

Chuo Mitsui Trust Group Management Strategies



February 18, 2008

Chuo Mitsui Trust Holdings, Inc.

Agenda

I . Management Direction

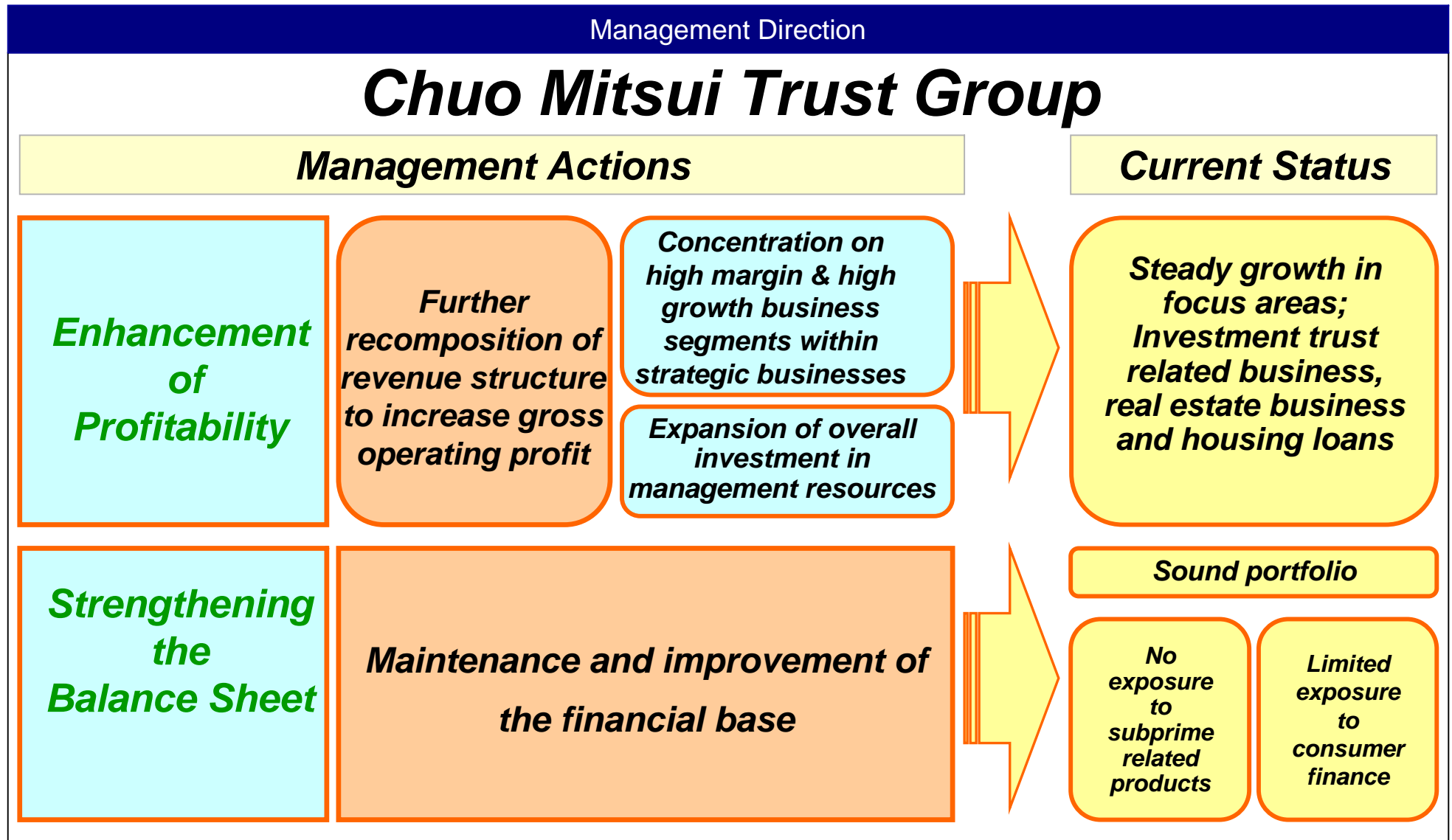
II . Business Operations

III . Balance Sheet

I . Management Direction

- *Management Direction*
- *Current Status of Businesses in Focus Areas*
- *Revenues by Business Unit*
- *Recomposition of Revenue Structure*
- *Trend of Revenue Growth*
- *Expense Situation*
- *Financial Summary*

Management Direction



Current Status of Businesses in Focus Areas

Items	1H.FY3/08 Actual	1H.FY3/08 Initial Plan	FY3/08 Plan
Main Strategic Businesses			
Investment trust & Annuity insurance	Sales amount: ¥502.4bn (¥61.3bn increase YoY)	Sales amount: ¥491.0bn	Sales amount: ¥990.0bn Aim to beat the record
Real estate	Revenue : ¥16.8bn Record high for 1H. result (¥0.6bn increase YoY)	Revenue: ¥16.5bn	Revenue: ¥40.0bn Keep the record high level
Housing loan	Net increase: ¥128.6bn from end of March 2007 (¥50.6bn increase against initial 1H. plan)	Net increase: ¥78.0bn	Net increase: ¥270.0bn Up ¥53.0bn from initial full year plan
Lending Businesses			
Yield margin	Yield margin improved through recomposition of loan portfolio and rise of loan rate*1 20bps up YoY, 7bps up from 2H.FY3/07	More focus on high margin and high growth segment within lending businesses	

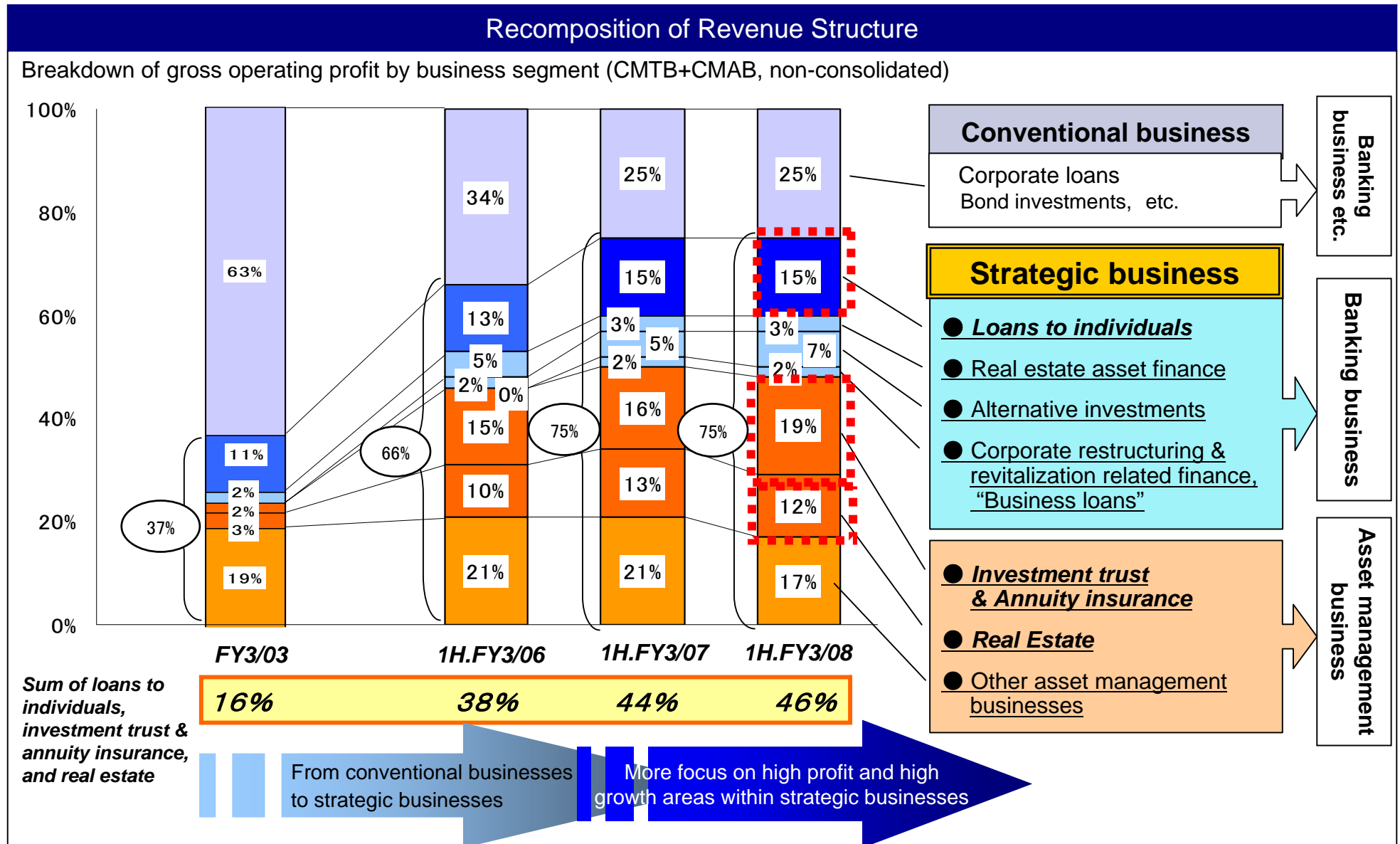
*1 After excluding effects of securitization profit and amortization

Revenues by Business Unit

	1H.FY3/08 Actual & FY3/08 Outlook								3Q.FY3/08 Actual		
	a	b	c:b-a		d	e	f:e-d		(Yen bn)		
	1H.FY3/07	Actual 1H.FY3/08	Change	%	FY3/07	Outlook FY3/08	Change	%	Actual 3Q.FY3/08	YoY Change	%
CMTB+CMAB, Non-consolidated											
Asset management business	61.5	65.4	3.9	6%	132.8	141.0	8.2	6%	94.0	3.8	4%
Investment trust & Annuity insurance	19.7	25.0	5.3	27%	43.0	50.5	7.5	17%	36.2	5.5	18%
Real estate	16.1	16.8	0.7	4%	38.7	40.0	1.3	3%	23.1	0.2	1%
Pension	12.4	13.4	1.0	8%	26.1	28.5	2.4	9%	20.2	0.0	0%
Stock transfer agency	7.8	7.4	(0.4)	(5)%	14.5	14.5	0.0	0%	11.4	(0.3)	(3)%
Banking business	63.1	71.3	8.2	13%	142.5	152.0	9.5	7%	107.8	14.6	16%
Corporate loans, Bond investments, etc.	32.0	34.0	2.0	6%	65.8	71.5	5.7	9%	51.6	6.1	13%
Loans to individuals	18.3	19.6	1.3	7%	37.0	40.0	3.0	8%	29.1	2.0	7%
Real estate asset finance	4.7	4.5	(0.2)	(4)%	9.6	9.5	(0.1)	(1)%	7.0	(0.9)	(11)%
Alternative investments	6.2	9.6	3.4	55%	25.3	23.5	(1.8)	(7)%	13.9	4.6	49%
Business loans and Corporate restructuring & revitalization related finance	1.9	3.2	1.3	68%	4.8	7.5	2.7	56%	5.8	2.6	81%
Gross operating profit	124.6	136.7	12.0	10%	275.3	293.0	17.7	6%	201.8	18.4	10%

