

Mitsui Trust Holdings, Inc.

Financial Statements for the First Half of FY 2006<Consolidated>

33-1, Shiba 3-chome, Minato-ku, Tokyo 105-8574 Japan
Listed Stock Exchanges Tokyo, Osaka, Nagoya
Stock Code Number: 8309
(URL <http://www.mitsuitrust-fg.co.jp/>)
Date of Board of Directors' Meeting: November 20, 2006
President: Kazuo Tanabe

1. Financial Highlights for FY 2006 (from April 1, 2006 to September 30, 2006)

(1) Operating Results

<Note>Amounts less than million yen are omitted

FY	Ordinary Income	[year on year change]	Ordinary Profits	[year on year change]	Net Income	[year on year change]
	yen in millions	%	yen in millions	%	yen in millions	%
1st Half '06	214,259	(4.2)	68,498	1.2	66,981	14.2
1st Half '05	223,757	(8.5)	67,681	(11.4)	58,671	66.1
'05	481,036		138,361		119,684	

FY	Net Income per Common Share(Basic)	Net Income Per Common Share(Diluted)
	yen	yen
1st Half '06	78.62	38.46
1st Half '05	71.30	32.71
'05	139.04	66.74

Note: 1 Equity in Earnings from Investments in Affiliates

1st Half of Year Ended September 30, 2006: 578 million

1st Half of Year Ended September 30, 2005: 276 million

The Year Ended March 31, 2006: 905 million

1st Half of Year Ended September 30, 2006: 851,929,387 shares

1st Half of Year Ended September 30, 2005: 822,823,946 shares

The Year Ended March 31, 2006: 822,814,410 shares

3. Percentage figures represent rate of increase or decrease in comparison with the same period previous year

(2) Financial Conditions

FY	Total Assets	Net Assets	Net Assets Ratio	Net Assets per Common Share	Consolidated BIS Ratio (Uniform domestic standard)
	yen in millions	yen in millions	%	yen in millions	%
1st Half '06	13,415,233	993,506	6.6	540.69	Preliminary 12.50
1st Half '05	13,294,771	704,679	5.3	331.10	11.01
'05	13,808,769	858,850	6.2	512.08	12.35

Notes: Number of Common Shares Issued at 1st Half of Year Ended September 30, 2006: 903,642,044 shares

1st Half of Year Ended September 30, 2005: 822,807,535 shares

The Year Ended March 31, 2006: 822,771,009 shares

(3) Conditions of Cash Flow

FY	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Cash and Cash Equivalents at the End of the Period
	yen in millions	yen in millions	yen in millions	yen in millions
1st Half '06	(119,904)	(89,934)	(19,173)	122,562
1st Half '05	(350,585)	321,901	(18,787)	400,486
'05	(472,449)	398,845	(23,012)	351,462

(4) Scope of Consolidation and Application of the Equity Method

Number of Consolidated subsidiaries: 27

Number of Unconsolidated Subsidiaries Accounted for Entity Method:

Number of Affiliates Accounted for Entity Method: 3

(5) Change in Number of Subsidiaries and Affiliates

Consolidated Subsidiaries:

Affiliates Accounted for Entity Method:

2. Estimate for FY 2006 (from April 1, 2006 to March 31, 2007)

	Ordinary Income	Ordinary Profits	Net Income
	yen in millions	yen in millions	yen in millions
Annual	440,000	160,000	120,000

Estimate of Net Income per Common Share : 127.84 yen

The above estimates are based on information available at this moment and plan. Actual results may differ from the estimates, depending on future events.

