

Integrated Report
2021

Sumitomo Mitsui Finance and Leasing



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Editorial Policy

Beginning this fiscal year, Sumitomo Mitsui Finance and Leasing is publishing an integrated report to allow our stakeholders a deeper understanding of the Group and its business activities. This report provides a concise description of the Group as a whole, our efforts to enhance corporate value, as well as our commitment to the SDGs and our corporate governance.

Period Covered

This report primarily covers events taking place in FY2020 (April 1, 2020 to March 31, 2021). In some cases, however, events prior to and following this period may be noted as well.

Scope of Report

This report covers Sumitomo Mitsui Finance and Leasing Co., Ltd., its 146 consolidated subsidiaries as well as 33 equity-method affiliates (as of the end of March 2021). Where sufficient information is unavailable for the Group as a whole, the organization involved is clearly stated for each reported instance.

Referenced Guidelines

- GRI Standard (Global Reporting Initiative)
- Guidance for Collaborative Value Creation (Ministry of Economy, Trade and Industry)
- International Integrated Reporting Framework (International Integrated Reporting Council)

Date Issued

January 2022

Company and Group Notation

Company and Group names are noted in this report using the following abbreviations.

SMFL: Sumitomo Mitsui Finance and Leasing
SMFL Group: Sumitomo Mitsui Finance and Leasing Group
SMFG: Sumitomo Mitsui Financial Group
SMBC: Sumitomo Mitsui Banking Corporation
SMBC Group: A complex financial group offering a broad array of banking, leasing, investment securities, credit card, consumer finance and other financial services.

Cautionary Statement Regarding Forward-Looking Statements

The contents of this report include matters that the Company has judged to be reasonable based on information available at the time of publication and on certain assumptions. Therefore, actual business conditions may differ significantly due to a variety of uncertain factors, including future social and economic conditions in and outside Japan, laws and regulations, interest rates, exchange rates and other risks, and the forward-looking statements herein (including the achievement of planned figures, policies, etc.) represent neither a promise nor a guarantee of results.

Introduction



Think beyond, Act now

As changes in our business environment are more rapid and consequential than ever before, SMFL will aim to consider the society of the future, take on the challenge of transformation unrestrained by existing ideas and grow together with our customers.

Anticipating the changing needs of the times, we will provide innovative, high-value-added services as a business company with financial capabilities, thereby contributing to resolving societal issues.

Promoting the Medium-Term Management Plan under the new management philosophy and policies

The business environment surrounding the Company has been changing at an accelerated pace over the past 10 years with the advance of globalization and digital technology innovation, and, in Japan, stubborn low growth along with a declining birthrate and an aging population. In response to these changes, in 2012 the Group, together with Sumitomo Mitsui Banking Corporation and Sumitomo Corporation, acquired the aircraft leasing business of the Royal Bank of Scotland Group (now SMBC Aviation Capital), one of the largest companies in the industry, marking our full-scale entry into the aviation business. In 2019, we integrated with SMFL Capital and took action to reorganize our leasing business. Through these and other bold ideas for transforming our business structure, we have nearly doubled the scale of our business in the past 10 years.

These changes are expected to only accelerate going forward. Given that every industry is under pressure to respond to global and social sustainability issues, particularly the issues of climate change and human rights, we must re-evaluate our social mission and the role of SMFL from a long-term perspective.

With that in mind, in April 2020 we at SMFL decided to redefine our management philosophy and policies we had been using up to that point to better meet the needs of the coming age. Thus, we created a new philosophy system called the SMFL Way (p10), which is comprised of Our Mission, Our Vision, Our Value and Our Principle.

At the same time, in April 2020 we launched our Medium-Term Management Plan for FY2020 through FY2022 (p15). Under this Medium-Term Management Plan, we set out five strategies under the slogan of “becoming a company that evolves in response to changing times.” These include enhancing financial solutions; strengthening profitability in the global market; expanding the business domain and building a new platform for growth;

further promoting and utilizing digital innovation; and strengthening the management platform that provides support for sustainable growth. Our financial targets for the final fiscal year of our Medium-Term Management Plan were set to include a consolidated ordinary profit of at least ¥110.0 billion, ROA of approximately 1.7% and overhead ratio of approximately 40%, and to maintain external ratings of “A” or improve them further.

A year for laying new groundwork for the future in the midst of a significant decline in profits

In FY2020, the first year of our Medium-Term Management Plan, the spread of the novel coronavirus (COVID-19) in Japan and around the globe has had a tremendous impact on both economic and social activities. In the midst of this situation, the Group has strived to execute our five strategies based on the stable provision of financial services to our customers affected by the COVID-19 pandemic. Amid restrictions on the movement of people, a sharp global decline in the number of passengers put aircraft leasing business, a driver of our growth, on hiatus, forcing the Group to record a significant decrease in profits.

At the same time, I feel FY2020 was a year in which we successfully laid new groundwork for the next 10 years. In real estate business, we were able to significantly expand our business domain by adding Kenedix, the largest firm in the Japanese real estate asset management business, to the Group, and by participating in a satellite office project in anticipation of the spread of remote working. In the transportation business, we made many leasing agreements for aircraft and engines with blue-chip airlines, while in the environmental business, we acquired the solar power generation business, successfully marking our full-scale entry into the renewable energy business.

Additionally, even as the COVID-19 pandemic restricted activity, we actively pushed ahead with digitalization, building “remote relationships” with our customers and launching



Masaki Tachibana
President

the first electronic contract in our industry. Internally, we also put in place an infrastructure for working from home and, through the utilization of Robotic Process Automation (RPA), succeeded in reducing workload by nearly 100,000 hours per year.

Aimed at carrying out Our Mission of looking beyond the present and providing high-value-added services, these efforts are nothing less than the implementation of the four components of Our Vision: To be the best business partner; to be chosen for our commitment to the SDGs; to encourage employee development; and to be an advanced digital company. As president, I am confident that our efforts to instill the SMFL Way are bringing results. At the same time, I feel we are making steady progress toward becoming a “business company with financial capabilities,” and have gotten off to a good start toward creating the “new SMFL.”

Leveraging our strengths to create more advanced solutions and expand our business domains

We aim to achieve our growth beyond our medium-term targets by transforming our business model to differentiate ourselves from other leasing companies. Therefore, we must leverage the strengths of “Team SMFL” and take on the challenge of creating more advanced solutions and expanding our business domains.

This effort will be premised on a solid financial platform which will enable us to make proactive investments for our growth. To accomplish this, in the previous fiscal year the Company enhanced its capital by ¥100.0 billion, and we continue to maintain comparatively higher external ratings than other domestic leasing companies while conducting stable fund-raising.

Based on this fund-raising capability, the Group will further strengthen its close cooperation with our shareholders, Sumitomo Mitsui Financial Group and Sumitomo Corporation, which support our credibility. Our goal is to become the best business partner to customers by offering not only quality, high-value-added financial services, but by providing services as a business company that go beyond the framework of finance.

Creating innovative services through a DX strategy

To create innovative services at a time when digital

technology innovation is advancing dramatically in every field, we need to proactively promote our digital transformation (DX) strategy in addition to our strength in providing finely tuned services. With this understanding, we have set out becoming “an advanced digital company” as one of our visions, and have established further promoting and utilizing digital innovation as one of the strategies of our Medium-Term Management Plan.

In recent years, specialized departments and the front lines have been working together to digitalize business processes ranging from business improvements to sales support. In FY2020, we used a variety of systems linking AI and OCR to help achieve a significant reduction in workloads. In addition, starting in FY2021, we will promote these business improvement and sales support initiatives on a company-wide basis, and begin commercializing digital technology. Specifically, we plan to launch a full-scale business to offer cloud services and AI-based systems that provide complete support for the full business cycle, including the acquisition, use and disposal of customer assets.

Investing in nurturing human resources that will create new solutions for a new age

When we seek to create new solutions for a new age, it is essential to have a framework (personnel system) that allows each employee to actively take on new challenges, and an organizational culture that tolerates failure and appreciates challenges. To this end, we have put in place many systems to encourage employees to take on new challenges, and we are working to foster a corporate culture of mutual support.

In addition, for a long time my personal motto has been that human resources are the source of a company's competitive advantage, and I have made the ongoing development of our employees an important pillar of management. As our business grows increasingly diversified and advanced, expanding our system for nurturing human resources to acquire necessary expertise and support career development is an important mission not only for the human resources department, but for management as well. We have held town hall meetings and round table events as venues for two-way communication between management and employees. These are part of our efforts to enhance employee engagement by offering opportunities to deepen mutual understanding and for employees to think more deeply about the future of the Company and their



own careers.

Additionally, we are more proactive in hiring externally than in the past in an effort to supplement our in-house expertise and incorporate new knowledge. In addition to our regular full-time hires, the Company has brought together personnel with diverse backgrounds, including employees of companies that have joined the Group as partners, external hires, and employees seconded from shareholders. This environment allows employees to inspire one another, and creates and nurtures new ways of thinking. Going forward, we will continue striving to acquire and nurture useful human resources, regardless of what organization they may come from, gender, age or nationality, and make diversity our strength.

Becoming a company chosen in the future

As part of our Visions, SMFL has set out to be a company that gets “chosen for its commitment to SDGs.” This phrase expresses our strong desire to see us become a company chosen by the next generation by confronting societal issues through a diversity of businesses, treating the process of solving those issues as a new business opportunity, and contributing to the sustainable development of society.

We have also established four key issues (materiality) aimed at turning the SDGs into concrete action, including the environment, the next generation, community and job satisfaction. In FY2020, we acquired a series of solar power generation plants, and began full-scale activity as a

renewable energy business entity. We are also the world's first leasing company to sign the Poseidon Principles, an international framework for the decarbonization of the shipping industry. Other initiatives include the promotion of SDGs leases (donation type), in which a portion of the leasing fee is donated to an NPO that provides support to children; the launch of a helicopter leasing business, primarily for emergency medical services, search and rescue, and transport to offshore wind farms; and also working to acquire environmental certification for real estate for leases that we own, etc.

Going forward, we will continue to position a commitment to SDGs as a growth strategy, and will work to address the four key issues in the areas in which we specialize. And by seriously addressing the gap between the world that future generations seek and the social issues of today, we will actively contribute through our business to the realization of future society.

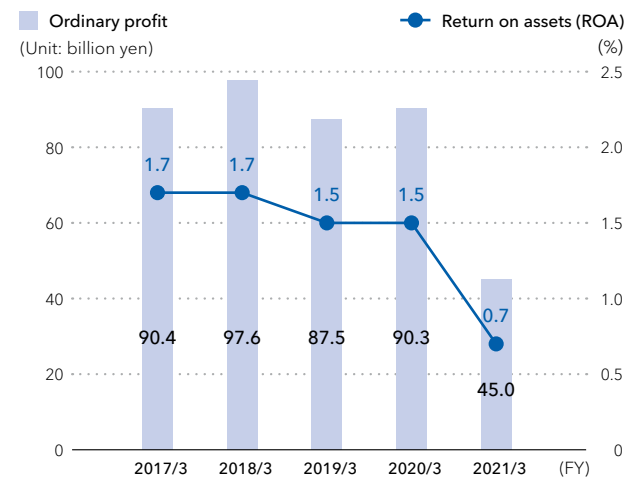
In order to be a Group that continues to respond to the expectations, demands and interests of our customers, society and all stakeholders, SMFL will strive to provide innovative, high-value-added services and solutions that go beyond the framework of finance, while further enhancing our comprehensive strengths through dialogue with our many stakeholders.

We look forward to your continued support.

