

Financial Highlights for FY3/05

May 24, 2005

 **Mitsui Trust Holdings, Inc.**

The Point of Explanation

Summary of Business Results for FY3/05

1. Profit and Loss

(1) Mitsui Trust Holdings, Non-consolidated

[Non-consolidated]

(Unit: yen billion)

Reference

	No.	FY3/05		FY3/04
			Change	
Ordinary income	1	49.0	32.6	16.3
Recurring profit	2	37.9	32.5	5.4
Net income	3	37.9	32.6	5.3
Unappropriated profit at the end of fiscal year	4	47.5		
Dividend Amount	5	7.3		
Common stock	6	2.0		
Preferred stock	7	5.2		

(2 yen 50 sen per share)

FY3/05 Outlook*
50.0
38.0
38.0

*Announced on November 25, 2004

(2) Mitsui Trust Holdings, Consolidated

[Consolidated]

(Unit: yen billion)

	No.	FY3/05		FY3/04
			Change	
Ordinary income	8	510.9	(5.2)	516.1
Recurring profit	9	157.4	52.0	105.3
Net income	10	94.0	43.2	50.7

FY3/05 Outlook*
520.0
165.0
85.0

*Announced on November 25, 2004

Subsidiaries and affiliates

(Unit: No. of company)

Number of consolidated subsidiaries	11	27	2	25
No. of affiliates accounted for by the equity method	12	3	1	2

(3) Combined Totals of The Chuo Mitsui T/B [CMTB] and Mitsui Asset T/B [MATB]

【CMTB+MATB】

(unit: yen billion)

	No.	FY3/05	Change	FY3/04
Gross operating profit	1	298.1	(11.1)	309.3
[Gross operating profit (after trust a/c credit costs)] (1-6)	2	[286.8]	(0.6)	[287.4]
Trust fees	3	89.1	4.9	84.2
Trust fees (before trust a/c credit costs)	4	100.4	(5.5)	106.0
Fees on Loan Trusts and JODMTs*, before trust a/c credit costs	5	52.1	(8.9)	61.0
Trust a/c credit costs (minus)	6	11.3	(10.5)	21.8
Net interest income	7	112.2	6.5	105.7
Domestic	8	88.3	(1.7)	90.0
International	9	23.9	8.2	15.7
Net fees and commissions	10	60.1	18.5	41.6
Net trading profit	11	7.0	(3.8)	10.9
Net other operating profit	12	18.1	(26.7)	44.9
Net bond related profit	13	(9.4)	(44.2)	34.7
Operating expenses (minus)	14	107.0	(21.0)	128.0
Personnel related (minus)	15	40.1	(15.2)	55.4
Non-personnel related (minus)	16	61.3	(6.6)	67.9
Business taxes (minus)	17	5.5	0.8	4.6
Pre-provision profit (1-14)	18	191.1	9.8	181.2
[Excluding net bond related profit] (18-13)	19	[200.6]	[54.0]	[146.5]
Transfer to the general reserve (minus)	20	(16.2)	(16.2)	-
Net operating profit before trust a/c credit costs (18-20)	21	207.4	26.1	181.2
Net operating profit (18-20-6)	22	196.1	36.6	159.4
Net other profit	23	(46.1)	(13.5)	(32.6)
Net stock related profit	24	15.8	(23.8)	39.7
Banking a/c credit costs (minus)	25	48.8	3.5	45.3
Recurring profit	26	149.9	23.1	126.8
Extraordinary profit	27	(7.1)	(32.5)	25.3
Net transfer from reserve for possible loan losses [Note]	28	0.0	(8.8)	8.8
Refunds of external standards taxation on banks	29	-	(8.8)	8.8
Profit occurred from "Daiko Henjo"	30	-	(17.9)	17.9
Net income before income taxes	31	142.7	(9.3)	152.1
Current income taxes (minus)	32	3.4	1.5	1.9
Deferred income taxes (minus)	33	47.1	(19.7)	66.9
Net income	34	92.1	8.8	83.3

