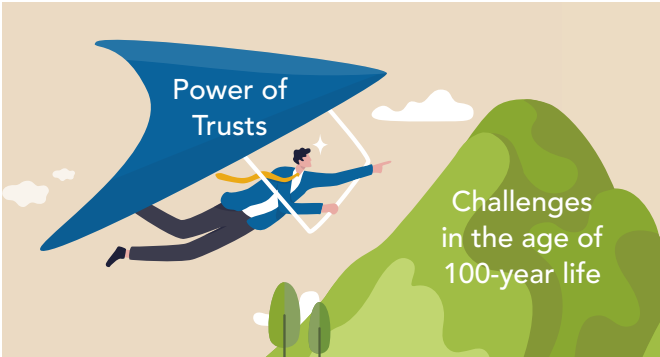



# Addressing Issues of a Super-Aged Society

## 1. What Is the Age of 100-Year Life?






**Tips for living in the age of 100-year life**  
Special Discussion

Ms. Wasabi Mizuta and Mr. Koichi Sato

Please refer to the SuMi TRUST Bank website for a discussion between Ms. Wasabi Mizuta and Mr. Koichi Sato.

<https://www.smtb.jp/special/specialtalk6>



The average life expectancy of Japanese people born in 2000 is estimated to be 104 years, according to a cohort study at UC Berkeley. Japan has already entered an age of 100-year life.

And trusts have the conversion functions shown on the right as a way to fulfill the aspirations entrusted to us.

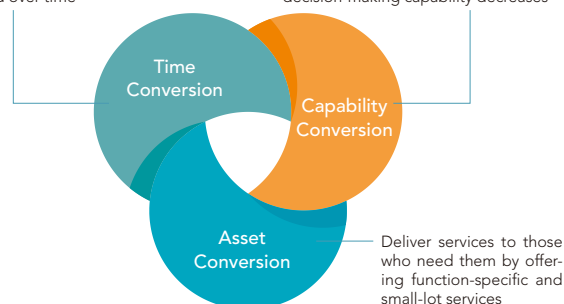
In the age of 100-year life, where the family tree extends further as a result of longer living and where loss of decision-making capabilities is highly probable at some point in one's life, the power of trusts to convert time and capabilities is a very useful function.

The challenges of a super-aged society are on a different level compared to the way our parents and other older people in our lives lived. SuMi TRUST Bank is engaged in generation-specific consulting activities to contribute to improving the well-being of our clients by proposing concrete solutions, such as trust solutions, while taking into consideration the concerns that arise at each life stage in the age of 100-year life, and learning about each client's thoughts, assets, and family structure.

### The Power to Fulfill the Entrusted Wishes of the Trust

Manage and operate assets according to trust objectives across generations and over time

Manage and operate assets according to trust objectives when a person's decision-making capability decreases



According to the Chinese classic, "The Book of Filial Piety," the meaning of the word "trust" was originally defined as something that brings friends together. With the power of trusts, we will be there as our clients' Best Partner in the age of 100-year life, and by being useful, we will make the age of 100-year life blossom to create a society that celebrates longevity.

### 100-Year Life Solution Department

Given the advent of an age in which more and more people will likely live to be 100 years old, SuMi TRUST Bank established a 100-Year Life Solution Department with the goal of providing new value through the power of trusts to address the various challenges faced by our individual clients and society. So far, we have introduced the 100-year Life Support Trust and Anshin Support Trust, which help clients prepare for declining decision-making capabilities such as from dementia; the Trust for Single Old Age (Solitary Trust), which includes post-death arrangements for funeral services and personal belongings including digital items; the Will for Pets service, which is a will trust for people with pets; and the Housing Will, a free will custody service for mortgage loan clients. We will continue to introduce offerings that provide new value through the power of trusts.

### Establishment of Anshin Support Corporation to Provide Estate Management and Inheritance-Related Services

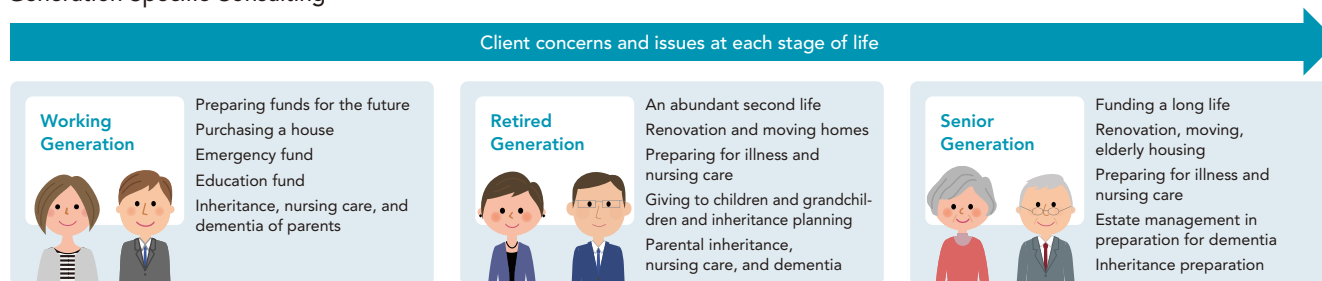
The Anshin Support Corporation was established by SuMi TRUST Bank in November 2018 and having become part of the Bank\*, it now offers estate management services to elderly clients. For example, guarantor services for seniors moving in to a new facility, nursing care and other contract execution services, discretionary guardianship services, and post-mortem services.

\*Providing peace-of-mind solutions for client assets, or solutions to be carried out in accordance with the wishes of the client, by combining various trusts (such as Trust for Single Old Age (Solitary Trust) and Anshin Support Trust) with segregated management and other functions, including SuMi TRUST Bank's money trusts, will execution trusts, and life insurance trusts.

