

Group Overview

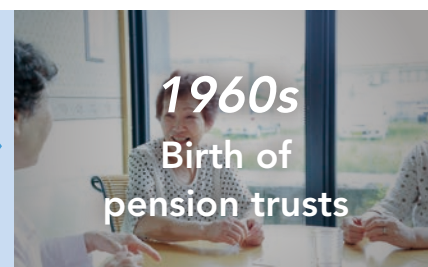
History of trusts and the SuMi TRUST Group



It is said that Japan's present-day trust system has its origins in the UK, but it was only introduced into Japan in the latter half of the Meiji period following further development in the US. In Japanese law, the word "trust" in the financial sense first appeared in the Industrial Bank of Japan Act in 1900.



In a loan trust, capital is accumulated by the trustee from a large number of settlors and extended to companies as long-term funds mainly through loans and bill discounting. The profits earned in the trust are then distributed to the trust's beneficiaries. In the aftermath of World War II, loan trusts catered for the lack of capital investment funds in Japan's industrial sector and were the driving force behind its recovery.



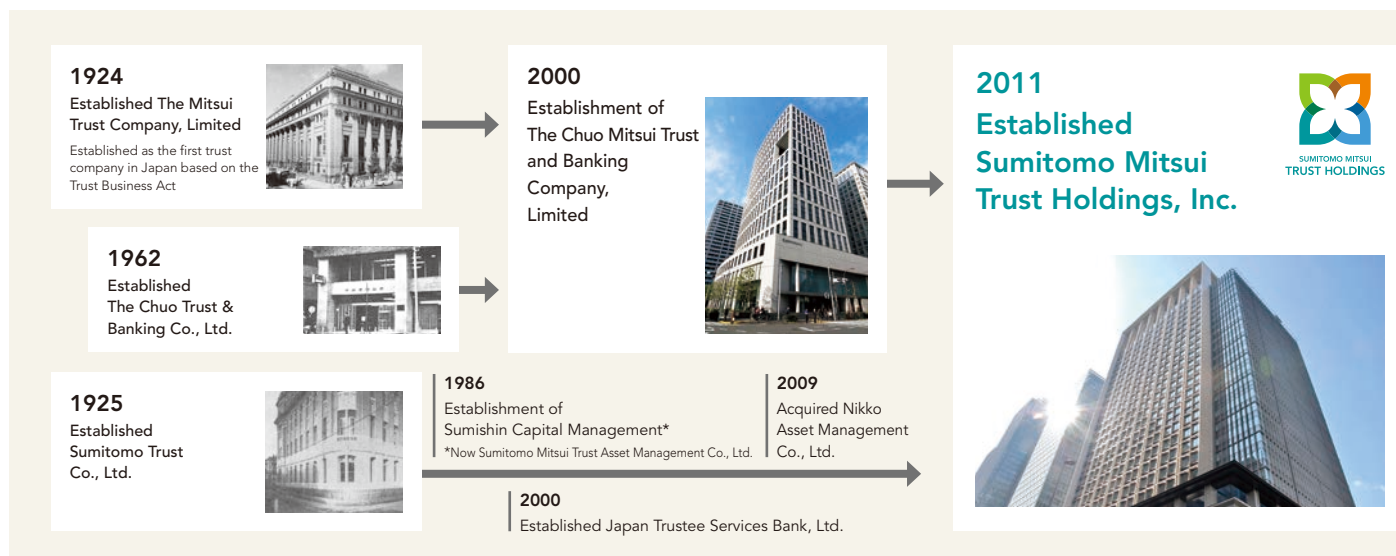
In a pension trust, a trustee manages and invests the money used to pay retirement pension benefits to employees on behalf of a company or organization. Pension trusts allow pension assets to be separated from a company's creditworthiness and managed independently. This ultimately led to the establishment of benefit schemes under which employees can work with peace of mind knowing their assets are safe and secure.

Since the founding of the SuMi TRUST Group in 1924, we have evolved in lockstep with the development of trusts by creating numerous services tailored to the times based on our fiduciary spirit. Currently, the total value of trust assets in the industry comes to more than ¥1,200 trillion. The SuMi TRUST Group will continue to surge ahead as a leading financial group specialized in trust banking which boasts the largest and highest status in Japan.

