

# Wholesale Business Unit

The Wholesale Business Unit contributes to the development of the Japanese economy by providing financial solutions that respond to the diverse needs of domestic companies in relation to financing, investment management, payments, M&A advisory, leasing and real estate brokerage services through a Group-wide effort.



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## **Toru Nakashima**

**Deputy President and  
Executive Officer**  
Co-Head of Wholesale  
Business Unit

*Right*

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## **Muneo Kanamaru**

**Senior Managing  
Executive Officer**  
Co-Head of Wholesale  
Business Unit

## Contribution to Consolidated Net Business Profit (FY2022)

¥ **558.5** billion

	FY2022 Results	YoY*1
Gross profit (JPY bn)	773.7	+22.3
Expenses (JPY bn)	293.3	(9.3)
Base expenses (JPY bn)	290.0	(4.3)
<b>Net business profit (JPY bn)</b>	<b>558.5</b>	+43.6
<b>ROCET1*2</b>	<b>14.6%</b>	+3.4%
<b>RwA (JPY tn)</b>	<b>31.2</b>	+0.8

\*1 Figures are after adjustments for interest rate and exchange rate impacts.

\*2 Figures exclude medium- to long-term foreign currency funding costs.

During the previous Medium-term Management Plan, amid accelerating moves toward business restructuring by customers due to the prolonged impact of the COVID-19 pandemic and heightened geopolitical risks in Russia and Ukraine, the Group as a whole aptly seized business opportunities for restructuring, etc. by proposing seasonal solutions, while taking exhaustive control of expenses, resulting in a significant increase in net business profit. Furthermore, ROCET1 also landed higher than planned due to the promotion of high value-added and highly profitable businesses such as real estate business and LBOs, as well as a year-on-year decrease in credit costs.

With the reversal of globalization, the end of global monetary easing, the acceleration of sustainability initiatives, and other paradigm-shift changes underway, it is necessary to move ahead with business transformation at an even faster pace. In the new Medium-term Management Plan, by (1) creating and honing a group edge by strengthening our expertise,

and (2) establishing a sales structure that fully utilizes digital technology, we aim to (3) construct a high ROE business portfolio.

We will focus on three business areas in particular: “growth support,” which aims to capture major financial events by supporting various growth opportunities in the corporate lifecycle, such as real estate business and startup support; “transformation support,” which supports corporate transformation, including sustainability and digital transformation; and “creation of new business,” which takes on the challenges of corporate payment services and supply chain businesses through the creation of digital channels in order to develop future pillars of business from new angles.

We will contribute to the development and re-growth of the Japanese economy by solving our customers’ ever-changing and sophisticated business challenges, growing sustainably in step with them.

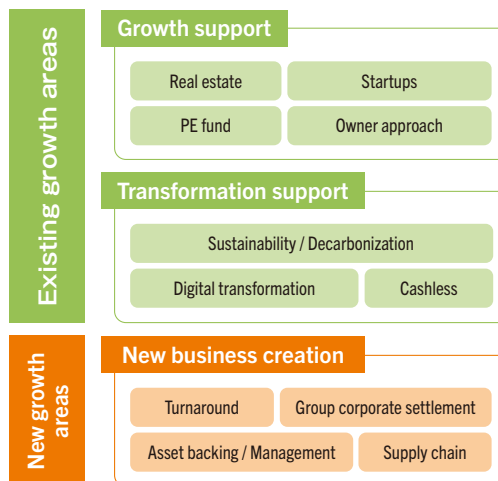
Wholesale Business Unit



**Creating and honing a group edge by strengthening expertise**

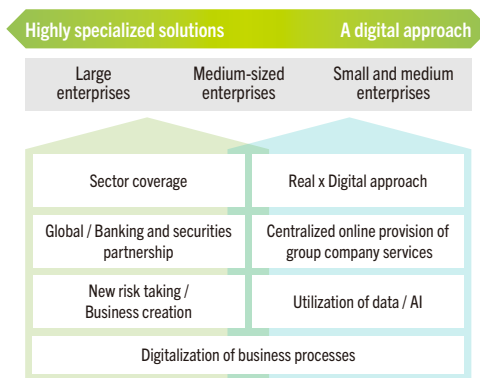
Consulting and execution capabilities to understand and resolve increasingly complex and sophisticated customer needs while anticipating paradigm shifts will become even more important in the future.

In the new Medium-term Management Plan, we will take on the challenge of creating business in new growth areas and further enhance our consulting function by strengthening our expertise and creating new edges, while continuing to shift resources to existing growth areas such as growth support and transformation support, which were the subject of focus in the previous Medium-term Management Plan, and strengthening the group collaboration system to expand solution proposals.



**Establishing a sales structure that fully utilizes digital technology**

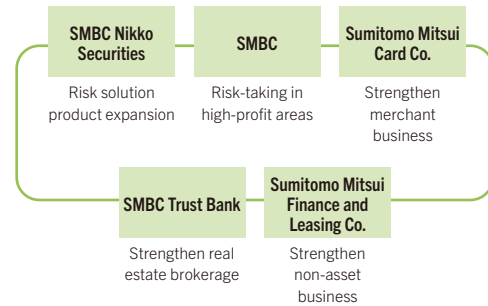
We aim to establish a new sales structure in order to provide higher value-added solutions and further strengthen advanced risk-taking functions. Through the timely shift of resources to growth areas, we will be strengthening both the “strong front office” and the “highly specialized solutions unit.” We will unlock resources by expanding areas of business that can be completed digitally through the creation of digital channels, data utilization and the use of AI. We will use these resources to strengthen our ability to respond to global management issues in large corporate transactions and to provide highly specialized solutions and proposals tailored to business characteristics in medium-sized corporate transactions, thereby further enhancing our ability to respond to our customers.



PRIORITY STRATEGY  
**3**

**Building a high-ROE business portfolio**

Changes are also occurring in the Japanese financial market, such as expectations of higher yen interest rates from the end of 2022. While keeping these market anomalies in mind, we will carefully assess mid- to long-term trends and risks, and strategically invest assets in high-margin products such as LBOs, real estate, startups and revitalization investment. We will also strengthen the fee business of each group company by further deepening cooperation between SMBC group companies and investing management resources. In addition to these efforts to improve margins and non-asset business, we will also be taking on the challenge of asset-backed business leveraging group companies' assets and functions.



**Initiatives to Create Social Value**

In FY2022, we established the Sustainable Solutions Division to strengthen our ability to respond to environmental and social issues and engage with our customers to support their decarbonization efforts. Under the new Medium-term Management Plan, we will promote the expansion of sustainable finance, engagement response, and various solutions to provide maximum support to customers who are working toward decarbonization, and, from a long-term perspective, we will also work to create a new business that holds and sells renewable energy.

In addition, to support startup companies, we will enhance our financing capabilities to accommodate our customers' growth stages by enhancing our lending methods based on a new evaluation model and establishing a new fund for startups. We will pursue economic value through the development of a unified group structure and contribute to Japan's regrowth by revitalizing its startup ecosystems through collaboration with academia, global companies, and large corporations.