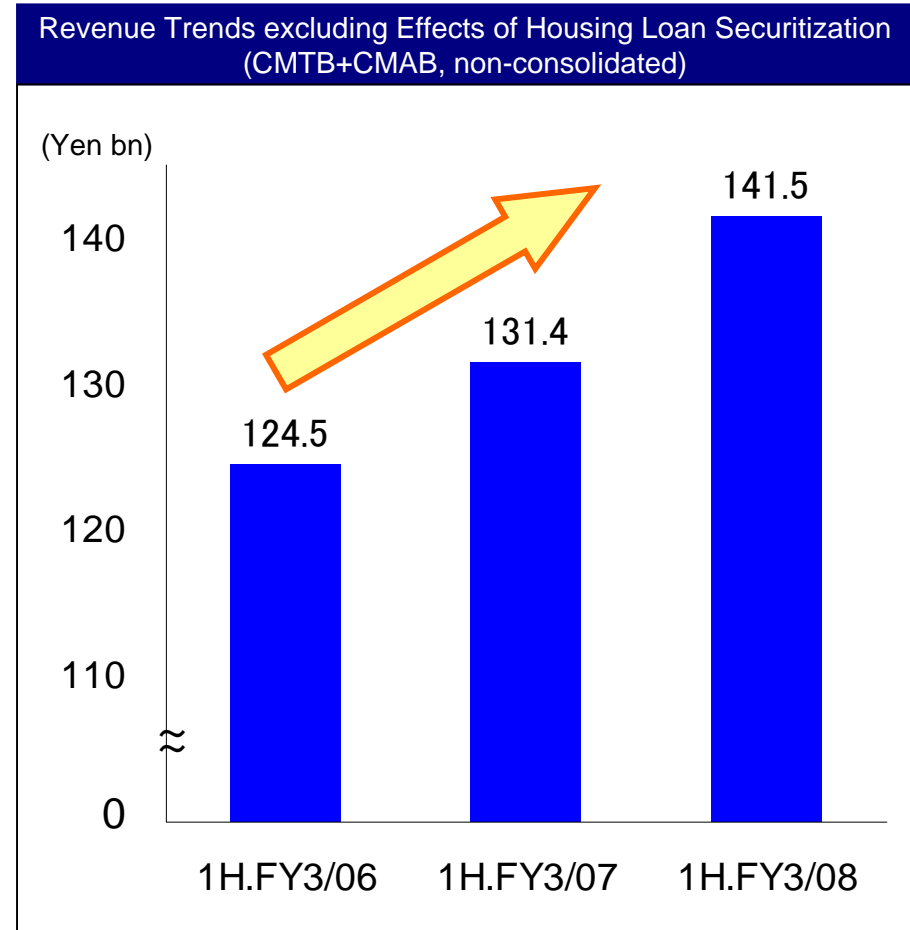
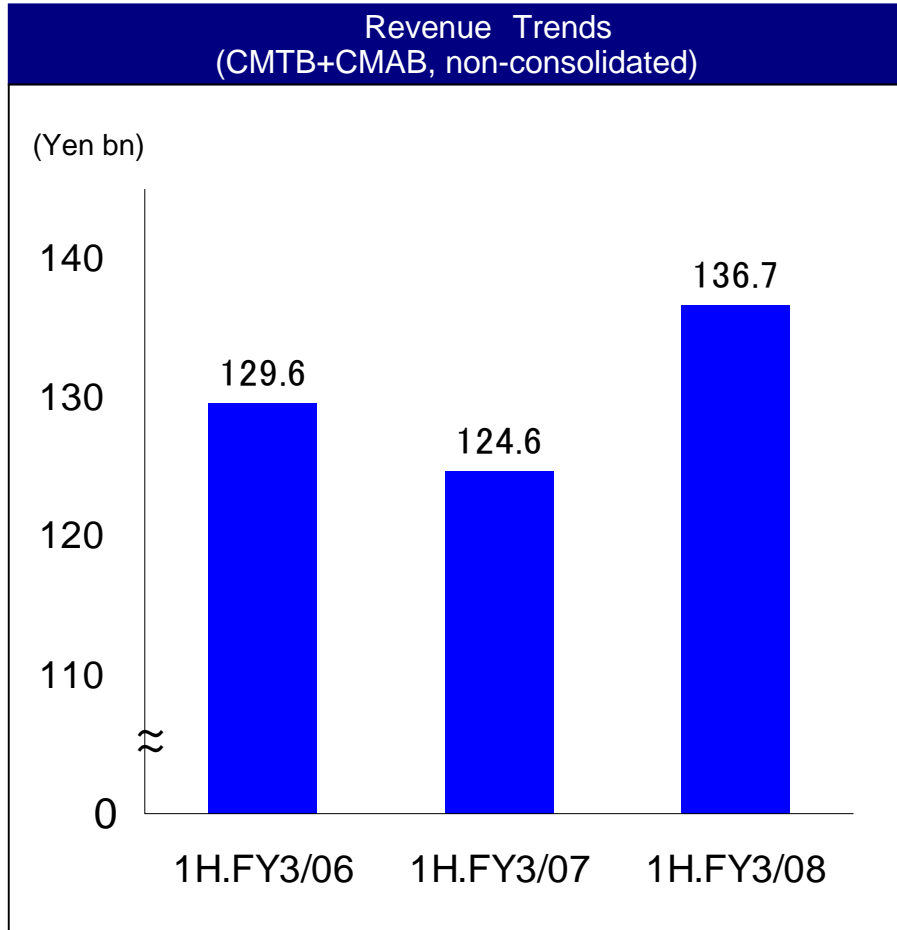
Figures of revenues by business unit for 3Q.FY3/08 are on preliminary basis

Recomposition of Revenue Structure



Trend of Revenue Growth

Revenues show a steady growth trend,
when effects from housing loan securitization are excluded



* Excludes housing loan securitization profits which are posted upfront when securitization takes place, and amortization costs which are posted in the following years

Expense Situation

Operating Expenses (CMTB+CMAB, non-consolidated)

Strategy

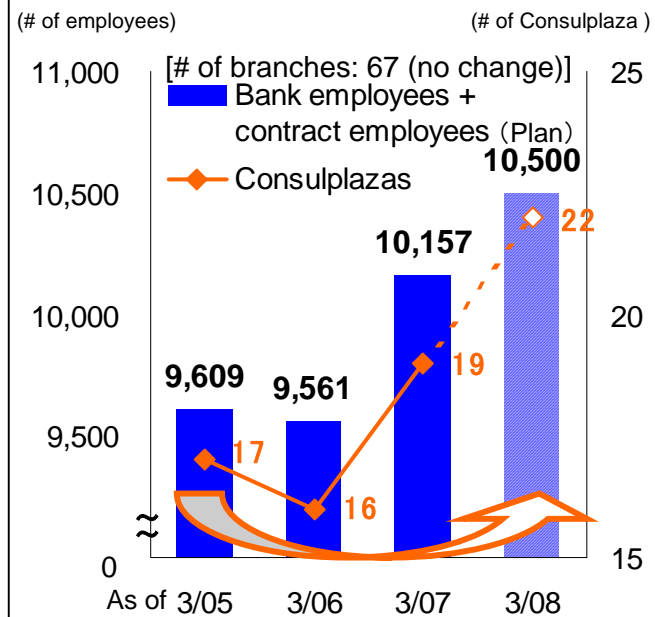
Operating Expenses
Personnel

Proactive increase of operating expenses and personnel in high margin and high growth business segments

Overhead Ratio

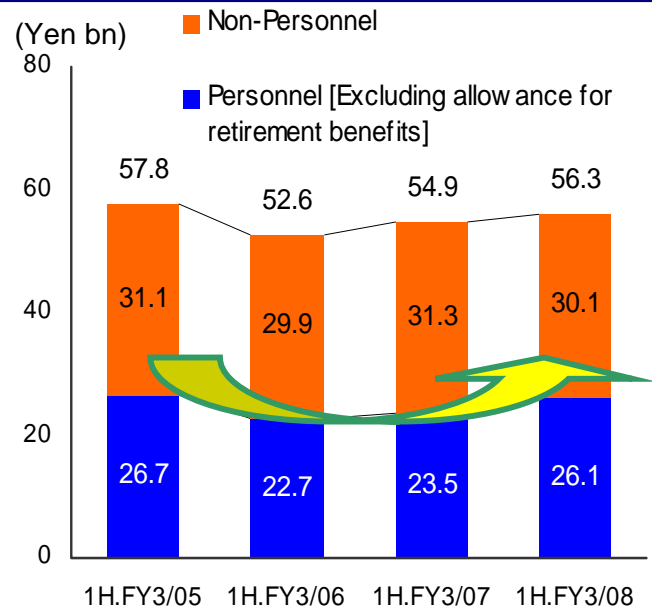
Maintain current efficiency level by thorough low-cost operation

of Group Total Employees & # of Consulplazas *



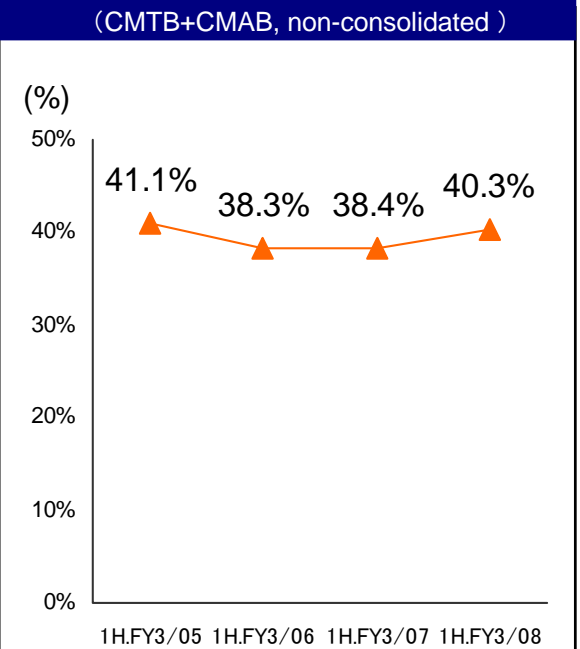
*in-store mini branches

YoY Comparison of Strategic Expenses * (CMTB+CMAB, non-consolidated)



* Personnel [excluding allowance for retirement benefits] + Non-Personnel

Overhead Ratio (CMTB+CMAB, non-consolidated)



Financial Summary

	1H.FY3/08 Actual & FY3/08 Outlook										3Q.FY3/08		
	a		b		c:b-a		d		e		f:e-d		(Yen bn)
	1H.FY3/07	Actual 1H.FY3/08	Change	%	Outlook 1H.FY3/08	FY3/07	Outlook FY3/08	Change	%	(Yen bn)	Actual 3Q.FY3/08		
CMTB+CMAB, non-consolidated													
Gross operating profit ^{*1}	124.6	136.7	12.0	10%		275.3	293.0	17.7	6%		201.8		
Operating expenses	47.8	55.1	7.2	15%		98.2	113.0	14.8	15%		83.5		
Pre-provision profit ^{*2}	76.8	81.5	4.7	6%	75.0	177.0	180.0	3.0	2%		118.3		
Net other profit (loss) and others	(9.5)	(17.8)	(8.3)			(22.9)	(30.0)	(7.1)			(13.7)		
[Credit Costs]	[13.6]	[16.9]	[3.3]	[24%]	[10.0]	[29.7]	[20.0]	[(9.7)]	[(33)%]		[17.6]		
[Net stock related profit]	[7.2]	[8.3]	[1.0]			[8.6]	[-]	[(8.6)]			13.2		
Recurring profit	67.2	63.7	(3.5)	(5)%	65.0	154.1	150.0	(4.1)	(3)%		104.6		
Extraordinary profit	18.1	3.0	(15.1)			18.1	[-]	(18.1)			4.1		
Of which gain on partial withdrawal of employee retirement benefit trust	[15.8]	[-]	[(15.8)]			[15.8]	[-]	[(15.8)]			[-]		
Deferred income taxes	10.6	20.6	9.9			43.3	49.0	5.7			31.2		
Net income	70.1	40.5	(29.5)	(42)%	40.0	118.4	90.0	(28.4)	(24)%		69.7		
CMTH, consolidated													
Recurring profit	68.4	64.0	(4.4)	(6)%	65.0	159.9	155.0	(4.9)	(3)%		105.2		
Net income	66.9	35.5	(31.4)	(47)%	35.0	112.7	85.0	(27.7)	(25)%		63.0		
Dividend	-	-				¥5	¥7	¥2					

