

Business Strategy

Enhancement of business portfolio

(i) Review

To realize earnings growth centered on AUF, we are accelerating both the recovery of investments and future growth investments, with a strong focus on capital efficiency. In addition to capital creation and investment, we are enhancing our IT and DX capabilities by reviewing our system development framework. At the same time, we are promoting operational efficiency by integrating and transferring functions

across Group companies in key areas such as private assets investment, stock transfer agency services, and credit card businesses. Since the beginning of FY2025, the Group has continued to announce initiatives in collaboration with business partners that possess outstanding capabilities and strategies in the private asset business are where we are focusing.

■ Initiatives to Strengthen the Business Portfolio



(ii) Aiming for FY2030

In order to realize our Aspiration and ROE of 10% or more in FY2030 earlier, we need to further improve earning capacity by renewing management resources. We will aim to achieve sustainable and stable profit growth through expansion of AUF by shifting management resources from traditional banking business to strengthening asset management and asset administration businesses.

(2) Expenses

Amid rising inflation and increased investment in human capital and DX, cost increases have become unavoidable. In this context, strategic investments are being steadily executed in the foundations that support future growth, while appropriate cost control—including price optimization—is thoroughly enforced.

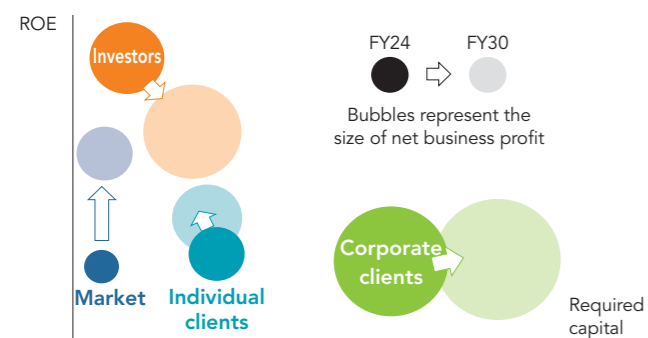
(1) Human capital

Management resources are being generated through the review of the sales structure, streamlining of middle and back-office operations, and reform of business processes. These efforts contribute to enhancement of cross-functional capabilities and support the accelerated allocation of resources to strategic areas such as asset management and digital transformation (DX).

(3) Risk Weighted Asset

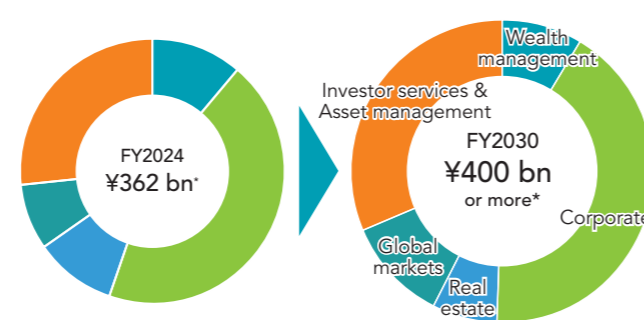
By reducing strategic shareholdings and low-profitability assets, management resources will be generated, with a cumulative investment of up to ¥1 trillion planned by FY2030 in impact equity and the Strategic Investment Facility for Asset Management. In addition, we will focus on sourcing assets that are beneficial to investors and efficiently utilize our balance sheet with a view to expanding investor engagement.

■ ROE improvement by client



•Market business clientele revenues and real estate business revenues are recorded separately for investors, individual clients, and corporate clients
 •Investors include the asset management business
 •Other items not included in the above graph are headquarters expenses, gains/losses on strategic shareholdings/hedged investment trusts, and RWA

■ Image for Aspiration of the Net Business Profit by Business Segment

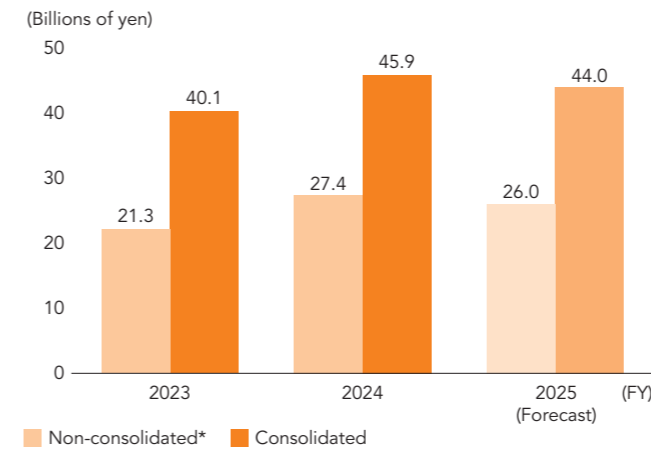


*This figure also includes corporate management department costs not categorized into any reportable segment, in addition to net business profit before credit cost for each segment.

Net business profit before credit costs

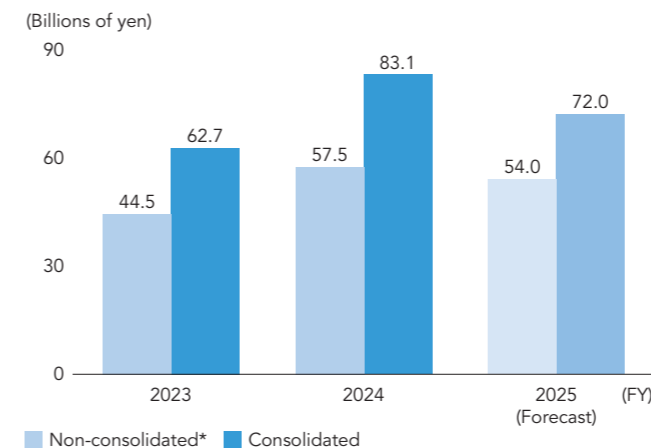
■ Wealth Management Business

Mainly due to an improvement in interest income from deposits accompanying a rise in yen interest rates and an increase in revenue from investment management consulting services, profit increased by ¥6.0 billion year on year to ¥27.4 billion on a non-consolidated basis and by ¥5.8 billion year on year to ¥45.9 billion on a consolidated basis.



