

August 3, 2020

To whom it may concern

Sumitomo Mitsui Trust Bank, Limited

Notice regarding Entrustment of Forestry Trust

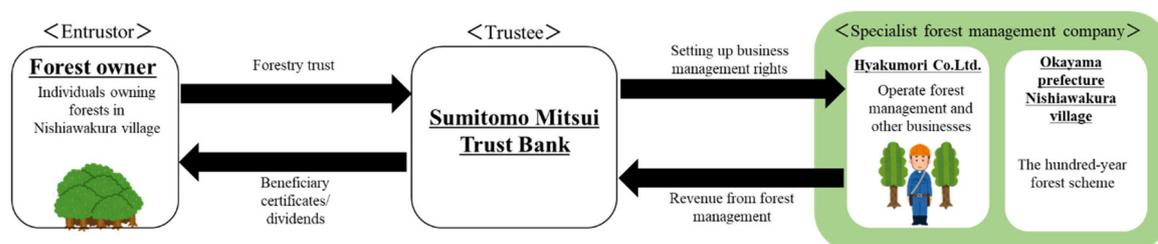
Sumitomo Mitsui Trust Bank, Limited (President: Masaru Hashimoto; hereinafter "SuMi TRUST") has been entrusted with approximately 10 hectares of forests from individuals owning forests (land and standing timber) in Nishiwakura village, Aida district, Okayama prefecture (Village chief: Hideki Aoki; hereinafter "the Village") in regards to entrustment of forestry trust as SuMi TRUST's first commercial trust.

1. Backdrop relating to entrustment of the forestry trust

SuMi TRUST was entrusted to conduct a "Basic services survey for the introduction of forestry trust" by the Village in February 2018. Since then, SuMi TRUST has been examining ways to set up a trust scheme structure in aims to materialize stable forest management and others that are uninfluenced by inheritance for the Village as well as forest owners.

As a result of having worked on developing basic operational flow for forestry trust, gaining understanding of and preparing for addressing legal matters requiring attention, verifying business feasibility and others, we concluded that entrustment of forests as a commercial trust is possible. Thus, after continued deliberation with individual landowners residing outside of the Village that own forests in the Village led to the entrustment of SuMi TRUST's first forestry trust as a commercial trust on August 1, 2020.

2. Overview of the Forestry trust scheme



① Entrustors/forest owners

Individual landowners residing outside of the Village that own forests in the Village

② Property in trust

Land located in the Village (approximately 10 hectares) and standing timber (Japanese cedar/Japanese cypress)

③ About Hyakumori Co., Ltd.

A specialist forest management company established in October 2017 in the Village. The company is promoting "the 100-year forest scheme" together with the Village and is registered in and announced by Okayama prefecture on October 1, 2019 as a private sector business that is

in compliance (both in spirit and in practice as a forestry manager) with each of the clauses under Article 36 Section 2 of the “Law on forest business management”.

④ About Nishiawakura village

A local government located in the Aida district of Okayama prefecture with a population of 1,500 residents, selected as the SDGs future city in FY2019 by the Cabinet office. The Village has concluded forest management contracts with forest owners owning forests in the Village from 2009 as part of its original promotional activity “the 100-year forest scheme” and has been engaging in forest management of forests in the Village.

3. Future forestry trust initiatives

Japan’s forestry is facing multiple challenges such as sluggish timber prices, aging and decline in the number of forestry professionals, presence of many forests carrying difficulty in identifying its owners and others. Therefore, revitalizing and converting forestry into a growth industry is an issue that needs to be tackled. Forestry trust is a SDGs product developed uniquely by SuMi TRUST in hopes to specifically assist tackling the aforementioned challenges. SuMi TRUST will continue to offer bespoke solutions that cater to the varying challenges of each case by engaging in multiple dialogue with the cities, towns and villages as well as forest owners upon conducting feasibility studies on introduction of forestry trust schemes.

End

For further information, please contact:

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