*JODMTs: Jointly Operated Designated Money Trusts

[Note] In FY3/04, net of transfer from reserve for possible loan losses is posted as extraordinary profit for CMTB and MATB

In FY3/05, net of transfer from reserve for possible loan losses is posted as extraordinary profit for MATB

Credit costs () (6+20+25-28)	35	43.9	(14.4)	58.3
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Reference

【CMTB】 【MATB】

(Unit: yen billion)

	No.	CMTB, Non-consolidated			MATB, Non-consolidated		
		FY3/05		FY3/04	FY3/05		FY3/04
			Change			Change	
Gross operating profit	1	265.2	(11.2)	276.5	32.8	0.1	32.7
[Gross operating profit after trust a/c credit costs] (1-6)	2	[253.9]	[(0.7)]	[254.7]	[32.8]	[0.1]	[32.7]
Trust fees	3	48.1	2.1	46.0	41.0	2.8	38.2
Trust fees (Before trust a/c credit costs)	4	59.4	(8.4)	67.8	41.0	2.8	38.2
Fees on Loan Trusts and JODMTs*, before trust a/c credit costs	5	52.1	(8.8)	60.9	-	(0.0)	0.0
Trust a/c credit costs (minus)	6	11.3	(10.5)	21.8	-	-	-
Net interest income	7	112.2	6.4	105.8	(0.0)	0.0	(0.0)
Domestic	8	88.3	(1.7)	90.1	(0.0)	0.0	(0.0)
International	9	23.9	8.2	15.7	-	-	-
Net fees and commissions	10	68.3	21.3	46.9	(8.1)	(2.7)	(5.3)
Net trading profit	11	7.0	(3.8)	10.9	-	-	-
Net other operating profit	12	18.1	(26.7)	44.9	-	-	-
Net bond related profit	13	(9.4)	(44.2)	34.7	-	-	-
Operating expenses (minus)	14	92.4	(14.5)	106.9	14.5	(6.5)	21.0
Personnel related (minus)	15	34.3	(12.2)	46.6	5.8	(2.9)	8.8
Non-personnel related (minus)	16	52.7	(3.0)	55.7	8.5	(3.5)	12.1
Business taxes (minus)	17	5.3	0.7	4.6	0.1	0.0	0.0
Pre-provision profit (1-14)	18	172.8	3.2	169.6	18.2	6.6	11.6
[Excluding net bond related profit] (18-13)	19	[182.3]	[47.4]	[134.8]	[18.2]	[6.6]	[11.6]
Transfer to the general reserve (minus)	20	(16.2)	(16.2)	-	-	-	-
Net operating profit before trust a/c credit costs (18-20)	21	189.1	19.4	169.6	18.2	6.6	11.6
Net operating profit (18-20-6)	22	177.8	30.0	147.7	18.2	6.6	11.6
Net other profit	23	(44.7)	(17.1)	(27.6)	(1.3)	3.6	(4.9)
Net stock related profit	24	15.8	(23.8)	39.7	-	-	-
Banking a/c credit costs (minus)	25	48.8	3.5	45.3	-	-	-
Recurring profit	26	133.0	12.8	120.1	16.9	10.2	6.6
Extraordinary profit	27	(7.5)	(32.9)	25.4	0.3	0.4	(0.1)
Net transfer from reserve for possible loan losses [Note]	28	-	(8.8)	8.8	0.0	(0.0)	0.0
Refunds of external standards taxation on banks	29	-	(8.1)	8.1	-	(0.7)	0.7
Profit occurred from "Daiko Henjo"	30	-	(17.3)	17.3	-	(0.6)	0.6
Net income before income taxes	31	125.5	(20.1)	145.6	17.2	10.7	6.5
Current income taxes (minus)	32	0.4	0.1	0.3	2.9	1.3	1.5
Deferred income taxes (minus)	33	43.0	(23.6)	66.6	4.1	3.8	0.3
Net income	34	82.0	3.3	78.6	10.1	5.5	4.6

