Business Strategy

Retail Business Unit

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Retail Business Unit results

	FY2025	YoY*1
Gross profit	**¥1,555.6 billion**	+¥200.2 billion
Expenses	**¥1,134.6 billion**	+¥62.4 billion
Overhead ratio	**72.9%**	(1.3) %
Net business profit	**¥427.7 billion**	+¥139.4 billion
Net income	**¥217.8 billion**	+¥227.4 billion
ROCET1	**15.6%**	+6.7%*2
Risk-Weighted Assets (RWA)	**¥14.1 trillion**	¥0.5 trillion

**1 Managerial accounting basis (after adjustments of the changes in exchange rates)*
**2 Excluding the impact of the radical allowance on interest repayment*

By continuing to evolve the retail business from a customer-centric perspective—including the further strengthening and sophistication of Olive, business model reform centered on Olive, and group integration of the wealth management (WM) business—we aim to become "the retail financial group most valued by customers for its innovation, convenience, and security."

Under the previous Medium-Term Management Plan ending in FY2025, favorable market conditions such as rising yen interest rates and stock prices provided tailwinds, and businesses including WM, payments and finance, and deposits performed strongly, resulting in a significant increase in net business profit of ¥241.1 billion over the three years to ¥427.7 billion. Net income increased by ¥139.4 billion over the three years to ¥217.8 billion, and ROCET1 reached 15.6%, more than tripling the level over the same period.

In the new Medium-Term Management Plan starting from FY2026, our business opportunities are expected to continue expanding, driven by the ongoing shift from savings to asset formation, the growing number of wealthy customers, the acceleration of digitalization and cashless transactions, and rising yen interest rates.

Over the next three years, to steadily capture this expansion in key markets, we will work on the further sophistication of Olive, now firmly established as one of our core strengths, and its application to other businesses, as well as further group integration in the WM business, which brings together Japan's top-tier SMBC, SMBC Nikko Securities, and SMBC Trust Bank. Furthermore, to ensure the sustainability of our business, we will also build a robust business foundation through investment in focused areas such as AI/digital and marketing.

Since its launch in March 2023, Olive, now firmly established as a major strategic pillar, has grown to 7.63 million accounts over three years. Over the next three years, by continuing bold resource allocation, we will further expand Olive's functions and strengthen its competitiveness, aiming to acquire a cumulative total of over 15 million accounts. Through the further expansion of Olive, we will accumulate sticky deposits linked to daily transactions and achieve further growth in cashless transactions.

In the WM business, another key pillar, through enhanced group collaboration, asset management and foreign currency deposit balances increased by ¥9 trillion over the three years to ¥23 trillion. Over the next three years, with the theme of group integration, we will aim to achieve Japan's No.1 balance of assets under management by building three models tailored to customer needs: a professional model for business owners, a universal model for affluent customers, and a hybrid model for digital affluent customers.

By maximizing the comprehensive capabilities of Japan's premier group and accelerating customer-centric transformation, we aim to become the group most trusted and continuously chosen by customers.