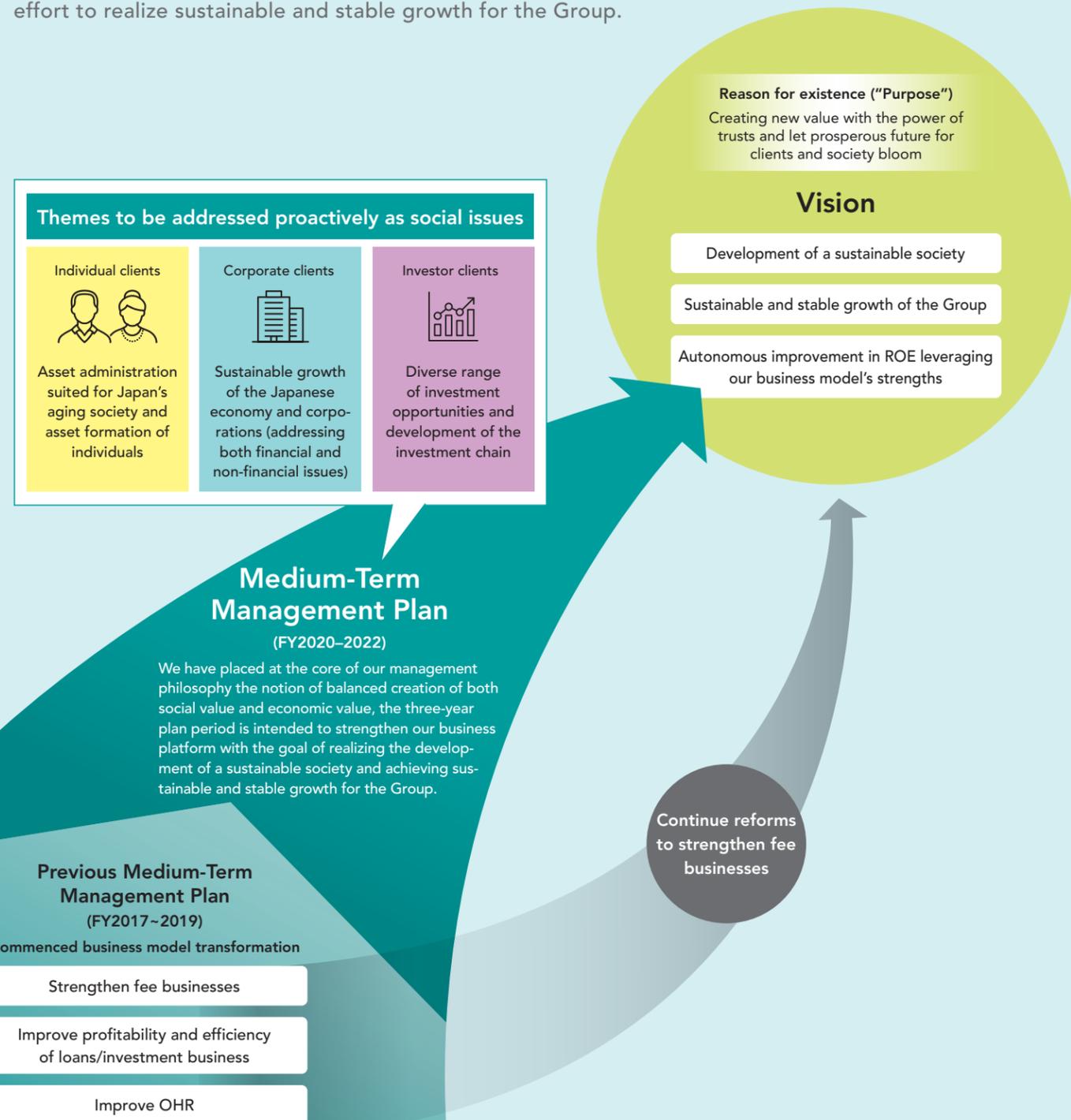


Medium-Term Management Plan (FY2020–2022)

We have aligned the three-year period of our Medium-Term Management Plan—which commenced in FY2020—as a time to reinforce our business platform with the aim of achieving continuous and stable growth of the SuMi TRUST Group.

We intend to take the business model transformation that we have thus far pursued to the next level, and as we bear in mind our reason for existence (“Purpose”) we will squarely address the social issues faced by all of our clients, whether they be individuals, corporations, or investors, in an effort to realize sustainable and stable growth for the Group.