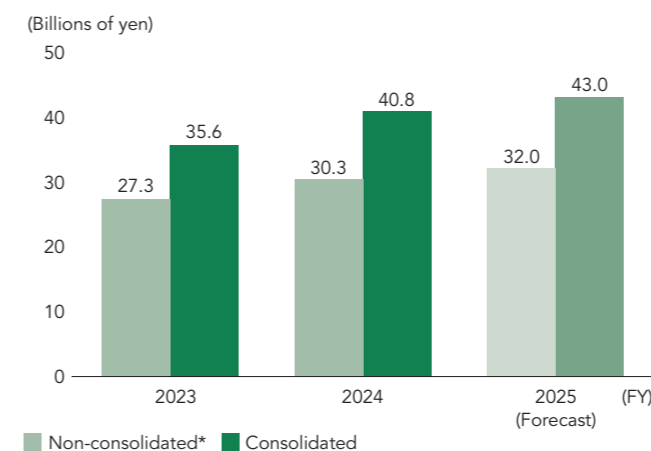
■ Investor Services Business

In addition to the steady performance of our asset management, pension, and asset management businesses, increased interest income from investment partnership contributed resulted in increase of ¥12.9 billion year on year to ¥57.5 billion on a non-consolidated basis and ¥83.1 billion year on year to ¥83.1 billion on a consolidated basis.



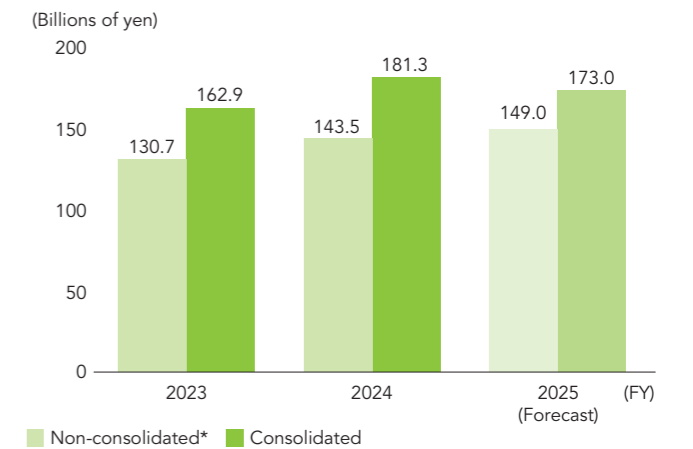
■ Real Estate Business

Against the backdrop of a steady market, corporate brokerage business performed well, and individual brokerage business also remained strong. As a result, net income increased by ¥3.0 billion year on year to ¥30.3 billion and increased by ¥5.1 billion year on year to ¥40.8 billion on a consolidated basis.



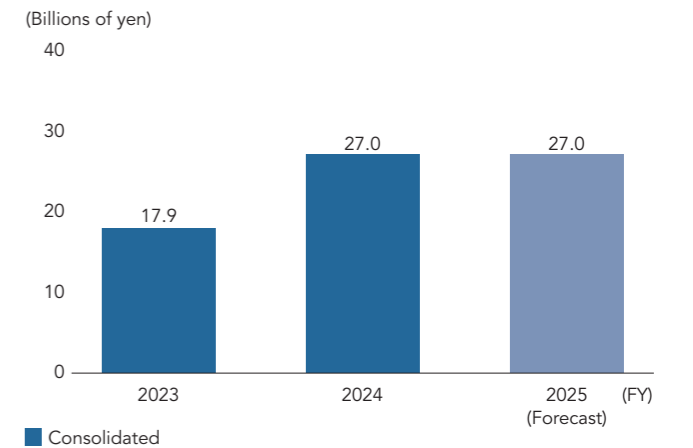
■ Corporate Business

In addition to an increase in interest income due to rising yen interest rates, an expansion in stock transfer agency fees also contributed to the increase, resulting in ¥12.7 billion increase year on year to ¥143.5 billion on a non-consolidated basis and ¥18.4 billion increase year on year to ¥181.3 billion on a consolidated basis.



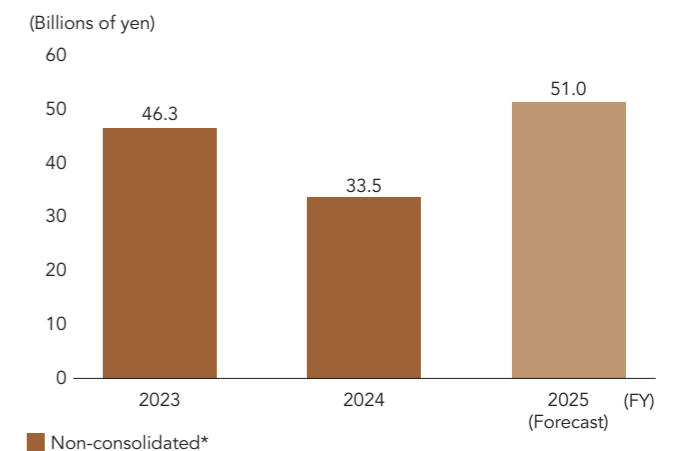
■ Asset Management Business

Mainly due to an increase in fee income resulting from rising market value, profit increased by ¥9.0 billion to ¥27.0 billion year on year.