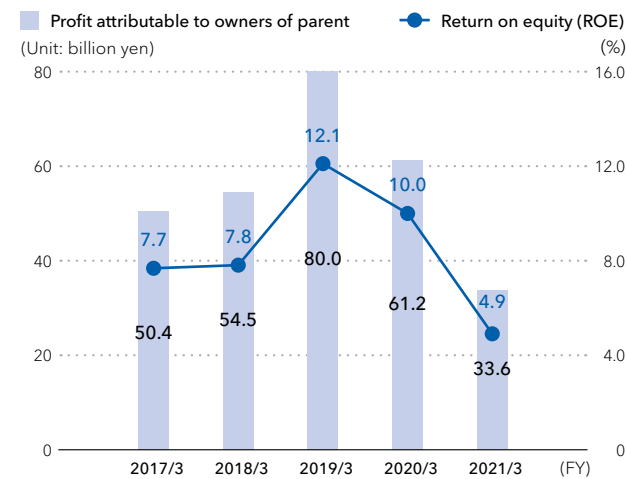
Masaki Tachibana
President

Financial highlights (Consolidated)

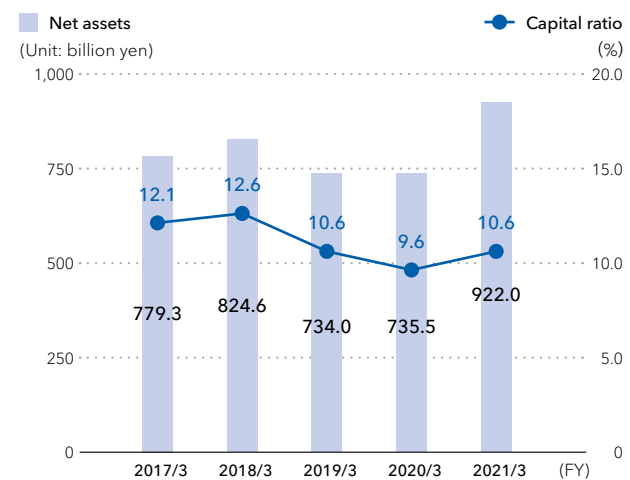
Ordinary profit / ROA



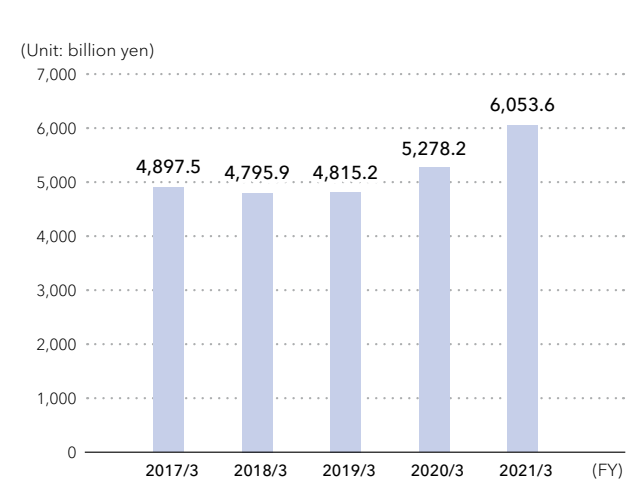
Profit attributable to owners of parent / ROE



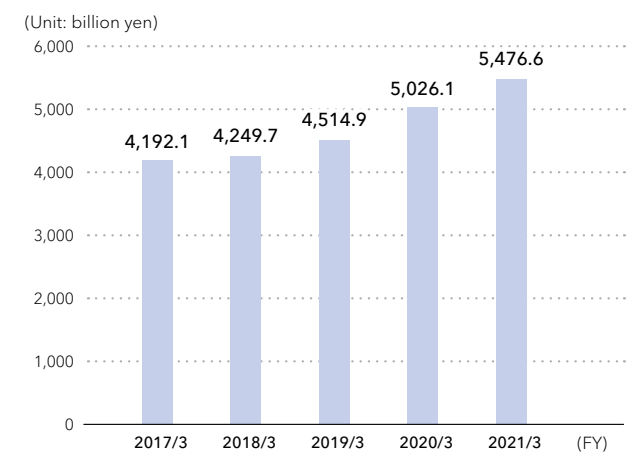
Net assets / Capital ratio



Operating assets



Interest-bearing debt



Ratings

(As of March 31, 2021)

Long-term rating

JCR **AA** R&I **A+** S&P **A-**

Short-term rating

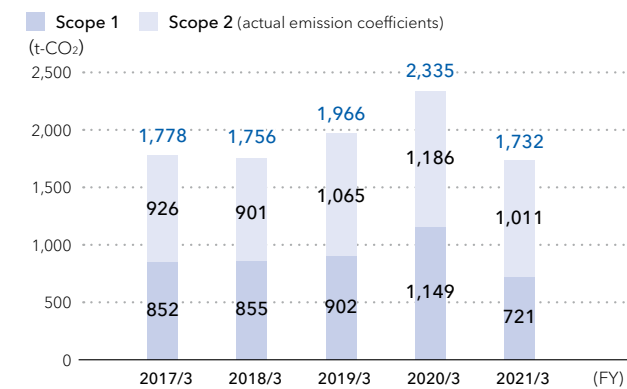
JCR **J-1+** R&I **a-1**

Non-financial highlights

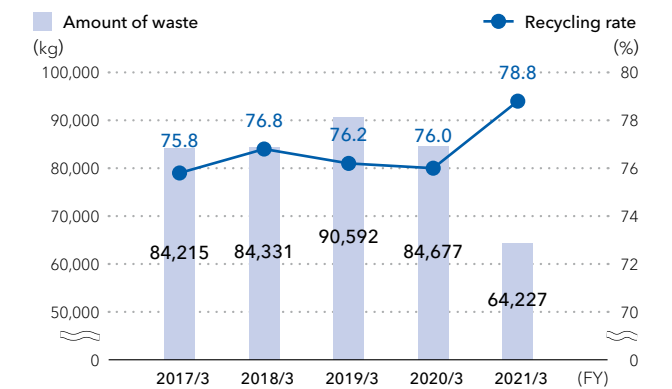
Parent company office

Parent company office: Tokyo head office, Takebashi office, Osaka head office

Greenhouse gas emissions (Scope 1 + Scope 2)

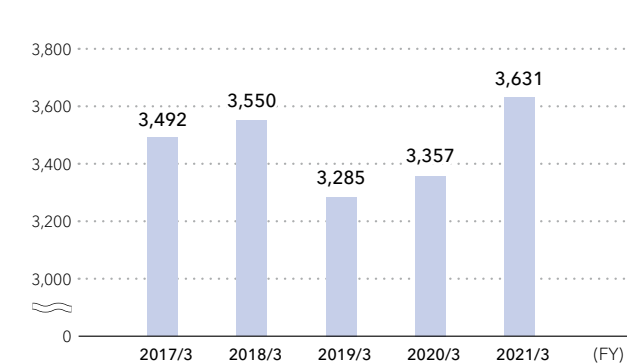


Amount of waste / Recycling rate



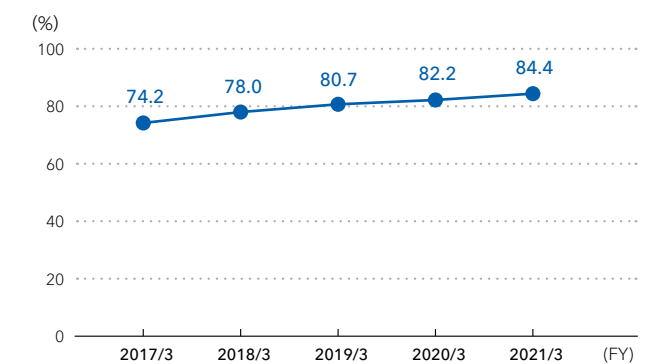
Consolidated

No. of Employees



Parent company

Percentage taking paid leave



Parent company

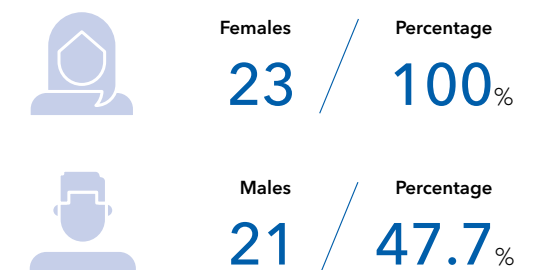
Female managers / Percentage

(As of March 31, 2021)



Childcare leave / Percentage

(As of March 31, 2021)



Part 1 Value Creation Story by SMFL

Under the philosophy of the SMFL Way, we will contribute to the sustainable development of society by providing solutions that go beyond finance.

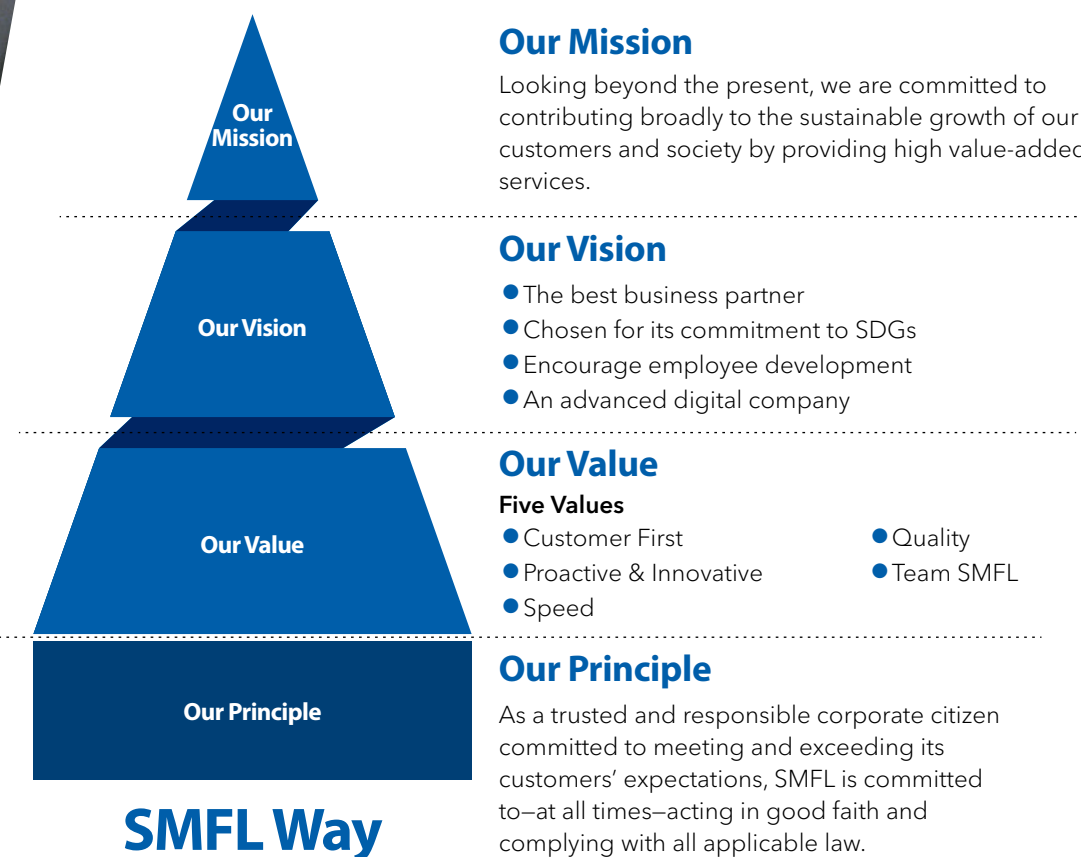
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SMFL Way

The SMFL Way is a systematic presentation of the Company's management philosophy and policies, values and principles. It is comprised of four elements—Our Mission, Our Vision, Our Value and Our Principle—that represent our mission and purpose as a company; our medium- to long-term vision; the values and decision-making standards shared among all of our officers and employees; and the principles that form the premise and foundation for our corporate activities.