Mitsui Trust Holdings, Inc.
Consolidated Balance Sheets

(in millions of yen)	1st Half '06 (A)	1st Half '05 (B)	(A)-(B)	'05 (C)	(A)-(C)
ASSETS					
Cash and due from banks	217,044	422,904	(205,859)	431,560	(214,516)
Call loans and bills bought	258,827	30,524	228,303	164,553	94,274
Receivables under resale agreements	900	20,899	(19,999)	900	-
Receivables under securities borrowing transactions	79,056	168,738	(89,682)	74,243	4,813
Monetary claims bought	101,926	114,068	(12,141)	108,982	(7,055)
Trading assets	55,373	22,352	33,020	44,883	10,489
Money held in trust	5,996	12,526	(6,530)	7,651	(1,655)
Securities	3,944,495	3,799,492	145,003	3,835,789	108,705
Loans and bills discounted	7,134,648	7,060,065	74,582	7,292,088	(157,439)
Foreign exchanges	943	878	64	37,598	(36,655)
Other assets	333,054	365,352	(32,298)	454,267	(121,212)
Tangible fixed assets	207,415	-	207,415	-	207,415
Intangible fixed assets	50,705	-	50,705	-	50,705
Premises and equipment	-	218,798	(218,798)	220,351	(220,351)
Deferred tax assets	158,058	224,917	(66,859)	164,313	(6,254)
Goodwill	-	9,038	(9,038)	8,965	(8,965)
Customers' liabilities for acceptances and guarantees	934,982	894,732	40,250	1,023,351	(88,369)
Reserve for possible loan losses	(68,193)	(70,517)	2,324	(60,730)	(7,463)
Total assets	13,415,233	13,294,771	120,461	13,808,769	(393,535)
LIABILITIES					
Deposits	8,211,363	8,880,791	(669,428)	8,380,196	(168,833)
Negotiable certificates of deposit	325,670	225,140	100,530	426,760	(101,090)
Call money and bill sold	291,238	203,607	87,630	394,088	(102,850)
Payables under repurchase agreements	52,416	10,792	41,623	38,307	14,108
Payables under securities lending transactions	849,192	602,303	246,889	840,412	8,780
Commercial paper	1,500	-	1,500	-	1,500
Trading liabilities	5,364	4,054	1,310	6,945	(1,581)
Borrowed money	207,897	165,403	42,493	165,445	42,451
Foreign exchanges	5	3	2	47	(41)
Subordinated bonds	211,969	209,820	2,149	211,591	378
Subordinated convertible bonds	106	231	(124)	120	(14)
Payables to trust account	1,152,569	1,120,635	31,934	1,161,278	(8,708)
Other liabilities	139,130	145,350	(6,220)	150,615	(11,485)
Reserve for bonus payment	3,167	3,080	87	3,187	(19)
Reserve for retirement benefits	1,958	1,667	290	1,842	115
Reserve for possible losses related to land trust	8,709	-	8,709	9,539	(829)
Reserve for expenses related to EXPO 2005 Japan	-	110	(110)	-	-
Deferred tax liabilities	24,483	16,058	8,425	29,646	(5,162)
Acceptances and guarantees	934,982	894,732	40,250	1,023,351	(88,369)
Total liabilities	12,421,726	12,483,782	(62,056)	12,843,377	(421,650)
NET ASSETS					
Common stock and preferred stock	261,579	-	261,579	-	261,579
Capital surplus	126,305	-	126,305	-	126,305
Retained earnings	332,995	-	332,995	-	332,995
Treasury stock	(1,188)	-	(1,188)	-	(1,188)
Total owners' equity	719,691	-	719,691	-	719,691
Net unrealized gains on available-for-sale securities	192,824	-	192,824	-	192,824
Net deferred losses on hedging instruments, net of taxes	(7,723)	-	(7,723)	-	(7,723)
Land revaluation difference	(15,527)	-	(15,527)	-	(15,527)
Foreign currency translation adjustments	(425)	-	(425)	-	(425)
Total valuation and translation adjustments	169,148	-	169,148	-	169,148
Minority interest	104,667	-	104,667	-	104,667
Total net assets	993,506	-	993,506	-	993,506
Total liabilities and net assets	13,415,233	-	13,415,233	-	13,415,233
Minority interests	-	106,309	(106,309)	106,541	(106,541)
Shareholders' equity:					
Common stock and preferred stock	-	261,579	(261,579)	261,579	(261,579)
Capital surplus	-	126,247	(126,247)	126,297	(126,297)
Retained earnings	-	213,565	(213,565)	274,583	(274,583)
Land revaluation difference	-	(15,523)	15,523	(15,527)	15,527
Net unrealized gains on available-for-sale securities	-	120,415	(120,415)	213,547	(213,547)
Foreign currency translation adjustments	-	(666)	666	(539)	539
Treasury stock	-	(938)	938	(1,090)	1,090
Total shareholders' equity	-	704,679	(704,679)	858,850	(858,850)
Total liabilities, minority interests and shareholders' equity	-	13,294,771	(13,294,771)	13,808,769	(13,808,769)