*1 Before trust a/c credit costs *2 Effective net operating profit before trust a/c credit costs & provision(reversal) of general reserve

II. Business Operations

1. Asset Management (Fee) Business

- *Investment Trust & Annuity Insurance related Business*
- *Real Estate Business*
- *Pension Business / Stock Transfer Agency Business*
- *Fees from Asset Management Business*

2. Banking Business

- *Loans to Individuals*
- *Real Estate Asset Finance*
- *Business Loans, Corporate Restructuring & Revitalization Business*
- *Loan Portfolio*
- *Yields and Margins*

3. Strategic Subsidiaries

- *Strengthening of the Group's Brand Awareness and New Group Organization*
- *Enhancement of Asset Management Subsidiary ①*
- *Enhancement of Asset Management Subsidiary ②*

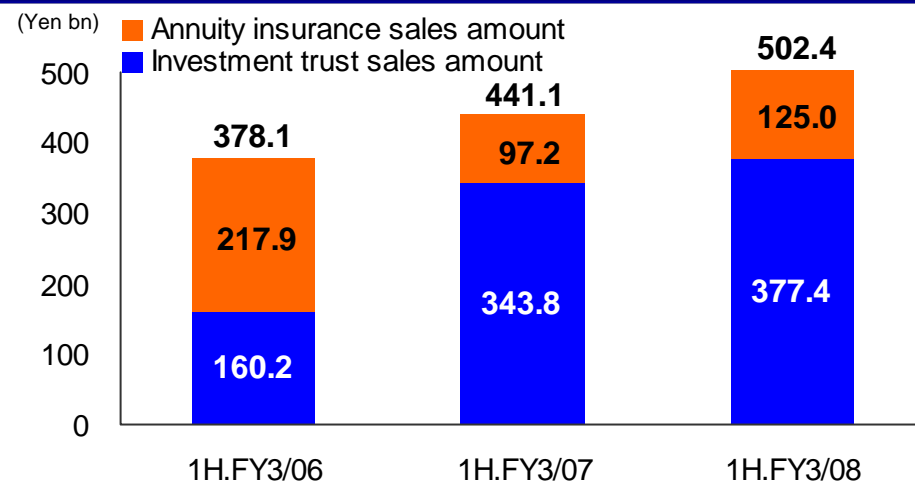
Investment Trust & Annuity Insurance related Business

Expanding proactive sales of investment trust products by providing a wide selection of products geared towards clients' needs and by allocating the necessary human resources

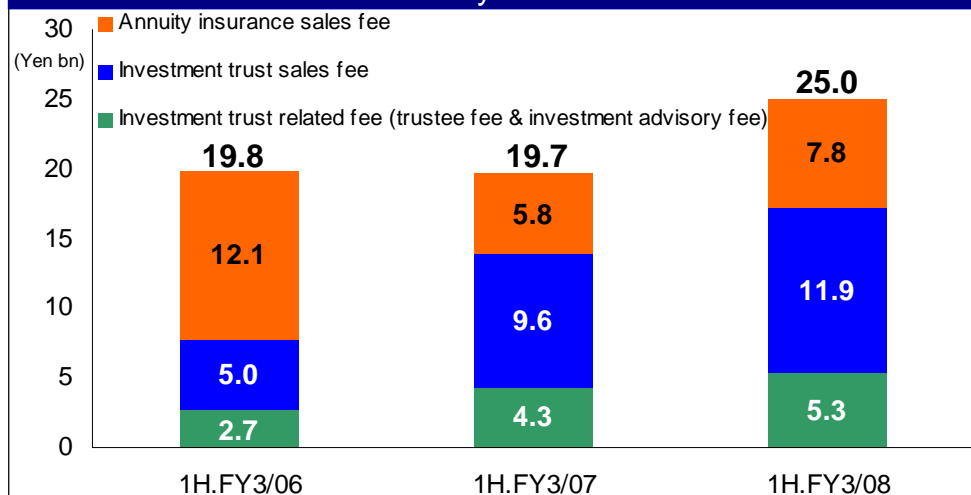
Breakdown of Investment Trust & Annuity Insurance related Revenue

	a			b			d			e			(Yen bn)
	1H.FY3/07	1H.FY3/08	Chg.	Actual FY3/07	Outlook FY3/08	f.e-d	Actual FY3/07	Outlook FY3/08	f.e-d				
CMTB+CMAB, non-consolidated													
Sales Fee													
Investment trust sales fee	9.6	11.9	2.3	21.0	25.5	4.5							
Annuity insurance sales fee	5.8	7.8	2.0	13.0	14.0	1.0							
Total	15.5	19.7	4.2	34.0	39.5	5.5							
Trustee Fee & Investment Advisory Fee for Investment Trust													
Trustee fee	2.5	3.2	0.7	5.3	6.5	1.2							
Investment advisory fee	1.8	2.1	0.3	3.6	4.5	0.9							
Total	4.3	5.3	1.0	9.0	11.0	2.0							
Grand total	19.7	25.0	5.3	43.0	50.5	7.5							

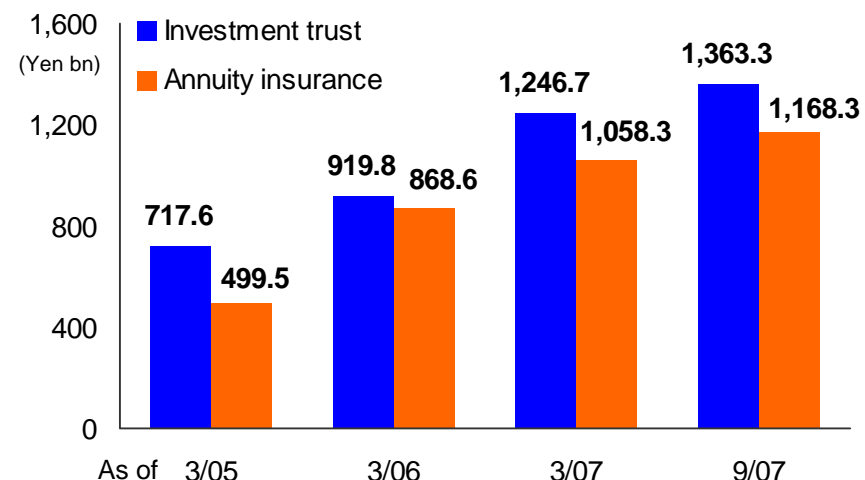
Investment Trust & Annuity Insurance Sales Amount



Investment Trust & Annuity Insurance related Revenue



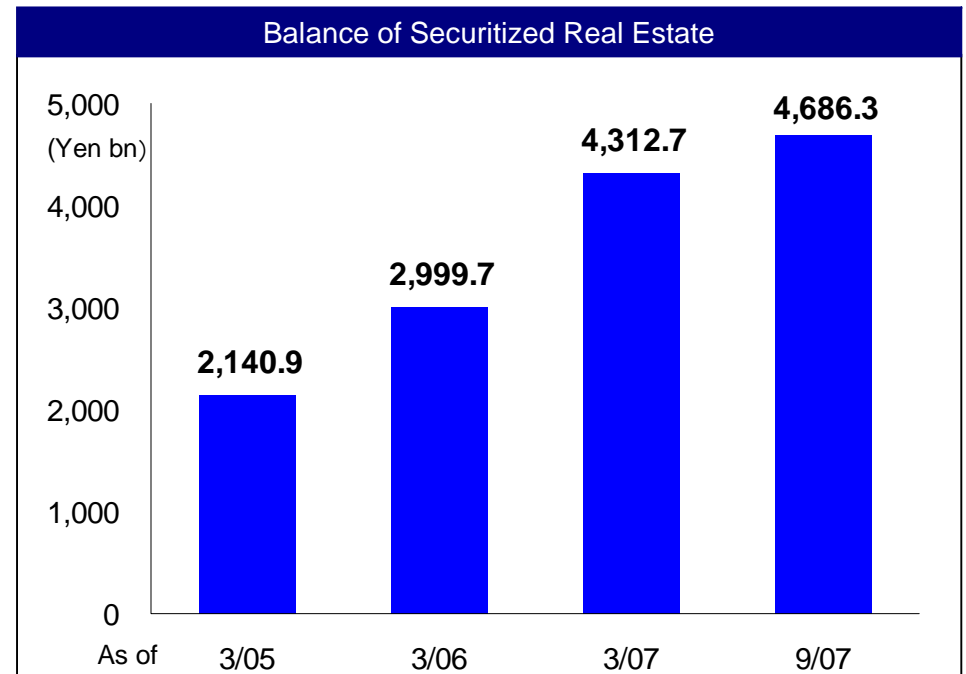
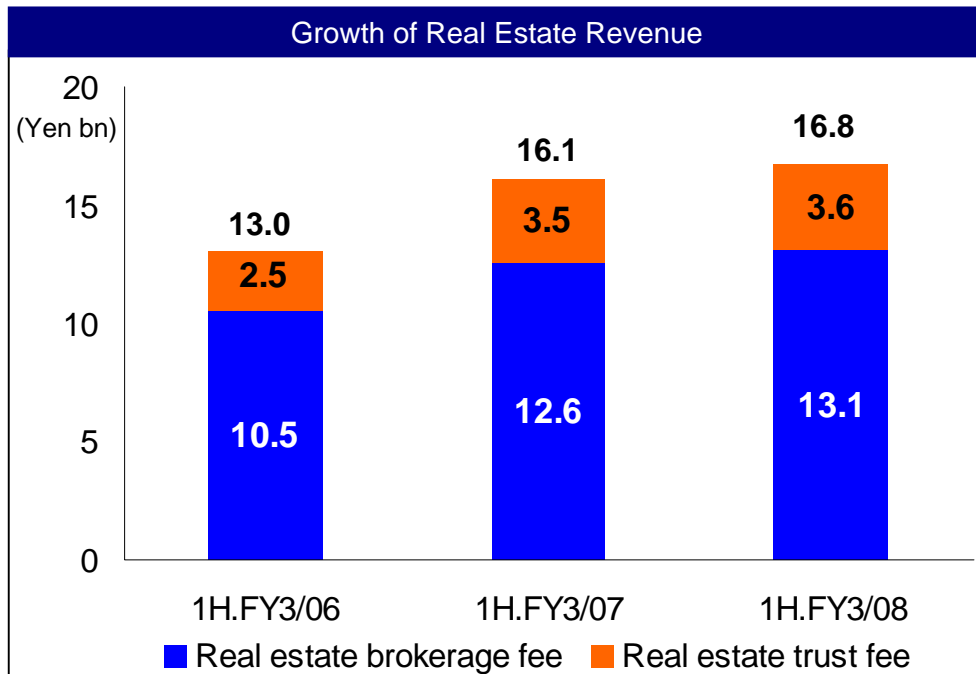
Investment Trust & Annuity Insurance Balance



