

Wholesale Asset Management Business



Message from Executive Officer

To address the asset management difficulties caused by changes in social structures and the financial environment, as well as the management issues caused by these developments, the Wholesale Asset Management Business offers corporate clients total solutions unique to a financial group specialized in trust banking, encompassing both assets and liabilities.

Kengo Noguchi

Director, Senior Managing Executive Officer,
Head of Wholesale Asset Management Business, SuMi TRUST Bank
Executive Officer*, SuMi TRUST Holdings

*Executive Officer as defined in our internal policy.

Medium- to long-term vision

As the graying of Japan's population and other medium- to long-term socioeconomic structural changes continue to steadily progress, we recognize that the business challenges of financial and non-profit organization clients are growing increasingly complex. This is particularly apparent now that we are on the cusp of a "new normal" brought on by the COVID-19 pandemic.

In aiming to solve the issues of our clients in this new business environment, we aim to be an indispensable and reliable "Best Partner" by providing asset management solutions driven by shrewd consulting and thoroughgoing follow-up services, as well as total solutions that leverage the diverse wealth administration functions unique to a financial group specialized in trust banking.

In particular, we aim to launch win-win collaborative businesses with mainly regional financial institutions that have a strong presence in regional economies so that they can make use of the Group's wide array of functions, like our inheritance, succession, and real estate services. We will also look to contribute to the building of sustainable ecosystems mainly by taking steps to solve the issues of regional communities through collaboration with schools and local governments—the best sources of local knowledge.

We will endeavor to expand our lineup of differentiated investment products by focusing on the development of new products using private assets that invest in unlisted shares (private equity) and real assets such as aircraft and real estate to generate medium- to long-term investment returns and the expected benefits of risk diversification.

Business environment awareness

Environment awareness and issues

- Addressing the business challenges of clients; namely, globally low interest rates, an aging population, and other changes in social structures, and adapting to the new normal of living with COVID-19
- Continuing to take on the challenge of boosting our competitiveness in the constantly evolving asset management industry
- Contributing to the sound development of regional economies and achieving the SDGs (for example, tackling environmental issues)

Opportunities and Group strengths

- Provision of asset management solutions centered on consulting services encompassing both assets and liabilities and an extensive product lineup
- Provision of total solutions that leverage the diverse wealth administration functions unique to a financial group specialized in trust banking to address business challenges
- Win-win collaboration with mainly regional financial institutions

Key measures in Medium-Term Management Plan

■ “Best Partner” for financial and non-profit organizations

Given that the challenging asset management market conditions continue to linger, we will pursue a business model with which we can grow together with our clients by targeting growth in AUM as one KPI and offering optimal portfolio solutions best suited to their financial attributes.

Furthermore, to address the business management issues of our clients, we will aim to be their “Best Partner” by leveraging our real estate know-how and other various functions and also by developing beneficial solutions in numerous fields with the help of our external partners.

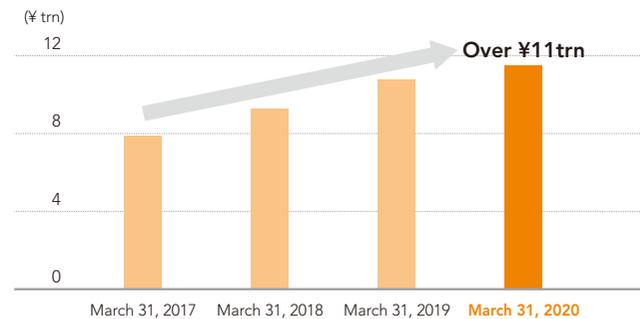
■ Growing the asset management business with private assets

Given the entrenchment of low interest rate environments around the world, investors are turning their attention to private assets as an investment outlet that can potentially generate medium- to long-term returns and deliver benefits of risk diversification. That said, owing to liquidity restrictions, a paucity of publicly available information, and other issues, only some advanced investors actually invest in such assets. SuMi TRUST Bank will harness its extensive experience in this field to provide information and investment support to clients and seek to grow this market by striving to enhance the Group’s lineup of investment products.

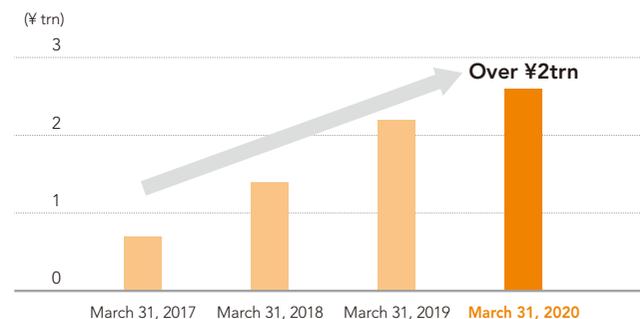
■ Undertaking collaborative businesses with mainly regional financial institutions

As we approach an age of 100-year life and changes in society are gathering even more momentum, there are growing opportunities for mainly regional financial institutions to make use of the Group’s varied expertise in the areas of inheritance, succession, real estate, and asset management. By combining the clientele of regional financial institutions with the Group’s wealth administration functions, we will look to team up with more business partners and increase transaction volume in an effort to further develop win-win collaborative business ventures through which both parties can achieve growth.

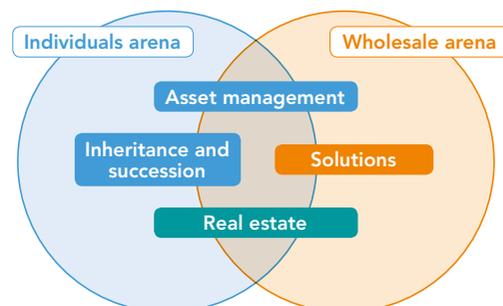
Wholesale Asset Management Business — AUM



Private asset products — AUM



Collaborative business with mainly regional financial institutions



Sustainability initiatives

Contributing to the building of a sustainable society

In July 2019 we established a joint venture business with Legend Partners Ltd. for the purpose of launching an initiative that seeks to build a startup ecosystem that supports sustainable local communities by leveraging the abundant management know-how of listed company founders to nurture up-and-coming business entrepreneurs.

Through this JV business, in February 2020 we signed a partnership agreement with Shinshu University with the aim of offering classes on the nurturing of entrepreneurs and providing know-how. We intend to share the university research results and information on supplying funds to venture firms, and facilitate cooperation among industry, government, and academia so as to deploy research and technology in social settings and invigorate regional economies.