*JODMTs: Jointly Operated Designated Money Trusts

[Note] In FY3/04, net of transfer from reserve for possible loan losses is posted as extraordinary profit for CMTB and MATB

In FY3/05, net of transfer from reserve for possible loan losses is posted as extraordinary profit for MATB

Credit costs (minus) (6+20+25-28)	35	43.9	(14.4)	58.3	(0.0)	0.0	(0.0)
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2. Capital Adequacy Ratio

(1) Mitsui Trust Holdings, Consolidated

(Unit: yen billion, %)

	No.	End-3/05			End-9/04	End-3/04
			6 months chg.	YoY		
Total capital (2+4-6)	1	964.0	13.8	19.5	950.1	944.4
Tier1	2	635.6	41.9	76.5	593.6	559.1
Net unrealized losses on available-for-sale securities (minus)	3	-	-	-	-	-
Tier2	4	331.4	(28.1)	(54.9)	359.5	386.3
Subordinated debts	5	304.8	(16.1)	(38.1)	321.0	343.0
Deductive items	6	3.1	(0.0)	2.0	3.1	1.0
Risk Adjusted Assets	7	9,320.5	(147.5)	13.2	9,468.0	9,307.3
Capital adequacy ratio (1/7)	8	10.34	0.31	0.20	10.03	10.14
Tier1 ratio (2/7)	9	6.82	0.55	0.82	6.27	6.00

(2) Chuo Mitsui T/B, Consolidated

(Unit: yen billion, %)

	No.	End-3/05			End-9/04	End-3/04
			6 months chg.	YoY		
Total capital (11+13-15)	10	872.6	4.3	4.6	868.3	867.9
Tier1	11	544.3	32.4	61.7	511.8	482.5
Net unrealized losses on available-for-sale securities (minus)	12	-	-	-	-	-
Tier2	13	331.4	(28.1)	(54.9)	359.5	386.3
Subordinated debts	14	304.8	(16.1)	(38.1)	321.0	343.0
Deductive items	15	3.1	(0.0)	2.0	3.1	1.0
Risk Adjusted Assets	16	9,275.9	(95.6)	42.5	9,371.6	9,223.4
Capital adequacy ratio (10/16)	17	9.40	0.14	0.00	9.26	9.40
Tier1 ratio (11/16)	18	5.86	0.40	0.64	5.46	5.22

(3) Chuo Mitsui T/B, Non-consolidated

(Unit: yen billion, %)

	No.	End-3/05			End-9/04	End-3/04
			6 months chg.	YoY		
Total capital (20+22-24)	19	911.7	22.0	24.2	889.7	887.5
Tier1	20	584.4	49.7	80.7	534.6	503.7
Net unrealized losses on available-for-sale securities (minus)	21	-	(12.7)	(13.5)	12.7	13.5
Tier2	22	329.3	(27.6)	(54.4)	357.0	383.8
Subordinated debts	23	304.8	(16.1)	(38.1)	321.0	343.0
Deductive items	24	2.0	-	2.0	2.0	0.0
Risk Adjusted Assets	25	9,302.7	(132.8)	12.7	9,435.5	9,289.9
Capital adequacy ratio (19/25)	26	9.80	0.38	0.25	9.42	9.55
Tier1 ratio (20/25)	27	6.28	0.62	0.86	5.66	5.42

(4) Mitsui Asset T/B, Non-consolidated

(Unit: yen billion, %)

	No.	End-3/05			End-9/04	End-3/04
			6 months chg.	YoY		
Total capital (29+31-33)	28	33.2	(4.7)	0.2	38.0	33.0
Tier1	29	33.2	(4.7)	0.2	38.0	33.0
Net unrealized losses on available-for-sale securities (minus)	30	0.0	0.0	0.0	0.0	0.0
Tier2	31	0.0	-	(0.0)	0.0	0.0
Subordinated debts	32	-	-	-	-	-
Deductive items	33	-	-	-	-	-
Risk Adjusted Assets	34	33.7	(7.7)	(7.5)	41.5	41.2
Capital adequacy ratio (28/34)	35	98.57	6.99	18.57	91.58	80.00
Tier1 ratio (29/34)	36	98.54	6.98	18.57	91.56	79.97

