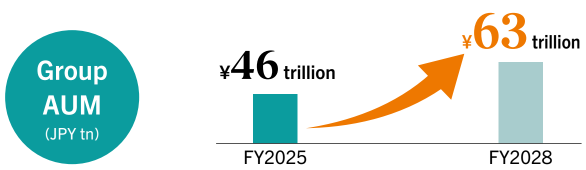
Asset Management

Becoming Japan's Premier Global Asset Manager, Built on Trust

Looking at trends in the global asset management market, total assets under management (AUM) globally reached record highs, supported by steady performance and expanding investment demand. In Japan as well, in response to the formulation of the Policy Plan for Promoting Japan as a Leading Asset Management Center, which is aimed at addressing supporting asset formation, ongoing inflation, and changes in the interest rate environment, investment needs are expanding among both corporate and individual customers. Furthermore, overseas investors are increasingly focusing on the Japanese market.

The SMBC Group has long been attentive to customers' asset management needs and challenges. Capitalizing on this business environment, we have positioned the expansion of our asset management business as a priority strategic area in the new Medium-Term Management Plan. Specifically, through the three initiatives described below, we will further enhance our ability to address diverse customer needs and challenges, achieving a leap forward to become "Japan's premier global asset management player" who is continuously chosen by all stakeholders based on trust. We also aim to expand Group AUM and grow into a new driver that boosts the overall profitability of the SMBC Group over the medium to long term.



❶ Strengthening the Provision of Active Management for Customers

Sumitomo Mitsui DS Asset Management has been focusing on active management under the brand message "Be Active." Going forward, we will aim to simultaneously improve "quality" by strengthening product governance, and expand "quantity" in terms of AUM scale by enhancing investor-centric product creation capabilities and strengthening support for distributors such as banks and securities companies. We also plan to focus on providing services through digital channels using Olive and targeting the workplace business, offering opportunities for high-quality active management to a wide range of customers.

Furthermore, we aim to expand our presence among overseas investors, effectively utilizing the Group's global network, not just within Japan.

❷ Expanding Private Asset Capabilities

As fund inflows into private assets continue and growth accelerates globally, the SMBC Group launched "SMBC PRIVATE MARKETS," a unified brand covering a range of diverse asset management products and services in the private space.

SMBC PRIVATE MARKETS

Going forward, while leveraging our reach and asset origination capabilities for investment opportunities both domestically and internationally, we will work to expand our product offerings through co-investments with major investors, and steadily strengthen our sales structure to propose high-quality investment opportunities to a wide range of investors. Through these initiatives, we aim to establish a brand with a global presence.

❸ Full-Scale Deployment of Advisory Services

Following the Japanese government's formulation of the "Asset Owner Principles," there is growing pressure on asset owners to improve investment capabilities and strengthen governance. Meanwhile, asset owners face various challenges, such as a lack of specialized talent for the advancement of asset management. To address this, Group companies related to asset management—Sumitomo Mitsui DS Asset Management, SMBC Global Investment & Consulting, and Alternative Investment Capital—will fully leverage their respective strengths to launch a full-scale offering of accurate and flexible asset management advisory services tailored to customer needs and challenges, ranging from consulting, analysis of held assets, and advice on selecting asset managers and funds, to comprehensive discretionary management. We will also provide hands-on support for problem-solving, including offering custom-made solutions from a variety of investment schemes.