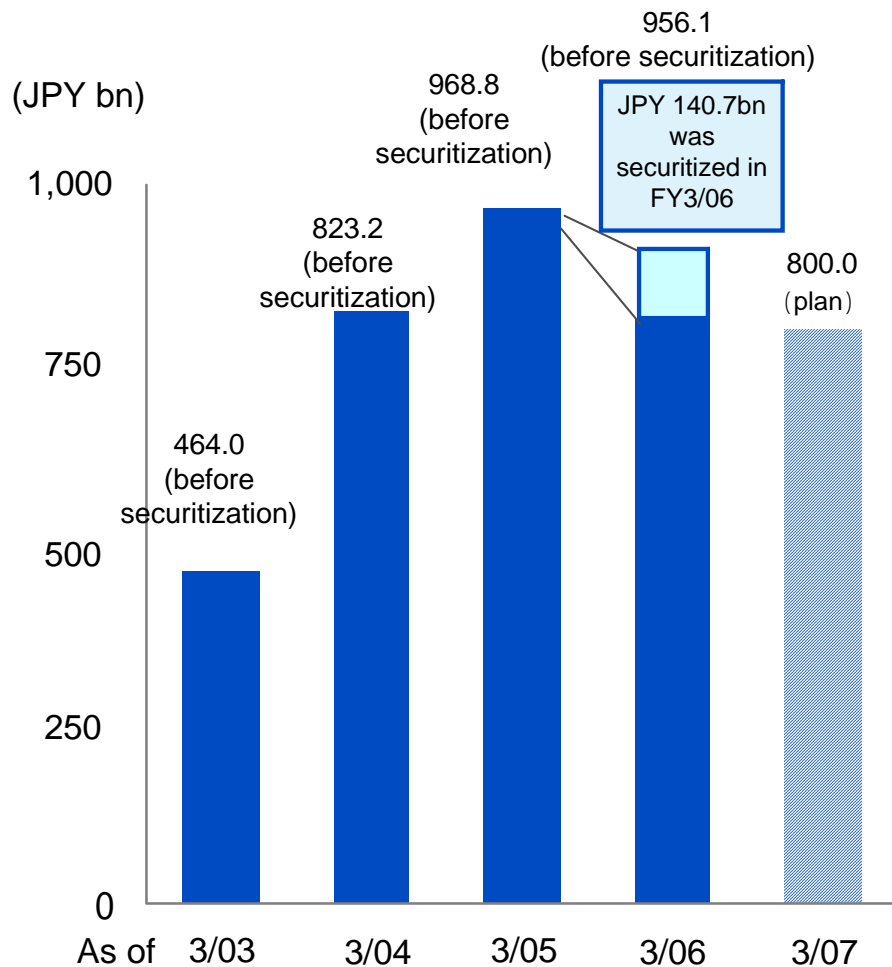


Chuo Mitsui's outstanding: before securitization basis

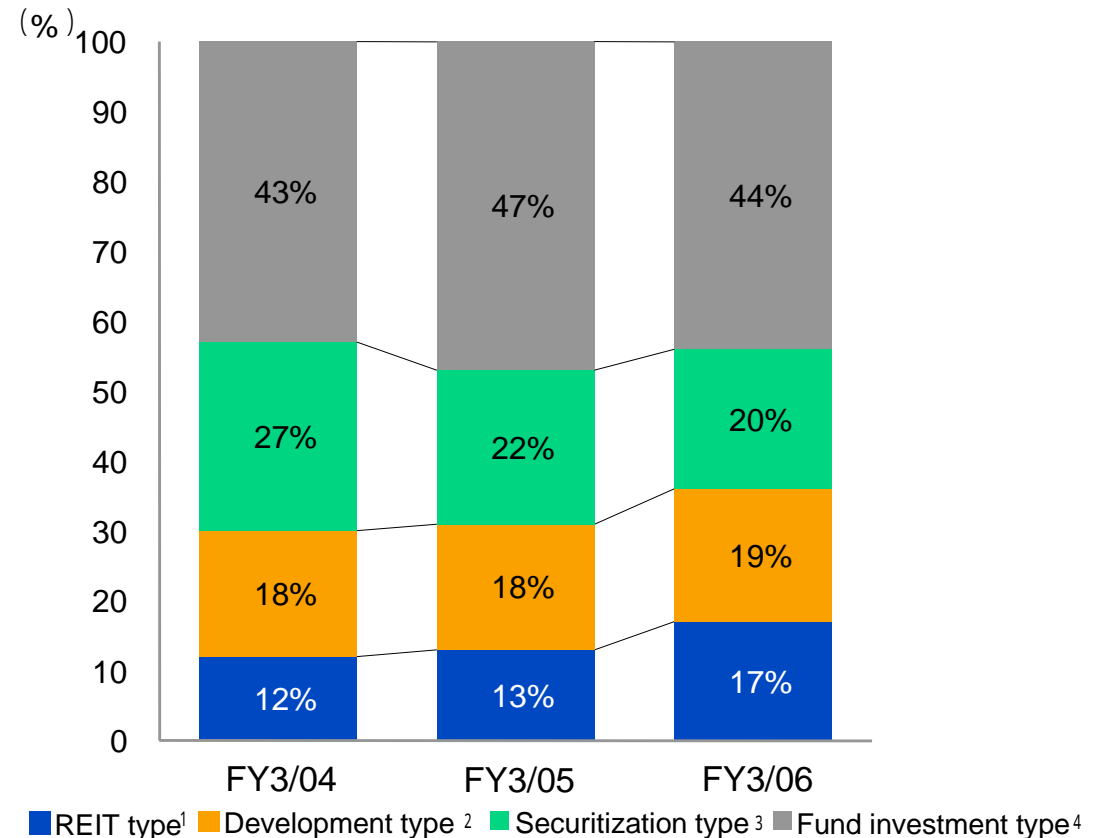
Real Estate Asset Finance

Shifting to fee business on the back of origination capability gained by being an early stage player in real estate asset finance

Balance of real estate asset finance before securitization (CMTB, non-consolidated)



Real estate asset finance by type (CMTB, non-consolidated)



Notes:

- 1 Loans to REIT (investment companies)
- 2 Loans for construction of new residential and commercial developments
- 3 Off-balancing of real estate properties of corporations
- 4 Loans to real estate funds

Alternative Investments

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

Alternative Investments: Actual & Plan			
	Actual FY3/05	Actual FY3/06	Plan FY3/07
			(JPY bn)
End balance	680.0	450.0	610.0
a Average balance	560.0	730.0	430.0
b Return ^{*1}	12.6	35.0	20.0
b/a Rate of returns	2.2%	4.7%	4.7%

*1 Gross basis (before considering funding costs)

Sold almost all of Fund of hedge funds

- ### Types of Alternative Investments
- Securitized product investments
 - RMBS
 - Credit linked notes
 - Repackaging of bonds
 - Venture capital investments
 - Real estate equity investments
 - Non-performing loan investments
 - Equity fund investments

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New Businesses

Corporate Restructuring & Revitalization Business

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

Business Loans

- Established specialized division of CMTB “Business Loan Dept.” in 4/05
Expand operation nationwide
- Enhance alliance in “Chuo Mitsui Finance Service”, a joint venture with Nissin Co. Ltd.

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

Private Equity Investment

- Chuo Mitsui Capital is aggressively pursuing mezzanine financing opportunities for MBO and other corporate restructuring measures.