Real Estate Business

Breakdown of Real Estate Revenue						
	a	b	c:b-a	d	e	(Yen bn)
CMTB, non-consolidated	1H.FY3/07	Actual 1H.FY3/08	Chg.	Actual FY3/07	Outlook FY3/08	f:e-d Chg.
Brokerage fee	12.6	13.1	0.4	31.0	32.0	1.0
Securitization related	3.5	3.6	0.1	7.6	8.0	0.4
Total	16.1	16.8	0.6	38.7	40.0	1.3

- Posted a record high ¥16.8bn, beating initial plan of ¥16.5bn
- High profit levels are expected to remain, in spite of a slowing profit growth rate



Pension Business

Both balance of entrusted assets and revenue showed steady growth

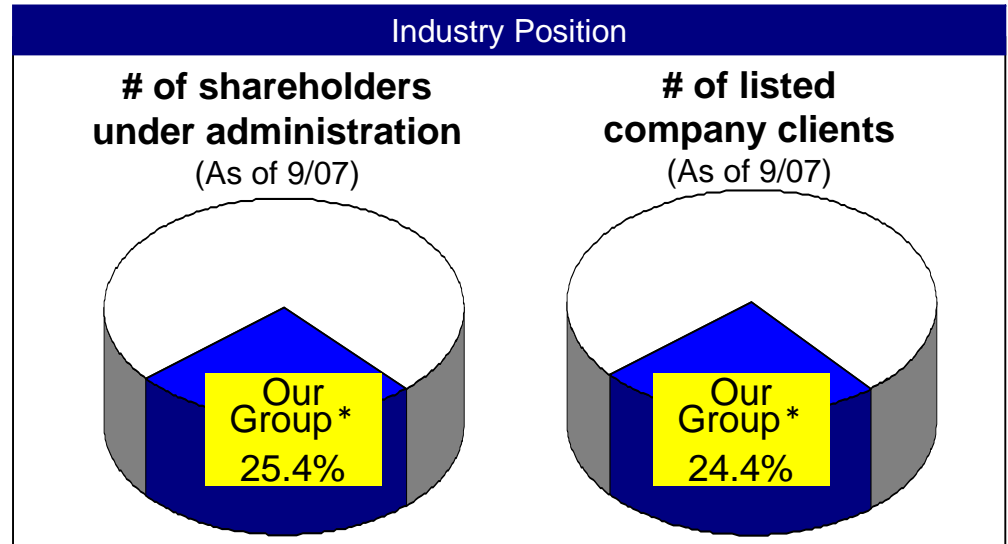
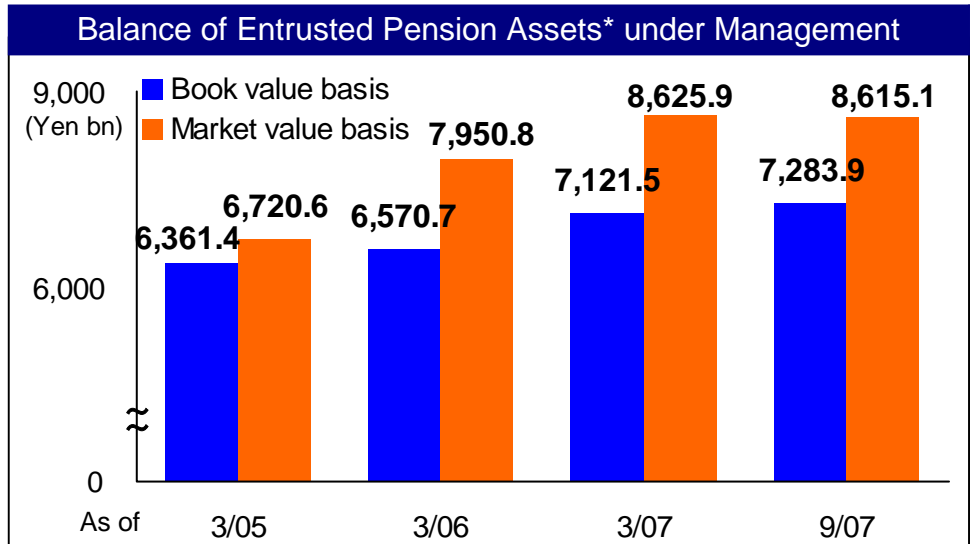
Pension Business related Revenue *						
	a	b		b	d	(Yen bn)
CMAB	1H.FY3/07	Actual 1H.FY3/08	c:b-a Chg.	Actual FY3/07	Outlook FY3/08	e:d-b Chg.
Pension business						
Fees received	14.9	15.6	0.6	30.7	33.0	2.3
Fees paid (minus)	2.5	2.1	(0.3)	4.6	4.5	(0.1)
Total	12.4	13.4	1.0	26.1	28.5	2.4

* Managerial accounting changed from FY3/08. Figures as of 1H.FY3/07 and FY3/07 are also posted on a new basis for comparison purposes.
(Net revenues on a former basis: 1H.FY3/07 13.2bn, FY3/07 27.7bn)

Stock Transfer Agency Business

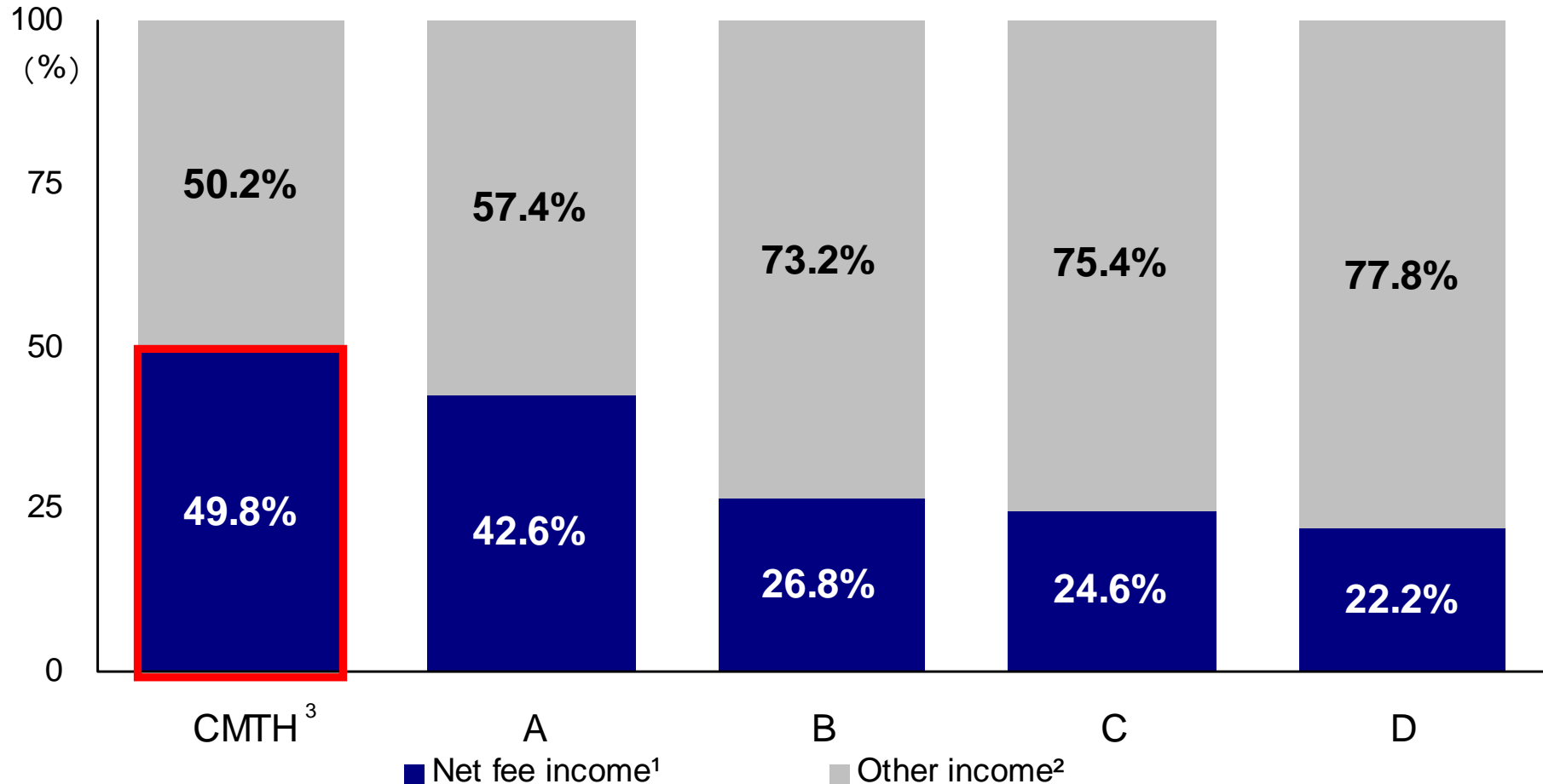
Aims to maintain current profit levels by cutting expenses by utilizing a JV set up with Mizuho Trust, that will be responsible for back office operations of the stock transfer business

Stock Transfer Agency Business related Revenue						
	a	b	c:b-a	d	e	(Yen bn)
CMTB, non-consolidated	1H.FY3/07	Actual 1H.FY3/08	Chg.	Actual FY3/07	Outlook FY3/08	f:e-d Chg.
Fees received	13.5	13.1	(0.4)	25.5	25.0	(0.5)
Fees paid (minus)	5.7	5.7	0.0	11.0	10.5	(0.5)
Total	7.8	7.4	(0.4)	14.5	14.5	0.0



Net Fee Income on Asset Management (Fee) Business

Net Fee Income as % of Gross Operating Profit for Major Banks 1H.FY3/08
(Combined non-consolidated basis)



Source: Disclosed company data

Notes:

- 1 Sum of net fees and commissions and trust fees (excluding loan trust and JOMTs, or jointly operated money trusts) divided by gross operating profit (before trust a/c credit costs)
- 2 Sum of net interest income, loan trust fees, JOMTs fees, net trading income, and net other operating income divided by gross operating profit (before trust a/c credit costs)
- 3 Combined non-consolidated basis for CMTB and CMAB