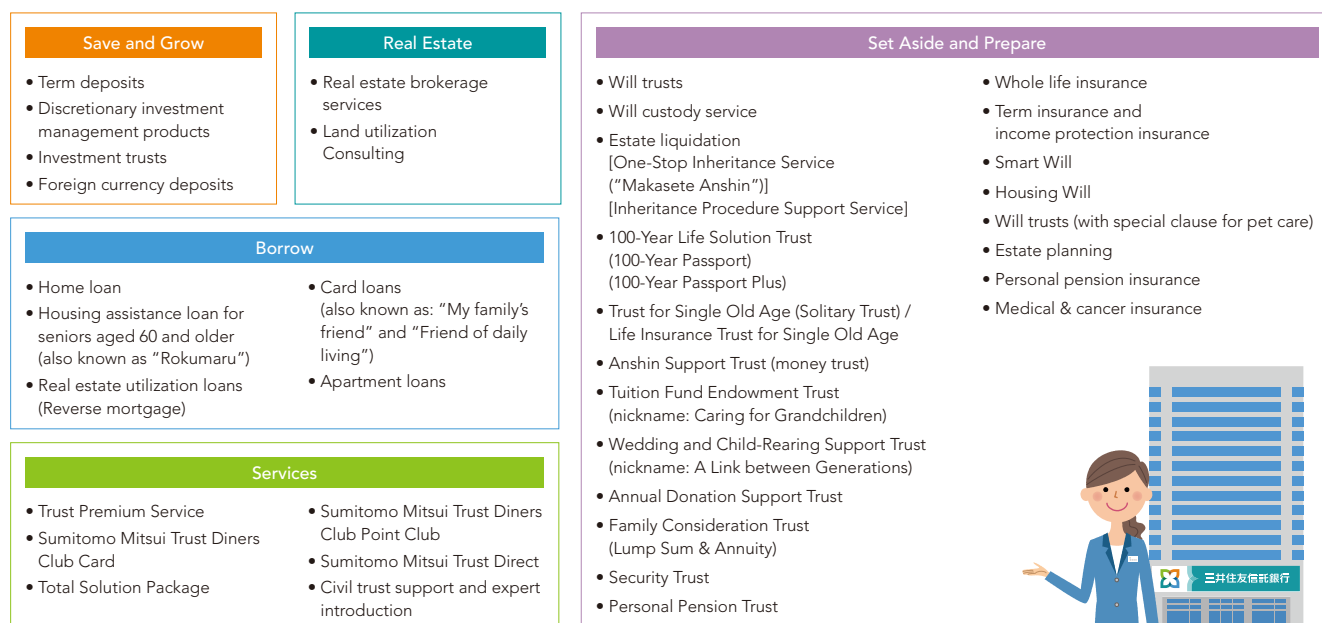


## Addressing Issues of a Super-Aged Society

### Generation-Specific Consulting



### Products and Services

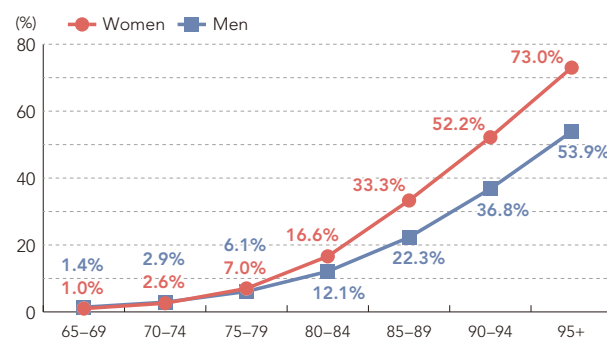


## 2. Addressing Decreased Decision-Making Capacity Due to Dementia or Other Illnesses

With the transition from the age of an 80-year life to the age of a 100-year life, we can now assume that there will be a period in our lives when we will have dementia or need nursing care. This means we are now living in a time when planning in advance is necessary.

SuMi TRUST Bank is working on various initiatives from the perspective of normalization, aiming to create a society where even clients with dementia can lead the same kind of life as they always have.

### Dementia Incidence Rate



Source: Tokyo Metropolitan Geriatric Hospital and Institute of Gerontology (2012 comprehensive assessment of dementia)

## Asset Management for Clients with Dementia

Once a person loses his or her ability to make decisions because of dementia or some other reason, they struggle to manage their deposits and savings or stay on top of various financial agreements. This makes them easy targets for bank-transfer scams or unscrupulous business practices. In asset management, needless to say, the safeguarding of finances must be prioritized before anything else. This is followed by daily living support, the second priority in asset management. They may require help in managing their day-to-day finances, for example, collecting pension payments, paying taxes and utility bills, or paying money when they go shopping. And offering support to help them communicate their intentions is also key. Even though someone with dementia may find it difficult to communicate their thoughts, what they want to do or what they want done remains the same. However, there is a limit to how much they can rely on the considerations of their supporters, so particularly with regard to legal procedures, such as contracts, they will