Private Banking

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

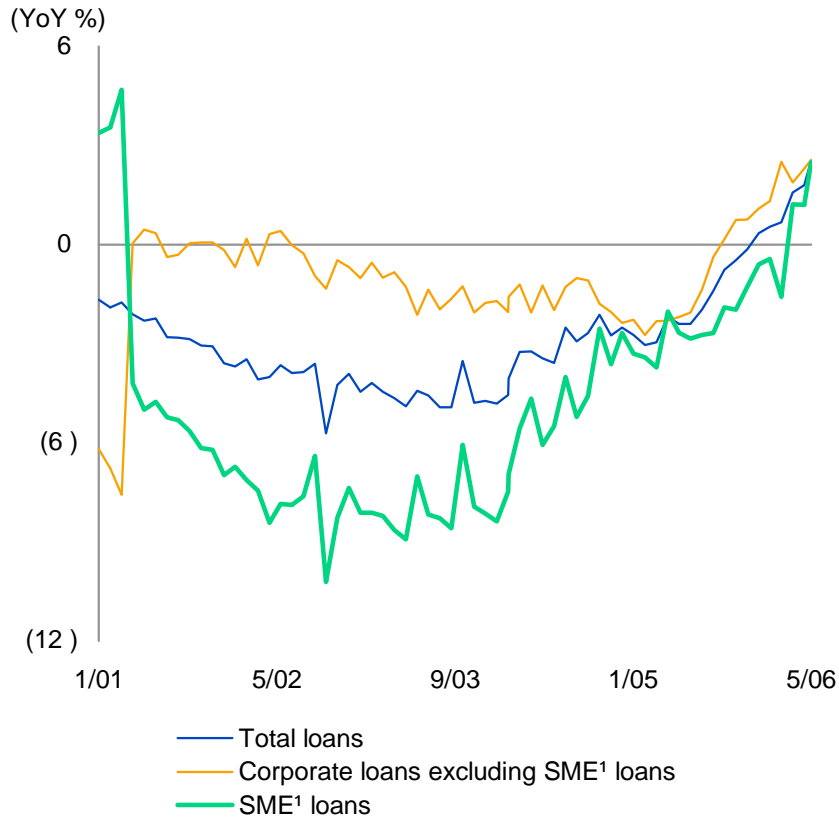
Reverse Mortgage

- Engaged in the business ahead of peers in anticipation of coming aging society
 - Expand sales by finding clients' needs

Business Loans

Proactive investment of resources in “Business Loans” (loans to SMEs) by taking advantage of real estate operations capability and alliance with Nissin

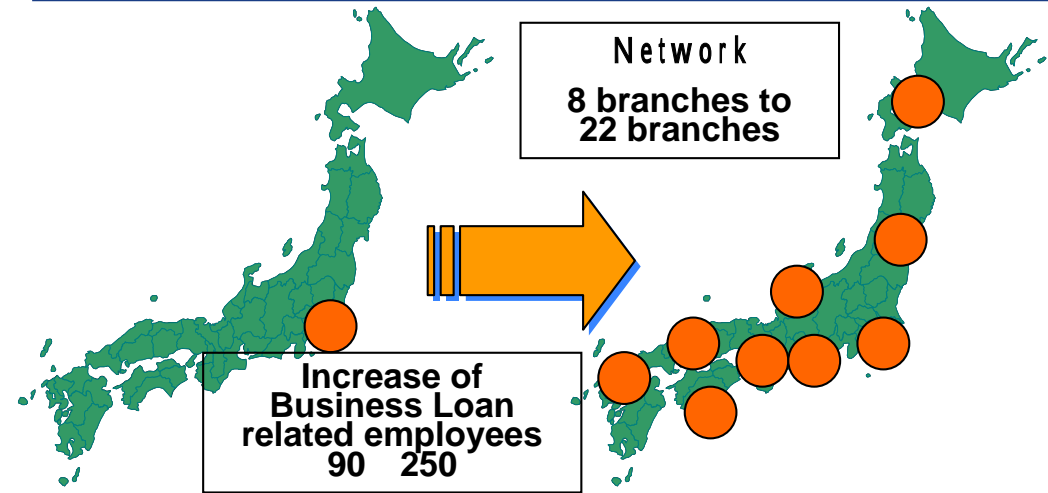
Growth of loans to SMEs



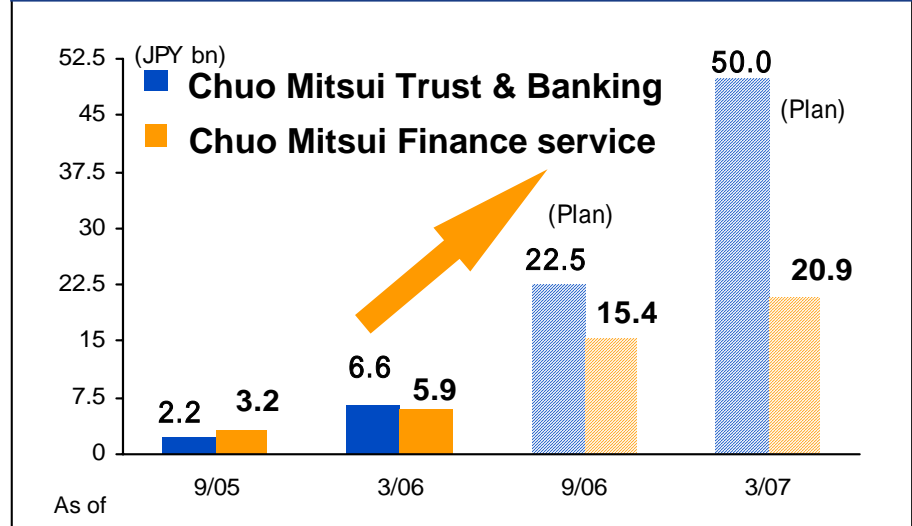
Source: Loans and Discounts Outstanding by Sector from the Bank of Japan
 Note:

1 Corporations and private unincorporated enterprises with capital of 300 million yen or less or with regular employees of 300 persons or less (“Wholesale Trade” capitalized at 100 million yen or less or with regular employees of 100 persons or less, and “Retail Trade” and “Eating & Drinking Places” capitalized at 50 million yen or less or with regular employees of 50 persons or less and “Services” (excludes Eating and Drinking Places) capitalized at 50 million yen or less or with regular employees of 100 persons or less)

“Business loans”: employees and center network as of 6/06 (CMTB)



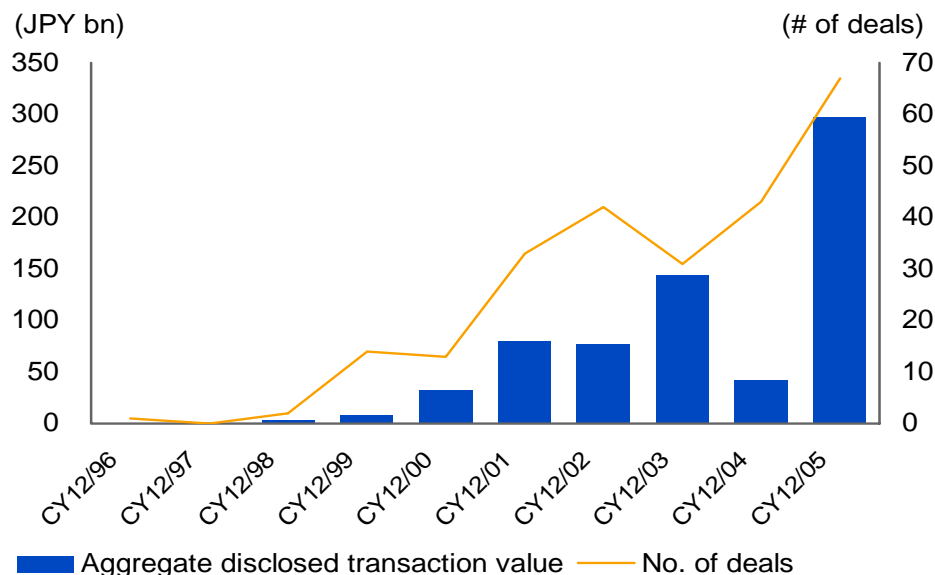
Business Loan : Loan balance



Corporate Restructuring and Revitalization Business

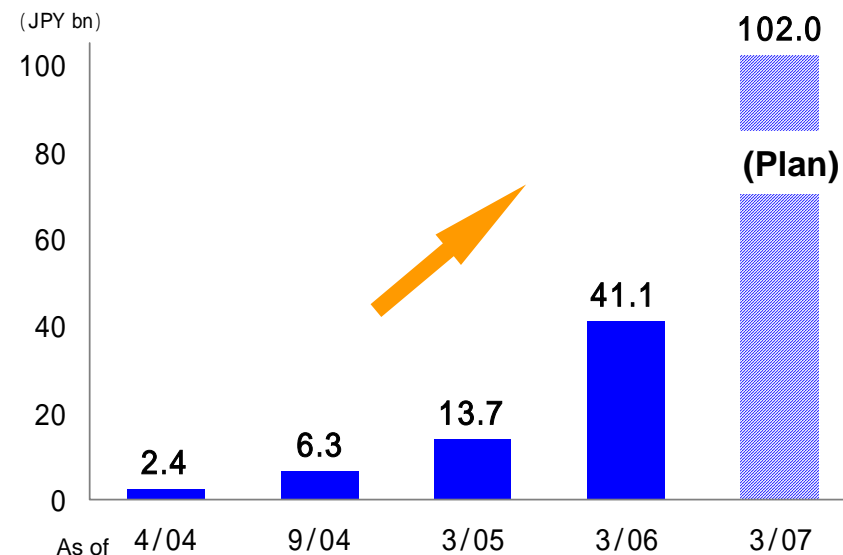
Serving clients' wide range of financial needs

Number and total size of MBO deals in Japan



Source: Marr magazine (published by Recof Corp.), Feb 2006 issue

Balance of restructuring and revitalization-related financing (CMTB, non-consolidated)



Operations

Corporate restructuring-related business

- ◆ Major player in providing financing to improve corporate value, such as financing to listed companies going private