Loans to Individuals

Continue to focus on high margin housing loans

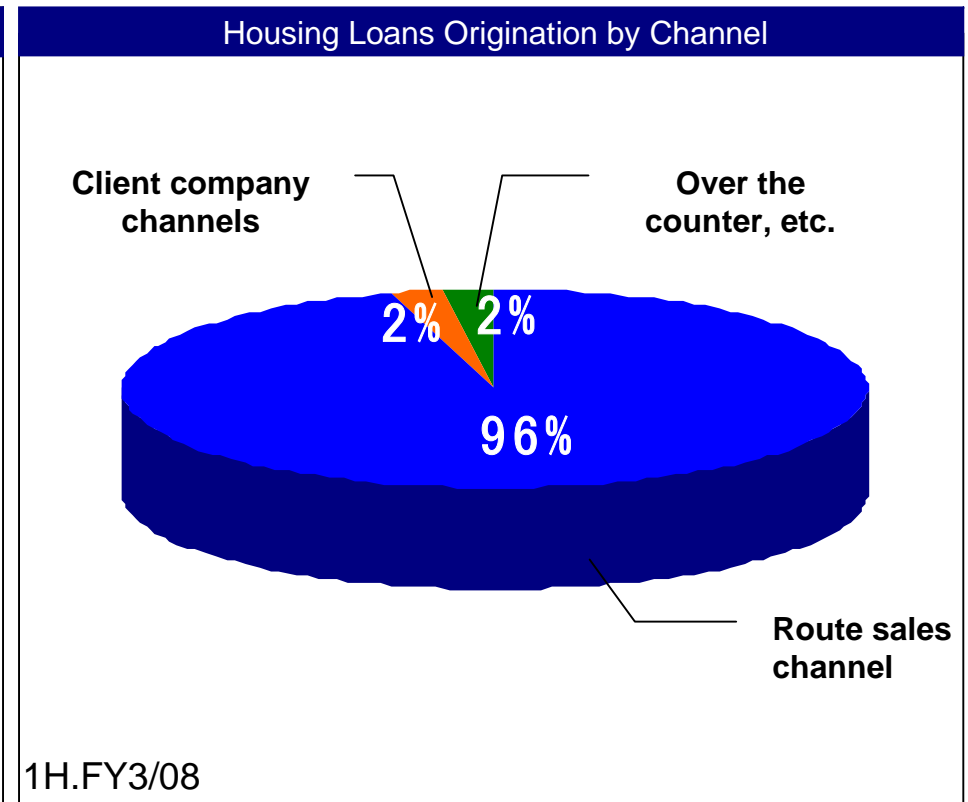
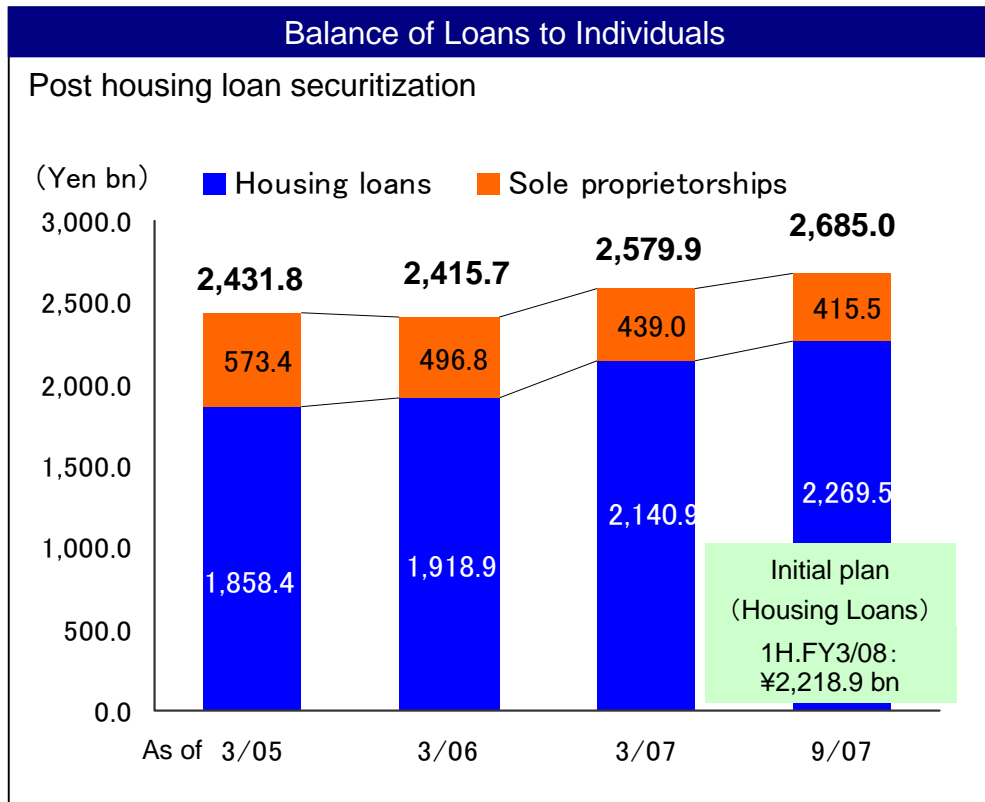
⇒ Solid growth in loans balance

Housing loan results for 1H.FY3/08

■ New origination: ¥287.5bn

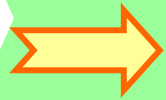
■ Net increase: ¥128.6bn (Initial plan: ¥78bn)

“Route sales (Major home builders, real estate agents and developers channel)” strategy brings in successful differentiation with competitors



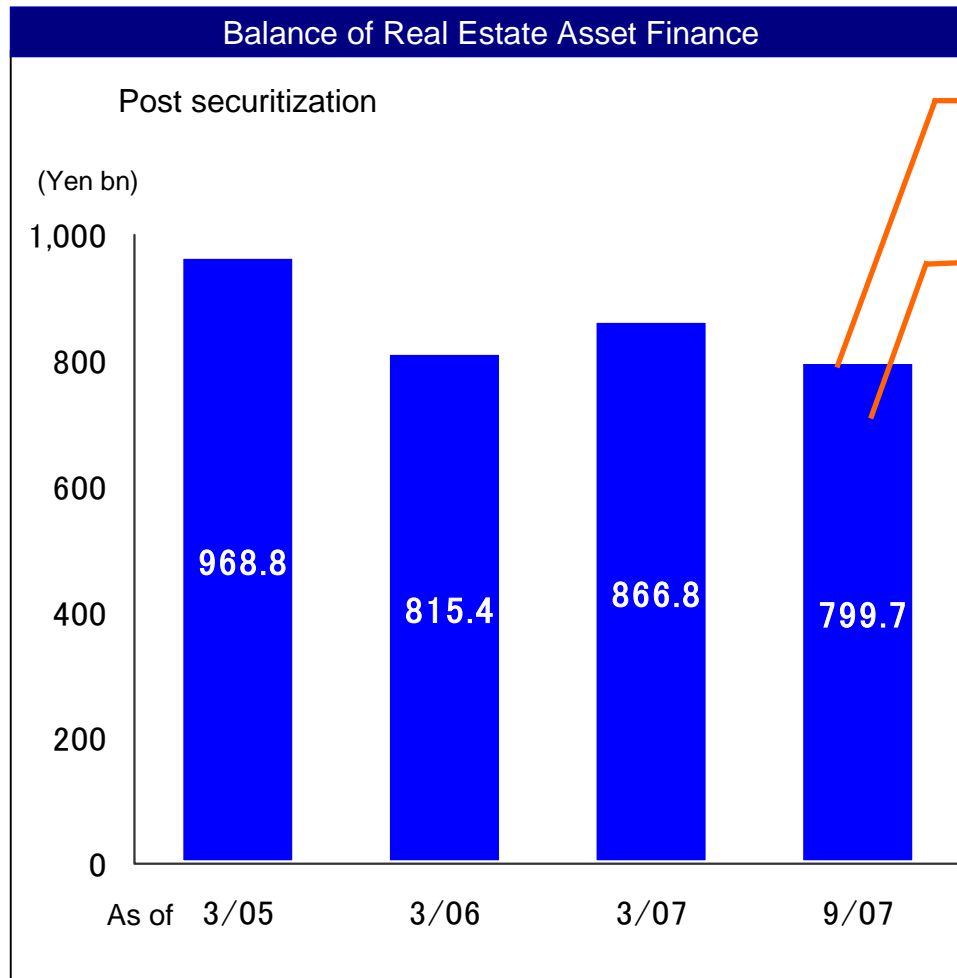
Real Estate Asset Finance

Market: Increased competition led to a decrease in profitable originations that met our risk-return criteria



Restrain aggressive balance increase

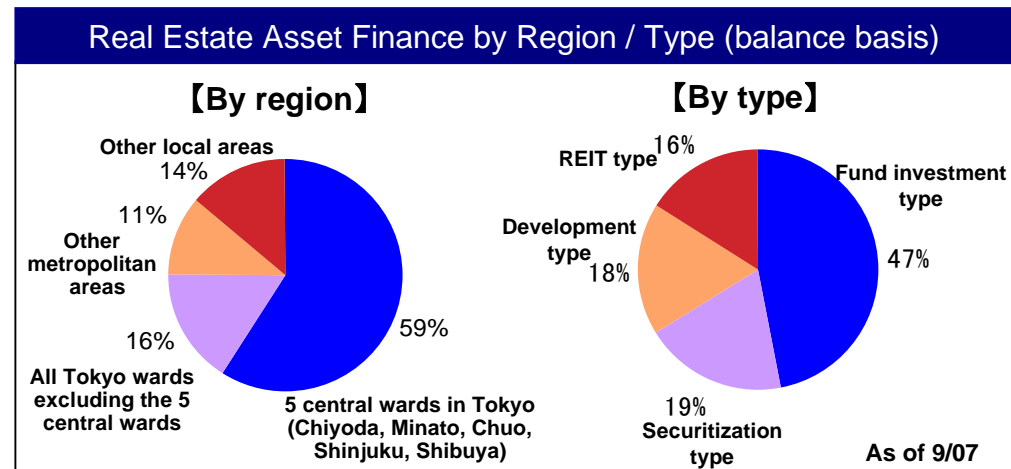
Shift to a "fee business model" by utilizing securitization capabilities



Securitized ¥6.2bn in 1H.FY3/08
(Securitized ¥42.5bn in full year FY3/07)

Portfolio*¹ by LTV*² / DSCR*³ (As of 9/07)
LTV* below 70%: 95.7% DSCR* over 2.0x: 83.0%

*¹ Excluding REIT type and development type *² Loan to value
*³ Debt service coverage ratio



Fund investment type: Real estate fund investment

Securitization type: Removal of corporate real estate assets from the balance sheet