The Company was launched in 2007 through a merger between Sumisho Lease and SMBC Leasing. We have succeeded in growing by establishing a management philosophy and policies and pushing forward with business activities. We also significantly expanded our business domains through acquisitions and after reorganizing our lease business. In this context, in April 2020 we redefined our management philosophy and policies, establishing them as the SMFL Way. This was done to respond more accurately to changes in the business environment even as we carry on a universal approach to corporate management, and to clarify our approach to sustainable growth going forward. The SMFL Way is shared by all of our officers and employees as a cornerstone of our business activities, and by achieving its aims, we will fulfill our responsibility to all of our stakeholders and our societal mission as a company.



Value Creation Model

Value Creation Process

Under the philosophy of the SMFL Way, the Group engages in various business activities, offering a variety of solutions and participating in businesses that contribute to resolving customer management and societal issues by leveraging the management resources we have cultivated

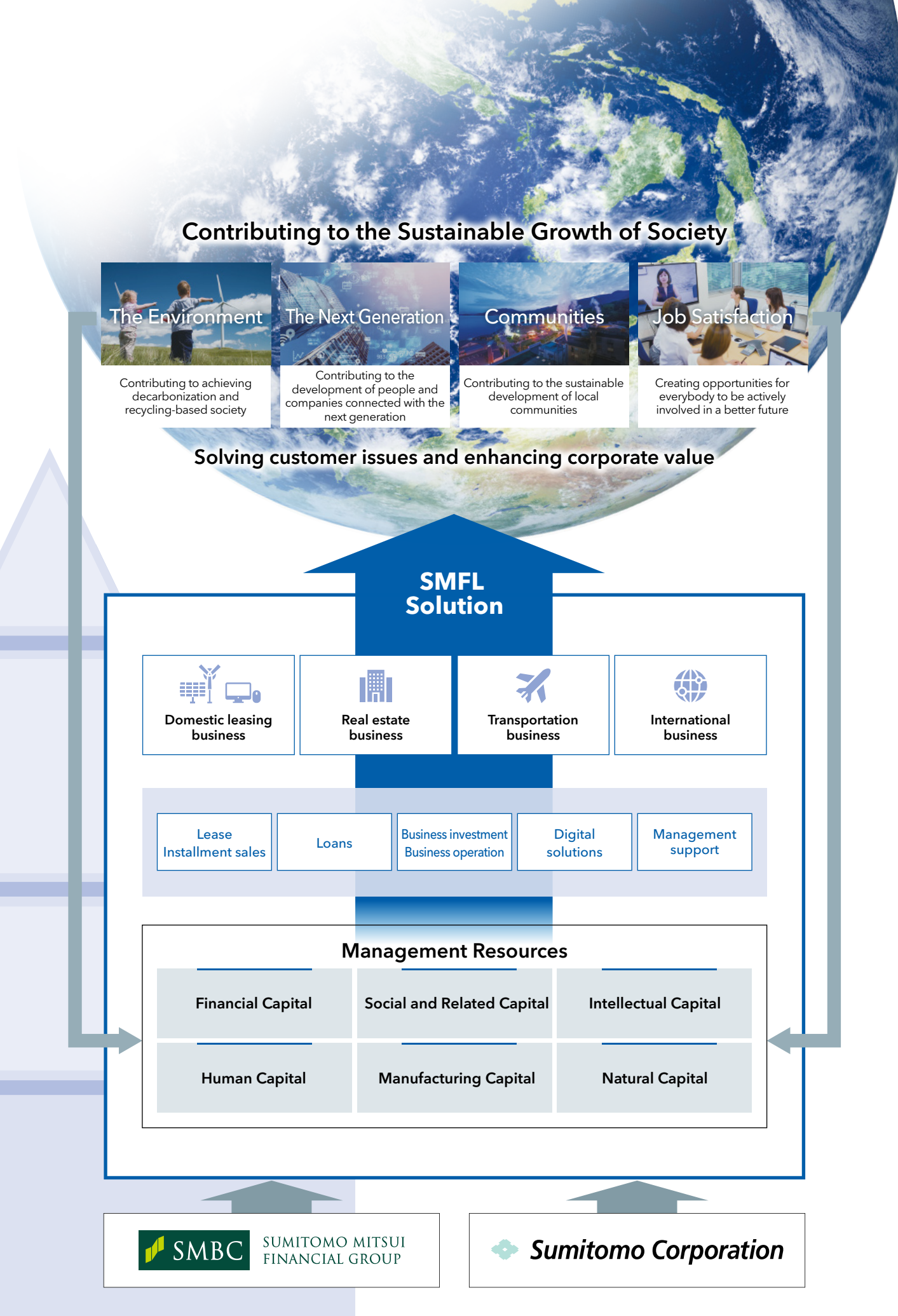
to date. Through this series of activities, we will contribute to the sustainable development of society by working to enhance corporate value and striving to create social value.

Management Resources

The Group is positioned as a strategic joint venture between Sumitomo Mitsui Financial Group and Sumitomo Corporation, and conducts its business by leveraging the broad customer base of this megabank group and the network and development capabilities of a general trading company. Having started in the leasing business in 1968, we have cultivated customer relationships and business partnerships over our long history as one of the leasing industry's top performers. By making full use of these resources, we are expanding the range of our business as an "operating company with financial functions." We also take advantage of product development and proposal abilities based on our knowledge and expertise in finance

and equipment. On the financial side, we have established a solid fund-raising base with stable shareholders' equity, a high credit rating, and strong ties with financial institutions, primarily the SMBC Group. In terms of human resources, the Company was created out of the merger of leasing companies affiliated with both a trading company and a bank. Welcoming new personnel from subsequent acquisitions and mergers has allowed us to integrate a variety of corporate cultures. This has fostered a culture that respects diverse values, establishing a personnel system and nurturing human resources in a way that supports these employees in taking on challenges.

Capital	Function and Position	Definition/Indicators (as of the fiscal year ended March 31, 2021)
Financial Capital	Solid fund-raising base	<ul style="list-style-type: none"> Consolidated net assets ¥922.0 billion Long-term rating JCR AA, R&I A+, S&P A-
Social and Related Capital	Wide-ranging, solid customer base Close partnerships	<ul style="list-style-type: none"> Number of customers More than 350,000 Number of suppliers More than 30,000
Intellectual Capital	Knowledge and expertise in finance, equipment, investment and business	<ul style="list-style-type: none"> Finance methods, schemes, risk management, etc. Platform for the management of life cycles of things Digital solutions Services that support customer management, including operational streamlining and human resource development
Human Capital	Diverse personnel with expertise in each business	<ul style="list-style-type: none"> Consolidated number of employees 3,631 (Of which 616 are overseas)
Manufacturing Capital	Assets that are the source of business activity	<ul style="list-style-type: none"> Consolidated operating assets ¥6,053.6 billion
Natural Capital	Environmental resources that form the base for renewable energy, regional revitalization and other businesses	<ul style="list-style-type: none"> Natural energy (solar, wind, hydro and geothermal power) Agriculture, forestry and fishery resources and tourism resources

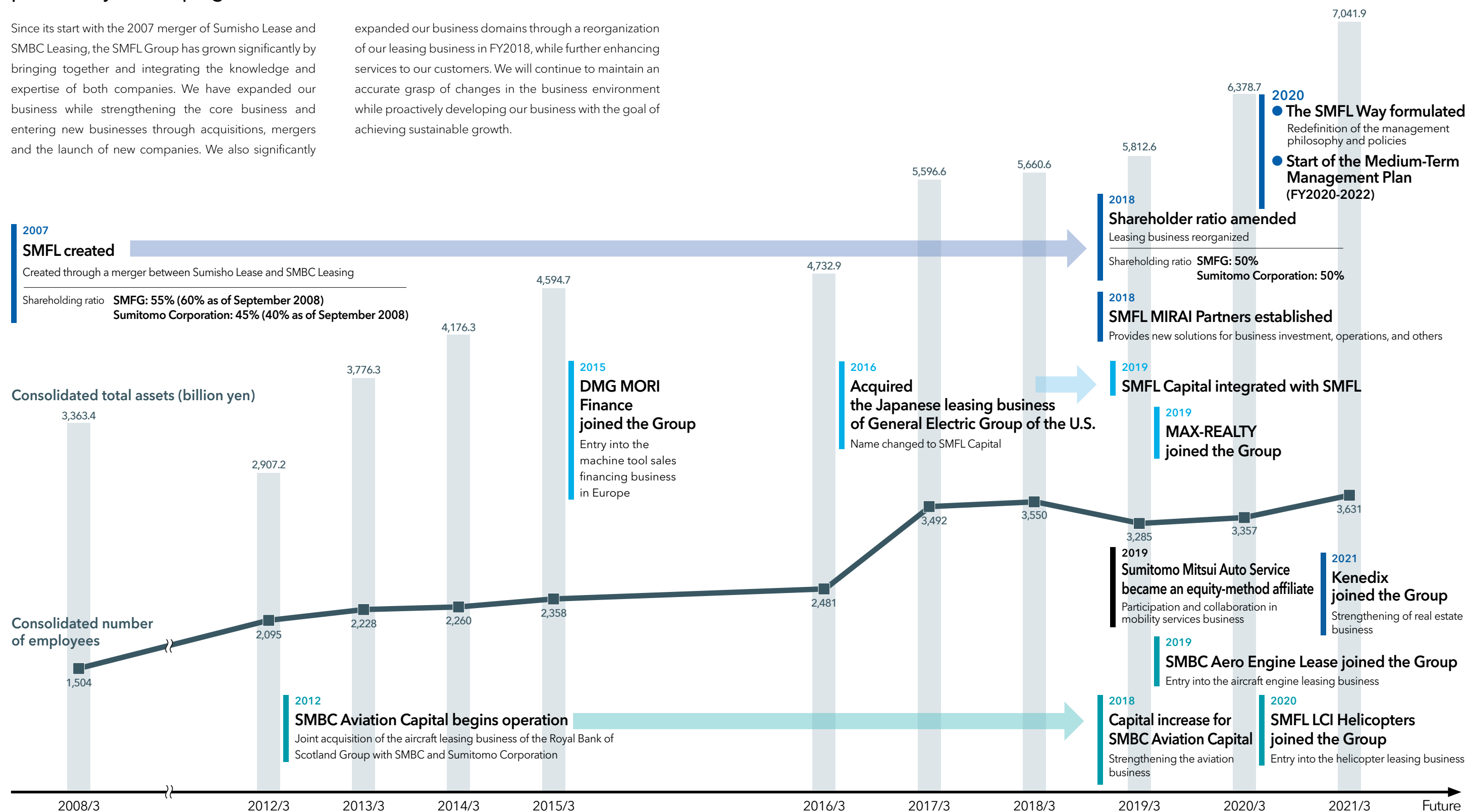


SMFL's 10-year History

We will grow alongside our customers and society by having an accurate grasp of changes in the business environment and proactively developing our business.

Since its start with the 2007 merger of Sumisho Lease and SMBC Leasing, the SMFL Group has grown significantly by bringing together and integrating the knowledge and expertise of both companies. We have expanded our business while strengthening the core business and entering new businesses through acquisitions, mergers and the launch of new companies. We also significantly

expanded our business domains through a reorganization of our leasing business in FY2018, while further enhancing services to our customers. We will continue to maintain an accurate grasp of changes in the business environment while proactively developing our business with the goal of achieving sustainable growth.



Medium-Term Management Plan (FY2020-2022)

Becoming a company that evolves in response to changing times.

Understanding of the Business Environment

Since the start of 2021, the business environment in which the Group operates has shown signs that postponed capital investments are being restarted in Japan. These are centered on the manufacturing industry, where there have been noticeable improvements in profitability. However, given the retention of current monetary easing policies, it is unrealistic to expect a significant increase in leasing demand. In the overseas leasing market, comparatively high rates of growth had been expected before. However, that pace of expansion is slowing due to such factors as sluggish developing economies and emerging geopolitical risks, and the outlook is becoming increasingly uncertain. In addition, the prolongation of COVID-19 infections has resulted in reduced social and economic visibility both in Japan and overseas.