<Note>Amounts less than one million yen are omitted

Mitsui Trust Holdings, Inc.
Consolidated Statements of Income

(in millions of yen)	1st Half '06 (A)	1st Half '05 (B)	(A)-(B)	'05 (C)
Ordinary income	214,259	223,757	(9,497)	481,036
Trust fees	37,228	37,540	(312)	72,049
Interest income	67,018	72,914	(5,896)	165,450
Interest on loans and bills discounted	37,083	43,458	(6,375)	84,237
Interest and dividends on securities	27,102	25,003	2,098	72,920
Fees and commissions	62,694	58,130	4,563	122,711
Trading gains	2,516	2,336	180	4,503
Other operating income	2,728	10,832	(8,104)	22,577
Other income	42,074	42,002	71	93,743
Ordinary expenses	145,760	156,076	(10,315)	342,675
Interest expenses	25,889	23,010	2,878	46,622
Interest on deposits	10,180	8,715	1,465	16,992
Fees and commissions	8,199	7,472	726	15,691
Trading losses	89	-	89	139
Other operating expenses	3,307	10,916	(7,608)	19,579
General and administrative expenses	66,911	63,685	3,225	129,007
Other expenses	41,363	50,991	(9,627)	131,635
Ordinary profits	68,498	67,681	817	138,361
Extraordinary profits	18,806	1,317	17,489	3,391
Extraordinary losses	206	1,078	(871)	1,831
Income before income taxes and minority interests	87,099	67,920	19,178	139,921
Provision for income taxes	6,434	5,453	981	12,201
Deferred income taxes	10,563	692	9,871	1,901
Minority interests in net income	3,120	3,103	16	6,132
Net income	66,981	58,671	8,310	119,684

<Note>Amounts less than one million yen are omitted

Mitsui Trust Holdings, Inc.
Consolidated statement of changes in Net Assets

(from April 1, 2006 to September 30, 2006)

	Owners' equity				
	Common stock and preferred stock	Capital surplus	Retained earnings	Treasury stock	Total owners' equity
Balance at the end of previous period	261,579	126,297	274,583	(1,090)	661,369
Changes of items during the period					
Dividends from surplus	-	-	(8,569)	-	(8,569)
Net income	-	-	66,981	-	66,981
Acquisition of treasury stock	-	-	-	(111)	(111)
Disposal of treasury stock	-	8	-	12	20
Net changes of items other than owners' equity	-	-	-	-	-
Total changes of items during the period	-	8	58,411	(98)	58,321
Balance at the end of the current period	261,579	126,305	332,995	(1,188)	719,691

	Valuation and translation adjustments					Minority interests	Total net assets
	Net unrealized gains on available-for-sale securities	Net deferred gainas(losses) on hedging instruments, net of tax	Land revaluation defference	Foreign currency translation adjustments	Total valuation and translation adjustments		
Balance at the end of previous period	213,547	-	(15,527)	(539)	197,480	106,541	965,391
Changes of items during the period							
Dividends from surplus	-	-	-	-	-	-	(8,569)
Net income	-	-	-	-	-	-	66,981
Acquisition of treasury stock	-	-	-	-	-	-	(111)
Disposal of treasury stock	-	-	-	-	-	-	20
Net changes of items other than owners' equity	(20,722)	(7,723)	-	113	(28,332)	(1,874)	(30,206)
Total changes of items during the period	(20,722)	(7,723)	-	113	(28,332)	(1,874)	28,115
Balance at the end of the current period	192,824	(7,723)	(15,527)	(425)	169,148	104,667	993,506

