Business Strategy

Wholesale Business Unit

Wholesale Business Unit Results

	FY2025	YoY*1
Gross profit	**¥1,253.4 billion**	+¥230.2 billion
Expenses	**¥407.9 billion**	+¥27.2 billion
Overhead ratio	**32.5%**	(0.5) %
Net business profit	**¥997.1 billion**	+¥213.5 billion
Net income	**¥918.5 billion**	+¥69 billion
ROCET1	**21.4%**	+0.7%
Excluding Gains on Sales*2	**16.3%**	+3.3%
Risk-Weighted Assets	**¥40.0 trillion**	+¥2.0 trillion

**1 Managerial accounting basis (after adjustments of the changes in exchange rates)*
**2 Gains on sale of equity holdings*

By providing a wide range of solutions related to financing, investment, payments, etc., as a unified SMBC Group, we aim to establish the No.1 financial business for corporate clients, trusted by customers for our response to their increasingly sophisticated management issues amid changes in the business environment.

Under the previous Medium-Term Management Plan, despite a drastically changing external environment—including changes in capital markets and fragmentation of the global economy due to heightened geopolitical risks—we implemented a swift, unified SMBC Group approach to customers' management issues, resulting in both net business profit and ROCET1 significantly surpassing initial plan targets. Under the new Medium-Term Management Plan starting from FY2026, we will focus on the following five initiatives.

(1) Maximizing Value Provision Through Advanced Group Synergy

We will provide sophisticated comprehensive financial services as a unified Group in response to customers' increasingly complex management issues. In the securities business, in addition to strengthening collaboration with Jefferies, we will further develop the collaboration framework between SMBC and SMBC Nikko Securities, and strengthen our Group-wide capabilities to handle M&A deals. In the real estate brokerage business, we will promptly develop talent, strengthen our capacity to handle highly difficult deals, mainly through SMBC and SMBC Trust Bank, and aim to improve profitability.

(2) Building a Structure to Support Customers' Global Expansion

For global corporate customers, we will strengthen our seamless domestic and international collaboration framework. Additionally, by deepening collaboration between SMBC, SMBC Nikko Securities, and Jefferies, cross-leveraging their respective knowledge and networks, we aim to capture large-scale cross-border M&A deals.

(3) Building an Efficient and Effective Structure Through Full Digitalization

Trunk will enhance its convenience through functional expansion, and we will efficiently expand our profit base in the SME sector through digitalization. Furthermore, we will fundamentally streamline existing operational processes through the use of generative AI, using the time freed up to improve the quality and speed of our proposals to customers.

(4) Through Accumulating High-Quality Assets and Risk-Taking Improving ROTE

Customers' corporate actions remain active, and we will continue working to improve loan interest margins and ROTE through asset deployment based on appropriate risk-taking.

(5) Building a Resilient Organization with Pride in Professional Conduct and Skills

Under a new HR system, we will create an environment where each individual can strengthen their expertise and maximize performance, and we will concentrate resources on focused areas to further improve profitability.

Through these initiatives, we aim to be a financial group that is trusted even more by customers and achieves sustainable growth together with them.