- ◆ Leverage loans
- ◆ M&A intermediary, sponsor search
- ◆ Financing scheme arranger

Corporate revitalization-related business

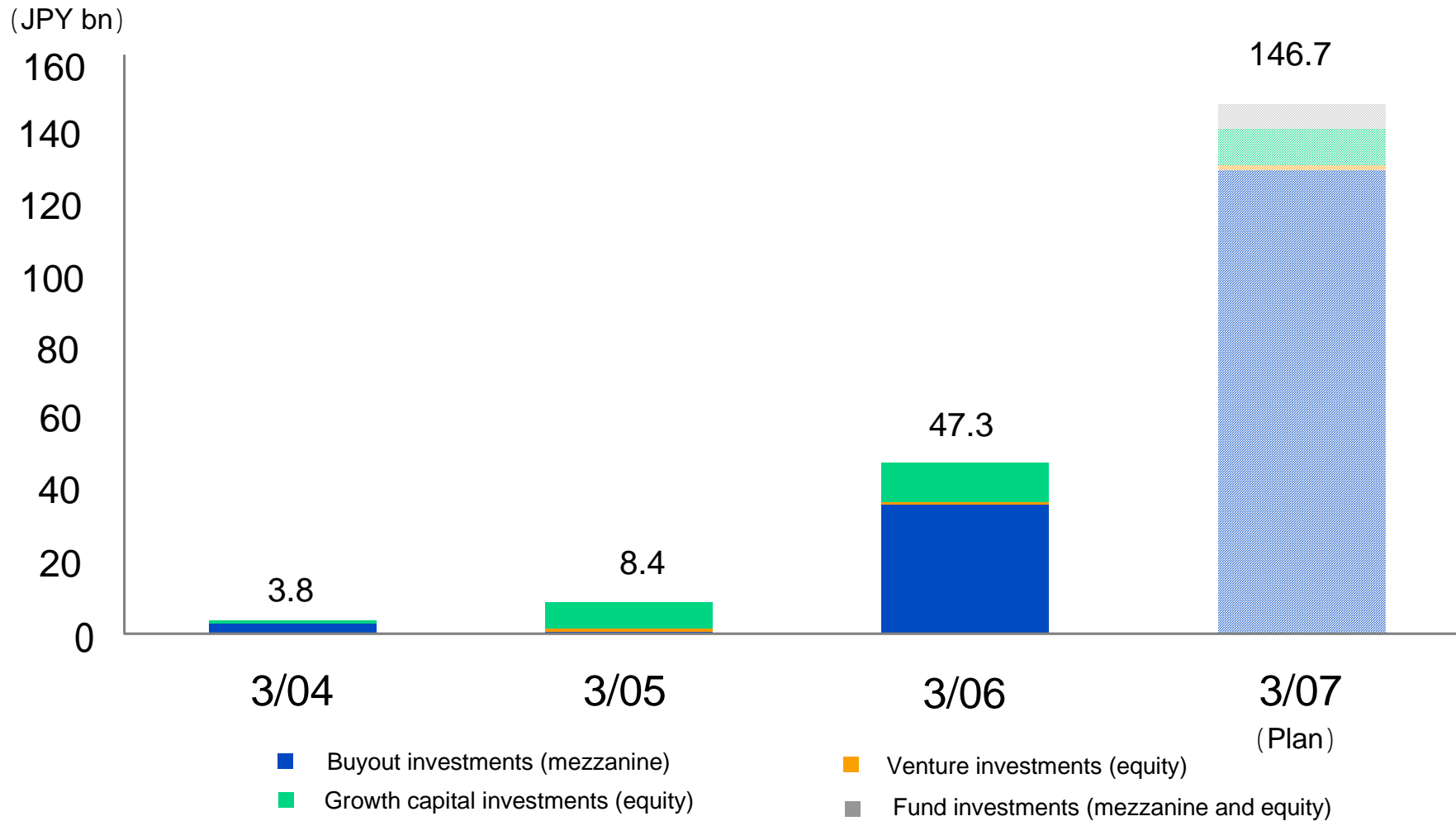
- ◆ Major player in DIP financing

- ◆ DIP financing, exit financing
- ◆ Revitalization scheme arranger (sponsor search)
- ◆ Financing for the succeeding (continuing) company
- ◆ Collaboration with CMTB Total Servicing Co., Ltd. in NPL business

Private Equity (Chuo Mitsui Capital)

Steady growth in underwriting track record, such as financing of World Co.'s MBO

Chuo Mitsui Capital: yearly investment track record¹



Note:

¹ Based on the amount invested by CMTB.

