

# Review of Operations: Global Markets Business



We provide solutions through the structuring and marketing of market-based financial products.

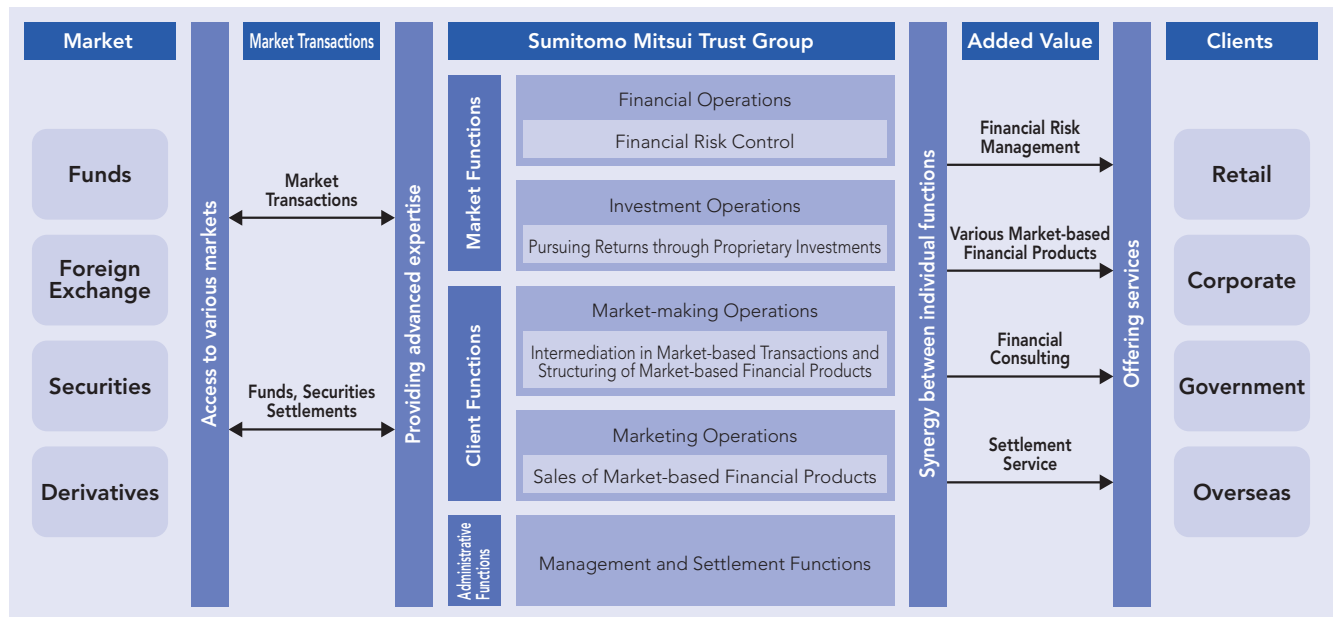
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## 1. Business Outline

As experts in the management of market volatility, we meet our clients' needs for asset management and risk management regarding such matters as interest rate derivatives and foreign exchange-related transactions by providing solutions through the structuring and marketing of market-based financial products. Our global markets business

functions are broadly divided into market functions, client functions and administrative functions. Market functions are comprised of financial operations and investment operations. Client functions, providing services to both individual and corporate clients, include market-making operations and marketing operations.

### • Global Markets Business Model



## 2. Product and Service Outline

### Market Functions

#### Financial Management Operations

Financial management operations are intended to control market risks, in order to secure stable earnings from a company-wide perspective. We analyze market environments, measure the market risks faced by the SuMi TRUST Group, and plan and execute the necessary hedging operations (transactions to avoid or reduce risk).

#### Investment Operations

Through our proprietary trading operations, we invest in a wide variety of financial instruments such as bonds, stocks, credits, real estate, and commodities. To disperse risk and maximize profit, we categorize the investment business into three dimensions of strategy, capability and holding period, and allocate them as intelligently as possible.

### Client Functions

#### Market-making Operations

Our market-making operations are intermediary services to clients for various market-based transactions, including foreign exchange-related transactions and interest rate derivatives. We also work to supply high-quality, low-priced, market-based financial products by making full use of our financial technology.

#### Marketing Operations

In close cooperation with the Client Business Division (the Retail Financial Services Business, the Wholesale Financial Services Business, the Stock Transfer Agency Services Business and the Real Estate Business), we offer market-based financial products and financial consulting services that match client needs in a timely manner at an appropriate price.

### Administrative Functions

We administer and settle market-based transactions, providing high-quality administrative services to correctly process complex and large-volume administration and settlement transactions.



Ris-Navi is a system that can perform risk management and analysis of complex financial instruments. Many products that have complicated mechanisms lack a declared value, etc. We provide this service in response to customers who have expressed a wish to have a more detailed understanding of the actual status of assets in a timely and appropriate manner.



In order to allow many people to deepen their understanding of financial markets and financial products, the Global Markets Business has issued *The Financial Markets Forecasting Handbook for Investors* (published by NHK Publishing, Inc.) and *Derivatives: 333 Keywords* (published by Kinzai Institute for Financial Affairs, Inc.).