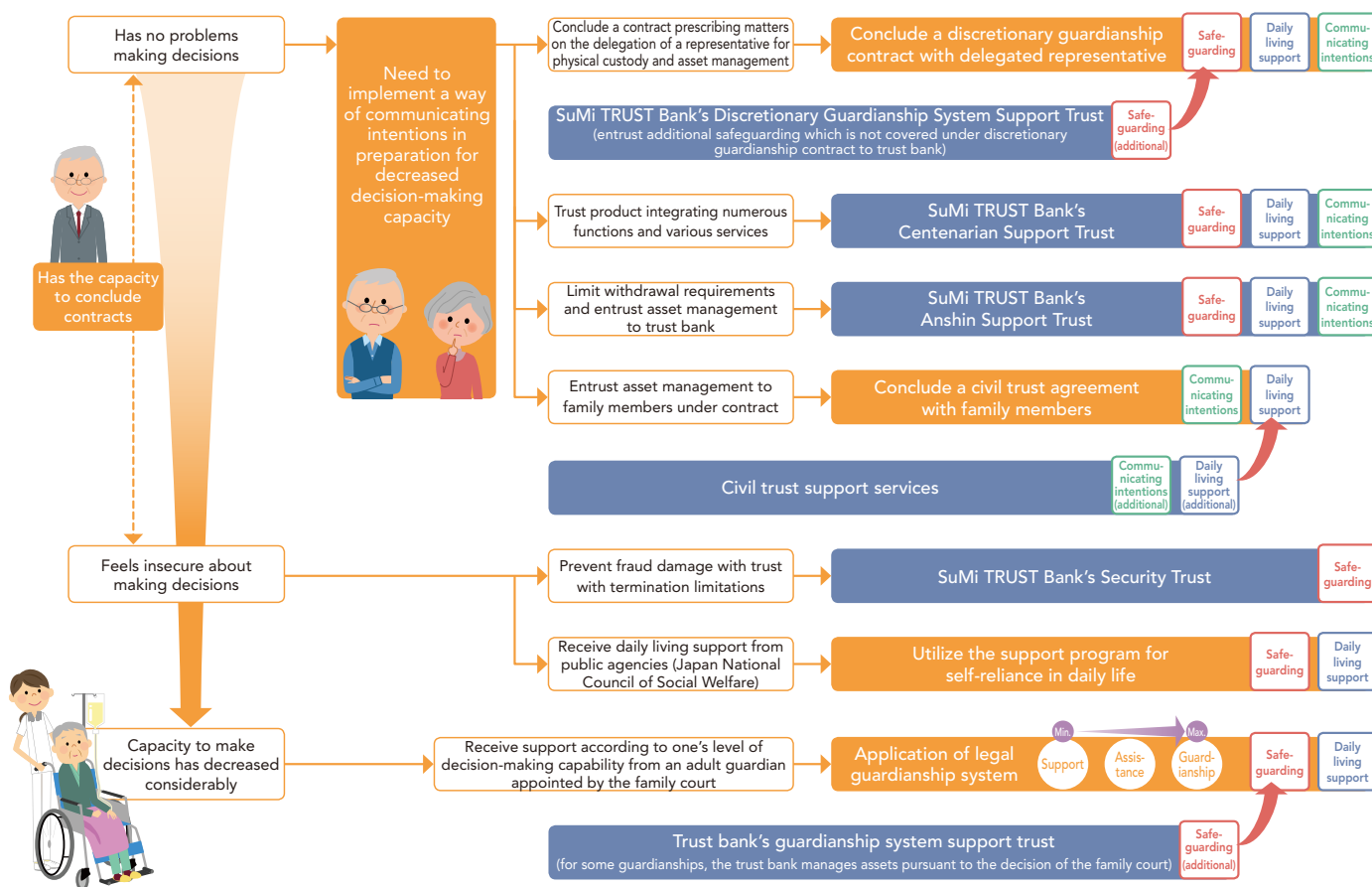
need a way to communicate their intentions under a private contract while they are still capable of making decisions. In our digest report for seniors (Considering the Problems of Dementia), we provide easy-to-understand explanations of the adult guardianship system and other public support schemes, as well as our financial products and services that complement those schemes.

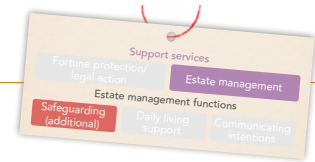
### Digest Report for Seniors: Considering the Problems of Dementia



<https://www.smtb.jp/-/media/th/sustainability/report/2019/all5.pdf>

### Lineup of Asset Management Services for Addressing Dementia

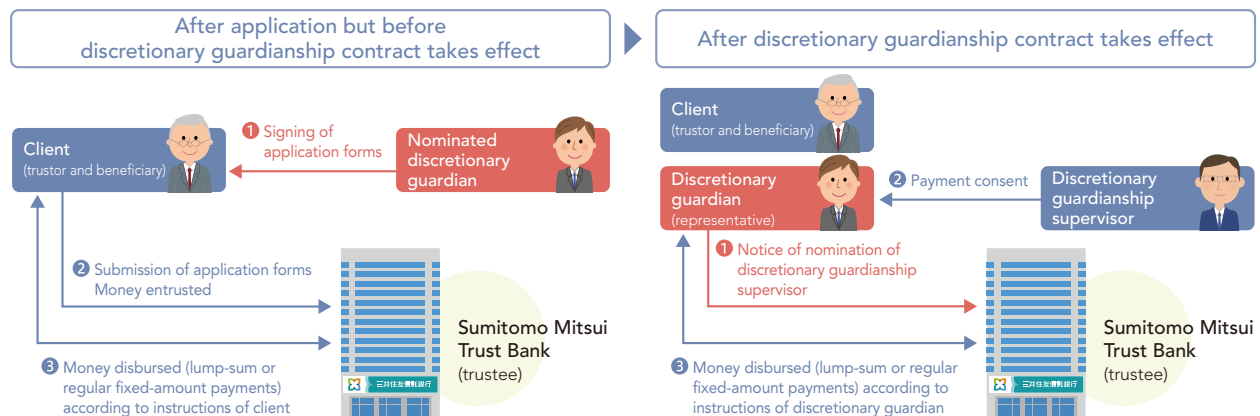




## Discretionary Guardianship System Support Trust

**Key Point** Under the Discretionary Guardianship System, a Separate Money Trust Provides an Extra Level of Safeguarding.

This money trust supports the discretionary guardianship system by managing the assets of its users. It safely and soundly protects assets held in the money trust because after the discretionary guardianship contract takes effect, funds can only be released (lump-sum payment) with the consent of the discretionary guardianship supervisor. Funds required for day-to-day living expenses can also be released periodically (regular fixed-amount payments), which alleviates the burden of asset management on the discretionary guardian. Until the discretionary guardianship contract comes into effect, the client or their nominated representative can take charge of procedures for lump-sum or regular fixed-amount payments. An authorization form signed by the client must be submitted each time the representative wishes to take charge of procedures on behalf of the client.



## 100-Year Life Solution Trust (100-Year Passport)

**Key Point** Incorporating a Number of Useful Features in Preparation for Decreased Decision-Making Capacity among Many Clients in the Future When More People Are Likely to Reach the Age of 100, This Trust Product Has Been Designed to Help Clients Feel at Ease and Enjoy a Productive Life.

A money trust armed with a host of useful features to combat the problems elderly clients may face, such as withdrawing from their bank account, when the ability to make decisions has declined because of dementia or other similar symptoms. Along with tie-up solutions under the adult guardianship system and broad-ranging client-focused consulting, the 100-Year Life Solution Trust is the product best suited to an age when more people will likely live to be 100.



### Four Features in One Package

#### Delegation of payments (pension deposits and other payments as needed)

In preparing for dementia or other health concerns, another person can be designated in advance to take care of payment procedures. A relative within the fourth degree of kinship, lawyer, judicial scrivener, or tax accountant can be nominated.

During dementia or ill health:

- Monthly living expenses (up to ¥300,000/month) can be paid into the trust account. One additional payment per year is also permitted.
- The trust can also be used to pay large sums that might arise from medical fees, nursing care expenses, housing costs, taxation, or social insurance premiums. A person approving withdrawals can also be set up in advance.