Development type: Construction of new office buildings and large condominiums

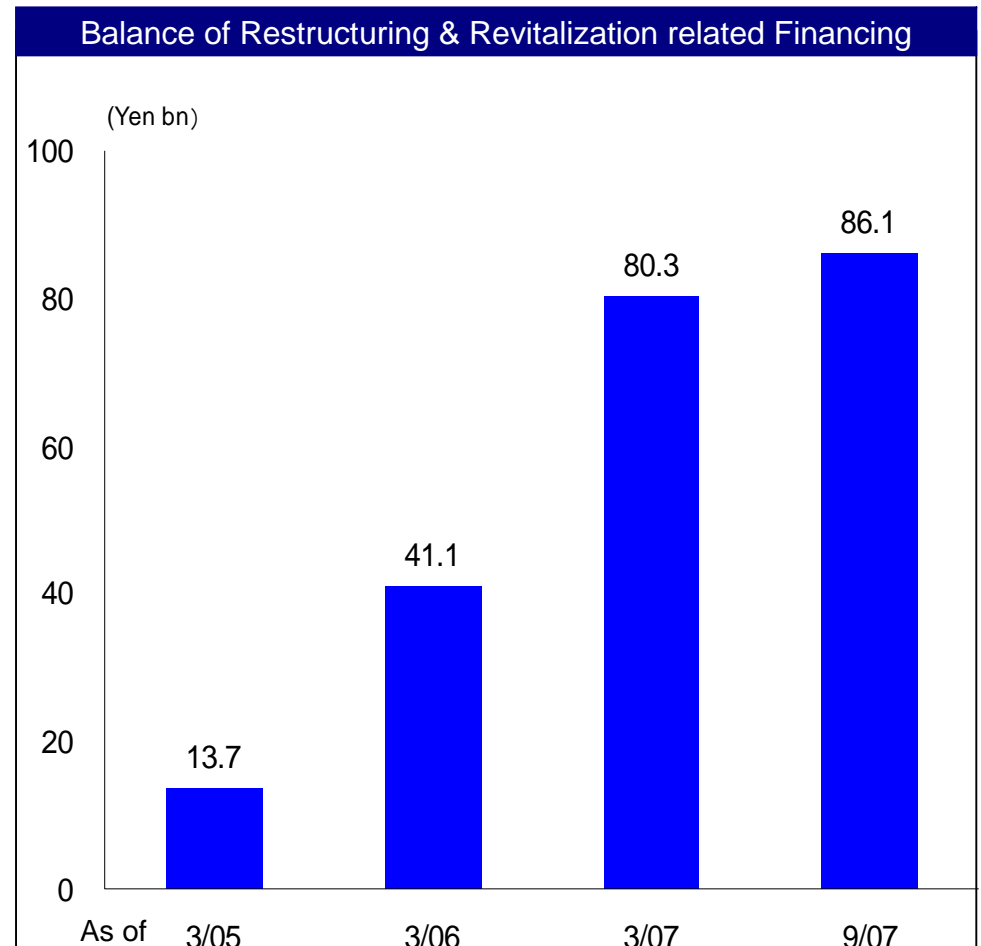
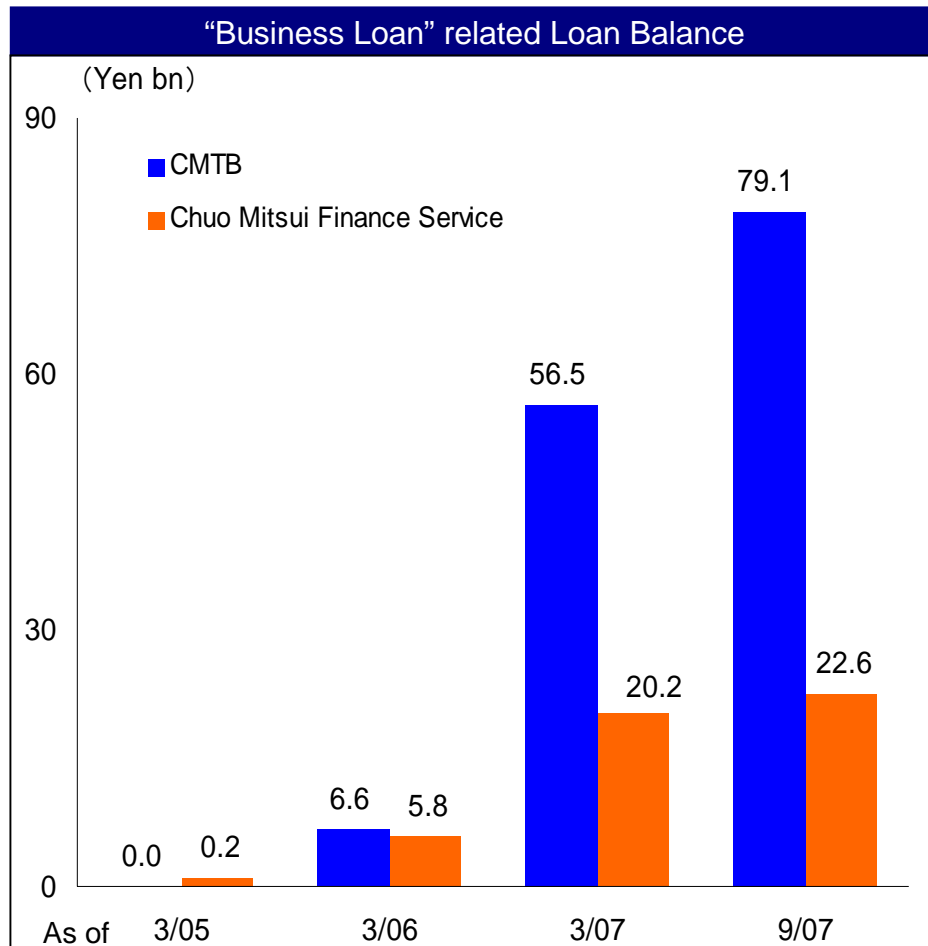
REIT type: Loans to REIT (to investment company)

Business Loans

Loan demand from SMEs is strong
 The business model will be reviewed by fully considering the risk return profile

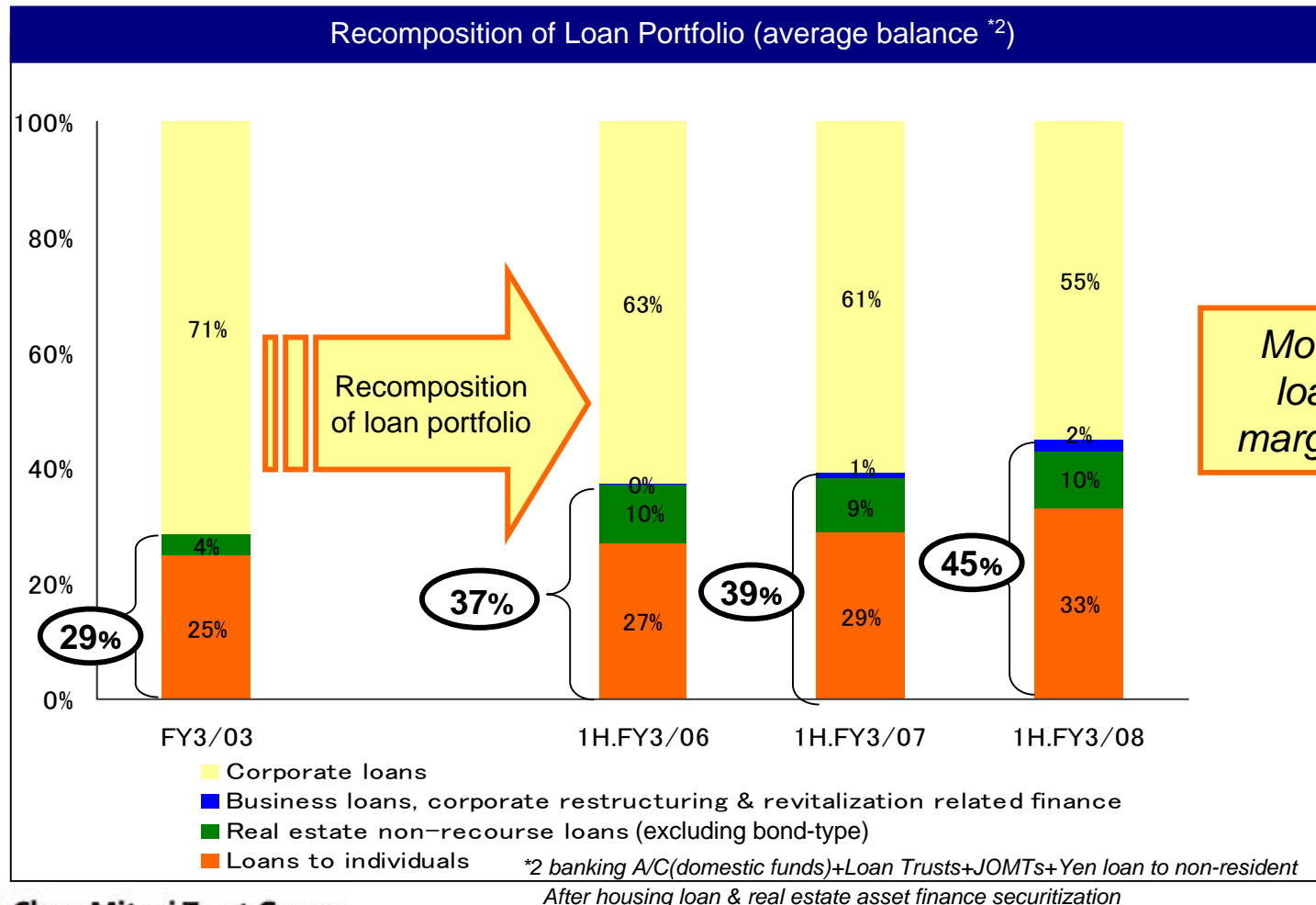
Corporate Restructuring & Revitalization Business

Serving clients' diverse financial needs such as restructuring / revitalization, M&A, and buyouts



Loan Portfolio

- Appropriate risk control adopted in constructing loan portfolio
- Weight of comparatively high margin loans to individuals increased (Loan loss rate*1: 0.04%)



*1 Pay-out guarantee rate by guarantee companies.

More than 30% of total loan is relatively high margin loan to individuals

Yields and Margins

Both yields and margins continued to show a recovery trend

YoY Comparison of Yields and Margins (CMTB, non-consolidated, 3 a/c total) (before excluding effect of securitization profit and amortization)				
Banking a/c(domestic funds) + Loan Trusts + JOMTs				
	a	b	c	dc-a
	1H. FY3/07	2H. FY3/07	1H. FY3/08	Change
1 Average yield	1.12%	1.46%	1.49%	0.37%
2 Average yield on loans and bills discounted	1.09%	1.38%	1.54%	0.45%
3 Average yield on procured funds	0.23%	0.36%	0.48%	0.24%
4 Average yield on deposits and principals	0.18%	0.29%	0.39%	0.20%
Yield margin(2-4)	0.90%	1.08%	1.15%	0.24%

YoY Comparison of Yields and Margins (CMTB, non-consolidated, 3 a/c total) (after excluding effect of securitization profit and amortization)				
Banking a/c(domestic funds) + Loan Trusts + JOMTs				
	a	b	c	dc-a
	1H. FY3/07	2H. FY3/07	1H. FY3/08	Change
1 Average yield	1.22%	1.53%	1.57%	0.34%
2 Average yield on loans and bills discounted	1.26%	1.50%	1.67%	0.40%
3 Average yield on procured funds	0.23%	0.36%	0.48%	0.24%
4 Average yield on deposits and principals	0.18%	0.29%	0.39%	0.20%
Yield margin(2-4)	1.07%	1.20%	1.28%	0.20%