■ Global Markets Business

Although client-related business and ALM funding business performed well, investment business were unfavorable, resulting in ¥12.7 billion decrease year on year to ¥33.5 billion.



*SuMi TRUST Bank (non-consolidated)

Wealth Management Business

Key Clients/Markets

- High-net-worth individuals
- Asset-formation generation, Pre- and post-retirement generation, Seniors generation

Competitors

- Mega-banks
- Securities companies
- Online banks

1. Main Business

Our Group offers integrated products and services that combine banking, trust, and real estate functions to address the needs of our clients in the age of 100-year life. We contribute to the maintenance and improvement of mental, physical, and financial health, and we support the creation of a prosperous and secure future.

Major subsidiaries and affiliated companies

- SuMi TRUST Bank
- Sumitomo Mitsui Trust Club
- Sumitomo Mitsui Trust Wealth Partners
- Sumitomo Mitsui Trust Life Partners
- UBS SuMi TRUST Wealth Management

2. Aspiration

By exercising our Group's unique strengths based on long-term relationships of trust with our clients, we aim to resolve various financial and wealth concerns and social issues for individual clients in the age of 100-year life.

In this way, we aim to support our clients achieve a prosperous and secure future—Financial Well-Being—and achieve sustainable and stable growth of the Group.

3. Environmental Awareness

- Growing demand for asset management against the backdrop of the "Asset Management Nation" concept led by the Government and a diverse range of needs for asset administration and wealth succession in the "Great Inheritance Era"
- The shift to a positive interest rate environment has prompted changes in client needs and behavioral trends
- Increasing necessity of more sophisticated business operating processes addressing medium- to long-term population decline and DX
- The growing significance of in-person consultations and the rapid expansion of digital contact channels

Opportunities

Increase in value of in-person consulting due to diversifying needs, and diversified channel preferences due to changing behavioral trends

Threats

Intensifying competition due to rising interest rates, efforts by companies to engage in high-net-worth businesses, and shifting management resources to the digital domain

4. Our Strengths (Winning Formula)

- A quality client base unique to trust banks
- Total consulting services tailored to diverse transactions, life stages, and asset types- based on the long-term relationships of trust with our clients
- A broad range of products and services, encompassing banking, trust, and real estate
- A hybrid consulting channel that is highly convenient, offering services at our branches, online, and non-face-to-face

5. Challenges and Action Plans

Challenges

- Rebuilding our Group's asset custody business for individual clients supported by the shift to a positive interest rate environment while also increasing social impact
- The sophistication of business infrastructure evident in the channels and operators, etc. that utilize digital technology to optimally provide total consulting services

Action Plans

- Further refining total consulting services, developing profitable products and services, and enhancing promotions
- Through the Human Assets × DX Strategy, strengthen our in-person consulting services for high-net-worth individuals, both at branches and online. Strengthen our channels for acquiring new clients through non-face-to-face channels

6. Initiatives to Strengthen Our Business Portfolio

To achieve sustainable growth in the wealth management business, we will continue to strengthen our business for the high-net-worth individuals and develop a next-generation base. Our objective is to enhance client engagement and expand earnings opportunities by leveraging the sophistication of digital technologies in our consulting services and fortifying our channels for acquiring new clients.

In addition, we will allocate resources to these focus areas by implementing structural changes to streamline the mortgage loan business and reviewing the branch network. We will also streamline business processes and enhance productivity through the integration of information technology and digital transformation strategies.

7. KPI

	FY23	FY24	FY25 Plan	FY30 Aspiration
Balance of investment trust and discretionary investment (trillion yen)	3.41	3.66	3.86	4.66
Balance of deposits for individuals (trillion yen)	18.56	18.19	18.51	21.61

High-net-worth business

Our highly specialized and experienced staff will support our clients' affluent lives in a holistic manner by combining our Group's diverse financial, real estate, and trust services with UBS's traditional Swiss private banking services*.

*Our Group offers clients wealth management services through UBS SuMi TRUST Wealth Management Co., Ltd., an affiliate that specializes in high-net-worth individuals. These services are facilitated by the UBS Group's global network.



Consulting channel

In order to respond to the changing needs of clients due to digitalization and diversification of lifestyles, we are working to strengthen our online and non-face-to-face channels in addition to providing consulting services at our branches.

Online consulting plazas are expanding, offering high-quality consulting services (equivalent to those provided at branches) accessible anytime, anywhere, and to a broad client base. In parallel, Smart Life Designer smartphone application continues to evolve, delivering features such as an ideal life plan, integrated household and asset management, and information collection services related to asset formation. These initiatives strengthen client engagement.



As of the end of May 2025, the number of accounts had surpassed 600,000

Corporate Business

Key Clients/Markets

- Large enterprises, Mid-sized companies, Innovation firms

Competitors

- Mega-banks, Regional banks, Online banks
- Securities companies

1. Main Business

We help achieve a sustainable society by providing a wide range of total solutions that lead to the enhancement of our clients' corporate value. These solutions include various types of financing, stock transfer agency services, and consulting.

