

# SMBC Group's Value Creation Process

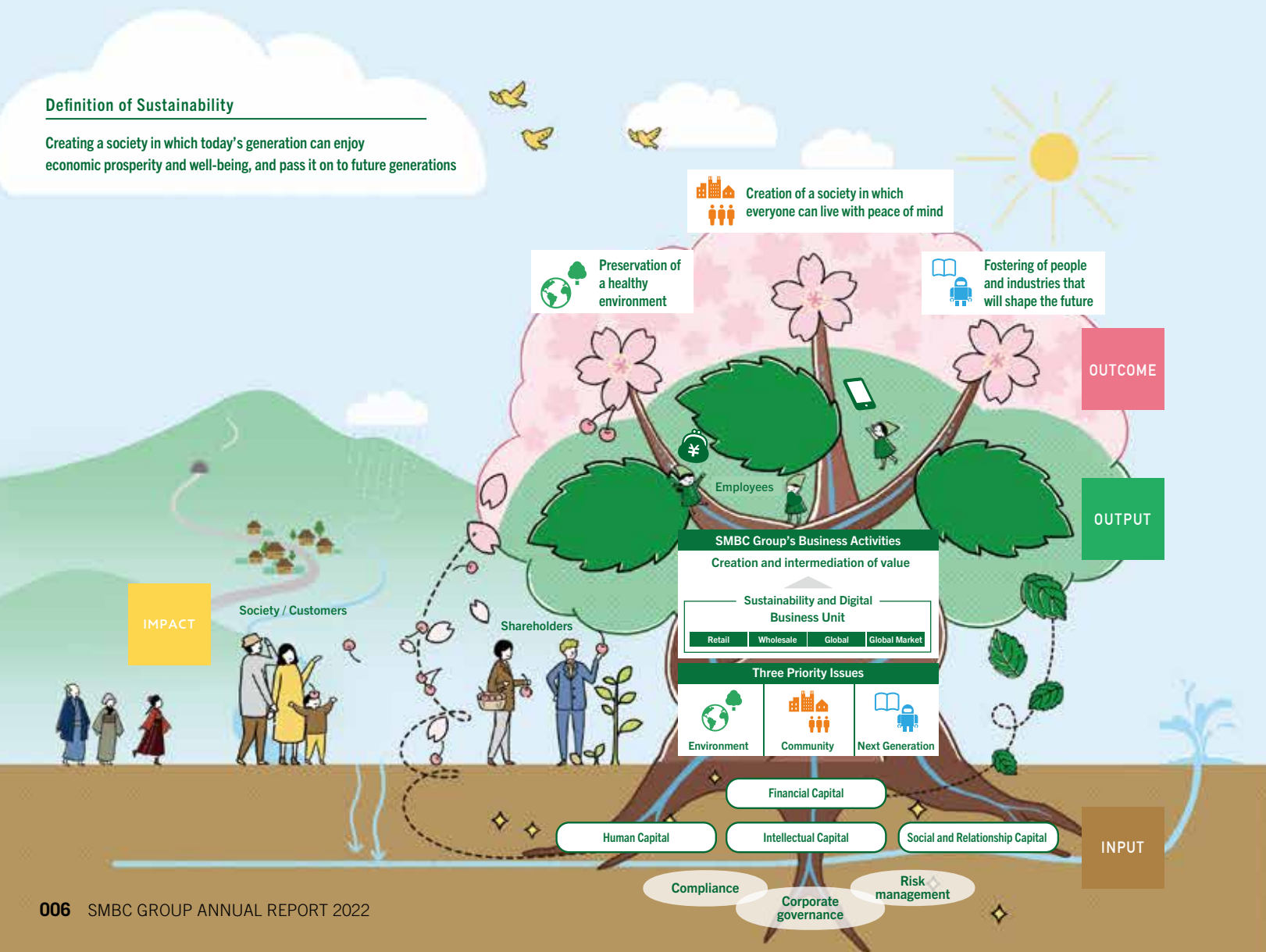
SMBC Group defines sustainability as “creating a society in which today’s generation can enjoy economic prosperity and well-being, and pass it on to future generations.”