Actions toward Management Objectives

【Enhancement of Profitability】

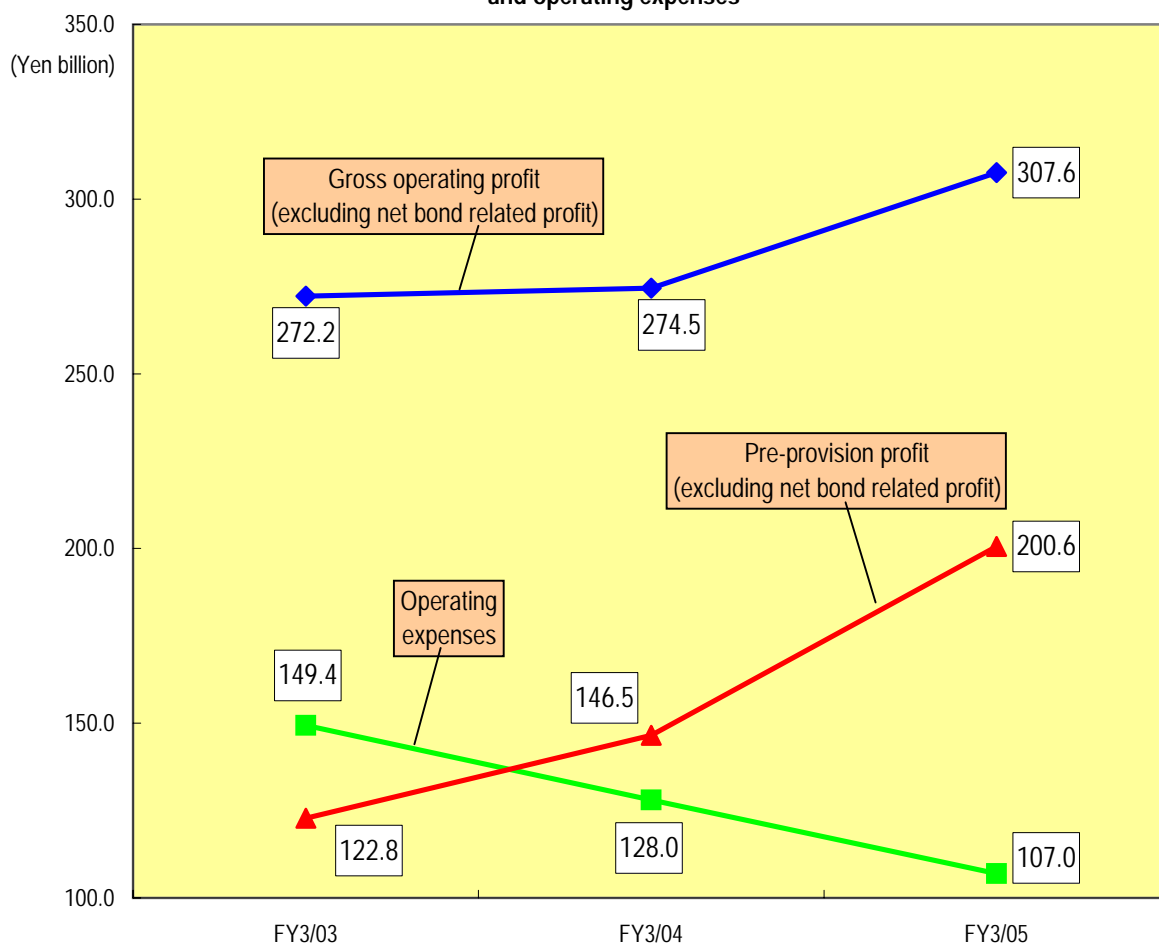
1. Profit and Loss

【CMTB+MATB】

(Unit: yen billion)