Major subsidiaries and affiliated companies

- SuMi TRUST Bank
- Sumitomo Mitsui Trust Panasonic Finance
- Sumitomo Mitsui Trust Bank (Thai)
- Zijin Trust
- Sumitomo Mitsui Trust TA Solution
- Japan Stockholders Data Service

2. Aspiration

While the business environment surrounding us has been changing dramatically and becoming complicated, corporate clients are facing more diverse business issues. As the "Best Partner" for our clients and society, our Group is committed to contributing to the resolution of management and

social issues and the realization of a sustainable society. We will achieve this by providing end-to-end solutions that leverage the diversity and expertise of our Group and the creation of a virtuous circulation of funds.

3. Environmental Awareness

- Business expansion using balance sheets supported by the economy with positive interest rates
- Globally accelerated initiatives to achieve carbon neutrality and transition to sustainable corporate management
- Financial business model transformation driven by DX
- Accelerated reduction of strategic shareholdings through widespread adoption of the Corporate Governance Code

Opportunities

Huge demands of funds and capital for carbon neutrality, corporate restructuring, and other factors. Expanding business opportunities generated by new technologies such as generative AI and improving productivity

Threats

Stagnation and regression of carbon neutrality, primarily in the United States, rapid market changes due to unstable international conditions, intensifying competition for deposits, and increasing mobility and shortage of human resources

4. Our Strengths (Winning Formula)

- Build long-term relationships of trust based on finance transactions and sophisticated management discussions by acquiring and analyzing financial and non-financial information
- Provide total solutions by leveraging our advanced expertise in pension, stock transfer agency, real estate, sustainable business and other areas, as well as our alliance strategies with partners in Japan and overseas
- Demonstrate the Group's unique role as a financial intermediary by leveraging our contact points with various economic entities and stakeholders

5. Challenges and Action Plans

Challenges

- Expanding the business using balance sheets and improved profitability due to an economy with positive interest rates
- Securing resources for expanding areas through productivity enhancement by utilizing technology, etc.

Action Plans

- Strengthen efforts in profitable areas where the balance sheet can be utilized, and expand these areas by establishing offensive and defensive frameworks
- Strategically allocate resources to promote DX utilization across the entire business to achieve radical transformation and productivity improvement

6. Initiatives to Strengthen Our Business Portfolio

We will achieve a virtuous circulation of funds by improving profitability through comprehensive RAROC* management, reducing strategic shareholdings, and improving productivity through DX utilization, expanding initiatives in high-margin areas, promoting the provision of total solu-

tions, providing solutions that help bring about a sustainable society, and responding to both the funding needs of corporate clients and the investment needs of investors.

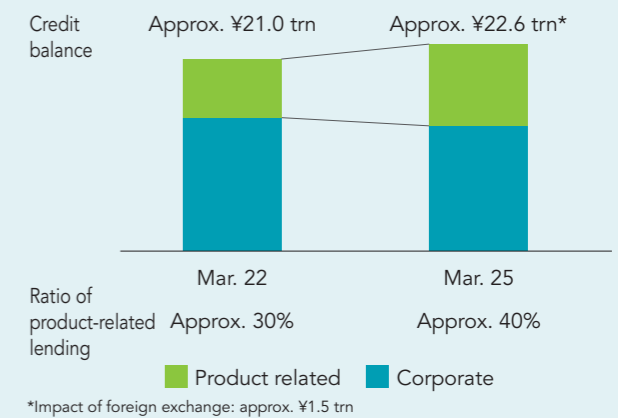
*RAROC is an abbreviation for "Risk Adjusted Return On Capital." Comprehensive RAROC is calculated by dividing "total transaction income, including lending & non-lending transactions" by "capital required to acquire income."

7. KPI

	FY23	FY24	FY25 Plan	FY30 Aspiration
Balance of investments and loans (trillion yen)	24.6	23.0	24.4	—
Ratio of product-related lending (%)	32	39	41	—

On/Off expansion and product shift

To improve the return on equity (ROE) in our Group, we are working to enhance transaction profitability and optimize the utilization of our balance sheet in the corporate business. We are promoting a shift to highly profitable product areas, and strengthening off-balance-sheet operations through investor development. As of the end of fiscal 2024, the product-related lending ratio had grown to approximately 40%, and the volume of sales to investors has been on an increasing trend due to high-quality project sourcing and expansion of our investor base, among other factors. Moving forward, we will continue to contribute to the enhancement of our group's corporate value by leveraging our balance sheet in high-profit areas and strengthening investor relations.



KABUNUSHI PASSPORT

In recent years, the environment surrounding listed companies has undergone significant changes, with a shift from savings to investments accelerating and the presence of individual investors increasing. In April 2025, we launched a new application called "KABUNUSHI PASSPORT," which facilitates dialogue between listed companies and individual shareholders.

We aim to help bring about a sustainable society by promoting a paperless society through DX, while also aiming to promote shareholders' understanding of the company and improve the voting rights exercise rate.



Individual shareholders can view convocation notices for multiple stocks and exercise voting rights, and listed companies can implement measures to improve shareholder communication, such as disseminating information and conducting surveys, on the application throughout the year.

Investor Services Business

Key Clients/Markets
 • Public mutual aid, Corporate pension
 • Financial institutions, Non-profit organizations, Asset management companies

Competitors
 • Mega-banks
 • Securities companies

1. Main Business

We will contribute to solving the challenges of diverse investors by providing a full range of services, including institutional consulting, asset management solutions, and asset administration functions that leverage our expertise as a trust group.