On the other hand, the needs of society are changing

Business environment

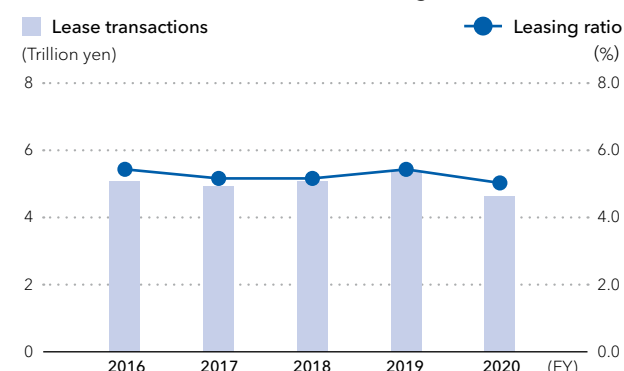
Macroeconomic / financial environment	<ul style="list-style-type: none"> Slowdown in domestic economy Continuation of low interest rates in Japan Global growth and increase in associated risks
Societal issues	<ul style="list-style-type: none"> Rising expectations in relation to helping to resolve societal issues as a corporate citizen SDGs initiatives Shift to recycling-based society involving concepts such as 3Rs Declining birthrate, aging population, revitalization of regional economies
Technological innovation	<ul style="list-style-type: none"> Appearance of new business models and platforms Increase in new investments related to digital technology Changes and reform of work styles, labor-saving measures
Changes in values	<ul style="list-style-type: none"> Shift from owning to the use of sharing and subscriptions
Other	<ul style="list-style-type: none"> Changes in lease accounting standards

and becoming increasingly diverse in response to the progress of social innovations such as the recycling-based society, the shift to digital technology, and subscriptions. Moreover, expectations are rising for the role played by companies in resolving societal issues, including the SDGs. In our focus areas of aircraft, real estate, and environmental businesses we have also seen some short-term impact from COVID-19, but over the long term we expect the market as a whole to expand.

In April 2020 the Group redefined its existing management philosophy and policies to formulate the SMFL Way and began its Medium-Term Management Plan for the period FY2020-2022.

Based on the SMFL Way, we will steadily implement our five medium-term strategies while striving to meet our financial targets, working toward the realization of "Our Mission" and "Our Vision."

Domestic lease transactions / leasing ratio



Source: Compiled by Sumitomo Mitsui Finance and Leasing based on data from the Japan Leasing Association (Lease Statistics, FY2020)

Outline of Medium-Term Management Plan

Medium-term strategies and financial targets have been set in the Medium-Term Management Plan (FY2020-2022).

First, in terms of medium-term strategies, we will move ahead with five strategies planned around the theme of "Becoming a company that evolves in response to changing times." In this way, we will build a foundation for growth based on the business reorganization implemented

during the previous Medium-Term Management Plan. Looking beyond the digital revolution and other changes in the external environment, we will provide high-quality, high-value-added financial services and other services that go beyond the framework of finance. As a leading company of the leasing industry, we will also contribute to the sustainable development of our customers and society.

Next, having taken into account the challenging nature of the financial and competitive environment, we seek to maintain asset efficiency while achieving profit growth by improving overhead efficiency and by taking a selective and focused approach to accumulating high-quality assets. To this end, we have set financial targets as follows: consolidated ordinary profit as the target for growth potential; the overhead ratio as the target for efficiency; ROA as the target for profitability; and external ratings as the target for soundness. Our goal is for consolidated ordinary profit of at least ¥110.0 billion. We are aiming to improve the overhead ratio to approximately 40%, and to achieve an ROA similar to or higher than that of FY2019. While maintaining a balance between risk and return, we will actively use new businesses to drive expansion, including inorganic growth, and strengthen our financial soundness by steadily accumulating retained earnings, with the aim of maintaining external ratings of "A" or improve them further.

Strategy I Enhancing financial solutions

As the foundation of our business, the "Enhancing financial solutions" of Strategy I consists of two measures.

The first is "offering solutions that anticipate changes in society." In addition to offering stable, high-quality finance to customers, this measure facilitates the offering of sophisticated financial solutions by becoming the first to grasp the needs of society to provide new services and schemes that add financial functions with a little something extra.

The second is "achieving high added value by creating new value, using goods as a starting point." With the aim of fulfilling Our Vision of becoming "the best business partner," this measure consists of moving ahead to offer differentiated added value through products and services that go beyond the framework of finance, which are being sought by customers.

Strategy II Strengthening profitability in the global market

We have steadily strengthened and expanded the overseas business that is one of the drivers of our profits, and in the current Medium-Term Management Plan we will focus on continuing these efforts.

The first of these is "developing a top brand in the transportation business." COVID-19 has affected the

Medium-Term Management Plan (FY2020-2022)

Medium-Term strategy <small>Becoming a company that evolves in response to changing times</small>			Financial targets		
Strategy I	Enhancing financial solutions		Growth potential	Consolidated ordinary profit	At least ¥110.0 billion
Strategy II	Strengthening profitability in the global market		Efficiency	Overhead ratio	Approx. 40%
Strategy III	Expanding the business domain and building a new platform for growth		Profitability	ROA	Approx. 1.7%
Strategy IV	Further promoting and utilizing digital innovation		Soundness	External ratings	Maintain/improve "A"
Strategy V	Strengthening the management platform that provides support for sustainable growth				

Medium-Term Management Plan (FY2020-2022)

aircraft business of SMBC Aviation Capital (SMBC AC), which had grown continuously, but there is no change in our stance that focusing on the transportation business is indispensable for capturing growth in the global economy. Going forward, not only will we strengthen the business, but we will also aim to establish a top brand as a pioneer, with SMBC AC leading the way.

The second of these is “capturing global market growth by leveraging our collective strength as a group.” In addition to the platforms that have been developed by the Overseas Business Unit for the expansion of the overseas business, we will work to further leverage the collective strength of the Group and related units to capture vast global growth potential consistently.

Strategy III Expanding the business domain and building a new platform for growth

During the previous Medium-Term Management Plan, we reorganized the leasing business with the aim of building a platform to enable the expansion of our business domain. During the current Medium-Term Management Plan, we will leverage this platform to aggressively develop new businesses.

In terms of concrete measures, we will broaden the business in existing areas such as real estate and environmental, while working to enhance our solutions.

We will also consider rolling out new services, making business investments, and entering new areas through the operation of businesses. The main domains for the application of this approach will be those where the Company can leverage its knowledge and collaborative projects with partners such as shareholders, as well as areas that will grow over the medium to long term and that aim to resolve societal issues.

Furthermore, as a leading company in the leasing industry, able to handle all kinds of equipment, we will continue to pursue business models that provide higher added value in areas other than those mentioned above, without letting ourselves be bound by the framework of existing businesses.

Strategy IV Further promoting and utilizing digital innovation

As well as working to enhance existing businesses through the utilization of digital technologies, we will provide new value in the shape of a platform for life-cycle management for goods. In concrete terms, we will not only analyze the data we obtain and use it to suggest improvements to customer operations or asset efficiency, but also to build a unique ecosystem by using the platform to connect companies associated with the life-cycle of the goods, with the aim of generating a significant impact.

Moreover, as well as promoting the use of AI and the introduction of RPA, we will implement group-wide initiatives geared toward evolving into an “advanced digital company” of a kind suitable to SMFL. We will also strive to raise productivity through a shift to digital technology, enhancing portfolio management, screening models, and data analysis, while improving efficiency and reducing labor inputs in administrative work.

Strategy V Strengthening the management platform that provides support for sustainable growth

Personnel system / nurturing human resources

People are the source of our competitiveness. Going forward, as we create new business models and expand our business domain, human resources will become even more important. Based on these circumstances, the Company will strengthen the way it develops and nurtures human resources who venture into new domains, while at the same time working to enhance the personnel system to support the pursuits and growth of employees. We will also strengthen the nurturing and promotion of diverse human resources such as those specialized in particular businesses or in global operations.

Strengthening corporate governance functions

As we expand the scale of the Company's business going forward, we expect to face risks corresponding to that growth. In addition, the expansion of our business domain through the development of new businesses and investment into new areas may expose the Company to

risks it has not previously experienced. In order to manage these risks, we will move forward with the construction and enforcement of an even more disciplined governance structure.

Enhancing the departmental operating structure

We will strengthen the structure for managing performance by business unit by modifying operating processes and introducing new systems, as well as raising awareness at the department level. We thereby aim to enable each department to control its own behavior while creating structures for growth.

Progress in FY2020

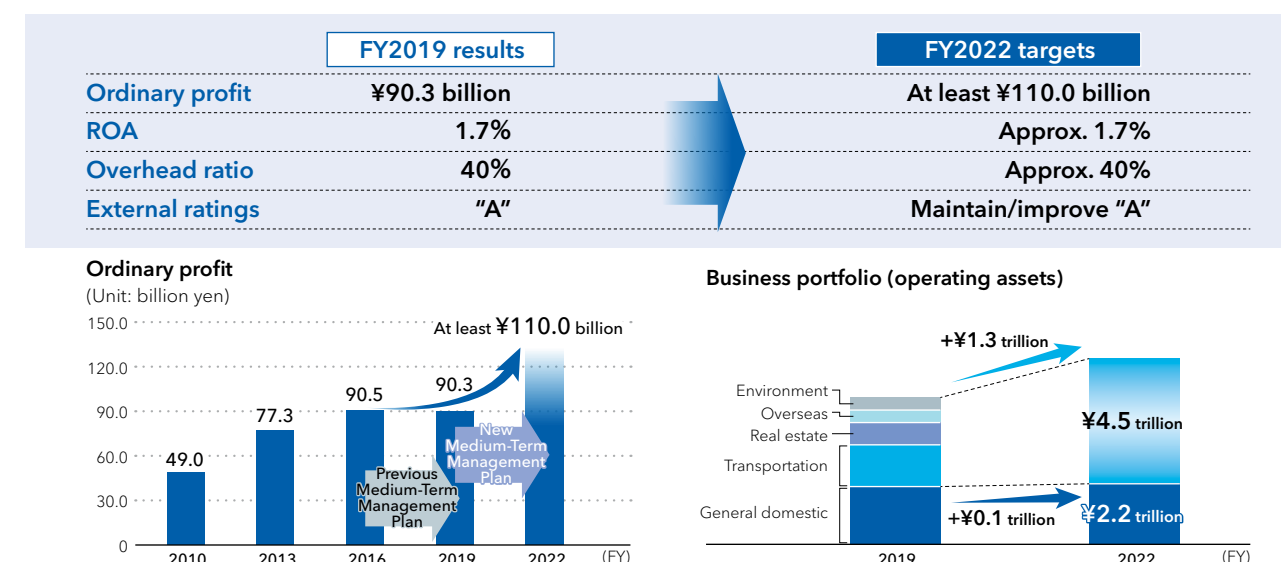
In FY2020, the global economy deteriorated sharply under the impact of the worldwide spread of COVID-19 infections. The resumption of economic activity subsequently led to the beginnings of a recovery, but infections began to spread again in some countries and regions. This has suppressed economic activity, and as a result, the situation remains very challenging overall.

Japan was also affected by the spread of COVID-19, leading to a sharp downturn in economic conditions, but the resumption of economic activities led to signs of a recovery. However, from the middle of the year onward,

infections began to spread again, contributing to a business environment that remained very difficult on the whole.