	FY3/04	FY3/05	Change
Gross operating profit	309.3	298.1	(11.1)
Excluding net bond related profit	274.5	307.6	33.0
Operating expenses	128.0	107.0	(21.0)
Pre-provision profit	181.2	191.1	9.8
Excluding net bond related profit	146.5	200.6	54.0

Trend of gross operating profit and pre-provision profit excluding net bond related profit, and operating expenses



2. Enlargement of Gross Operating Profit

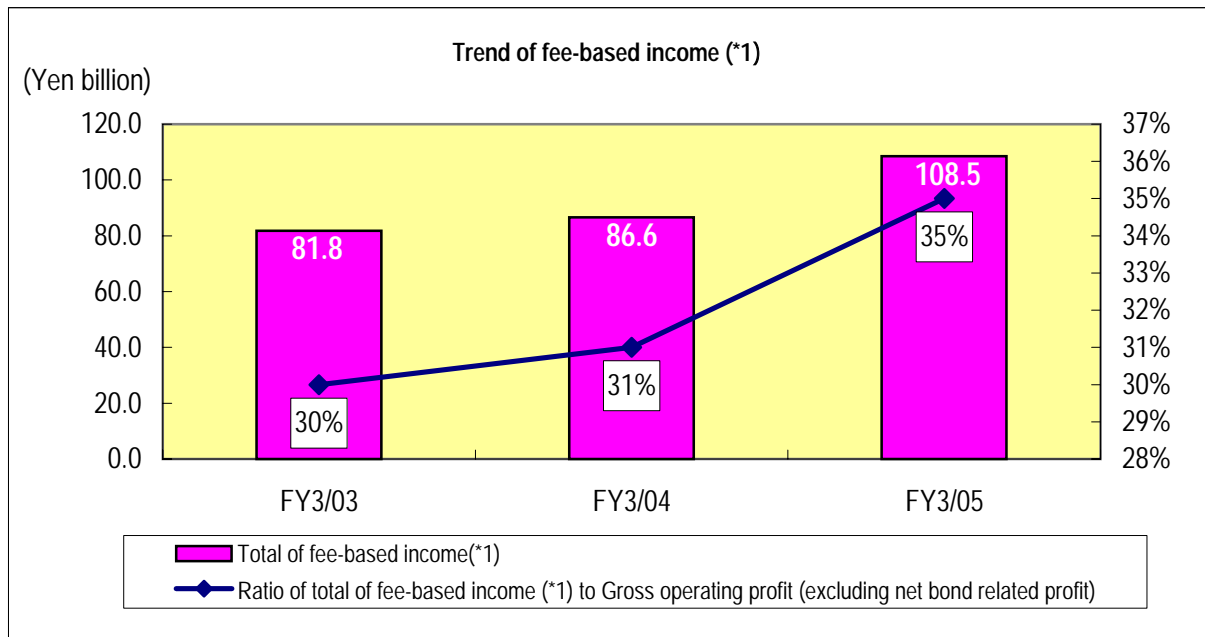
~ Recomposition of Revenue Structure ~

(1) Enhancement of Asset Management Business

【CMTB+MATB】

(Unit: billion yen)

	FY3/04	FY3/05	
			Change
Total of fee-based income(*1)	86.6	108.5	21.9
Ratio of total of fee-based income (*1) to gross operating profit (excluding net bond related profit)	31%	35%	3%



(*1) Trust fees excluding fees on Loan Trusts and JODMTs before trust a/c credit costs + net fees and commissions

Investment trust sales and variable annuity sales 【CMTB】

(Unit: yen billion)

	FY3/04	FY3/05	
			Change
Investment trust sales amount (*2)	250.4	292.7	42.2
Variable annuity sales amount	179.4	309.7	130.3
Total	429.8	602.5	172.5

(*2) Excluding MMF

Investment trust related fees	6.7	8.8	2.1
Variable annuity related fees	8.5	17.1	8.6
Total	15.3	26.0	10.7

Real estate business related fees 【CMTB】

(Unit: yen billion)

