



# State Street in Japan:

## Commitment to continued growth

State Street's history dates back more than 230 years and our founding in the US city of Boston, Massachusetts. Today, with more than US\$41.8 trillion (JPY 5,893 trillion<sup>1</sup>) in assets under custody and administration, and US\$4.1 trillion (JPY 578 trillion<sup>1</sup>) in assets under management<sup>2</sup>, we are among the world's leading financial service providers and the fourth-largest asset manager<sup>3</sup> globally.

In more than 100 markets around the world, our 46,000+ employees work with asset managers, asset owners such as pension funds and insurers, and official institutions such as sovereign wealth funds with a single purpose: to help achieve better outcomes for the world's investors and the people they serve. Our asset management business, State Street Global Advisors, built a universe of index and active strategies to help the world's institutional and retail investors achieve their investment goals.

### **A strong local presence and solutions that support investors' success in Japan**

We established our business in Japan more than three decades ago. Currently, we operate in three entities, State Street Trust and Banking Co., Ltd, State Street Bank and Trust Company Tokyo branch, State Street Global Advisors (Japan) Co., Ltd. and Charles River Development. With an experienced team of more than 500 employees in Japan, we have developed deep local market expertise and a comprehensive suite of products and services custom-tailored for the Japanese market.

Our vision is to be the world's leading investment servicer, provider of liquidity, financing and research products, and provider of investment exposures and tailored solutions globally — shaping the future of the industry and driving new levels of technology-led innovation, resiliency, efficiency, and growth. For example, as the first-ever front-to-back platform offered by a single provider, our State Street Alpha® platform leverages technology to bring together investment tools, insights and partners for greater speed, efficiency and choice across the front, middle and back office.

### **Our support to asset managers in Japan**

As one of the world's largest servicers (State Street Bank and Trust Company), we are responsible for approximately 10% of the world's asset<sup>4</sup>. We are the largest ETF servicing provider<sup>5</sup> and we service 37

percent of all US mutual funds<sup>6</sup>. With a robust operating model supported by our offices in Tokyo and Fukuoka, we leverage our industry expertise to develop solutions for our clients in Japan. Since its opening in 2012, our Fukuoka office has expanded and become one of our significant global processing hubs. We are committed to collaborating with local communities to support the growth of the banking and asset management industry in Fukuoka.

We have been supporting the business operations of asset managers in Japan by providing middle-office outsourcing since 2000. As asset managers in Japan become increasingly sophisticated, State Street offers them a wide range of value-added services through our global network and local expertise.

Private markets are more accessible than ever – and are more attractive to a larger cross-section of investors with technological advancements and a global mandate to improve returns. Being a global market leader in alternative investment services, State Street delivers flexible and innovative solutions for private investments, along with extensive product and service expertise. Our experience, capabilities and technology give us a competitive advantage to consistently meet asset managers' and asset owners' needs. With a global network of experienced private equity services professionals, and more than 20 years' experience with general and limited partners, we help Japanese asset managers and owners meet the changing requirements throughout the fund lifecycle.

As a global systemically important bank (G-SIB), we offer the liquidity profile, data-driven research and expertise to meet Japanese asset managers and owners' varying foreign exchange (FX) and currency management needs.

State Street is also a global systemically important financial institution (GSIFI). We understand the role we play in helping to sustain a healthy economy. As such, we maintain proven, tested programs for business continuity and follow-the-sun models that enable us to transfer work in the case of an issue or event that has the potential to impact our operations or service delivery.

### **Our initiatives to enhance our asset management business in Japan**

State Street Global Advisors, our asset management business, has participated in Japan's investment management industry for more than 25 years, demonstrating our commitment to its growth and success. We offer institutional and intermediary clients insights-driven, value-added partnership and versatile, cost-effective active and index strategies covering any investment objective, with the goal of:

- **Promoting financing for growth and diversified investment opportunities**

We use our disciplined, precise investment process and powerful global investment platform to provide access to every major asset class, capitalization range and style. From equity and fixed income to cash, alternatives and multi asset-class strategies, our mission is to invest responsibly to enable economic prosperity and social progress.

- **Providing innovative ETFs and Japanese investment trusts**

We are committed to offering a variety of high-quality investment options to Japanese investors by leveraging our global investment footprint. As co-creator of the US's first and the world largest exchange traded fund – SPDR®S&P500®ETF – we're focused on continuing to expand our ETF offering in Japan. We recently announced the filing of 11 ETFs, which is our largest product launch in Japan in five years in terms of number of products, and brings the total number of ETFs managed or distributed by State Street Global Advisors available to Japanese investors to 62.

In January 2024, we also launched seven index funds in Japan. Our two local listed ETFs, SPDR® S&P 500® ETF Trust (1557.JP) and SPDR® Gold Shares (1326. JP) are now registered in the Nippon Individual Savings Account (NISA) scheme. We continue to consider Japan as a source of growth for us in the Asia-Pacific region and the world, and look forward to growing together with an expected expansion in Japanese retail investor activity.

- **Implementing effective stewardship activities**

As an asset manager with one of the largest AUM in the world, we are committed to using the power of engagement and voting entrusted to us by our clients to further the long-term sustainable growth of Japanese and global markets and by fully supporting the Japan Stewardship Code and Corporate Governance Code.

<sup>1</sup>As of February 29, 2024

<sup>2</sup>Assets under management as of December 31, 2023 includes approximately \$64 billion of assets with respect to SPDR® products for which State Street Global Advisors Funds Distributors, LLC (SSGA FD) acts solely as the marketing agent. SSGA FD and State Street Global Advisors are affiliated.

<sup>3</sup>Pensions & Investments Research Center, as of December 31, 2022

<sup>4</sup>Represents State Street AUC/A divided by Global Financial Assets, including Global Equity, Global Debt Securities and Global Broad Money (M3), as of December 31, 2022. Sources: SIFMA, OECD, World Bank

<sup>5</sup>State Street analysis of ETFIGI Global Insights Report, as of December 31, 2023

<sup>6</sup>Based on State Street mutual fund assets as of September 30, 2023, as compared to total mutual fund assets as reported by the ICI Monthly Trends Report for September 2023