

Initiatives for Corporate Clients

While the business environment surrounding companies has been drastically changing and become complicated, corporate clients are faced with issues that cannot be solved by products and services offered separately. Therefore, we aim to become the “Best Partner” financial institution for clients by further bolstering our versatility and expertise as a trust bank group.

Social issues to actively address

■ Sustainable growth of Japan’s economy and corporations (both financial and non-financial issues to be considered)

Support corporate clients’ initiatives to strengthen governance and engage in sustainability while meeting various financial needs

The business environment surrounding companies has been rapidly changing and growing more complicated by the day, including innovative IT technologies, industrial materials, the advent of industrial technologies, and global changes in politics and economy.

The SuMi TRUST Group has provided various highly-specialized functions expected of a trust bank to corporate clients, such as loans, real estate brokerage, and stock transfer agency services, and has also helped to solve both visible and intangible issues, thereby leading to the enhancement of corporate value and solving of social issues.

Moreover, we have made efforts to achieve optimal asset management mainly for financial corporation and non-profit organization clients, leveraging our diverse and accumulated know-how in asset management and administration ranging from securities, real estate, and private equity to other projects.

While net-zero carbon emissions and climate change measures have been accelerating as a solid trend, we have focused on ESG themes—one of the top priority issues for every client—since its early stage. In the sustainable finance field, we lead the positive impact finance solutions to support fund flows to the areas required in society. This finance solution is to commit to achieving the set goals by comprehensively analyzing and evaluating the impacts of corporate activities on the economy, society, and the environment. We also offer other distinctive services such as governance-related consulting in the stock transfer agency services field and CASBEE certification* in the real estate field.

Moving forward, we will further bolster the solutions that utilize non-financial information such as ESG/SDGs, and thus contribute to expanding clients’ businesses and solving social issues.

* For details, see page 69.

Business environment awareness

Environmental awareness and issues

- Heightened uncertainty due to pandemic and other factors
- Further expansion of net-zero carbon emissions and climate change measures
- Financial business model transformation driven by digitalization

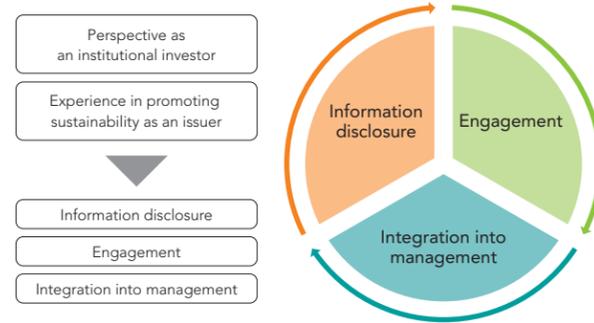
Opportunities and strengths

- Specialists that allow for providing high value-added services to clients
- To offer diverse and highly-specialized comprehensive solutions through obtaining and analyzing non-financial information

Key measures 1 Stepping up ESG-oriented total solutions

Taking advantage of touchpoints with diverse stakeholders through our banking operations and trust services in addition to a wide variety of product lineups, our Group connects clients with stakeholders and offers total solutions that lead to the enhancement of corporate value. As clients are especially interested in ESG themes, we will fulfill clients' needs through the newly established ESG Strategy and Solution Department.

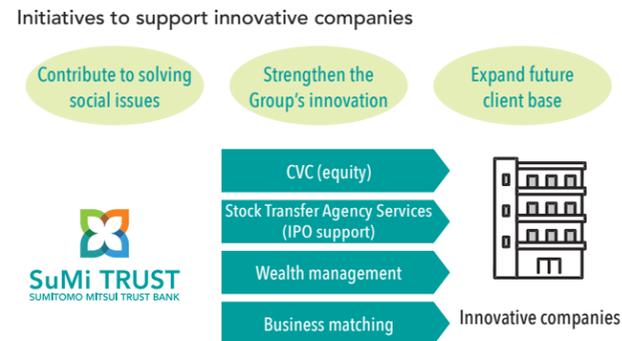
We will contribute to the development of the whole society through solving ESG and other issues.



Key measures 2 Promoting transactions with innovative companies

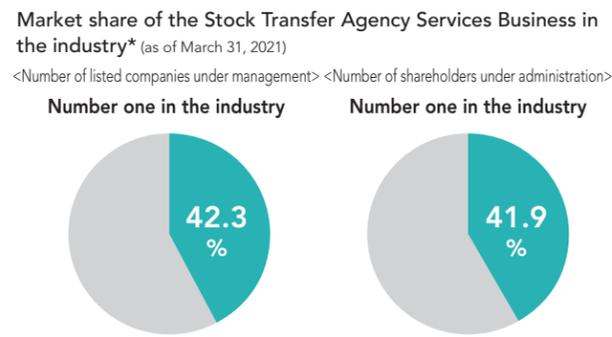
As part of initiatives to bolster our support to startup firms (innovative companies) that create new industries or value, SuMi TRUST Bank established a dedicated unit (Innovative Corporate Promotion Department) in April 2020, and launched the CVC* fund "SuMi TRUST Innovation Fund" in September 2020. By achieving a virtuous circulation from supporting businesses through equity investment to reinvesting the return, we will contribute to solving social issues, leading to the expansion of the future client base and the strengthening of the Group's innovation.

