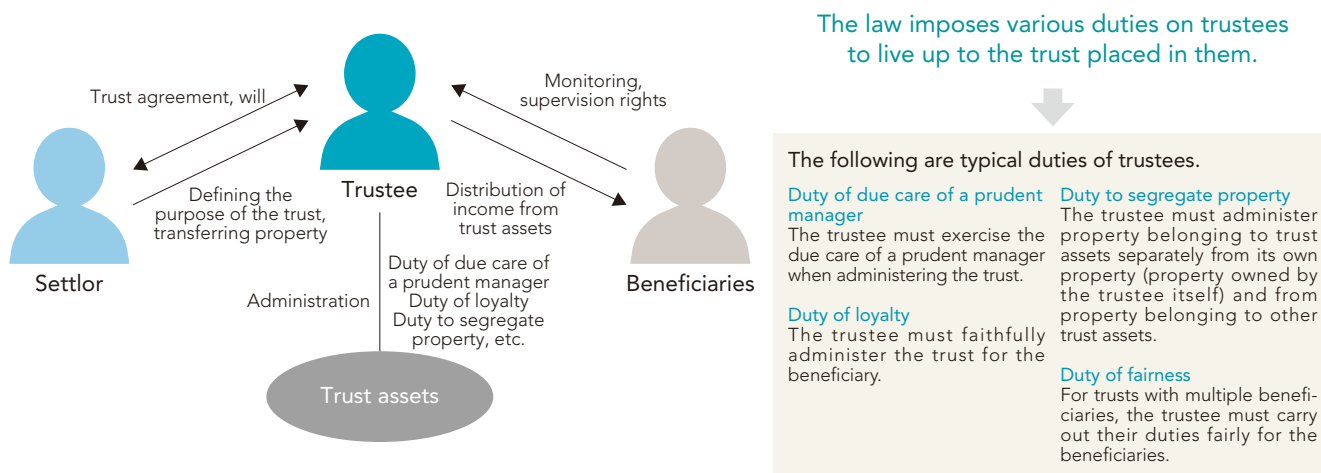


# What is a Trust?

## 1. Basic Trust Mechanism

Under the trust system, settlors, who are holders of money, real estate or other property, enact trust activities, such as trust agreements and wills, to transfer their property (trust property) to a trustee who the settlors can rely on. The trustee then administers the trust property for the beneficiaries in accordance with aims defined by the settlors.



## 2. Purpose and Functions of Trusts

### Purpose of a Trust

The purpose of a trust is the goal that the settlor intends to achieve by establishing the trust, and which serves as a guideline for the actions of the trustee.

### Main Functions of a Trust

Property administration function	The right to administer the property is granted to the trustee. (At the same time, the trustee is subject to various duties.)
Bankruptcy isolation function	Trust assets are not affected by bankruptcy of the settlor or trustee.
Conversion functions	When property is entrusted, it is converted into rights known as trust beneficiary rights, and can be converted in line with the purpose of the trust. <ul style="list-style-type: none"> <li>• Conversion in quality (the property can be converted to beneficiary rights (securitization))</li> <li>• Conversion in number (small amounts of money can be gathered into a large amount and managed together)</li> <li>• Conversion in time (property can be donated in fixed amounts at fixed intervals even after one's death)</li> <li>• Conversion of skill (management can be delegated to a specialist)</li> </ul>

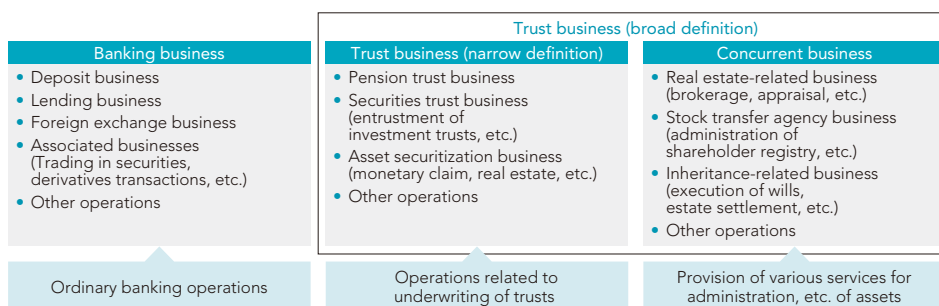
### 3. Range of Trust Bank Operations

A trust bank is a bank that engages in both banking business and trust business.