	FY2020 (actual)	FY2022 (targets)	Medium-Term Management Plan vision (FY2022 targets)	Longer-Term targets
Net business profit	¥294.7bn	¥290.0 bn	Acceleration of business model transformation / growth driven by crossing and merging	
Net income	¥142.1bn	¥190.0 bn	Sustainable and stable growth	
OHR (overhead ratio)	60.10%	Lower 60% range	Future investments in tandem with expense control	Upper 50% range
Common equity tier 1 capital ratio*1	9.40%	Mid-10% range	Ensuring capital sufficiency	Stably maintained above 10%
Return on equity	5.40%	Around 7%	Aiming for autonomous improvement in ROE	Around 9%
Fee income ratio	52.90%	Upper 50% range	Strengthening steady fee income	Stably maintained above 60%
Dividend payout ratio	39.50%	Around 40%	Emphasis on returning profits to shareholders via dividends in line with earnings growth / bolstering shareholder returns	
Client base (“Pre-Best Partners”)	Individuals	270,000	290,000	Strengthening our base of “Pre-Best Partners,” the stage needed if we are to build healthy relationships and boost our number of clients that ultimately choose the SuMi TRUST Group as their “Best Partner”*2 over the long-term or in a continuous manner
	Corporations	620 companies	690 companies	
Responding to society following the COVID-19 pandemic (individual clients using online channels*3)	1.99 mn	2.38 mn	Responding to changes in society and methods of communication as a result of the COVID-19 pandemic in an effort to improve the level of convenience for clients and boost productivity in the Group	

*1 Based on finalized Basel III standards

*2 How our clients view the SuMi TRUST Group

*3 Clients using internet banking or the Life Guide internet portal

Basic Strategies

Under our Medium-Term Management Plan, we aim to bolster our initiatives by anchoring the management of the Group to three basic strategies.

1. Strengthening our business portfolio (reinforcing foundation for sustainable and stable growth)

• Strengthen business foundation

We aim to create more opportunities to provide new products, services, and total solutions based on long-term, inclusive trustworthy relationships with existing clients.

In addition, we will endeavor to gain new clients and increase AUM mainly in the Group's areas of expertise. Through these initiatives we hope to meet the needs of clients and society and continue to generate economic value that underpins the sustainable growth of the Group.

• Establish new areas of growth

In light of social issues expected to arise in the future and the needs of clients that are rising to the surface, we will pursue renewed growth by establishing businesses that deliver solutions to such problems right across our

business portfolio. In order to harness the business creativity of intersecting and melding businesses and functions—one of our traditional strengths—we intend to reorganize SuMi TRUST Bank, the entity at the heart of the Group, to undertake extensive resource allocation and risk taking.

• Promote strategic resource mix

We will advance the optimal allocation of a diverse mix of managerial resources to areas of priority in an effort to further strengthen and streamline the Group's management structure. In addition to making effective use of capital and advancements in digital technology, we will also aim to flexibly combine management resources within the Group to build a resilient organization that balances both optimum allocation and maximized use of resources.

2. Capital strategy (balance sheet, efficient use of capital)

- Whilst maintaining sufficient capital, we aim to be more assertive in our use of strategic investments, bolster our active capital strategies, for example, by reducing strategic shareholdings and controlling risk assets, and promote capital policies that strike the right balance between financial soundness and capital efficiency.
- We intend to control risk assets mainly by accelerating

asset turnover, upgrade efforts to diversify our structure on foreign currency procurement, and continuously work on improving profitability of credit portfolios for both individual and corporate clients.

- We will emphasize the return of profits to shareholders via dividends and aim to bolster shareholder returns in line with sustainable and stable profit growth.

3. Sophistication of business quality (ability to create new businesses and improve existing businesses)

- As a trust banking group, we will aim to strengthen our client-oriented and customer satisfaction initiatives as a source of differentiation, integrate the units that handle fiduciary duty and CS (customer satisfaction) operations, enhance business quality management capabilities, and endeavor to instill greater employee awareness, includ-

ing risk culture, at our branches.

- We will seek to enhance Group-wide business management in the core areas of HR, finance, and risk management, taking into account changes in the operating environment, new regulatory requirements, and the growing importance of Group strategies.