* Corporate Venture Capital



Key measures 3 Initiatives to help clients strengthen their governance

We seamlessly support shareholder-related practices mainly for general meetings of shareholders and also support the IR/SR, governance, and executive compensation areas, utilizing the precious data, information, and case studies gained from our client base, which is number one in the industry in terms of both the number of listed companies under management and the number of shareholders under administration. We will support clients' growth as their "Best Partner" by continuously providing secure and robust social infrastructure functions, strengthening our solutions related to governance and offering sophisticated dialogue with investors.



* The total number of SuMi TRUST Bank, Tokyo Securities Transfer Agent Co., Ltd., and JAPAN SECURITIES AGENTS, LTD.

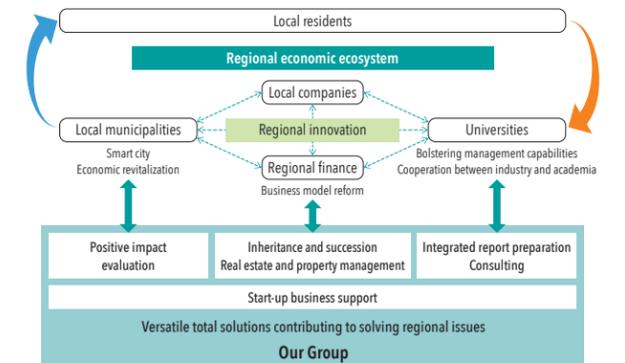
Key measures 4 Enhancement of real estate value for clients

We contribute to enhancing corporate and asset value of corporate clients and solving managerial issues by providing versatile functions to each requirement of real estate value chains ranging from strategy planning, acquisition, administration and operations, to divestment and portfolio rebalancing related to real estate. By providing these functions, we aim to become the "Real Estate Best Partner" that clients trust and seek advice from the very beginning.



Key measures 5 Contribution to regional economic ecosystem

While changes to social structures progress, such as an aging society and population decline, innovation-driven and resident-oriented regional economic ecosystems that utilize regional characteristics are becoming increasingly important. Through platform offering-type businesses entailing various expertise such as inheritance and succession, real estate, and asset management, our Group contributes to the local communities by networking local municipalities, universities, and local companies, centered on the regional financial institutions that carry the burden for the local economy.



Key measures 6 Global Market Business that supports smooth circulations

We satisfy clients' needs by providing the total solutions expected of our Global Markets Business embedded with the DNA as a trust bank: "to overlay our issues with the issues of the client and work to solve them together." Leveraging our many years of techniques and investment know-how in having managed market risks entailed in the balance sheet of SuMi TRUST Bank, we bolster our market-based total solutions for clients through structuring of products and services.



Initiatives in social issue-solving businesses

Total solutions towards solving ESG/SDGs challenges

Our Group has stated “sustainable growth of Japan’s economy and corporations (both financial and non-financial issues to be addressed)” as the social issues that the Wholesale Total Solution Services Business should address in the Medium-Term Management Plan. In addition, an increasing number of companies are strengthening their ESG/SDG measures as growth strategies in the post-COVID-19 world, including climate change-related measures towards the achievement of carbon-free societies. Our Group also supports the enhancement of clients’ corporate value leveraging our sustainability-related know-how and networks accumulated through the engagement with stakeholders.

Impacts on SDGs



Linked to all 17 goals of the SDGs

Positive impact finance (PIF)

The conditions of offering PIF are as follows: comprehensively analyze and assess the impacts of corporate activities on the economy, society, and the environment (positive and negative impacts); set goals to alleviate negative impacts and expand positive impacts; and commit to realizing these goals. As recognition of this product concept, SuMi TRUST Bank was awarded the LCA Japan Forum Chairman’s Award at the 17th LCA Japan Forum in February 2021, following a Gold Award in Loan at the 1st “ESG Finance Awards Japan” in February 2020. Starting from the first in March 2019, we have won 17 awards as of March 31, 2021.