<Note>Amounts less than one million yen are omitted

Mitsui Trust Holdings, Inc.
Consolidated Statements of Cash Flows

(in millions of yen)	1st Half '06 (A)	1st Half '05 (B)	(A)-(B)	'05 (C)
1. Operating activities:				
Income before income taxes and minority interests	87,099	67,920	19,178	139,921
Depreciation and amortization	20,989	22,955	(1,965)	46,023
Impairment losses	-	519	(519)	540
Amortization of goodwill	72	-	72	-
Amortization of consolidation goodwill	-	72	(72)	145
Equity in earnings of associated companies	(578)	(276)	(301)	(905)
Increase (decrease) in allowance for possible loan losses	7,463	4,317	3,146	(5,470)
Increase (decrease) in reserve for bonus payment	(19)	27	(46)	134
Increase (decrease) in reserve for retirement benefits	115	100	14	275
Increase (decrease) in reserve for possible losses related to land trust	(829)	-	(829)	9,539
Increase (decrease) in reserve for expenses related to Expo 2005 Japan	-	20	(20)	(89)
Interest income	(67,018)	(72,914)	5,896	(165,450)
Interest expenses	25,889	23,010	2,878	46,622
Net gain on securities	(4,521)	(3,607)	(913)	(20,937)
Gain on money held in trust	(170)	(74)	(96)	(766)
Foreign exchange (gains) losses	2,098	(23,866)	25,965	(41,403)
Losses (gains) on disposals of fixed assets	203	-	203	-
Losses (gains) on disposals of premises and equipment	-	500	(500)	1,079
Decrease (increase) in trading assets	(10,489)	6,896	(17,386)	(15,633)
Increase (decrease) in trading liabilities	(1,581)	(4,172)	2,591	(1,281)
Decrease (increase) in loans and bills discounted	157,439	84,512	72,927	(147,509)
Increase (decrease) in deposits	(168,833)	151,213	(320,046)	(349,381)
Increase (decrease) in negotiable certificates of deposits	(101,090)	17,130	(118,220)	218,750
Increase (decrease) in borrowed money (excluding subordinated borrowings)	49,451	4,330	45,120	4,372
Decrease (increase) in due from banks (excluding cash equivalents)	(14,383)	39,371	(53,755)	(18,308)
Decrease (increase) in call loans and bills bought	(87,131)	(36,341)	(50,790)	(145,493)
Decrease (increase) in receivables under securities borrowing transactions	(4,813)	(114,988)	110,175	(20,493)
Increase (decrease) in call money and bills sold	(88,741)	(160,830)	72,089	57,165
Increase (decrease) in commercial paper	1,500	-	1,500	-
Increase (decrease) in payables under securities lending transactions	8,780	(273,522)	282,303	(35,414)
Decrease (increase) in foreign exchanges (assets)	36,655	1,002	35,652	(35,717)
Increase (decrease) in foreign exchanges (liabilities)	(41)	(33)	(8)	11
Increase (decrease) in payable to trust account	(8,708)	(118,490)	109,781	(77,847)
Interest income (cash basis)	70,621	75,057	(4,435)	173,103
Interest expenses (cash basis)	(22,311)	(24,371)	2,059	(48,563)
Other—net	(1,770)	(14,713)	12,943	(32,360)
Subtotal	(114,653)	(349,245)	234,591	(465,344)
Income taxes paid	(5,250)	(1,340)	(3,910)	(7,104)
Net cash used in operating activities	(119,904)	(350,585)	230,681	(472,449)
2. Investing activities:				
Purchase of securities	(1,300,659)	(1,414,013)	113,353	(3,097,698)
Proceeds from sales of securities	149,515	729,278	(579,763)	1,293,925
Proceeds from redemptions of securities	1,090,260	1,021,554	68,706	2,230,062
Increase in money held in trust	-	(239)	239	-
Decrease in money held in trust	1,965	-	1,965	5,231
Purchases of tangible fixed assets	(18,048)	-	(18,048)	-
Purchases of premises and equipment	-	(16,206)	16,206	(36,607)
Proceeds from sales of tangible fixed assets	2,708	-	2,708	-
Proceeds from sales of premises and equipment	-	1,528	(1,528)	3,931
Purchases of intangible fixed assets	(7,135)	-	(7,135)	-
Proceeds from sales of intangible fixed assets	215	-	215	-
Purchases of stock of consolidated subsidiaries	(8,754)	-	(8,754)	-
Net cash (used in) provided by investing activities	(89,934)	321,901	(411,835)	398,845
3. Financing activities:				
Payment of subordinated borrowings	(7,000)	(13,000)	6,000	(13,000)
Proceeds from subordinated bonds and subordinated convertible bonds	-	5,000	(5,000)	5,000
Redemption of subordinated bonds and subordinated convertible bonds	-	-	-	(2,000)
Dividends paid	(8,569)	(7,335)	(1,234)	(7,335)
Dividends paid for minority interests	(3,499)	(3,267)	(232)	(5,279)
Purchase of treasury stock	(111)	(186)	75	(404)
Proceeds from sales of treasury stock	6	1	4	6
Net cash used in financing activities	(19,173)	(18,787)	(386)	(23,012)
4. Foreign currency translation adjustments on cash and cash equivalents	112	(55)	167	66
5. Net decrease in cash and cash equivalents	(228,900)	(47,527)	(181,372)	(96,551)
6. Cash and cash equivalents, beginning of year	351,462	448,014	(96,551)	448,014
7. Cash and cash equivalents, end of period	122,562	400,486	(277,924)	351,462