#### Security

To avoid falling victim to the many types of scams—of which there are up to 16,000\* cases annually—a person approving withdrawals can be set up in advance.

#### Pension collection

Monthly living expenses can be deposited on a periodic basis. This money can also be used to pay for additional creature comforts or gifted to loved ones.

#### Considerate inheritance

Inheritance money of up to ¥5 million can be smoothly paid out to heirs designated in advance.

\*According to the Metropolitan Police Department, 16,851 cases of fraud occurred in 2019 for a total loss of roughly ¥36.39 billion.

## 100-Year Life Solution Trust (100-Year Passport Plus)

**Key Point** Trust Product that Combines the Stable Medium- to Long-Term Asset Management Functions of SMTB Fund Wrap with the Asset Management Functions of 100-Year Passport. This Trust Product Helps Clients Prepare for Dementia and Other Illnesses Early on, While Providing a Worry-Free Lifetime Investment.

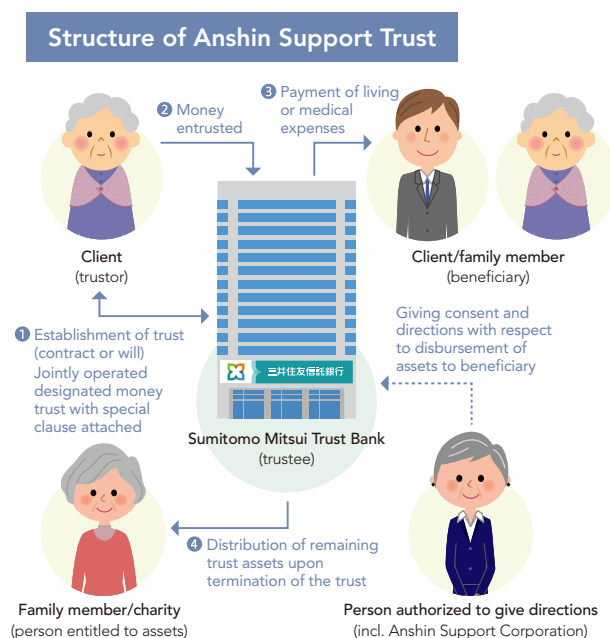
## Anshin Support Trust (Money Trust-Type & Fund Wrap-Type)

**Key Point** It Also Facilitates Ongoing Asset Management Based on the Intentions of the Client Even After a Decline in Decision-Making Capabilities.

The Anshin Support Trust offers clients and their families medium- to long-term customized support for the preservation and management of their precious assets. Through collaboration with the Anshin Support Corporation established by SuMi TRUST Bank, this unique trust bank product eases concerns about assets and loved ones. The details of the trust agreement are designed together with the client after more information about the client's approach to asset formation and management is learned.

As for the fund wrap-type, the client continues to undertake asset management, but management with SuMi TRUST Bank's fund wrap means the assets can be drawn down whenever required and converted to cash in order to pay for living expenses, medical costs, or nursing care. The conditions for cash conversion and payments can be set up in advance under a trust agreement, whilst SuMi TRUST Bank will also make a decision on whether or not payments are to be made in times of emergency, for example.

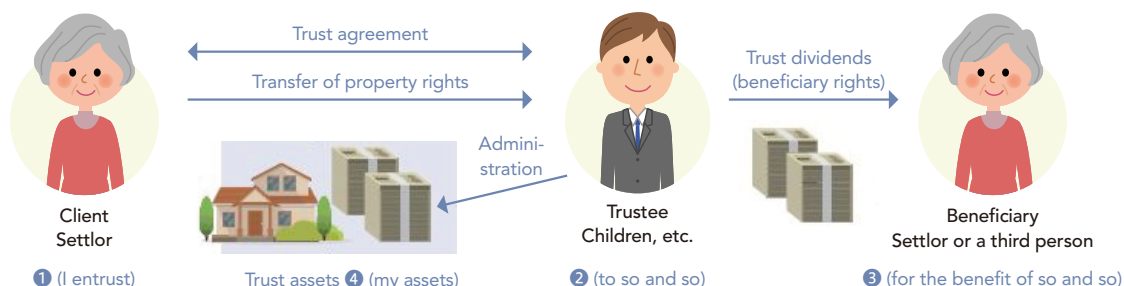
\*Only some branches offer the Anshin Support Trust product.



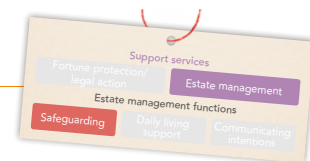
## Civil Trust

**Key Point** An Agreement for a Civil Trust Can Be Freely Designed So That the Client's Intentions Can Be Communicated and Unlike a Normal Trust in Which the Trust Bank Acts as the Trustee, a Family Member or Somebody Else Can Perform This Role. In More and More Cases, Civil Trust Agreements Are Being Supported by Professional Associations.

### Structure of Civil Trust



\*Civil trusts require a deposit account (trust account) for the trustee to separately manage the trust assets (funds).



## Security Trust

### Key Point Safeguards Precious Assets from Malicious Scams with Two-Tier Account Security.

The concerns of our clients and their children (many of whom live apart) are growing as more crimes targeting the elderly, such as bank-transfer scams, are becoming increasingly sophisticated. Our Security Trust safeguards the assets of our clients from such financial crimes. The product is structured so that funds can only be withdrawn after approval of the previously nominated consenting party (a relative within the third degree of kinship to the client) has been obtained. The trust can also be utilized in conjunction with the regular fixed-amount payment method.

#### Lump-sum payment method

Under this structure, funds held in the trust cannot be withdrawn without the approval of a previously nominated family member. This prevents the client from being drawn into a scam because it provides the client with an opportunity to first discuss any planned withdrawals with family members.