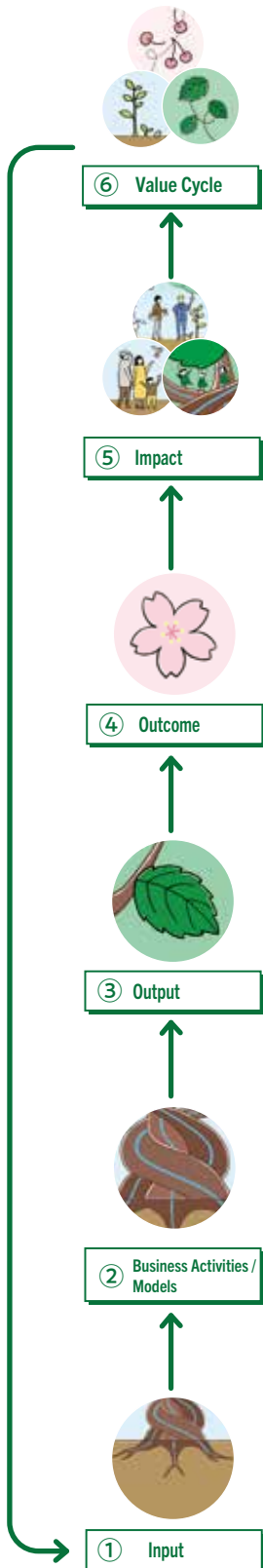
SMBC Group has identified “Environment,” “Community” and “Next Generation” as priority issues (Materiality).

In carrying out our Medium-Term Management Plan and achieving our KPIs in line with these priority issues, SMBC Group will generate social and economic value, and give back to all our stakeholders.

## Definition of Sustainability

Creating a society in which today’s generation can enjoy economic prosperity and well-being, and pass it on to future generations





Value is returned to stakeholders by growing SMBC Group's corporate value.

It also further enhances intangible assets that are a source of this value, creating a virtuous cycle.

**Dialog with stakeholders**

PO42

**Investment for growth**

PO25

**Capital policy**

PO28

Our businesses not only produce economic value, but also work to bring about the society SMBC Group seeks to create, and influence the way our customers and other stakeholders think and act.

**Creating economic value**

**FY2022 Financial Targets**

ROCET1  
 $\geq 8.5\%$

CET1 ratio  
 c.10%

Base expenses  
 $< 2019$  results

Bottom-line profit  
 ¥730 billion

PO22

**Creating social value**

**Preservation of a healthy environment**

- Meeting the target of 1.5°C scenario and achieving a carbon-neutral society
- Reducing the risk of natural disasters

**Creation of a society in which everyone can live with peace of mind**

- Providing financial infrastructure that can be accessed with peace of mind
- Bringing about a prosperous society through credit creation

**Fostering of people and industries that will shape the future**

- Driving technology and innovation

PO72

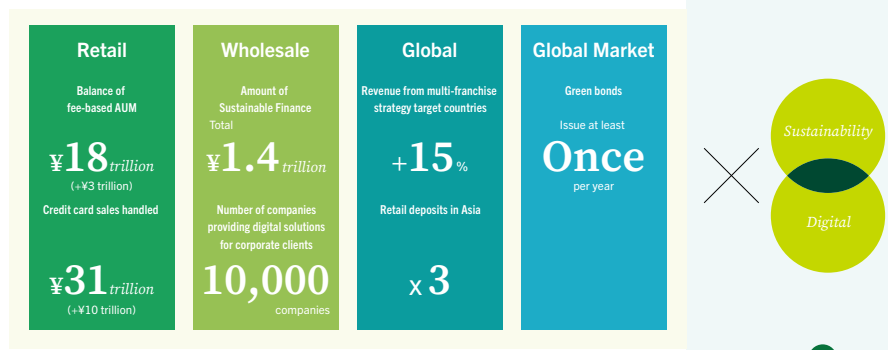
Four Business Units draw up and put in place business strategies for

each customer segment consistent with these three priority issues: "Environment," "Community" and "Next Generation."

Sustainability & Digital is integrated into our business

activities as an issue to be addressed cross-functionally by all Business Units.

**Implementation of the Medium-Term Management Plan**



PO18

We conduct our business activities by drawing on SMBC Group's intangible assets, including its brand and customer base cultivated over the course of the company's more than 400-year history, together with its robust financial capital.

**Robust financials**

P118

**Group history**

PO04

**Human Resources**

PO84

**IT**

P116