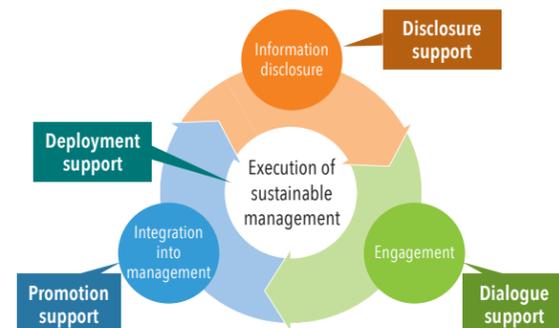


Renewable energy finance projects

In addition to promoting the deployment of large-scale projects such as wind and solar power generations through project finances, SuMi TRUST Bank originates and manages renewable energy funds that invest money solely on renewable energy-type large-scale power generation businesses. Particularly in Japan, the deployment and expansion of offshore wind power generation is gaining attention. More specifically, biddings for offshore power generation in the open seas have started, in addition to the current biddings for solar and onshore wind power generation, towards the achievement of a carbon-neutral society in 2050. In total, the electricity generation capacity of projects in which SuMi TRUST Bank has been involved amounts to 15,549 MW, generating 41,390 GWh annually. Accordingly, its annual impact of reducing CO₂ is 17.79 million tons of CO₂. The total electricity generation capacity to which our Company contributes per ratio is 2,981 MW, generating 6,105 GWh annually. Its annual impact of reducing CO₂ is 2.74 million tons of CO₂.

Consulting that supports sustainability management

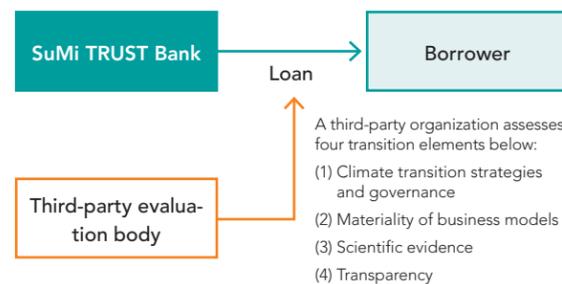
Combining the perspective as an institutional investor that has engaged in asset management business for many years and the sustainability perspective and experience as an issuer, SuMi TRUST Bank contributes to achieving a sustainable society by comprehensively supporting the critical elements of “integration into management,” “information disclosure,” and “engagement” for promoting sustainable management.



Transition finance (transition loan)

Transition loans are offered to support CO₂ reduction efforts in line with long-term corporate strategies to effectively address climate change-related risks towards a transition to a low-carbon society. In February 2021, SuMi TRUST Bank entered into the first transition loan agreement in Japan. The fund is used to acquire next-generation environment-type LNG fuel vessels for transporting automobiles.

Financial schemes



Environmentally friendly property initiatives

The amount of CO₂ emitted from the construction and management of buildings is said to account for approximately 40% of all CO₂ emissions in Japan, including indirect emissions. In addition, given that humans spend a lot of time indoors, indoor environments naturally affect the health and productivity of occupants. As real estate has a significant impact on the environment, society, and the economy, integrated initiatives for achieving the SDGs are considered to be highly beneficial in improving the sustainability of these three aspects. Therefore, the Group aims to further promote energy-efficient and resource-efficient cities and buildings, as well as the wide adoption of environmentally friendly properties that contribute to improving production efficiency. In particular, as the number one company regarding the entrusted balance of securitized real estate in the industry, we will continue to advance initiatives that contribute to enhancing property value mainly through high levels of environmental performance, which boosts revenue and reduces risks.

Links between environmentally friendly property and the SDGs



CASBEE certification support consulting

Under the guidance of the Ministry of Land, Infrastructure, Transport and Tourism, CASBEE (Comprehensive Assessment System for Built Environment Efficiency) was developed as a method to evaluate and rank the environmental performance of buildings. SuMi TRUST Bank played a leading role in the development of CASBEE for Real Estate and related economic impact surveys. We also have focused on developing Japan’s environmentally friendly property market based on CASBEE, including expansion of certification support consulting (see our lineups below).

Environmental considerations in buildings

CASBEE for Real Estate

Environmental considerations in urban development

CASBEE for Urban Development

Specializing in health and comfort of office workers

CASBEE-WO (Wellness Office)

Construction and operation-phase support for environmental considerations

SuMi TRUST Bank commercialized Japan’s first land trust product in the 1980s and is involved in developing and operating many building and condominium projects. Our construction consulting services leverage this extensive experience. In this construction consulting service, we offer advice on factoring in environmental considerations in line with client requests, such as installing energy-saving systems in buildings, taking into account landscapes and ecosystems, extending building lifespans, and adopting recycling systems.



* For more information, refer to our 2020/2021 ESG Report—Environmentally Friendly Property.
Hiroshima Orizuru Tower (Hiroshima Prefecture)

Initiatives in real estate governance

Facility management

Facility management refers to management activities in which companies, organizations, and others comprehensively plan, manage, and utilize facilities and their environment for organizational activities. The facility management operations of SuMi TRUST Bank not only controls real estate-related costs and streamlines operations, but also proposes proper solutions including the review of back-office operations (e.g., general affairs, administration of property) from the perspectives of total optimization, thereby supporting clients’ initiatives to strengthen real estate-related governance.

Facility management services menu