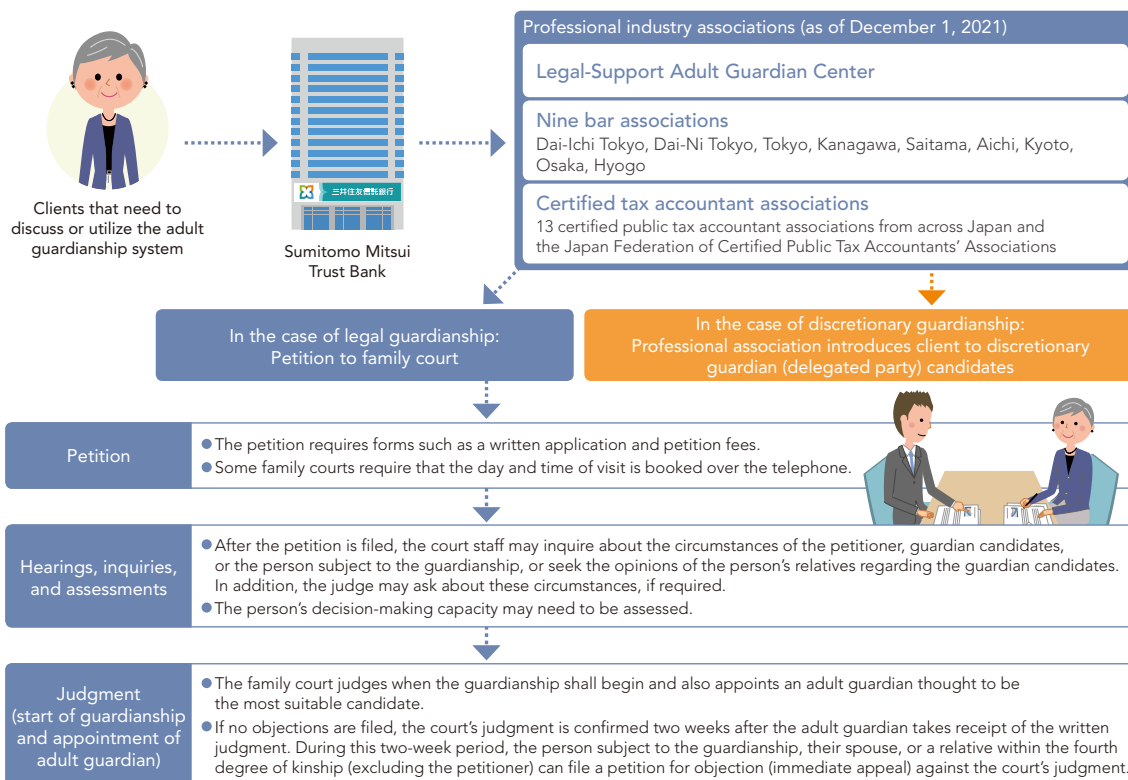
#### Regular fixed-amount payment method

A fixed amount of the funds held in the security trust can be withdrawn periodically to pay for living expenses (up to ¥200,000/month).

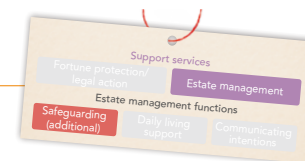
\*No management fees

## Consultations and Inquiries Related to Adult Guardianship System

SuMi TRUST Bank has entered into agreements with various professional industry associations that are active in the area of adult guardianship and refers the consultations and inquiries from clients regarding the adult guardianship system to these professional associations.







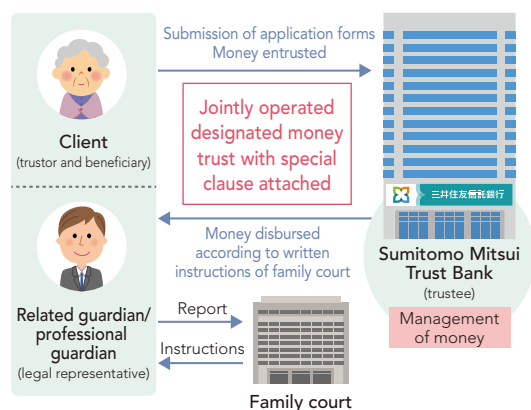
## Guardianship System Support Trust

**Key Point** The Trust Bank Safeguards the Client's Assets Pursuant to Instructions of the Family Court to Prevent Guardian Dishonesty.

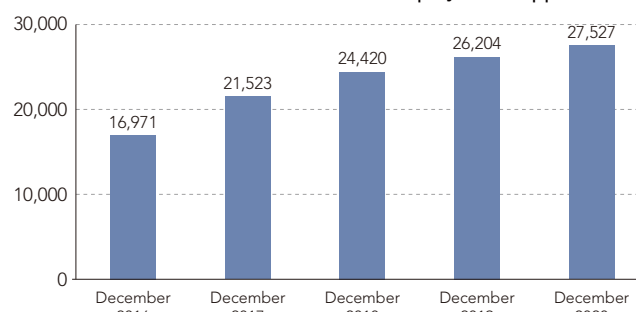
This is structured so that the savings and deposits needed for day-to-day payments for a person receiving assistance under the legal guardianship system are managed by a guardian while money not ordinarily used is entrusted to the trust bank.

When utilizing this trust, written instructions issued by the family court in advance are required in order to withdraw the trust assets or cancel the trust contract. In principle, a professional guardian such as an attorney or judicial scrivener will act on behalf of the client to make decisions regarding the entrustment of assets, including the trust bank to which the assets are entrusted and the amount of trust assets, and conclude a trust contract with the trust bank pursuant to instructions of the family court.

This trust provides appropriate protection from the misuse of the client's assets by an adult guardian.



Cumulative Number of Users of Guardianship System Support Trusts



Source: Jan-Dec 2020 data on use of guardianship system support trusts  
Family Bureau of General Secretariat of Supreme Court of Japan

## SuMi TRUST Bank Civil Trust Initiatives

### Demand for and Features of Civil Trusts

Japan is experiencing an unprecedented aging of its population as well as an increase in the number of people suffering from dementia, and the issues of asset management and succession for the elderly are highly diverse, especially as it involves personal protection. Therefore, there has been a great deal of interest in trust systems that are highly individualized. According to one study, Japan has the highest proportion of elderly people among the world's 201 countries and regions, with a recent survey showing a rate of 28.7%. In particular, there are high expectations for asset management methods using civil trusts, which have complementary and alternative functions to the adult guardianship system,