Major subsidiaries and affiliated companies

- SuMi TRUST Bank
- Custody Bank of Japan
- Sumitomo Mitsui Trust Bank (U.S.A.)
- Sumitomo Mitsui Trust (Ireland)
- Japan Pension Operation Service
- Japan Extensive Infrastructure

2. Aspiration

We will provide our diverse investors with high-quality asset management and asset administration solutions through consulting services that support the best possible decisions. In particular, we will contribute to solving our clients' man-

agement and social challenges by creating and socializing new and valuable investment opportunities that focus on the funding needs arising from solving social challenges.

3. Environmental Awareness

- The Japanese economy is undergoing a major transition, symbolized by rising interest rates and stock prices. Shift in corporate focus to human capital management with a view to this Age of a 100-Year Life
- Growing expectations for asset ownership reform and the development of the asset management industry under the "Asset Management Nation" concept
- Medium- to long-term demand for large amounts of capital to address societal challenges such as carbon neutrality and regional revitalization
- Continued acceleration in the complexity of business challenges and the expansion of investment areas by investors and asset management companies due to changes in market conditions, regulations, and other business environments

Opportunities

Expansion of investors' investment needs due to the "Asset Management Nation" concept and other policy trends, the age of a 100-year life, etc.

Threats

In-house asset management by investors, and intensifying competition in the pricing of traditional assets

4. Our Strengths (Winning Formula)

- Support decision making through institutional and investment management consulting based on the asset/liability structure of investor clients
- Access primary assets and booking function through our Group's corporate client contact points
- Promote small-lot strategies to enhance in-house asset management capabilities and new platforms by leveraging the network of global players
- Sophisticate asset administration functions which support asset management business and expand business process outsourcing (BPO) and data services for middle- and back-office management

5. Challenges and Action Plans

Challenges

- Expand the pool of investors to achieve sustainable growth in assets under management (AUM) and earnings
- Effectively allocating resources to expanding areas like in-house operations by improving productivity

Action Plans

- Enhance the sophistication of the asset management business in areas that offer profitable investment opportunities, and expand the asset administration business by fortifying the promotion of DX
- Implement radical business process reforms across the entire business value chain

6. Initiatives to Strengthen Our Business Portfolio

In the corporate pension business and the middle- and back-office business related to asset management and asset administration, we will reform business processes by utilizing digital technology to promote productivity improvement. Our objective is to establish a value chain for asset management and asset administration that will provide added value

for investors. We will also expand our business from institutional investors to domestic individuals and overseas investors, and develop in-house management products, etc. that lead to a virtuous circulation of funds, assets and capital, including a comprehensive domestic infrastructure fund.

7. KPI

	FY23	FY24	FY25 Plan	FY30 Aspiration
Private assets AUM*1 (trillion yen)	7.4	8.8	9.8	24
Assets under custody (AUC)*2 (trillion yen)	300	350	365	460

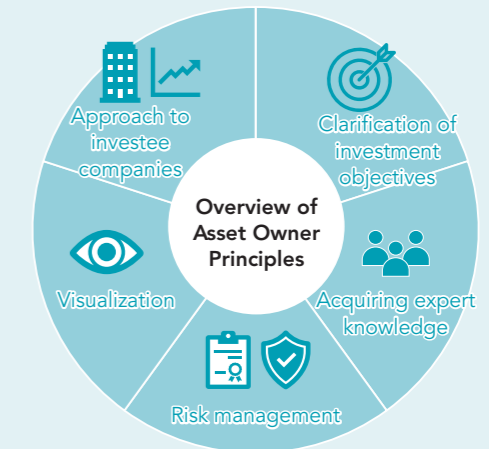
*1 Private equity, real estate, infrastructure, credit products and others (excluding our proprietary investments)

*2 Including assets under custody through custody/administration, etc., as well as balances for BPO, reporting, and other services (including intra-group contacting)

Strengthening advisory function in line with trends in asset ownership reform

The "Asset Owner Principles" (hereinafter, AOP) were established in August 2024 as a common principle for asset owners to fulfill their responsibilities, such as providing appropriate investment results to beneficiaries.

In addition to providing information to promote understanding and early acceptance of AOP, SuMi TRUST Bank provides services to help strengthen governance and risk management systems according to their size and structure. These services are designed to support clients to enhance their investment portfolios and achieve stable asset growth. Our objective is to provide optimal value as an investment partner through these efforts.

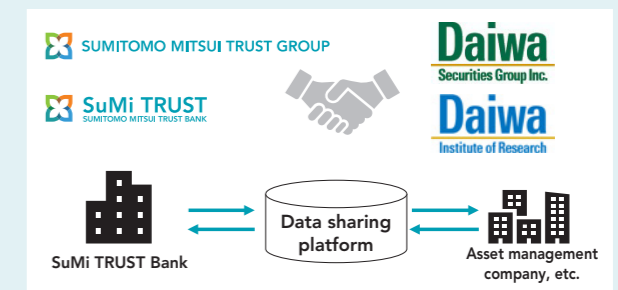


Asset administration: Business partnership with the Daiwa Securities Group

In March 2025, our Group and the Daiwa Securities Group established a business alliance for asset management and asset administration. We will leverage the strengths of both companies to promote asset management industry reforms that will lead to the realization of the government's "Policy Plan for Promoting Japan as a Leading Asset Management Center."

First, we will establish "data sharing platform" to facilitate information and data coordination between asset management companies and trust banks. We will then streamline middle- and back-office investment operations and provide IT solutions to asset management companies. Furthermore, we aim to promote the development of the industry by improving the efficiency of the entire asset management industry and by

encouraging new entrants. We plan to achieve this through the expansion of business process outsourcing (BPO) and other services, the establishment of a Single-NAV calculation solution, and the digitalization of business operations.