Under these circumstances the Company put the highest priority on the health, safety and security of its stakeholders, working to maintain financial functions that form part of the social infrastructure while responding to the various needs of society. In addition, although the airline industry was confronted with unprecedented circumstances as a result of the spread of COVID-19, the aircraft leasing business worked to carefully select and accumulate superior assets. The acquisition of Kenedix as a consolidated subsidiary in the real estate business led to an expansion of the business domain. In this way we made steady progress in laying the groundwork for achieving the current Medium-Term Management Plan. We also built “remote relations” with customers and promoted the use of electronic contracts. Furthermore, we modified internal rules and operational workflows that prevented working from home, and rolled out operational infrastructure to extend and improve the operational environment.

As a result of the above, consolidated revenues in FY2020 declined by 5.0% year on year to ¥1,438.2 billion, gross profit fell by 13.7% to ¥156.3 billion, operating income declined by 53.7% to ¥41.3 billion, ordinary profit fell by 50.1% to ¥45.0 billion, and profit attributable to owners of parent fell by 45.1% to ¥33.6 billion.



Medium-Term Management Plan (FY2020-2022)



Nature of business

Leasing and installments sales, loans, and rentals of machinery and equipment, used equipment purchase and sales, power generation business and other services, to both large corporations and small and medium-sized enterprises in Japan

Features of the business

As well as providing financial services, including leasing and installments sales, to a variety of customers from large corporations to small and medium-sized enterprises, this business is developing a range of new initiatives that go beyond the bounds of finance. The business consists of four units. The Corporate Business Unit provides solutions tailored to the various needs of each corporate customer. The Sector Business Unit provides specialized sales financing and rental services for construction machinery, transportation equipment, machine tools and similar products. The Retail Leasing Business Unit offers fast turnaround for relatively small amounts of sales financing. The Product Promotion Unit provides purchase and sales of used semiconductor production equipment and machine tools, support for deploying energy-saving equipment, leasing of power generation equipment for renewable energy, and is also involved in energy services and power generation.

Medium-Term Management Plan focus items

Corporate Business Unit	<ul style="list-style-type: none"> Creating more advanced solutions tailored to the business problems and needs of the customer, and leveraging the collective strength of the Group Expanding the business through cooperation with shareholders (SMFG / Sumitomo Corporation) Allocating strategic resources to markets with high growth potential and strengthening initiatives to nurture human resources for those markets
Sector Business Unit	<ul style="list-style-type: none"> Taking a selective and focused approach to improve the specialized machinery business and increase the value it adds Promoting collaboration with captive manufacturers Seeking to leverage DX to improve efficiency and increase added value
Retail Leasing Business Unit	<ul style="list-style-type: none"> Opening up new markets and cultivating existing customers to enhance the earnings base Optimizing the organization by raising sales productivity and reviewing existing operations Promoting DX by shifting everything from screening applications to concluding contracts online
Product Promotion Unit	<ul style="list-style-type: none"> Expanding the business domain, including that of the power generation business overseas Driving the evolution of the energy services business and strengthening our overall ability to propose energy-saving initiatives Facilitating energy-saving programs through the utilization of subsidies and promoting leases for improved supply chain efficiency Promoting the 3R businesses, especially strengthening the used equipment purchase and sales business and expanding the facility/plant disposal contracting business, which is peripheral to the former

FY2020 results

	2020/3	2021/3	Year on year*
Transaction volume	1,646.8	1,486.0	90.2%
Segment asset	2,474.8	2,517.5	101.7%
Segment revenues	957.4	975.3	101.9%
Segment profits	30.5	29.1	95.3%

*Year on year or relative to the previous year end

Main initiatives in FY2020

Corporate Business Unit	<ul style="list-style-type: none"> Promoted solutions in response to customer needs arising from social changes caused by COVID-19 and decarbonization Built sales system that made increased use of remote working Built an intermediary using SMBC, and improved our ability to make proposals to clients
Sector Business Unit	<ul style="list-style-type: none"> Expanded our government agency/energy business through collaborations with manufacturers and sales companies Utilized rental services to capture PC, industrial robot and local 5G demand Expanded sales financing transactions for construction machinery and transportation equipment, primarily in China, which recovered quickly from the impact of COVID-19
Retail Leasing Business Unit	<ul style="list-style-type: none"> Promoted the introduction of digital tools Released retail versions of electronic contracts Utilized RPA to achieve approximately 35,000 hours of improvements in operational efficiency Began telemarketing
Product Promotion Unit	<ul style="list-style-type: none"> Expanded the renewable energy business largely through solar power generation operations and purchases in the secondary market Promoted our SMART joint venture business as a provider of one-stop solutions to meet demand for dismantling of factories and plants Put in place a sales structure for life insurance and promoted associated sales activities

Business outlook and growth strategy

Corporate Business Unit	With the business environment undergoing rapid change, it is important to provide solutions that reflect changes in customer business models and needs. We will seek to differentiate ourselves from other companies by bringing together the know-how of the Group and providing high-value-added solutions that go beyond the bounds of finance.
Sector Business Unit	We will expand high-value-added sales financing to achieve further increases in customer satisfaction. To this end, we will leverage the relationships we have built with manufacturers and sales companies over many years of transactions and provide solutions that reflect the needs of customers.
Retail Leasing Business Unit	In addition to differentiating ourselves from other companies by digitalizing operational processes for small-lot leases, we will work to generate new revenue opportunities by leveraging remote marketing. By utilizing digital technology, we will further improve operational efficiency.
Product Promotion Unit	With the decarbonization movement gathering speed, we will position the environmental business as one of the main pillars of our growth strategy, aiming to become one of the top five players in Japanese solar power generation within five years. We will also make a full-fledged entry into the renewable energy market, including wind power, biomass, and small- and medium-scale hydropower.

Topics

Speedy proposals through the SMBC intermediary

We leverage the SMBC Group's marketing platform to enable a prompt response to customer needs. We respond to inquiries from SMBC customers related to coexistence with the coronavirus, the post-COVID era, and decarbonization with effective solutions that are a step ahead of those of others.



Promotion of SDGs leases

We contribute to the SDGs with our customers by donating a portion of lease fee payments to Kidsdoor NPO, which provides support for study and places to study to students ranging from elementary to high school.



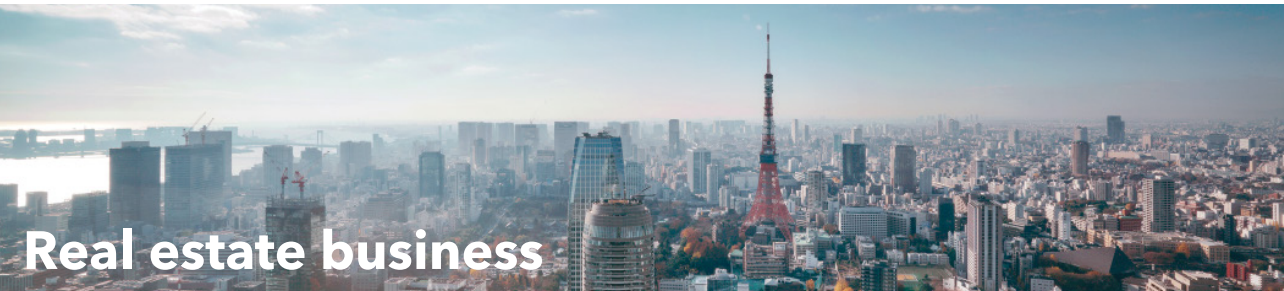
Decarbonization initiatives

(In collaboration with SMFL MIRAI Partners)

We are engaging in more than 1,600 renewable energy operations nationwide, primarily those involved with solar power generation. In addition to functioning as an owner and operator of solar power generation plants, we have begun an agency business for retail sale of electricity, including CO₂-free electricity.



Medium-Term Management Plan (FY2020-2022)



Nature of business

Leasing and non-recourse financing for real estate such as retail properties, office buildings, and logistics facilities, as well as real estate development and rental, real estate asset management and other services

Features of the business

With a track record in the real estate business that goes back more than 20 years, the business is engaged in multiple different asset classes, such as retail properties, office buildings, hotels and logistics facilities. Leveraging the high level of expertise we have nurtured over many years, we can respond to a wide range of real estate-related needs. Specifically, we provide real estate leasing and liquidation to meet off-balance sheet and development needs, as well as bridge leases or non-recourse financing to real estate funds. In addition, we are working to maximize the value of urban districts and regions and provide new investment opportunities by expanding our business domain into areas such as real estate development and rental, and real estate asset management.

Medium-Term Management Plan focus items

- Building a robust customer base by strengthening relations with customers, and establishing a stable earnings base by expanding the REIT support business
- Promoting joint development and the rental business and exploring new business models through cooperation with our two shareholders (SMFG and Sumitomo Corporation), business partners and Group companies
- Providing non-recourse financing for long-term core assets in Japan and overseas real estate to facilitate stable growth in earnings
- Promoting inorganic expansion strategies to accelerate growth and strengthening the portfolio management structure
- Enhancing business management and sales promotion structure and nurturing and retaining specialist human resources

Overview of FY2020

Main initiatives

- Made Kenedix, the largest player in the real estate asset management industry, a Group company
- Took an equity stake in SMBC REIT Management (private REIT management company)
- Began participating in XYMAX's "ZXY" satellite office business
- Acquired environmental assessment and certification for properties (NEWNO) owned by the SMFL Group

(Unit: billion yen)			
Actual results	2020/3	2021/3	Year on year*
Transaction volume	396.9	345.7	87.1%
Segment asset	971.1	1,239.8	127.7%
Segment revenues	186.9	184.3	98.6%
Segment profits	25.0	29.1	116.4%

*Year on year or relative to the previous year end

Business outlook and growth strategy

We are working to broaden our business domain and increase our revenue opportunities by expanding from the core real estate leasing and non-recourse financing business to real estate development, rental and asset management. Going forward, we will work to accumulate assets while pursuing the originate-to-distribute business model that leverages the value chain to improve profitability. In addition, by cooperating with our two shareholders (SMFG and Sumitomo Corporation), business partners and Group companies, we will work to nurture human resources and accumulate know-how, strengthen the business platform and take up the challenge of creating new business models. Furthermore, we will strive for a more SDG-aware approach to management, represented by introduction of CO₂-free electricity and the acquisition of environmental certifications.



Nature of business

Aircraft leasing, aircraft engine leasing, helicopter leasing, vessel financing, sale of investment products and other services

Features of the business

Due to the rise in passenger demand caused by the economic growth of developing countries and the spread of low-cost carriers (LCCs), the aviation industry is expected to expand further over the long term. Through SMBC Aviation Capital (SMBC AC), a world-class aircraft leasing company, and SMBC Aero Engine Lease (SAEL), an aircraft engine leasing company, SMFL provides a wide range of services to meet the diverse needs of airlines worldwide. SMFL also contributes to resolving social issues by engaging in financial services for marine logistics, a means of transportation that supports the movement of people and goods, and by providing helicopters in case of emergencies and rescue operations during disasters through helicopter leasing business.