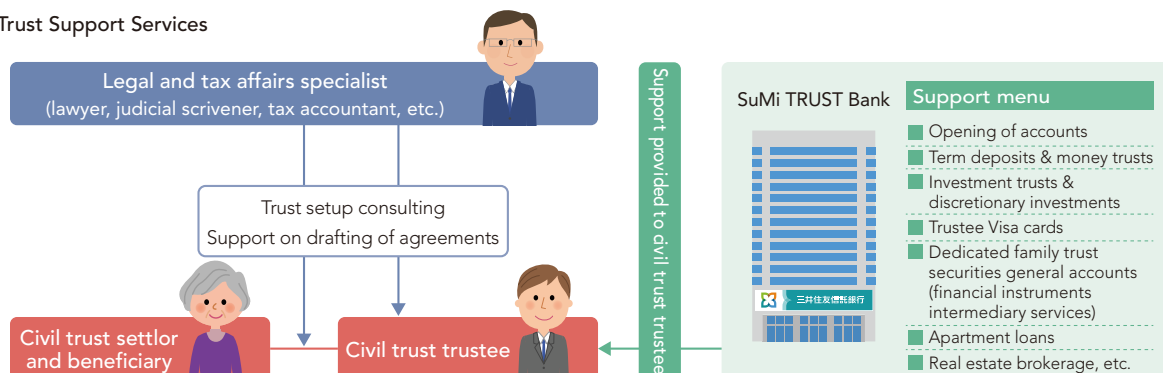
as a means of protection without limiting the capabilities of the individual.

Although civil trusts are not governed by the Trust Business Act, they are governed by the Trust Act, which is the substantive law, and in this sense, they are no different from commercial trusts in terms of how they are treated. The trustee must also fulfill the duty of care, duty of segregation, duty of loyalty, etc. in civil trusts, consistent with the Civil Code, Civil Procedure Law, Bankruptcy Law, and other general civil laws. (Excerpt from the Trust Act Study No. 45)

### Civil Trust Support Services

SuMi TRUST Bank provides financial services like trust

#### Civil Trust Support Services



## Addressing Issues of a Super-Aged Society

accounts for the trustees of civil trusts (please consult with a specialist in legal and tax affairs when setting up a civil trust).

SuMi TRUST Bank contributes to the healthy development of civil trusts by working together with legal and taxation experts to offer civil trust consulting and agreement drafting support services and by providing civil trust trustees with deposit accounts (trust accounts) and other financial and trust-related products and services that are indispensable to the proper segregation and management of assets.

### Welfare Trusts

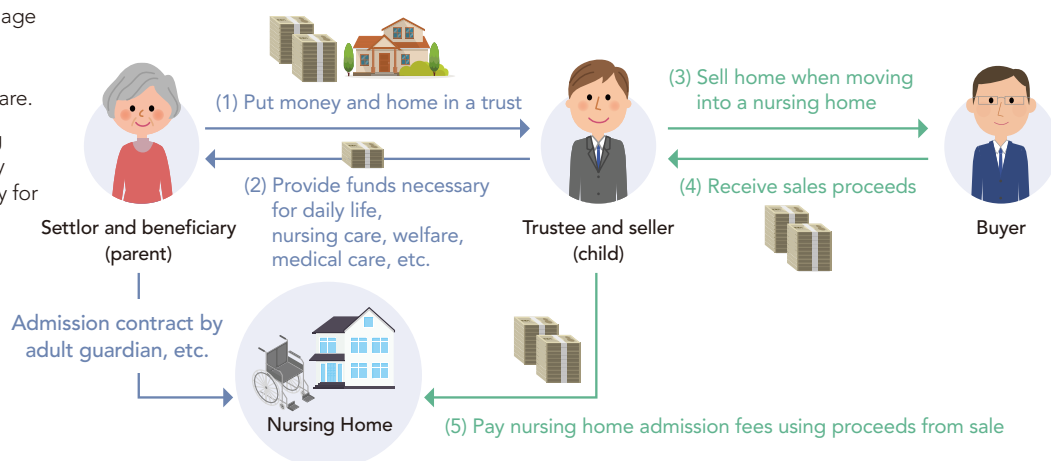
The majority of civil trusts brought to SuMi TRUST Bank are set up for the purpose of assisting the elderly in managing their assets. Among these, welfare trusts, which are self-supporting trusts designed to provide asset management

and daily living support to the elderly and others who have difficulty in properly managing their assets on their own, are the most widely used.

In practice, the purpose of trusts is often to provide for the payment of funds necessary for daily living, nursing care, welfare, medical care, etc., and there is no doubt that welfare trusts, especially civil trusts as an alternative to adult guardianship, are the main type of trusts used. According to a 2020 sample survey by SuMi TRUST Bank, 97% of trusts were adult guardianship support trusts, and 87% were broadly defined will substitution trusts with provisions for designating a person entitled to assets. This is the same trend as with civil trusts in the United States. (Excerpt from the Studies of the law of trust No. 45)

#### Example Trusts for money needed for daily life, nursing care, welfare, medical care, etc. and for the home — Preparing for dementia and selling or otherwise disposing of the home —

- I want my child to manage the money needed for daily life, nursing care, welfare, and medical care.
- When I enter a nursing home, I want to sell my house and use it to pay for admission fees.



### Introducing Lawyers for Consultation and Use of Civil Trusts

In aiming to contribute to the sound development of civil trusts, SuMi TRUST Bank entered into an agreement with the Tokyo Bar Association to refer clients to a lawyer when setting up civil trusts.



Scope of consultation	(1) Setting up a civil trust (2) Second opinion on a civil trust (3) Other matters concerning civil trusts
Availability	Head office and branches in Tokyo
Introduction fee	No charge
Legal consultation fees	Initial consultation: One hour free of charge (special benefit when using this scheme) Subsequent consultations: ¥5,000 per 30 minutes (before tax)
Contracts with lawyers	Contracts with lawyers will attract a fee. The decision to enter into any contract with the appointed lawyer is the sole decision of the client.



### 3. Thinking About a Second Life Home

In this age of a 100-year life, the time we spend living our second life has become very long. In addition, we are spending more time at home as a result of the COVID-19 pandemic.

Japanese houses are said to have low thermal insulation and airtightness compared to global standards, and the large temperature differences inside the house can easily trigger a heat shock when bathing. Additionally, fractures resulting from falling in the home are also said to be a cause for needing nursing care.

To help seniors live longer and healthier lives in the age of a 100-year life and to make it easier for caregivers to care for their loved ones when they need nursing care, SuMi TRUST Bank offers consulting services on housing for seniors.