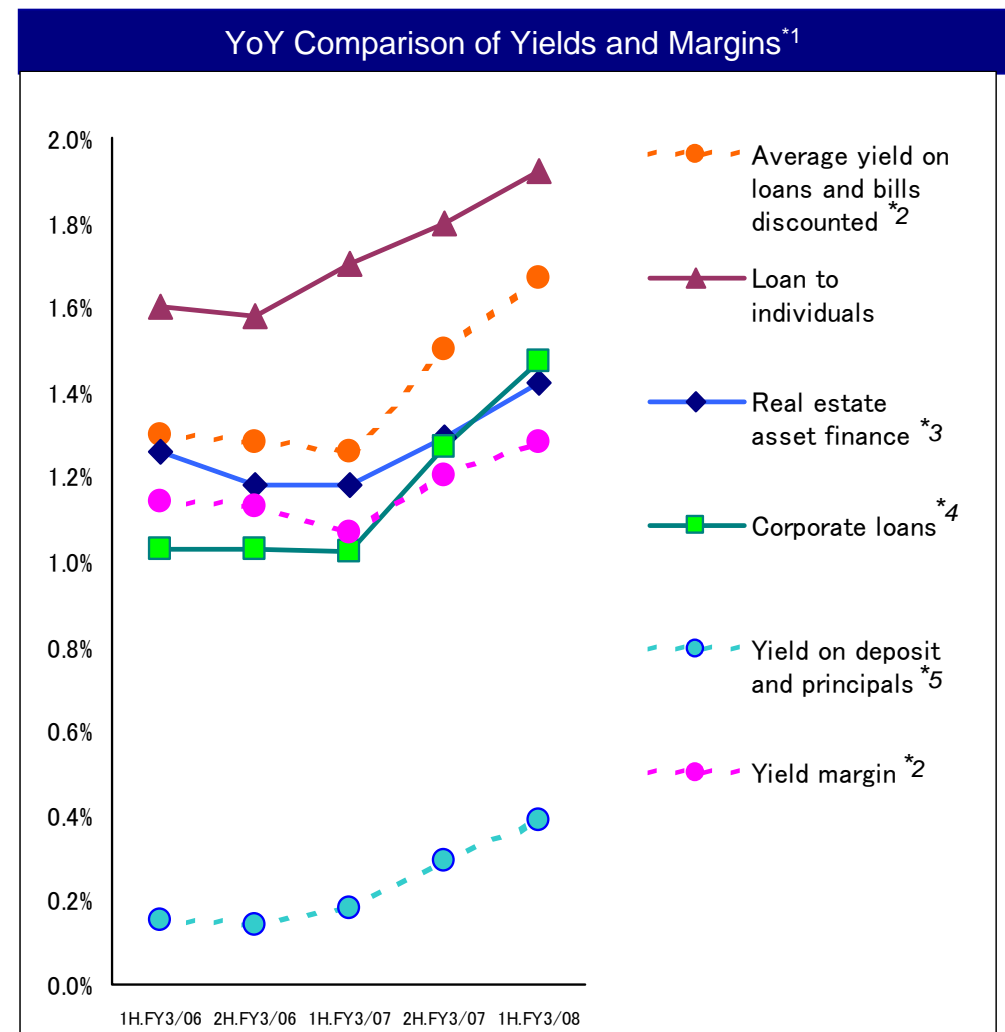
*1 banking A/C(domestic funds)+Loan Trusts+JOMTs+Yen loan to non-resident

*2 banking A/C(domestic funds)+Loan Trusts+JOMTs, excluding effect of securitization profit and amortization

*3 excluding bond-type

*4 Corporate loans+Business loans+Corporate restructuring & revitalization related finance

*5 banking A/C(domestic funds)+Loan Trusts+JOMTs



Strengthening of the Group's Brand Awareness and New Group organization

New Group Organization

As of October 1, 2007, We unified our Group brand, along with reorganization of the Group structure



Trust bank

The Chuo Mitsui Trust & Banking

Individual

- Lending business
- Sales of Investment trust and Annuity insurance

Company

- Lending business
- Real estate business
- Stock transfer business

Chuo Mitsui Asset Trust & Banking

Institutional investor

- Pension trust and Securities trust business

Asset management

Chuo Mitsui Asset Management

Individual and Institutional investor

- Investment advisory and Investment trust Management

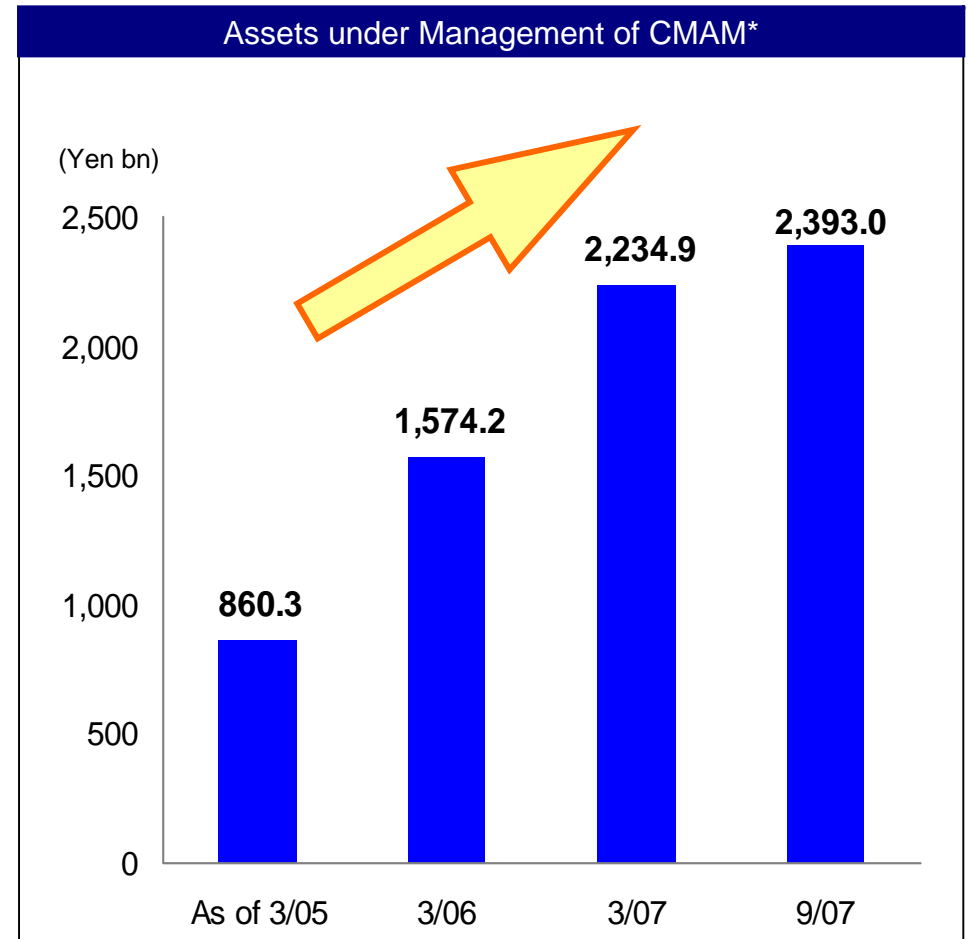
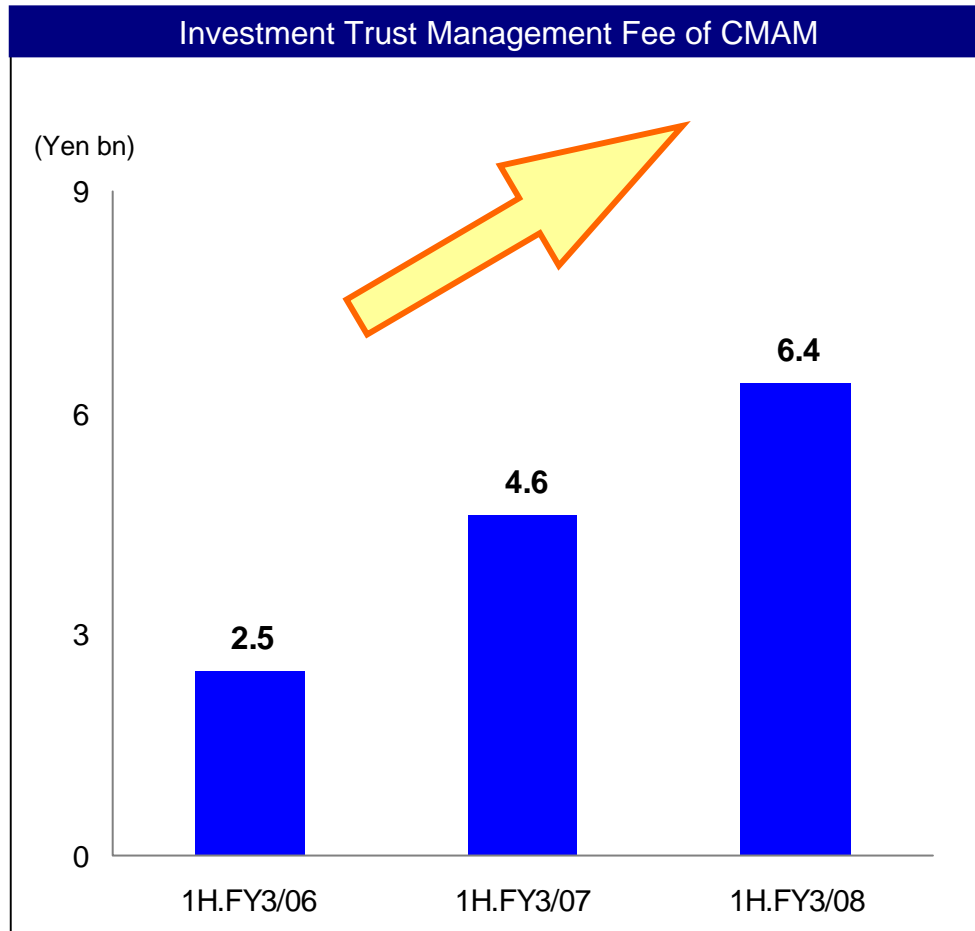
Chuo Mitsui Capital

Company and Institutional investor

- Private equity fund management

Enhance Asset Management Subsidiary ① -Chuo Mitsui Asset Management-

Increase presence in the growing investment trust market, by utilizing the highly regarded asset management capability



*Sum of investment trust and investment advisory (market value basis)

Enhance Asset Management Subsidiary ② -Chuo Mitsui Capital-

Focus on fund establishment as a leading player in the mezzanine finance market

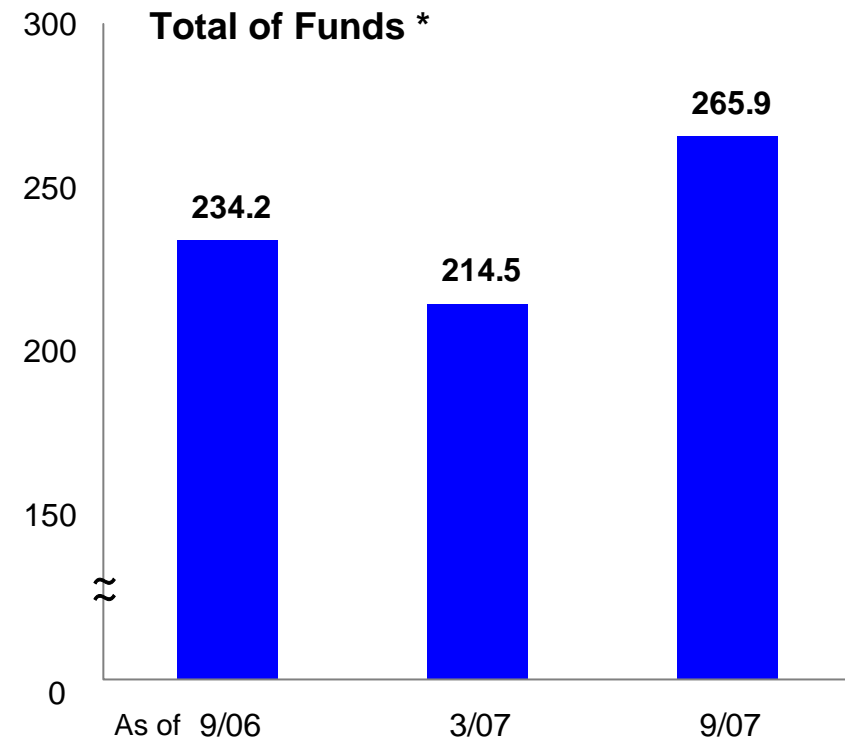
Private equity fund management business

- Established a firm position as a leading player of mezzanine financing, after investments to major MBO deals including World Co. deal (Year 2005) and Toshiba Ceramics* (Year 2006)
- Will focus on raising funds from outside investors

* Currently Covalent Materials Corporation

Assets under Management by Chuo Mitsui Capital

(Yen bn)