	FY3/04	FY3/05	
			Change
Real estate business related fees (*3)	13.6	25.3	11.7

(*3) Trust fees and net fees and commissions related to real estate business

(2) Improvement of Profitability in Banking Business

Loans to individuals [CMTB]

(Unit: yen billion)

	End-3/04	End-3/05	Change
Loans to individuals (*1)	2,712.2	2,921.5	209.3
Balance of mortgage loans	2,055.8	2,348.1	292.3

*1 Managerial accounting basis, balance before mortgage loans securitization

Real estate asset finance [CMTB]

(Unit: yen billion)

	End-3/04	End-3/05	Change
Balance of real estate asset finance	823.2	968.8	145.6

Diversification of asset management measures by alternative investments

Investment to foreign investment trusts and securitization products while controlling risks.

(Unit: yen billion)

	FY3/04	FY3/05	Change
End balance	Approx. 350.0	Approx. 680.0	Approx. 330.0
Average balance	Approx. 80.0	Approx. 560.0	Approx. 480.0
Returns	4.7	12.6	7.9

New businessTurnaround management business (Corporate revitalization business)

Enhanced engagement in corporate revitalization and management buy out related finances, etc.

Established "Specialized Finance Department" in 4/04 as specialized division of corporate revitalization.

Small business lending

Established a joint venture company engaged in small business lending.

Established "Business Loan Department" within Chuo Mitsui as a specialized division of small business lending in 2/05.

Reverse mortgage

Started reverse mortgage, loan to support living expenses of post-retirement years, by taking home as collateral.

3. Promotion of Efficiency

~ Thorough Low Cost Operations ~

Operating expenses

[CMTB+MATB]

(Unit: yen billion)

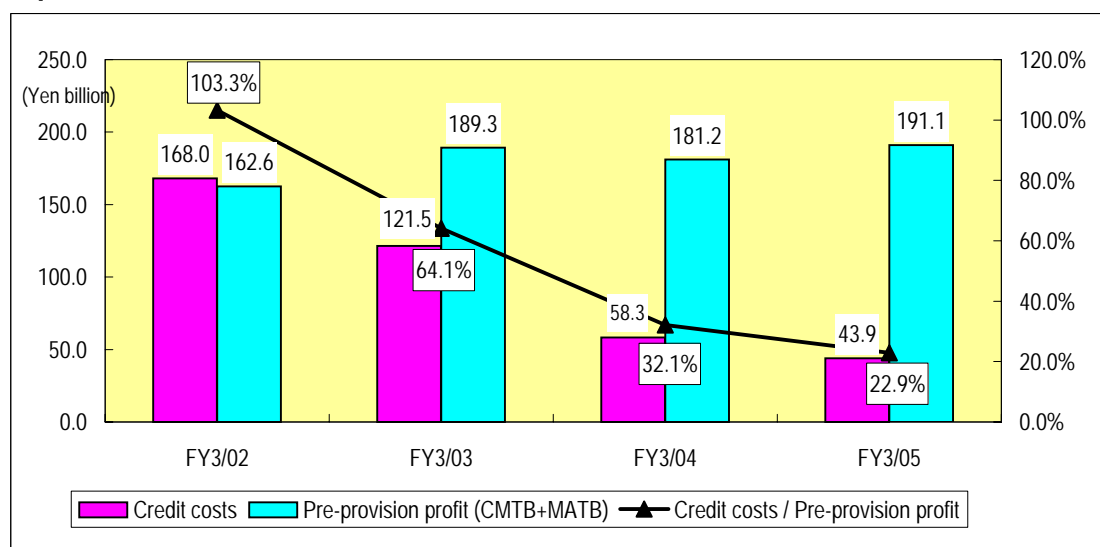
	FY3/04	FY3/05	Change
Operating expenses	128.0	107.0	(21.0)
Personnel expenses	55.4	40.1	(15.2)
Non-personnel expenses	67.9	61.3	(6.6)
Taxes	4.6	5.5	0.8
Overhead ratio	41.3%	35.8%	(5.5%)