Medium-Term Management Plan focus items

- Enhancing profitability through achieving sustainable growth in SMBC AC's aircraft leasing business and SAEL's aircraft engine leasing business by capturing growing demand for aircraft
- Enhancing investor services and expanding the investor business platform by introducing new investment methods and improving SMFL's existing investment schemes such as JOLCO (Japanese Operating Lease with Call Option)
- Expanding the scale of the helicopter leasing business through SMFL LCI Helicopters and diversifying its portfolio by entering new fields of business
- Reinforcing our approach to nurturing the human resources that are essential to the stable operation of the transportation business and using digital technologies and RPA in order to enhance customer service and improve operational efficiency

Overview of FY2020

Main initiatives

- Implemented highly profitable sale and leaseback transactions with highly rated airline companies in the area of aircraft leasing and aircraft engine leasing
- Entered the helicopter leasing business by establishing a joint venture with LCI Helicopters Ltd, a leading helicopter leasing company
- SMFL became the first leasing company in the world to commit to the Poseidon Principles in the area of marine logistics business

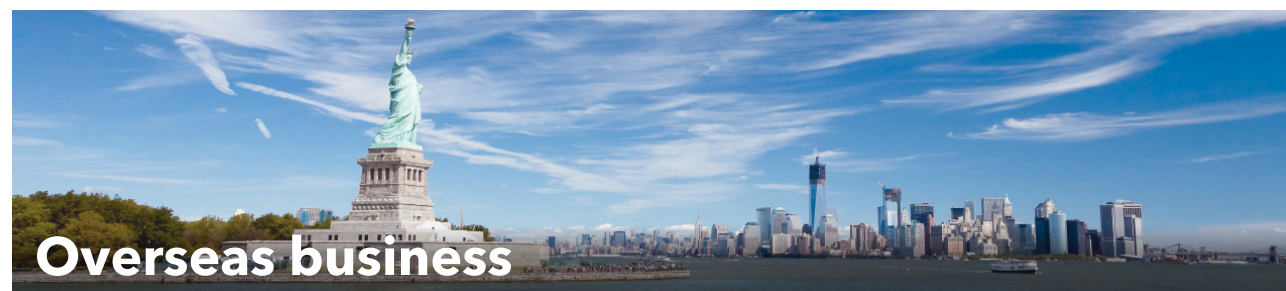
(Unit: billion yen)			
Actual results	2020/3	2021/3	Year on year*
Transaction volume	200.8	403.0	200.7%
Segment asset	1,433.4	1,938.2	135.2%
Segment revenues	285.0	198.9	69.8%
Segment profits	42.1	-0.1	-

*Year on year or relative to the previous year end

Business outlook and growth strategy

Even though the aircraft industry has been confronted with unprecedented circumstances as a result of the spread of COVID-19, the aviation business is significantly important to be engaged in operation from a medium- to long-term perspective as aircraft are long-lived durables and main assets for SMFL's business. Going forward, SMFL's policy remains the same by accumulating highly liquid assets actively and working to grow the size of its revenues. In terms of risk management and portfolio management, SMFL will maintain high liquidity of portfolio by focusing transactions mainly on narrow-body aircraft and compatible engines which have relatively high liquidity. In addition, SMFL will strengthen its development of products and services that take the needs of both domestic and overseas investors into account, and will utilize digital technology to promote business in turnover of assets. Besides expanding the size of newly entered helicopter leasing business, SMFL will also proactively enter new fields of business related to the transportation of people and goods.

Medium-Term Management Plan (FY2020-2022)



Nature of business

Sales financing for overseas companies, financial services for capital investments of affiliates of Japanese companies and other services

Features of the business

When Japanese or overseas manufacturers, or their sales companies, sell their own machinery and equipment, we provide financial services such as leases or installment sales to the overseas companies to which they are sold. We also provide local currency leases and installment sales from our own overseas subsidiaries to facilitate the capital investments of Japanese companies expanding overseas. We are also focusing on developing and providing, in collaboration with our two shareholders (SMFG and Sumitomo Corporation), a variety of services, including financial, to overseas companies.

Medium-Term Management Plan focus items

- Strengthening and enhancing the sales financing business by tailoring it to the regional characteristics of China, ASEAN, Europe and the United States
- Expanding transactions with affiliates of Japanese companies overseas by cooperating with our two shareholders (SMFG and Sumitomo Corporation) and developing new businesses
- Developing the rental and used equipment sales business overseas through collaborations with local partners and expanding the geographical scope of our business
- Developing the overseas business in each of our focus areas of transportation, environmental energy and real estate

Overview of FY2020

Main initiatives

- Began dealing in leases for used construction machinery in China through an alliance with a local e-commerce operator
- Provided financial services and cooperation in the application for subsidies for investments in decarbonization equipment by overseas affiliates of Japanese companies by utilizing JCM* subsidies

*Joint Crediting Mechanism: a system to facilitate reductions in greenhouse gas emissions in developing countries, with the results of such reductions being shared between the two countries involved in the agreement

Actual results

(Unit: billion yen)

	2020/3	2021/3	Year on year*
Transaction volume	341.4	304.9	89.3%
Segment asset	525.7	520.9	99.1%
Segment revenues	144.1	164.1	113.9%
Segment profits	4.7	2.3	48.9%

*Year on year or relative to the previous year end

Business outlook and growth strategy

We aim to expand the business further and strengthen the earnings base going forward. In the sales financing business, we will tailor our offerings to local products, business customs and characteristics, as well as move ahead with initiatives to improve the efficiency of business processes such as credit applications and contract procedures using digital transformation. By leveraging the SMBC Group's customer relationships and the overseas business knowledge of Sumitomo Corporation, we will develop new business models, particularly for affiliates of Japanese companies, such as factory relocation-serviced financing and mobility-related services. In addition, through alliance and cooperation with local partners, we will promote the overseas expansion of businesses that leverage our knowledge and know-how on equipment, such as rental and used equipment sales, and broaden their geographical scope. Moreover, in areas of SMFL strength such as transportation, environmental energy and real estate business, domestic operating departments will cooperate with our overseas subsidiaries in the areas of vessels, decarbonization and SDGs, and real estate product development, working to roll out various services overseas.

SMFL's DX initiatives

Topics

1 Launch of "assetforce" service for the digital transformation of asset management

The Group, which aspires to be "an advanced digital company," has consistently promoted DX, for example, through the development of proprietary operational systems and mobile apps centered on its digital development office, which is staffed by numerous highly experienced engineers.

It is in this context that SMFL began offering, in May 2021, the "assetforce" cloud service for supporting the optimal management of corporate assets over all stages of their life-cycle, including acquisition, use and disposal. This service utilizes advanced digital technologies such as AI, IoT and AR to unify the management of all processes associated with machinery, equipment or products used in business activities. The processes range from the deployment planning stage to acquisition and procurement, operation and management, and sales and disposal. The service also facilitates visualization of information and status of each asset.

For example, by attaching a barcode, QR Code* or IC chip to machinery, equipment or products, assets can be scanned with a smartphone app to instantly confirm their status, enable visualization of their status of operation and utilization and permit speedy data analysis. In addition, it also provides functions for the bulk upload and download of data, management of asset information, including photos and videos, and management of history such as maintenance and changes in status.

This visualization and unified management enables significant reductions in time and man-hours spent on stock-taking

and on operations to record the movement of items in and out of inventory. By digitalizing the entire workflow sequence, including the issuing of business instructions, approvals and reports, it becomes possible to reduce work time and errors made in relation to processes that straddle both departments and companies. Moreover, it enables prompt and accurate judgments to be made in relation to measures for improving capacity utilization and productivity. Examples include changing machinery or equipment with low utilization rates to lease or rental arrangements, loaning them to other departments, partially disposing of them, and suppressing additional purchases. Going forward, we will work to uncover and provide further use cases, based on customer needs as understood by front-line sales.

*QR Code is a registered trademark of DENSO Wave Incorporated.

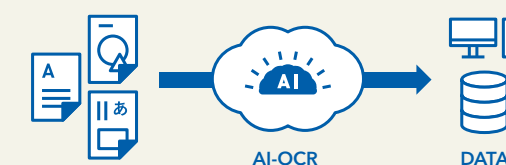


2 Promoting DX inside and outside the Company using proprietary AI-OCR

SMFL has developed proprietary optical character recognition (OCR) technology incorporating AI, which it is using in a variety of operations.

For example, in the operations for taking receipt of leases for office, kitchen and other equipment, we developed an AI-OCR system called "FAX Frontier" to automatically sort more than 1,000 faxes per day, across 48 different document types (applications, quotes, etc.). This succeeded in saving more than 11,000 hours of work every year.

In October 2020, in the operations for modifying part of the lease property in accordance with requests from customer companies and calculating lease extension fees, a project team was launched consisting of the operations manager, AI engineers and other internal members. By May 2021, after repeated trials the accuracy of the AI-OCR was improved to the point that it was able to process jobs in approximately 20% of the 20-30 minutes it had previously taken to input the data for each document, including



content verification.

Furthermore, as we aim to become "an advanced digital company," one of the concepts included in Our Vision, we are promoting the transformation of our business using digital technology as an edge. As part of those efforts, we are moving ahead with the development of solutions based on this proprietary AI technology both inside and outside the Company. Currently, by offering "AI for financial statement input" to enter financial data automatically using AI-OCR, we are working to resolve issues across a wide range of industries and operations.



Feature 1

Strengthening of Real Estate Business

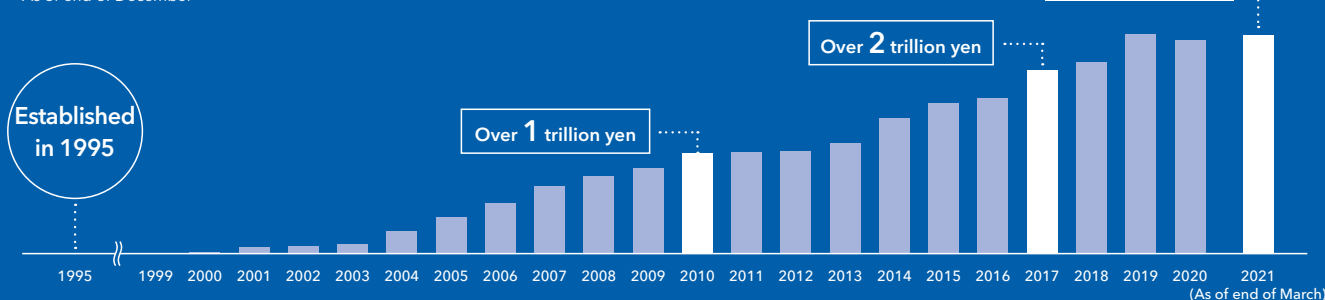
Japanese real estate securitization pioneer Kenedix joins the Group

Kenedix, which has a solid position in real estate asset management business in Japan, has become part of the SMFL Group.

By expanding assets under management (AUM) and creating and evolving business models that leverage Kenedix's know-how, we will significantly expand SMFL's presence in real estate-related businesses.

[Kenedix Group assets under management]

As of end of December



Overview of Kenedix Group

The Kenedix Group has grown the size of its business in tandem with the growth in the real estate securitization market. Its objective has been to achieve growth through the "Kenedix Model." This model creates real estate investment opportunities for its client investors by providing an integrated real estate asset management service from acquisition, through management, to disposal, and incorporates three businesses.

Asset management business

Rather than owning real estate itself, Kenedix creates investment opportunities in real estate funds (REITs, private funds, etc.) tailored to the needs of client investors. It achieves high level of transparency in its asset management by using dedicated management that specializes in each specific asset type.

Real estate-related business

Kenedix's real estate-related business enhances the value of funds managed by the Kenedix Group. Undertaking property management and works management operations for assets owned by the Group's REITs, this business provides highly specialized services that leverage economies of scale.