■ Entrusted balance of trust assets*

Source: Trust Companies Association of Japan statistics data

*Total of figures for financial institutions and other companies providing trust services in Japan



1980s Birth of land trusts

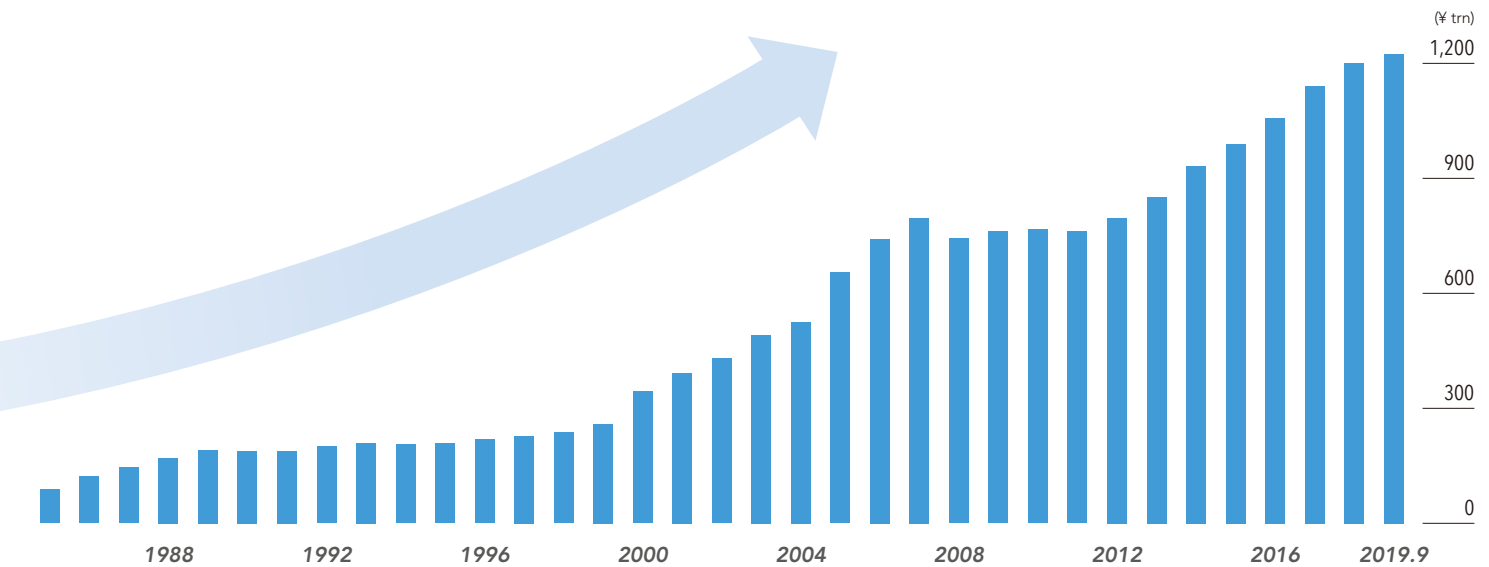
In a land trust, a land owner entrusts the management and investment of land to a trustee, who then constructs buildings and other properties and distributes the earnings from mainly rental income to the trust's beneficiaries. When skyrocketing land prices became an issue in Japan owing to the bubble economy, land trusts were utilized as a way to push ahead with urban development without having to buy or sell real estate.

1990s Birth of asset securitization type trusts

In an asset securitization type trust, a company entrusts its monetary claims, property, real estate, and other assets to a trustee. The trust raises funds by assigning beneficiary rights to investors who are provided with cash flow generated by the assets. Asset securitization type trusts were used as a vehicle to procure funds after Japan's bubble economy burst because they do not hinge on a company's credit.

2000 onwards Amendments to the Trust Act and the Trust Business Act

Fundamental revisions were made to the Trust Act and Trust Business Act in Japan so the industry could more accurately respond to changes in social and economic conditions and asset management methods. Trusts continue to gain further momentum in society with the creation of new types of funds. And as people are now living much longer, services are also being developed to meet the growing demand for asset administration and succession services among individual clients.



2012

- Establishment of Sumitomo Mitsui Trust Bank, Limited (merger between The Chuo Mitsui Trust and Banking Company, Limited, Chuo Mitsui Asset Trust and Banking Company, Limited, and Sumitomo Trust and Banking Co., Ltd.)
- Establishment of Sumitomo Mitsui Trust Asset Management Co., Ltd. (merger between Chuo Mitsui Asset Management Company, Limited and Sumishin Asset Management)

2020

- Establishment of UBS SuMi TRUST Wealth Advisory Inc.
- ***Start of Medium-Term Management Plan running from FY2020 through FY2022***

2017

- Shifted to a company with Three Committees

2018

- Integration of asset management functions of SuMi TRUST Bank and Sumitomo Mitsui Trust Asset Management
- Establishment of pure holding company JTC Holdings, Ltd. and business integration of Japan Trustee Services Bank, Ltd. and Trust & Custody Services Bank, Ltd.