【Strengthen Financial Base】

4. Disposal of Non-performing Assets

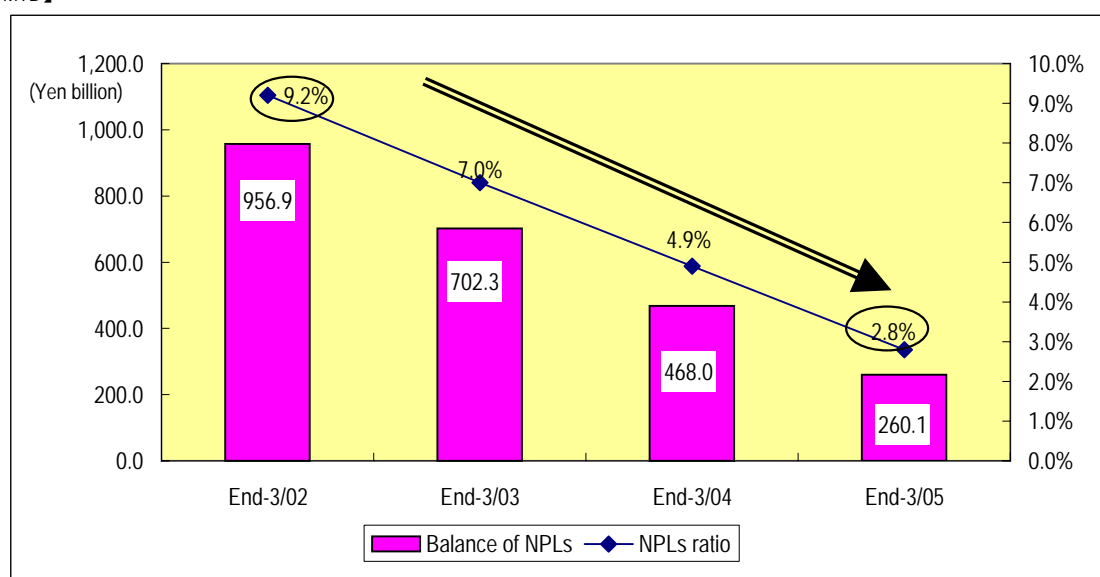
(1) Credit Costs

【CMTB】



(2) Balance of Non-performing Assets based on the Financial Revitalization Law and NPLs Ratio

【CMTB】



5. Reduction of the Stock Portfolio

Listed and Over-the-Counter ("OTC") Stocks Held

【Mitsui Trust Holdings, Consolidated】

(Unit: yen billion)

	End-3/03	End-3/04	End-3/05	
		(a)	(b)	(b)-(a)
Acquisition cost	940.9	535.4	469.5	(65.8)
Book value	785.7	635.4	607.9	(27.5)
Tier1	344.9	559.1	635.6	76.5
Ratio (/)	272%	95%	73%	(21%)

Outlook for FY3/06

(1) Mitsui Trust Holdings, Non-consolidated

【Non-consolidated】

(Unit: yen billion)

	No.	FY3/06			FY3/05 Actual
		1H.FY3/06	Outlook	Chg. from FY3/05	
Ordinary income	1	24.0	25.0	(24.0)	49.0
Recurring profit	2	22.0	20.0	(17.9)	37.9
Net income	3	22.0	20.0	(17.9)	37.9
Dividends per share: common stocks	4	-	4 yen 00 sen	1 yen 50 sen	2 yen 50 sen
Dividends per share: Class I preferred stocks	5	-	40 yen 00 sen	-	40 yen 00 sen
Dividends per share: Class II preferred stocks	6	-	14 yen 40 sen	-	14 yen 40 sen
Dividends per share: Class III preferred stocks	7	-	20 yen 00 sen	-	20 yen 00 sen

(2) Mitsui Trust Holdings, Consolidated

【Consolidated】

(Unit: yen billion)

	No.	FY3/06			FY3/05 Actual
		1H.FY3/06	Outlook	Chg. from FY3/05	
Ordinary income	8	210.0	460.0	(50.9)	510.9
Recurring profit	9	55.0	140.0	(17.4)	157.4
Net income	10	45.0	120.0	26.0	94.0