Trust banks are banks under the Banking Act that are granted permission based on the Act on Engagement in Trust Business Activities by Financial Institutions\* to also conduct trust business.

\*Act on Engagement in Trust Business Activities by Financial Institutions, Article 1, Paragraph 1 (excerpt)

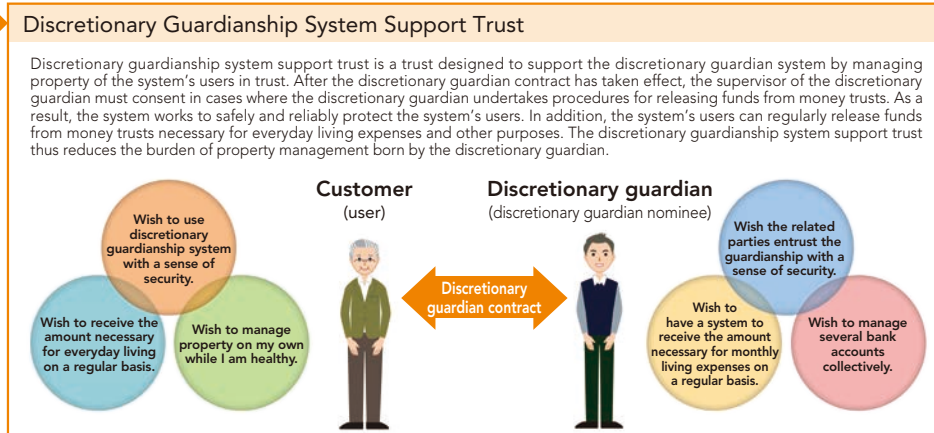
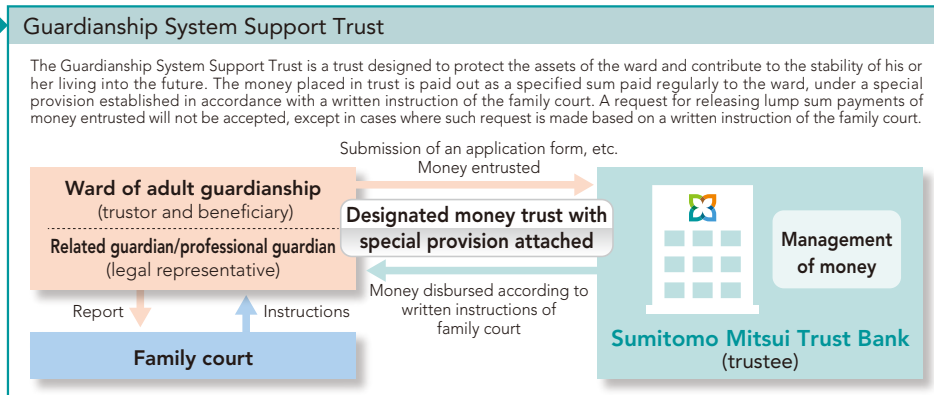
A bank or any other financial institution may, notwithstanding the provisions of other Acts, engage in trust business activities as defined in Article 2, paragraph (1) of the Trust Business Act and the following business activities with the authorization of the Prime Minister.



### Main Trust Products, etc.

- Asset management and administration**
  - Investment trusts
  - Pension trusts
  - Money trusts
- Asset inheritance and transfer**
  - Will trusts, estate settlement
  - Family Consideration Trust
  - Tuition Fund Endowment Trust
  - Marriage and Child-rearing Support Trust
- Financial solutions for corporations**
  - Securitization trusts (monetary claim, real estate)
- Public interest and welfare promotion**
  - Charitable trusts
  - Designated donation trusts
  - Special donation trusts
  - Guardianship system support trust
  - Discretionary guardianship system support trust

#### Examples of products



\* Besides the above, we also provide various financial services, including provision of a special bank account in the name of the trustee, for private trusts designed to manage property among relatives.