Asset Management Business

Key Clients/Markets

- Individual investors
- Institutional investors in Japan and overseas

Competitors

- Financial groups in Japan (Mega-banks, Securities companies, etc.)
- Asset management companies in Japan and overseas

1. Main Business

We contribute to the long-term and continuous asset management of our clients through the various asset management functions of our Group companies, including high-quality asset management solutions cultivated through pension management business and the provision of a wide range of products through our global network.

Major subsidiaries and affiliated companies

- Sumitomo Mitsui Trust Asset Management
- Nikko Asset Management
- Sky Ocean Asset Management
- JP Asset Management

2. Aspiration

In addition to autonomously enhancing the various asset management functions of our Group's asset management companies, we will make strategic investments to strengthen our unique and value-added product offering, thereby

contributing to the long-term and continuous asset management of our clients' assets. We also aim to solve societal issues and have overall market growth through ESG investing and engagement with investee companies.

3. Environmental Awareness

- The "Asset Management Nation" concept is generating momentum for a "virtuous circulation of growth and distribution" and encouraging the entry of new asset management companies
- Experiencing a paradigm shift towards an "economy with positive interest rates," and increased uncertainty in the markets due to geopolitical risks
- The reduction in the fee ratios has accelerated, particularly in passive investment
- Continued strengthening and entry of Japanese and foreign players in private assets, where investor demand is increasing

Opportunities

The new NISA scheme, among other factors, has led to accelerated investment, as well as an increase in asset-formation needs among individual investors. There is increasing demand for investment in private assets, etc. particularly among institutional investors in Japan and overseas.

Threats

Investor attitudes are subject to rapid change due to shifts in market conditions, regulations, and other environmental factors. There is an escalating level of competition for highly specialized asset management talent

4. Our Strengths (Winning Formula)

- Our Group collaboration that contributes to the development of high-quality index and active investment strategies cultivated through pension management and the exercise of our Group's advisory function (Sumitomo Mitsui Trust Asset Management)
- Optimal solutions to meet the diverse investment needs of a broad client base in Japan and overseas by leveraging the management capabilities with a competitive edge and global network of asset management and distribution that we have cultivated (Nikko Asset Management)

5. Challenges and Action Plans

Challenges

- Expand the product formation and lineup in order to meet the diversifying needs of our investors
- Improve the overhead ratio by increasing profitability and streamlining
- Further expansion of assets under management (AUM) in the domestic individual business and in overseas markets where high market growth is expected

Action Plans

- Strengthening the autonomous asset management capabilities of our Group asset management companies
- Offering high-value investment products such as private asset and streamlining the group business operation by leveraging the internal synergies
- Scaling up through strategic investments and alliances

6. Initiatives to Strengthen Our Business Portfolio

In addition to selecting and concentrating investment products to meet the diversifying needs of investors, we will create resources by rationalizing the system environment and promoting the use of generative AI, etc. The resources created will be used to support organic growth, including the recruitment of specialized talent in key strategic areas

and the attraction of new funds through seed investment for product formulation. We will also pursue inorganic growth opportunities, such as acquiring a global sales network, by leveraging the resources for strategic investments and alliances.

7. KPI

	FY23	FY24	FY25 Plan	FY30 Aspiration*
Sumitomo Mitsui Trust Asset Management AUM (trillion yen)	Approx. 94	Approx. 94	Approx. 99	Approx. 102
Nikko Asset Management AUM (trillion yen)	Approx. 36	Approx. 35	Approx. 38	Approx. 43

*Excluding market value impact

Maximize profitability by offering distinctive investment products

Our Group will respond to the diversifying needs of investors by offering distinctive investment products, each provided by our Group management companies, in addition to improving the profitability of our Group.

Sumitomo Mitsui Trust Asset Management also offers premium asset management products to individual clients, leveraging its expertise in asset management and customization, which is cultivated through its experience in pension management for institutional investors. In addition to the goal of generating returns that outperform the index through a distinctive investment strategy, the SMT iPlus Series provides clients with new investment opportunities. These opportunities are designed for investors who prioritize cost and performance, with trust fees based on the investment track record.



Strengthening investment capabilities to meet diverse investment needs

Nikko Asset Management is committed to developing talent with extensive expertise through evaluation and compensation systems based on global standards, and to enhancing their autonomous asset management capabilities.

Furthermore, to address the diverse investment needs of investors, the company has acquired its asset management capabilities to perform inorganic strategies. In the private asset field, where investor needs are rising, the company has entered into a strategic partnership with Tikehau Capital, a global alternative asset management group. The partnership promotes the joint development of Asia focused private asset investment strategies, combining the investment expertise of both companies.

Nikko Asset's global management framework designed to address diverse investment needs



1. Osmosis (Holdings) Limited; 2. Rongtong Fund Management Co., Ltd.;
3. AHAM Asset Management Berhad; 4. Tikehau Amova Investment Management;
5. Yarra Capital Management, Limited; 6. ARK Investment Management LLC

Real Estate Business

Key Clients/Markets

- Individuals, Corporations, Investors
- Real demand markets, Investment markets

Competitors

- Mega-banks, Securities companies
- Dedicated real estate brokerage firms

1. Main Business

We offer a comprehensive suite of professional services, including real estate brokerage, development, asset utilization, construction, environmental and other consulting services, asset management, and real estate custody. Our comprehensive approach is designed to address our clients' challenges, providing peace of mind and security in the market.