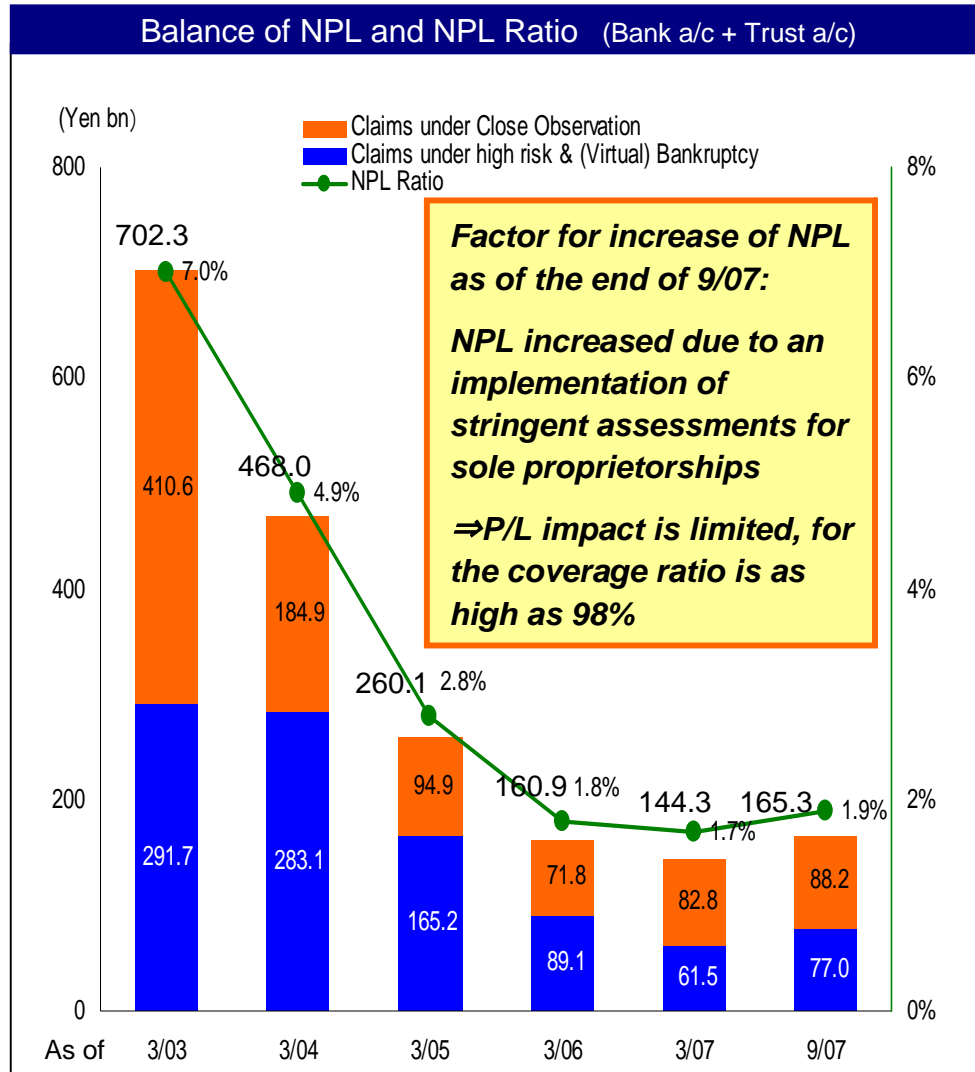
* Total assets under management by Chuo Mitsui Capital on commitment basis

III. Balance Sheet

- *NPL Issues*
- *International Credit / Investment Business
& Loans to Consumer Finance Companies*
- *Capital*

NPL Issues

Maintaining stringent portfolio management



Breakdown of Credit Costs

	a	b	c:b-a	d	0	(Yen bn)
CMTB, non-consolidated	1H.FY3/07	Actual 1H.FY3/08	Chg.	FY3/07	Outlook FY3/08	0
Provision of general reserve	6.6	6.9	0.3	16.3	20.0	/
Provision of specific reserve	3.1	5.5	2.4	0.4		
Off-balance costs	3.9	4.5	0.6	13.1		
Total	13.6	16.9	3.3	29.8	20.0	(9.8)

Credit costs in 1H.FY3/08 were increased by ¥3.3bn yen YoY, as a result of stringent estimates for reserves against the non bank industry

International Credit / Investment Business & Loan to Consumer Finance Companies

Status of the International Credit/Investment Business

No Exposure to ABS & CDOs backed by Subprime Loans

Status of the International Credit/Investment Business (except US Treasury Bond & Agency MBS)

1. Market Value Available (Securities) (Yen bn)

	As of 12/07	
	Acquisition Cost	Unrealized gain/loss
Subprime Loan/Investment	None	-
Others	124.0	(5.7)
CDO	[10.0]	[(2.1)]
Investment Trust (Bond Funds)	[4.8]	[(0.1)]
Investment Trust (Credit Funds)	[24.9]	[(1.1)]
Investment Trust (Stock Funds, etc.)	[11.0]	[(1.7)]
Foreign Bonds, etc.	[73.1]	[(0.5)]
Grand Total	124.0	(5.7)

2. Market Value Unavailable

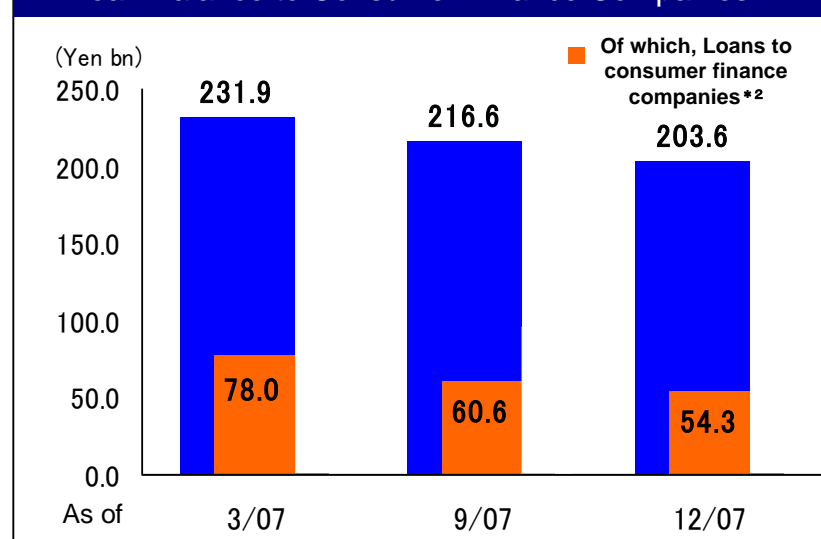
(Loans • Securities • Acceptances and Guarantees) (Yen bn)

	As of 12/07
	Balance
Subprime Loan/Investment	None
Others	110.6
Corporate Loans	[98.7]
Securities of Non-listed Companies	[7.5]
Acceptances and Guarantees (Corporate)	[4.2]
Grand Total	110.6

Status of Loans to Consumer Finance Companies

Maintaining stringent selection strategy for loans to consumer finance companies & nonbank industry

Loan Balance to Consumer Finance Companies *1



*1 Loan providers which apply interest rates in excess of the upper limit set by the Interest Rate Restriction Law. (consumer finance companies, consumer credit companies, credit card companies, etc.)

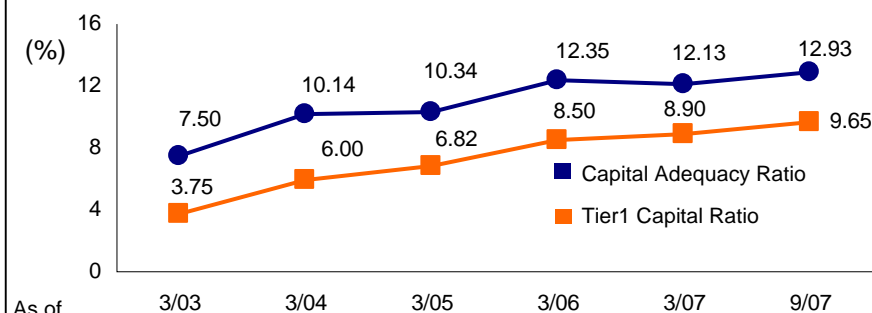
*2 Consumer loan balance exceeds 50% of total balance, and non-collateral loan (except residential) balance percentage is highest. (except credit card company and consumer credit companies)

Capital

Capital Adequacy Ratio * (CMTH, consolidated)

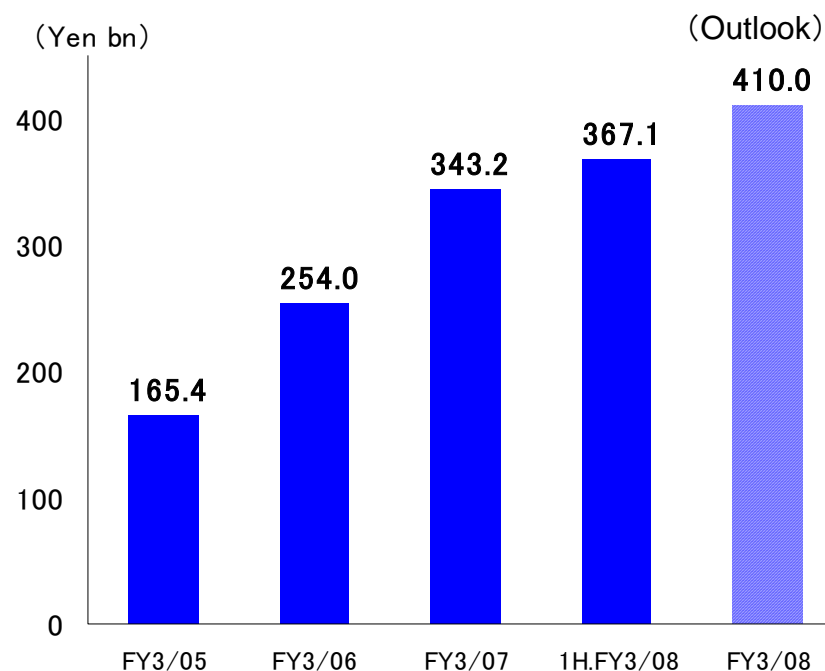
	(Yen bn)		
	a	b	c:b-a
CMTH, Consolidated	3/07	9/07	Change
Tier I	764.5	812.6	48.1
Tier II	296.0	286.8	(9.1)
Risk adjusted assets	8,584.1	8,417.1	(167.0)
Capital Adequacy Ratio	12.13%	12.93%	0.80%
Tier1 Ratio	8.90%	9.65%	0.75%

Capital Adequacy Ratio * & Tier1 Capital Ratio * (CMTH, consolidated)



*Figures after 3/07 is calculated on Basel II basis

The Group's Retained Earnings *



* Total retained earnings of CMTH+CMTB+CMAB subtracted by amount required for accumulated earned reserve

Preferred Shares

Class	Amount (Yen bn)	Type	Year/Month of Injection	Dividend Rate	Current Conversion Price *1	Mandatory conversion date	Conversion Price at mandatory conversion date
Class I	All of Class I (¥32.0bn) was sold in the market in July 2006						
Class II	150.0	Convertible	3/1999	0.90%	450	8/1/2009	Market price *2
Class III	213.25	Convertible	3/1999	1.25%	450	8/1/2009	Market price *2
¥37.0bn out of Class III was sold in the market in July 2007							
Total	363.25						

* 1 No up-ward reset. Downward reset only
Annual reset date : August 1st

* 2 30-day average for common share price, starting from 45 days prior to mandatory conversion date. 400 yen is final reset floor.



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.