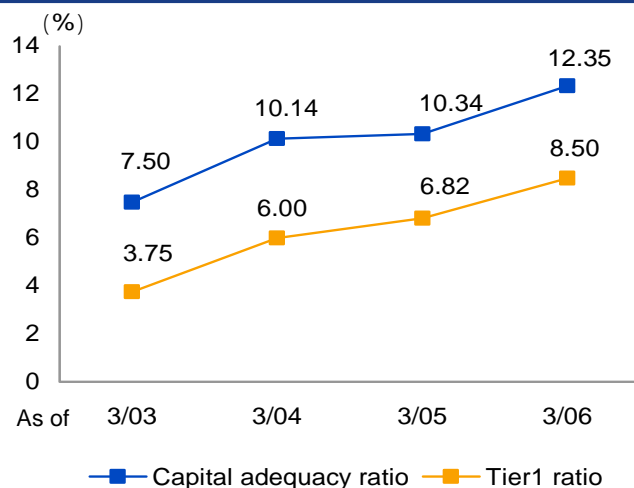
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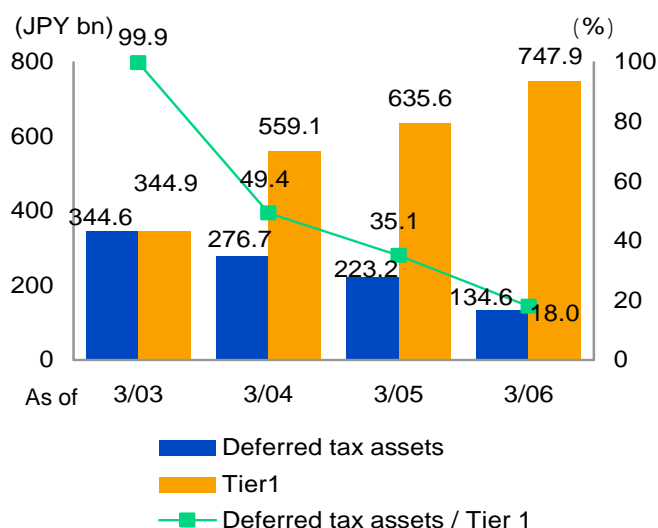
Capital

Significant improvements in quantity and quality of capital

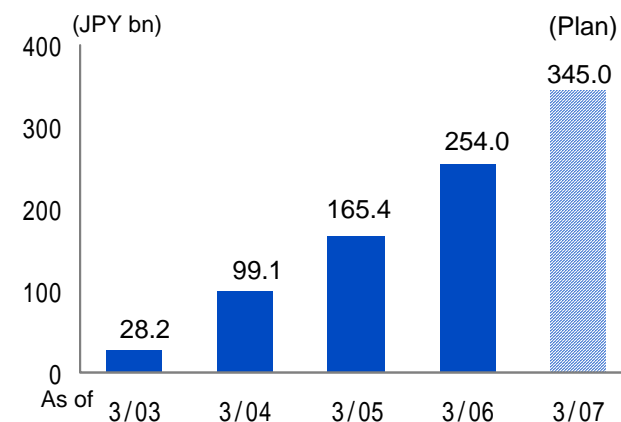
Capital adequacy ratio and Tier 1 ratio (MTH, consolidated)



Deferred tax assets: balance and % to Tier 1 (MTH, consolidated)



Group retained earnings¹



Note:

¹ Sum of the non-consolidated retained earnings of MTH, CMTB, and MATB less earned surplus reserve and dividends paid to non-group shareholders

Preferred shares

	Amount (JPY bn)	Type	Month/Year of issue	Dividend rate (%)	Current conversion price	Reset floor	Annual reset date, upward/downward resets	Mandatory conversion date	Conversion price at mandatory conversion date	Final reset floor (JPY)	
Class I	All of Class I (32.00 JPY bn) was sold in the market in July, 2006.										
Class II	150.00	Convertible	3/99	0.90	450.00	450.00	August 1, Downward reset only	8/1/2009	Market price ¹	400.00	
Class III	250.25	Convertible	3/99	1.25	450.00	450.00		8/1/2009	Market price ¹	400.00	
Total	400.25										

Note:

¹ 30 trading day average of common share price, starting from 45 trading days prior to mandatory conversion date



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.