Major subsidiaries and affiliated companies

- SuMi TRUST Bank
- Sumitomo Mitsui Trust Realty
- Sumitomo Mitsui Trust Research Institute

2. Aspiration

Our objective is to be the Best Partner, trusted by our clients, by leveraging our deep expertise and comprehensive capabilities in real estate, as well as our proprietary investments. In addition, our high-quality services rooted in a

strong fiduciary commitment provide peace of mind and security. As a key component of the market's social infrastructure, we aim to grow in tandem with the markets.

3. Environmental Awareness

- Growing need for individuals to manage their assets driven by the arrival of the era of great inheritance and the Government's initiatives of "Asset Management Nation"
- Diversification of asset management needs in response to the expansion of the private asset market and the return of interest rates
- Increased recognition for increasing shareholder value through sustainable management practices, such as capital efficiency, human capital development, and decarbonization
- Movement toward business process transformation through generative AI and other digital transformation (DX) initiatives

Opportunities

The real estate investment market is expanding driven by the "Asset Management Nation" concept, the "savings-to-investment" policy and the broadening investor base. DX presents a valuable opportunity to enhance operational efficiency and create added value

Threats

The real estate investment market has largely priced in interest rate and inflation to some extent. However, a sharp rise could lead to falling property prices and a decline in transaction volume

4. Our Strengths (Winning Formula)

- Our high-quality fiduciary services backed by 100-year of experience in the real estate business, our founding industry
- Strong capabilities in property evaluation and comprehensive consulting, supported by diverse information and data
- Real estate asset management expertise through proprietary investments and financing/investor arrangements
- Client-centric value creation in securitized trust and REIT-related services, where we hold a leading market share

5. Challenges and Action Plans

Challenges

- Maximize productivity and profitability while expanding our market share in the rapidly growing real estate sector
- Achieve stable and sustainable growth through expanded recurring income

Action Plans

- Sophisticate sales by leveraging data and establishing platform, and optimize appropriate fees by providing high added value
- Sustainable earnings growth by expanding proprietary investments and accumulating AUF

6. Initiatives to Strengthen Our Business Portfolio

To further strengthen the real estate value chain and reform business processes through digital transformation (DX), we will review low-profit operations to create a front-line sales force and invest resources in profitable areas while closely monitoring market conditions. Additionally, we will

prioritize strategies to enhance recurring income from securitization entrustment by optimizing fees, strengthening sourcing through proprietary investments, and expanding investor outreach.

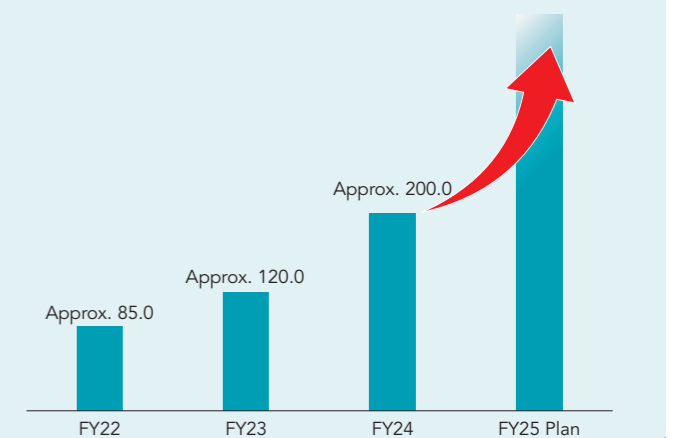
7. KPI

	FY23	FY24	FY25 Plan	FY30 Aspiration
Entrusted balance of real estate securitization (trillion yen)	27.3	29.9	32.3	—
Income from corporate real estate brokerage (billion yen)	31.3	34.5	36.0	40.5

Strengthening real estate equity and asset management businesses

In the real estate business, our goal is to guide clients seeking invest opportunities in real estate by utilizing equity based on our discerning expertise and the various data that we have cultivated through our many years of experience in the real estate business. We are also enhancing our sourcing framework to provide clients with superior investment opportunities by leveraging our diverse capabilities, including real estate brokerage, consulting, securitized real estate, financial arrangements, and asset management. As a "bridge" between the real demand market and the investment market, our goal is to increase earnings by offering solutions that include equity utilization and accumulating equity AUA*

■ Changes in equity AUA balance (billion yen)

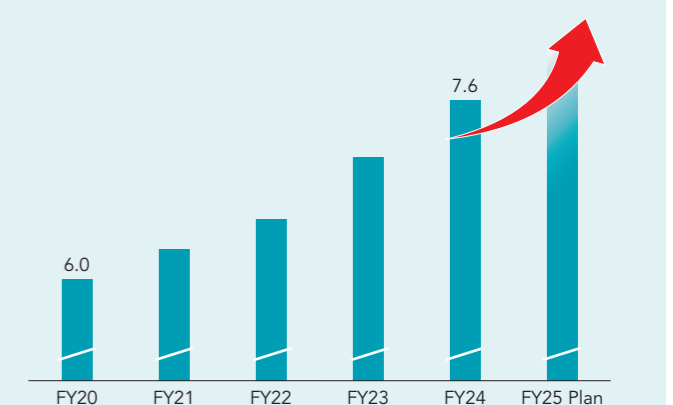


*Total amount of invested real estate

Strengthening resilience and optimizing fees: Securitized real estate and REIT-related services

In light of the expansion of the real estate investment market and the increase in private REIT formations, client expectations for our real estate business are rising. The real estate industry serves as social infrastructure in the form of securitized real estate and investment corporation businesses. In order to respond to such expectations fully and continuously, we are transforming our business processes through digital transformation (DX) and other initiatives and optimizing the level of fees in line with providing high added value. Our objective is to increase recurring income by cultivating a reputation as the preferred partner among clients. We plan to accomplish this by improving the quality of our administrative work, establishing a continuous and stable framework for entrustment, and positioning ourselves as an essential presence in the real estate investment market.