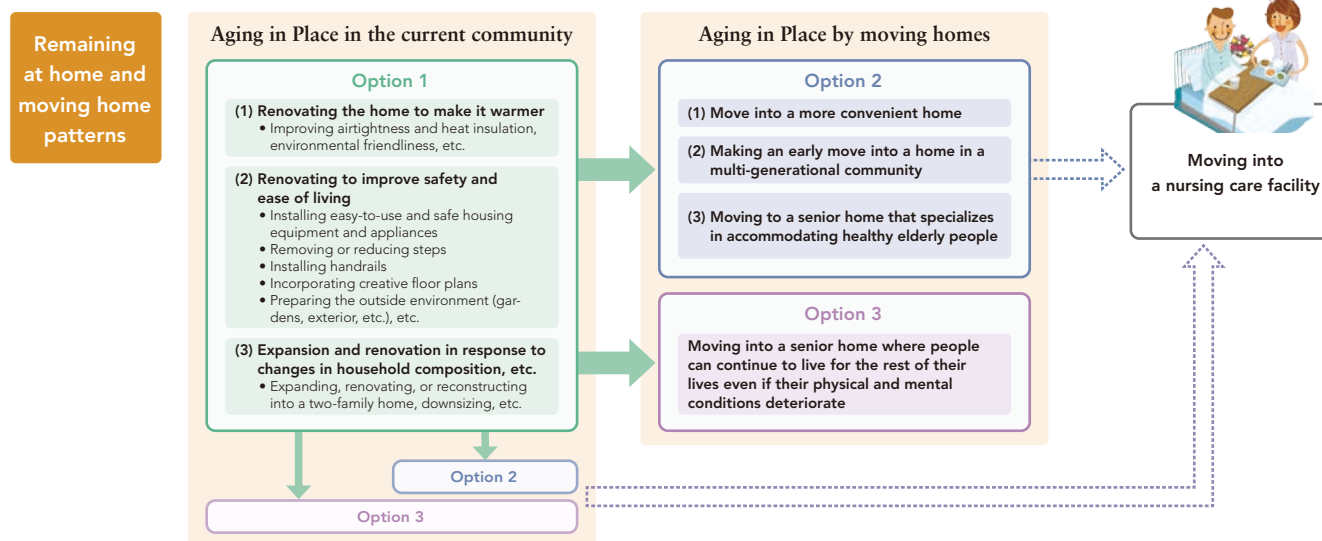
SuMi TRUST Bank aims to help elderly clients live on while maintaining and improving their QOL (quality of life) by

proposing “Aging in Place” consulting services, which consists of continuing to live as long as possible in their familiar homes and communities, regardless of problems associated with aging or physical and mental deterioration.

#### Digest Report for Seniors Thinking about Senior- Generation Housing



<https://www.smth.jp/-/media/th/sustainability/report/2020/all5.pdf>



#### Our Lineup of Products and Services That Provide Housing Assistance to Seniors

**Renovation Loans**

Sumitomo Mitsui Trust Panasonic Finance offers renovation loans that provide the funds necessary to make such renovations as barrier-free improvements as a way to support elderly clients to live comfortably in their old age.

**Housing Assistance Loans for Seniors**

SuMi TRUST Bank offers clients aged 60 years or older a housing assistance loan that can be used to purchase a home. This product helps clients reconsider their living arrangements in order to prolong their healthy life expectancy. For example, by renovating their current dwelling to make it barrier free, or moving to a more user-friendly house that is also closer to their children.

**Reverse Mortgages**

SuMi TRUST Bank offers reverse mortgage loans whereby the client puts up their home as collateral to borrow funds for retirement. The funds can be used for various purposes, such as home renovations or for the deposit when moving into a nursing home.

**Services Relating to Real Estate**

Sumitomo Mitsui Trust Realty provides brokerage services that ensure secure, reliable property purchases and sales to clients looking to relocate, leveraging the consulting capabilities and broad-based information network of our Group. We assist with sales and effective use of assets such as residential property, inherited property, idle property, and real estate owned for business or investment purposes.

- Total vacant home support
- Housing equipment repair support
- Building inspection services

**Bridge Loans for Sales of Real Estate**

Sumitomo Mitsui Trust Loan & Finance offers bridge loans for real estate sales to clients who are considering a move to a conveniently located condominium or a residence for seniors so they do not have to rush to sell their precious property, providing them with support as they seek a new home that suits their lifestyle in their golden years.

**Consultations on Taxes and Estate Planning Relating to Housing**

Each SuMi TRUST Bank branch has been assigned experienced financial consultants with expertise in real estate, taxes, and inheritance and succession that can provide consultations relating to various housing options.

Website URL:  
<http://www.smtb.jp/csr/withyou/successfulaging/>

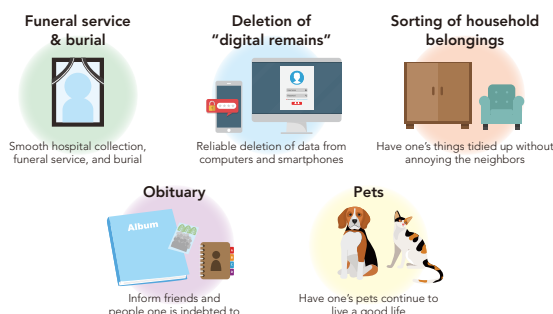
## 4. Assisting End-of-Life, Asset Inheritance, and Endowments

## End-of-Life Assistance



## Trust for Single Old Age &lt;Solitary Trust&gt; &lt;Money Trust-Type &amp; Life Insurance-Type&gt;

**Key Point** Final Letter of Instruction Service to Assist End-of-Life Procedures, including Arrangements for a Funeral Service, the Interment of Ashes, the Cleanup of Belongings, and the Placement of an Obituary Notice.



This service, based on a final letter of instruction that can be updated via smartphone, takes care of certain matters after death for the client according to their wishes. Post-mortem services are provided by Anshin Support Corporation, an entity established by SuMi TRUST Bank, whilst the segregated management of assets is executed through the Anshin Support Trust.

\*With the life insurance-type Funeral Trust, clients can start with less capital by using level-premium insurance to cover after-death expenses.