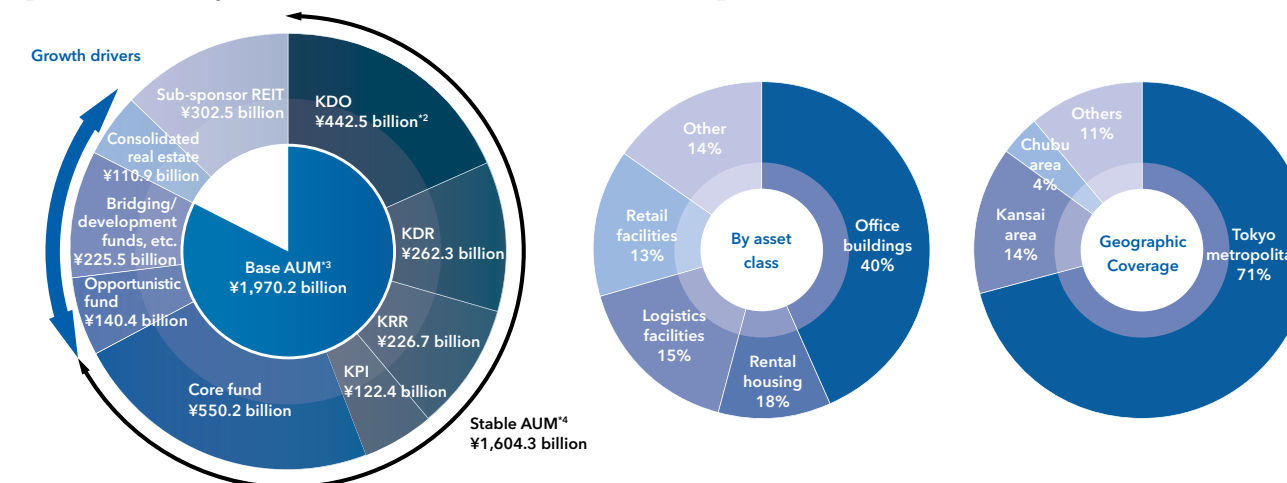
Real estate investment business

Kenedix invests jointly with client investors in real estate funds managed by the Kenedix Group. Its real estate investment business also deals with strategic investments such as "bridge funds" and "development funds" for future inclusion by REITs or origination of private funds.



As of end of March 2021

[Kenedix Group AUM*1 breakdown (as of end of March 2021)]



*1 KDO = Kenedix Office Investment Corporation; KDR = Kenedix Residential Next Investment Corporation; KRR = Kenedix Retail REIT Corporation; KPI = Kenedix Private Investment Corporation

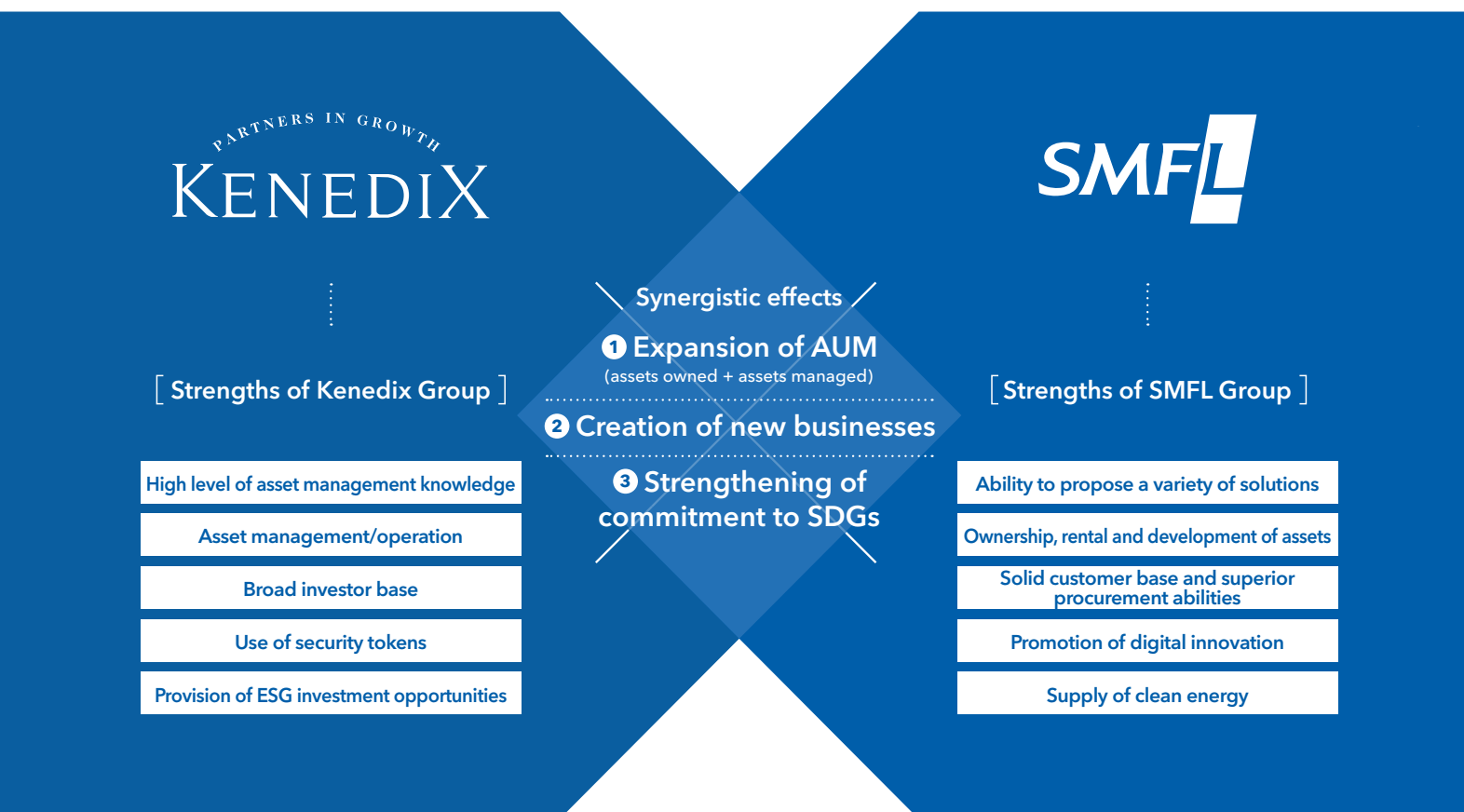
Amounts for each item are rounded down to the nearest ¥100 million

*2 Including silent partnership equity interest of ¥1.1 billion

*3 AUM of the REIT that is the main sponsor, combined with AUM entrusted to Kenedix and Kenedix Investment Partners (excluding consolidated assets)

*4 Portion of the AUM in *3 that is entrusted for stable, long-term management

Kenedix × SMFL synergies



1 Expansion of AUM

By utilizing the experience, knowledge and know-how of Kenedix, one of Japan's leading real estate asset management companies, it will become possible for the Kenedix Group and the SMFL Group to jointly structure REITs for new asset classes, and enable the securitization of real estate assets owned by both groups. In addition, utilizing the REIT bridging functions offered by SMFL will contribute to growth in group AUM and expansion in group earnings.

Moreover, the inclusion of the Kenedix Group in the SMFL Group will lead to further improvements in creditworthiness and funds procurement ability. This will not only make significant contributions to stable growth in AUM and improvements in earnings, but also enable further expansion of future real estate business initiatives by the Group as a whole.

2 Creation of new businesses

The Kenedix Group has a vision of the prospects for the real estate investment market and is actively working to expand into new business areas in order to achieve further growth. To expand the individual investor base, the Kenedix Group

is moving ahead with the construction of a real estate platform business that utilizes security tokens. By adding SMFL Group management resources to these initiatives, we will accelerate the realization of this business model.

In addition, we encourage interaction between employees of the two companies for the sharing and mutual use of the experience, knowledge and know-how accumulated by both sides as a means of opening the way to the creation of new business domains, and to the further development of the real estate business on which SMFL is focusing as a new domain of activity.

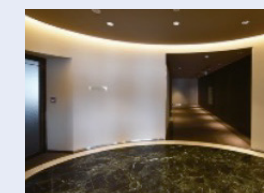
3 Strengthening of commitment to SDGs

SMFL has positioned SDGs at the center of its management, and is working to resolve societal problems in regions all around the world. We believe that effectively utilizing management resources, such as the personnel and administrative systems of both companies, will enable a drastic strengthening of business management functions used to fulfill our social responsibility, leading to new growth.

SDGs and digital initiatives

Initiatives to reduce energy consumption / CO₂ emissions

The Kenedix Group is engaging with the problem of climate change by reducing energy consumption and CO₂ emissions at the properties it manages. The content and extent of such engagement vary, depending on the use of the managed property, the management period of the fund, the investors and other factors. Still, the three listed REITs that operate on the assumption of long-term management are each involved in a variety of initiatives.



Related SDGs items



Initiatives at office buildings

Upgrades to lighting fixtures

From the perspective of environmental friendliness and reductions in expenses, we are moving forward with the conversion to LED lighting of lighting fixtures and emergency lighting fixtures in managed properties in order to reduce electricity consumption.

Upgrades to air-conditioning facilities

By upgrading to highly efficient air conditioners that use less energy and shifting from centralized air-conditioning to individual air-conditioners, we are enhancing the comfort of tenants while making the building as a whole more energy-efficient.

Installation of human presence sensors

By installing human presence sensors in toilets, office kitchenettes and stairwells, we are working to enhance convenience while preventing people from forgetting to turn off lights.

Initiatives at rental housing

Conversion to LED lighting for communal areas

As one of the initiatives for saving energy, we are using the conversion to LED lighting of lighting fixtures in communal areas, where appropriate, to reduce the cost of replacing light bulbs and cut electricity consumption.

Remote monitoring of road heating

By deploying a system for the remote monitoring of road heating (snow melting facilities) at certain rental housing properties in Sapporo, we have significantly reduced the cost of fuel used to melt snow.

Installation of electric vehicle chargers

We are installing chargers for electric vehicles in tenant parking lots.

Security Token Offering (STO) initiatives

The Kenedix Group is involved in digital securities. In 2021, the first real estate-backed public security token in Japan was issued. By combining "digitalization technology" with the "real estate management know-how of Kenedix," we provided new investment opportunities for real estate securitization products to a broad base of investors.

First in Japan

Real estate-backed public security token

First in Japan

Real estate securitization product utilizing a beneficiary certificate issuance trust scheme as the tokenized security

Features of the first issuance

1 Stand-alone real estate investment with a clear investment target	2 Price determined on the basis of appraisal value	3 Flexible sale and redemption that take into account changes in the real estate market
<ul style="list-style-type: none"> Creates new opportunity to invest in high-quality rental housing located in the center of Shibuya, which is being progressively redeveloped Clear investment target compared to a J-REIT portfolio (with multiple properties) 	<ul style="list-style-type: none"> During the management period, investments can be converted to cash by buying or selling at a price determined by a securities company using net asset value (NAV), based on appraisal value, as a benchmark that is not easily affected by capital markets 	<ul style="list-style-type: none"> Approximately 4.5 years after the commencement of the management of the fund, the fund is scheduled to be redeemed by selling beneficiary rights to the real estate The scheduled timing of fund redemption can be adjusted by two years in either direction to implement or extend redemption

Part 2 Commitment to SDGs / Corporate Governance

We will promote our commitment to SDGs, working to enhance corporate value and contributing to the sustainable development of society.

We will also strive to strengthen and enhance corporate governance, fulfilling our responsibility to society as a company and working toward sustainable growth.

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Promoting commitment to SDGs

In our vision for the Group under the SMFL Way, we have set forth the vision of continuing to be chosen in the future for our commitment to the SDGs. We have established four key issues (materiality) that relate closely to our business—the Environment, the Next Generation, Communities and Job Satisfaction—and have designated seven of the 17 goals of the SDGs as focus items. (→P.32)

By developing new markets and creating business opportunities to solve the societal issues identified by the SDGs, we will work to enhance our corporate value while also actively contributing to the sustainable development of society.

Seven SDGs Focus Items



Strengthening and enhancing corporate governance

Under the philosophy of the SMFL Way, we are working to strengthen and enhance corporate governance. We will establish an administrative structure for corporate management, and strive to strengthen risk management and ensure compliance, fulfilling our social responsibilities as a company while also working to achieve sustainable growth.