■ Changes in stock income (billion yen)



Global Markets Business

Key Clients/Markets

- Individuals, Corporations, Investors
- Interbank market, foreign exchange, bonds, derivatives, etc.

Competitors

- Mega-banks, Major securities companies
- Overseas financial institutions

1. Main Business

By combining client service, market functions, and administrative functions, we will provide optimal solutions as a group of experts in market volatility management.

Major subsidiaries and affiliated companies

- SuMi TRUST Bank

2. Aspiration

We aim to maximize the corporate value of our Group by combining our proprietary investment expertise (strategic diversification, three-dimensional diversification, and ALM expertise) and fiduciary spirit. At the same time, we contrib-

ute to the realization of a virtuous circulation of funds, assets and capital by expanding the market-oriented client business that meets all client needs, from asset management and risk hedging to decision-making support.

3. Environmental Awareness

- The "economy with positive interest rates" due to the Bank of Japan's policy rate hike, and differences in monetary policy cycles among countries
- The weak yen and rising wages and prices have resulted in increased costs
- Geopolitical and political events have been shown to have a significant impact on economic activity
- There is an increasing demand for the provision of solutions that will serve as the starting point for a "virtuous circulation of funds, assets and capital" to solve societal challenges
- Tightening of global financial regulations and increased scrutiny of fiduciary duty (FD), compliance and conduct risk management

Opportunities

Changes in the financing and investment needs of our clients, including individuals, corporates, and investors. Medium- to long-term investment strategy in a non-deflationary environment with high market volatility

Threats

Rapid changes of the market environment and structure in response to external factors, including geopolitical events and political issues. Decline in solution offering capabilities and operational quality due to delays in responding to accelerating IT, digitalization, and DX

4. Our Strengths (Winning formula)

- Strong risk control capabilities which have been cultivated through proactive efforts to predict constantly changing markets and analyze market structures
- Outstanding proposal capabilities that connect our unique investment and asset-liability management (ALM) expertise to address client challenges
- Our capacity of IT and digital technology to visualize and simulate the market risks our clients hold and to provide market-based transactions and services, such as foreign exchange and foreign currency deposits

5. Challenges and Action Plans

Challenges

- Marketing that is both efficient and problem-solving amidst diversifying client needs
- Controlling interest rate risk and improving the profitability of investment operations in an economy with positive interest rates and a non-deflationary environment

Action Plans

- Provide solutions that integrate investment and ALM expertise and IT and digital technology
- Continuously take risks and stabilize periodic profit and loss in the investment business through long-term portfolio management

6. Initiatives to Strengthen Our Business Portfolio

We will generate capital by streamlining existing operations through IT, digital transformation, and AI. We will also consolidate rare products and services that focus on profitability, such as expense ratios and capital efficiency, as well as various risks. We will use the generated capital to strengthen our market sales structure in order to respond to changes

in the market environment and client needs. We will also strengthen financing in order to support a virtuous circulation of funds, assets and capital. Finally, we will invest in markets and quantitative analysis that will contribute to long-term portfolio investment.

7. KPI

	FY23	FY24	FY25 Plan	FY30 Aspiration
Balance of Individual Foreign Currency Deposits (Index)	108	121	126	175
Global Markets Business ROE (%)	14	12	17	17

Strengthen client business

In providing marketable products to our clients, we will further strengthen cooperation with the three client businesses and offer products that are tailored to clients' suitability and risk tolerance.

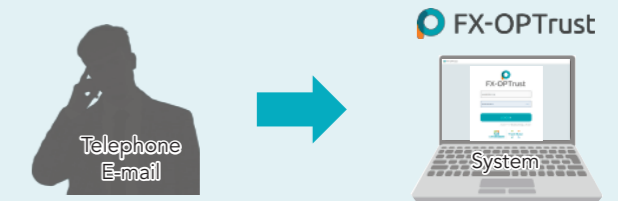
Corporations: We will propose products that meet our clients' actual and potential needs, including foreign exchange forward contracts, fixed interest rates, and inflation hedging.

Investors: We offer a suite of products and services for our clients, including automatic pricing and risk visualization tools focused on balance sheets, leveraging digital technology.

Individuals: We will expand our foreign currency-denominated products, such as foreign currency deposits, to meet the medium- to long-term asset-building needs of clients, e.g., accumulation-type products, currency additions, etc., and improve and strengthen our transaction base.

FX-OPTrust

Offering automated pricing services for complex financial instruments



Structural transformation of business processes

Stabilization of earnings through investment portfolio management

Assuming a shift from a global deflationary trend to a non-deflationary environment and a high market volatility environment associated with changes in political and geopolitical risks, we will strengthen long-term portfolio management based on diversification of investment targets and by taking a long position. By investing primarily in highly liquid assets, we will also take liquidity risk into account in our operations, and by strengthening our long-term portfolio management, we aim to stabilize periodic profit and loss. We will then serve a supplementary role for our clients, other business areas and companywide businesses.

Policy to enhance market sensitivity and strengthen strategies of each operation

