INTERVIEW Employees Taking on the Challenge of Social Value Creation

Transforming Space into "Social Infrastructure": Building Japan's Space Industry Supply Chain

Takeda: Amid growing demand for space-based services, such as satellite broadband communications and applications in disaster prevention and security, Japan faces the challenge of opportunity loss due to its reliance on overseas launch providers. In July 2025, SMBC invested in Interstellar Technologies Inc. and entered into a business alliance to help build out the supply chain. Believing in the significance of taking risks even in areas of high uncertainty, we proceeded with the investment. Underlying this was not only the desire to support the development of the space industry but also the wish to connect SMEs possessing excellent technologies but facing a lack of successors, to growth areas such as the space industry.

Sato: We began looking into this field from the perspective of what SMBC Group should do to nurture the space business as a future core industry and help realize a more prosperous society. This was SMBC's first investment in a space-related startup. We held repeated discussions with relevant departments about the significance and risks of a project that could not be assessed simply by extending conventional thinking, evaluated both the project's potential risks and its social value from multiple angles. Pursuing a new line of business means taking on new risks. While carefully assessing the risks accompanying new challenges, we will value having a "defensive" approach that underpins our "offensive" approach and work on creating social value through nurturing the space industry.

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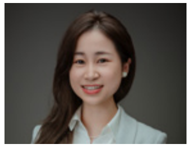
See the website below for details.
https://www.smfg.co.jp/english/sustainability/social_value/interview/2508.html

Providing Fair Financing Opportunities to Rural China's Communities Facing a "Barrier to Credit"

Wei: In rural China, there remains a challenge that farmers, women, and small business operators still have difficulty accessing formal financial services. With a strong sense of mission to solve this problem, we collaborated with a local company dedicated to addressing it. Using the "joint trust" method, we created a new financial product backed by the client's loan receivables from rural areas, establishing a mechanism to raise funds from institutional investors and others.

Zhang: Risk prediction and management were extremely complex because it was a new product and the underlying assets included a wide variety of loans. By collaborating with various stakeholders to find solutions, we were able to deliver approximately 600 million yuan to rural areas. Although this amount is modest relative to our overall bond portfolio, it represented a "journey from 0 to 1" for us and signified a full-scale expansion of investment into China's agricultural sector.

Chang: I believe the true value of finance lies not just in providing funds but in combining data, technology, as well as insights in trust and risk management, to build mechanisms that contribute to customer growth and enhance social value.



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