(3) Combined totals of The Chuo Mitsui T/B and Mitsui Asset T/B

【CMTB+MATB】

(Unit: yen billion)

	No.	FY3/06			FY3/05 Actual
		1H.FY3/06	Outlook	Chg. from FY3/05	
Pre-provision profit	11	82.0	190.0	(1.1)	191.1
Net operating profit	12	80.0	184.0	(12.1)	196.1
Recurring profit	13	53.0	130.0	(19.9)	149.9
Net income	14	47.0	120.0	27.9	92.1
Credit costs (minus)	15	17.0	35.0	(8.9)	43.9

IV. Deferred Tax Assets [DTA]

[CMTB]

1. Deferred Tax Assets on the Book

(Unit: yen billion)

	FY3/04	FY3/05	YoY Change
DTA on the Book	268.9	225.9	(43.0)

2. Basis for Inclusion of Deferred Tax Assets

(1) Taxable Income of the Past 5 Years

(Unit: yen billion)

	FY 3/00	FY 3/01	FY 3/02	FY 3/03	FY 3/04	FY3/05(E)
Taxable income after excluding non-recurring factors (A)=(B)+(C)	^{*1} 89.8	41.7	89.1	35.3	51.1	101.1
(a) Factor due to disposal of NPLs		84.7	40.0	109.6	244.2	
(b) Factor due to sales of securities		-	203.3	61.4	63.1	
(c) Factor due to merger		14.5	69.3	7.3	-	
Major non-recurring factors (B)=(a)+(b)+(c)		^{*2} 99.2	^{*2} 312.6	^{*2} 178.3	^{*2} 307.3	
Taxable income before excluding non-recurring factors (C)	^{*1} 89.8	(57.5)	(223.5)	(143.0)	(256.2)	^{*3} 101.1

^{*1} Combined totals of former Chuo Trust and former Mitsui Trust^{*2} Aggregated amount of major non-recurring factors from FY 3/01 to FY 3/04 is 897.4 bn yen^{*3} Due to disappearance of non-recurring factors, taxable income to turn black

(2) Estimated Amount of Taxable Income before Adjustment of the Next 5 Years

(Unit: yen billion)

Projected amount of pre-provision profit used for the estimation (Sum of 5 Yrs)	606.4
Projected amount of net income before taxes used for the estimation (Sum of 5 Yrs)	444.5
Estimated amount of taxable income before adjustments (Sum of 5 Yrs)	546.5

[Note] Estimated amount of taxable income before adjustments shown above is calculated conservatively, based on revenue projections of five years that address uncertainty of both pre-provision profit and net income in each of these future fiscal years.

(3) Major Factors of Deferred Tax Assets and Liabilities

(Unit: yen billion)

	End-3/05			End-9/04	End-3/04
		6 months chg.	YoY chg.		
Deferred tax assets (a)	240.3	(12.0)	(44.2)	252.3	284.6
Allowance for loan losses	43.9	(11.6)	(16.4)	55.6	60.4
Securities write-offs	30.3	(0.1)	(1.4)	30.5	31.8
Unrealized losses on available-for-sale securities	-	(5.1)	(5.5)	5.1	5.5
Reserve for retirement benefits	13.8	(0.8)	(1.2)	14.7	15.1
Tax loss carryforwards	235.2	(15.4)	(35.0)	250.7	270.3
Others	21.1	2.3	2.3	18.7	18.7
Valuation allowances (Non-booked)	(104.3)	18.9	13.0	(123.2)	(117.4)
Deferred tax liabilities (b)	14.4	(0.0)	(1.2)	14.4	15.7
Gain on establishment of retirement benefit trust	11.4	(0.1)	(1.4)	11.6	12.9
Unrealized gains on available-for-sale securities	-	-	-	-	-
Others	3.0	0.1	0.2	2.8	2.7
Net deferred tax assets (a-b)	225.9	(12.0)	(43.0)	237.9	268.9