## Four Key Points in the Trust for Single Old Age (Solitary Trust)

- (1) The final letter of instruction is stored safely on our system and can be updated at any time.
- (2) An easily managed safety confirmation SMS can be sent out once a month, once a week, or as often as the client wishes.
- (3) After-death expenses and funds for donations are safely held in a principal-guaranteed money trust.
- (4) The Anshin Support Corporation takes care of all matters after death so the client can depart this world in any way they like.

## Helping with Smooth Planning for Inheritances

## Estate Planning

Estate planning is a service that provides support (consulting) aimed at summing up the client's wishes regarding the succession of their assets and drawing up a specific plan for this. Using the know-how that we have built up over decades in the field of asset management, inheritance, and will-related services, SuMi TRUST Bank offers the following consultation services.

## Will Trusts

This service provides will-making consultation, follow-up consulting (changes, etc.), safekeeping services, and even high-quality will execution services with SuMi TRUST Bank serving as will executor so that the assets of our clients are handed over according to their wishes. Based on our experience of many years as an executor, we provide will consulting during the will-making process to ensure a high-quality will execution process. In October 2019 we launched a free online will trust service with which clients can prepare their own draft of a will by following the on-screen instructions, and in July 2020 we started accepting applications for will trusts based on holographic wills after the Legal Affairs Bureau started accepting them for safekeeping.

Then, in June 2021, we released a will trust (with special clause for pet care) that helps pet lovers live with their pets in comfort even after retirement.



<https://www.smtb.jp/personal/entrustment/succession/webwill/>

## One-Stop Inheritance Service (Estate Liquidation Services)

SuMi TRUST Bank offers a One-Stop Inheritance Service to ensure that complex inheritance procedures proceed smoothly. Based on an application by an heir, we will provide support and carry out the following procedures on their behalf, according to their request.

- Confirmation of the legal heirs
- Investigation and identification of inherited property
- Advice in discussions concerning the division of the estate
- Change of name on savings and securities and/or their conversion into cash (we will carry out the procedures prescribed by each financial institution on the heir's behalf)
- Change of name on real estate
- Advice concerning allowances to pay tax obligations, such as income tax and inheritance tax

## Helping Still-Living Clients to Give to the Next Generation

### Annual Donation Support Trust

Annual Donation Support Trust is a service that supports the implementation of procedures for lifetime donation to relatives, such as compilation of a donation contract. Each year, SuMi TRUST Bank provides customers with information on documents necessary for the donation, helping them to not miss the opportunity for donation. This service makes it easy to execute lifetime donations. Once each year, SuMi TRUST Bank sends a donation report to both the donor and recipient.

### Tuition Fund Endowment Trust

An exemption from the gift tax has been created for lump-sum donations to cover tuition funds, allowing grandparents to make a tax-free lump-sum donation to grandchildren, etc. aged under 30, to help with tuition fees and other educational costs (up to ¥15 million per grandchild, etc.).

SuMi TRUST Bank pays for the cost of education with this product in accordance with payment requests from grandchildren, etc.

### Wedding and Child-Rearing Support Trust

As a tax incentive, up to 10 million yen can be given as a tax-free lump-sum donation for wedding or child-rearing purposes to a child or grandchild who is at least age 20 up until he or she turns age 50. As disbursements are made from a “money trust” that requires receipts confirming payments for wedding or child-rearing purposes, this product can clearly be the answer for donors who want their gifts to be used for marriage or child-rearing purposes.

### Social Contribution Donation Trust

SuMi TRUST Bank offers products and services meant to support building a prosperous future for the next generation by enabling donation activities that serve the public interest. One such product is the social contribution donation trust, where clients select recipients every year from a list of organizations that SuMi TRUST Bank provides, and we process the donations (see page 158).

### Medical Support Donation Trust

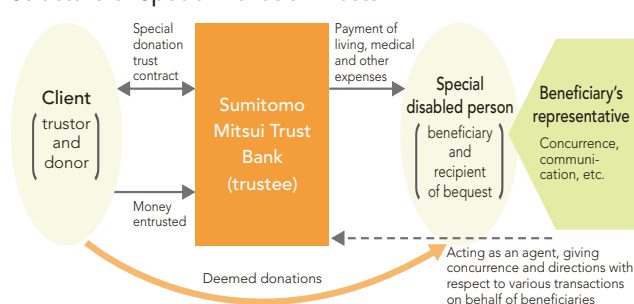
This is a trust product that enables donors to select a recipient from among the 13 participating universities under the common theme of medical support, based on a comparison of specific research and activities such as the creation of future medical care, research to overcome serious diseases, and the improvement of medical systems (see page 159).

### Special Donation Trust

The special donation trust is a product for the purpose of contributing to stable living into the future for specified persons with disabilities. With this trust, funds donated are managed securely by SuMi TRUST Bank through jointly operated designated money trusts and other instruments, and disbursed to the specified person with disabilities by the bank on behalf of the client.

“Specified persons with disabilities” who become beneficiaries are divided into “special persons with disabilities” and “other specified persons with disabilities” according to the degree of disability. Special persons with disabilities may receive up to 60 million yen tax-free in periodic installments to cover living costs or medical expenses, while other specified persons with disabilities may receive up to 30 million yen without paying tax.

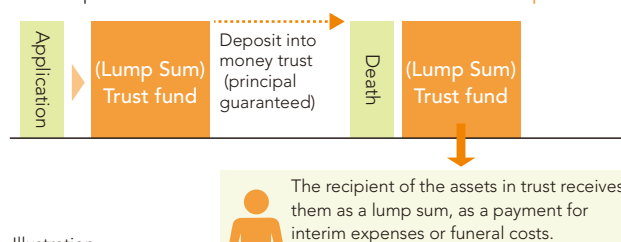
#### Structure of Special Donation Trusts



### Family Consideration Trust (Lump Sum)

In the event of a bereavement, family members have to deal with various procedures, including arrangements for the funeral and inheritance-related procedures. The Family Consideration Trust (Lump Sum) is a product that, in the event of a client's death, pays out the deposited assets in trust to a recipient designated in advance by the client from among their legal heirs so as to cover interim expenses and funeral costs.

The recipient of the assets in trust receives them as a lump sum.



Illustration

\*Along with the lump-sum Family Consideration Trust shown above, we also offer an annuity-type product from which the assets in trust are paid to a beneficiary on a regular basis.