Commitment to SDGs

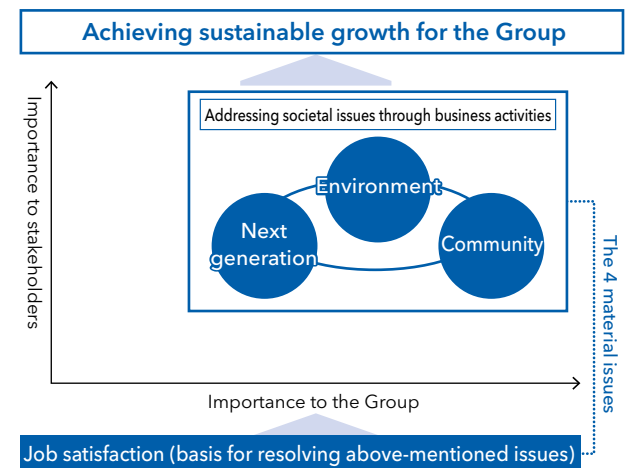
Selecting and Positioning of Key Issues (Materiality)

In order to effectively move forward with its growth strategy of commitment to SDGs, the Group selected key issues (materiality) through the following process. When selecting key issues, the Group considered various themes from the perspectives of “importance to stakeholders” and “importance to the Group,” taking into account the ideas of external experts.

Selection process for material issues



Positioning of material issues



Structure for Promoting SDGs and Approach to ESG Risks

The Group has established an “SDGs Promotion Committee” chaired by the President. The Committee, which includes members drawn from every department, works to realize a sustainable society by formulating initiatives to support our commitment to SDGs, as well as discussing and promoting various necessary measures. To implement the various measures required for our commitment to SDGs, we have assigned SDGs Officers to each branch, and all officers and employees are working on SDGs as their own issue.

In addition, the SMBC Group has introduced a policy of not providing credit in cases where there are concerns that it would have a significant negative impact on the environment. As a member of the SMBC Group, the SMFL Group has adopted a similar policy and is working to strengthen its management of ESG-related risks.

Structure for promoting commitment to SDGs



Framework for Promoting Commitment to SDGs

In order to promote our commitment to SDGs, the Group has put in place the following framework, with “Course

of action,” “SDGs focus items” and “Main measures” organized systematically for each key issue.

Our Vision		A company that will continue to be chosen in the future for its commitment to SDGs		
		In order to continue being chosen as a business partner by future generations, SMFL is tackling the SDGs head-on and contributing to the sustainable development of society.		
Key Issues	Course of action for key issue	SDGs focus items	Main measures	Vision
Environment	Contributing to achieving decarbonization and a recycling-based society	<ul style="list-style-type: none"> Optimize operation of SMFL's environmental management systems while supporting customer initiatives to reduce environmental impacts Leverage our characteristics as a leasing company to contribute through our business activities to the realization of a recycling-based society 	<ul style="list-style-type: none"> Promote initiatives for renewable energy Expand the volume of products that contribute to decarbonization Promote 3R business Restrict the use of electricity and paper within SMFL's businesses 	<div>Facing up to the SDGs</div> <div>Resolving societal issues</div> <div>Creating new business</div> <div>SMFL's sustainable growth</div> <div>"A company that continues to be chosen in the future"</div>
Next generation	Contributing to the development of people and companies connected with the next generation	<ul style="list-style-type: none"> Develop and introduce new technologies aligned with the needs of Japan's declining population so as to contribute to the development of companies 	<ul style="list-style-type: none"> Promote innovation in areas such as digital technology and robots Support the children who will become the platform for the next generation 	
Community	Contributing to the sustainable development of local communities	<ul style="list-style-type: none"> Contribute to the building of sustainable communities through development and maintenance of indispensable infrastructure 	<ul style="list-style-type: none"> Provide solutions for sustainable urban development Contribute to the development of the economies of all countries by supporting capital investments on a global basis 	
Job Satisfaction	Creating opportunities for everybody to be actively involved in a better future	<ul style="list-style-type: none"> Promote diversity in the context of an aging population and a low birthrate to enable the active involvement of diverse human resources Create an open and productive workplace environment and cultivate a corporate culture that enables employees to derive pleasure and satisfaction from their work 	<ul style="list-style-type: none"> Promote an active role for women and senior citizens Promote workstyle reforms Improve operational efficiency through the use of digital technology 	

Commitment to SDGs

Commitment to the Environment



Initiatives for Renewable Energy

Abnormal weather conditions, including rising temperatures and increase in heavy rainfall, have been observed in recent years due to the impact of climate change. As a result, renewable energy is becoming increasingly important as a source of carbon-neutral energy in the energy policies of countries around the world.

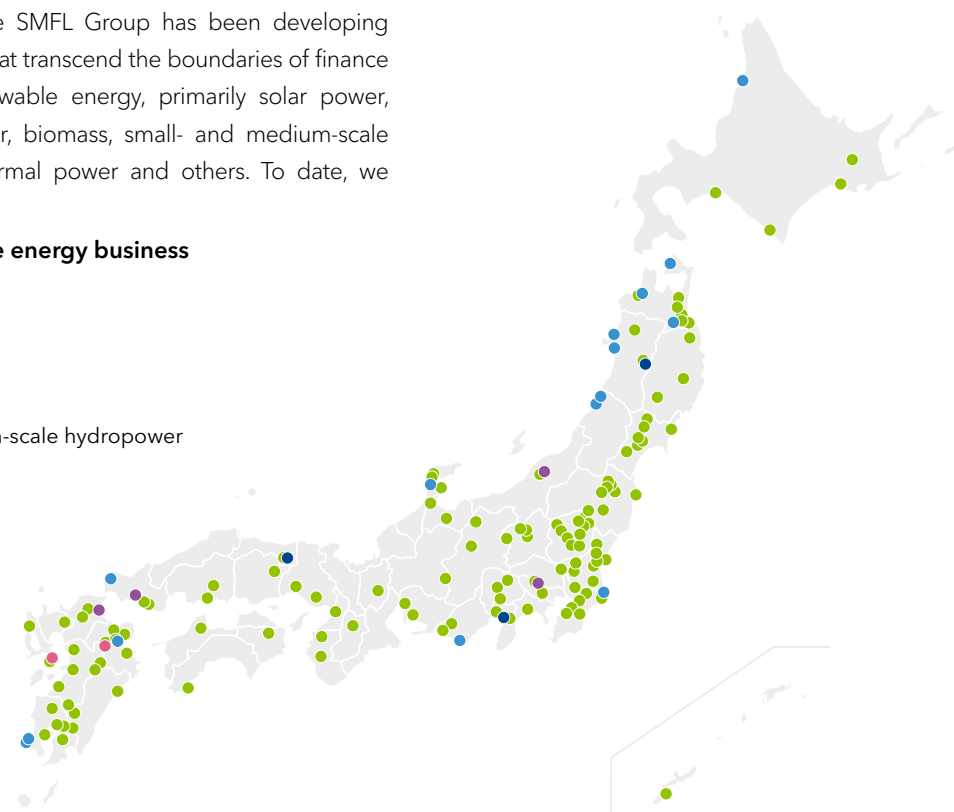
Since 2012, the SMFL Group has been developing diverse businesses that transcend the boundaries of finance in the field of renewable energy, primarily solar power, but also wind power, biomass, small- and medium-scale hydropower, geothermal power and others. To date, we

have worked on more than 1,600 renewable energy business projects, a record that is top class in the leasing industry.






Going forward, the Group will work to further strengthen the renewable energy business as part of our growth strategy. We will support the decarbonization efforts of our clients and business partners and our own power generation business, contributing to addressing the climate change problem through our business.

Status of renewable energy business (As of March, 2021)

- Solar power
- Wind power
- Biomass
- Small- and medium-scale hydropower
- Geothermal power



Actual results (As of the end of March, 2021)

	 Solar power	 Wind power	 Biomass	 Small- and medium-scale hydropower	 Geothermal power
Total output	1,100 MW	106 MW	70 MW	2 MW	5 MW
Number of projects	1,600	18	6	7	2

*Output capacity calculated based on proportion of interest

Realizing a Recycling-Based Society

With the depletion of resources and energy, and the various problems around waste, the negative effects of the 20th-century-type mass-production, mass-consumption and mass-disposal economic and social systems are becoming apparent.

Given this context, there is a need to build recycling-based socioeconomic systems, and the SMFL Group is working to create new businesses that will help realize a recycling-based society.

[Example of Initiatives]

Contributing to realizing a recycling-based society through the 3Rs in industrial equipment

In 2019, Group member SMFL MIRAI Partners established SMART, a joint venture with ARBIZ Corporation, an industrial waste treatment and recycling business. The company leverages the demolition supervision, execution and recycling technologies of ARBIZ Corporation and the knowledge and expertise in goods of SMFL MIRAI Partners and its re-use sales network. This enables a one-stop solution that undertakes everything from building demolition to the return of land to its original condition, including plant demolition, equipment removal, sale of used equipment and unneeded metal scrap, and waste disposal. Through the integration of financial and recycling expertise, the company works to bring a more

advanced approach to the 3Rs (Reduce, Reuse and Recycle) in industrial equipment, thus contributing to the realization of a recycling-based society.

[Example of Initiatives]

Utilizing food waste for biogas power generation

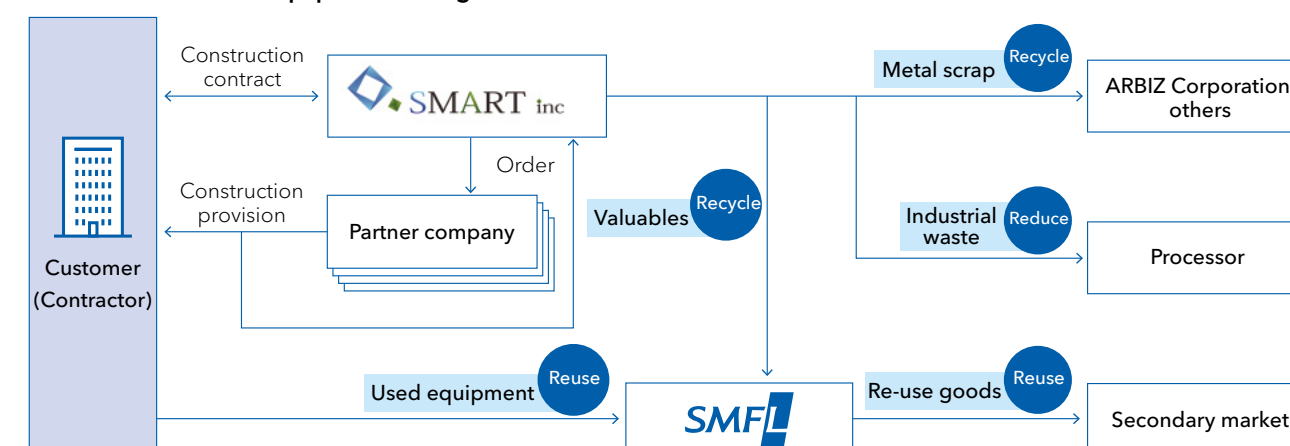
SMFL has entered into a project finance-type lease contract with Archaea Energy, a renewable energy business, for the biogas power generation project run by Archaea Energy. This project is the first non-recourse project in Japan to use cash flow generated by a large-scale biogas power generation project as a source of repayment.

The project will generate power from methane gas generated in the fermentation process, using food waste primarily from the Kanto region as a raw material.

Of the facilities, we have leased a food waste intermediate processing facility and a complete set of power generation equipment for the Hamura Biogas Power Plant. This equipment processes 80 tons of food waste per day, generating and supplying approximately 7,700 MWh of power per year. This is equivalent to the annual electric power consumption of about 2,110 households.

In addition, use of this facility reduces CO₂ emissions by 3,885 tons per year, equivalent to the annual CO₂ emissions of about 1,280 households.

The 3Rs of industrial equipment through SMART



Commitment to the Environment

[Environmental Consideration in the Real Estate Sector]

Launch of NEWNO, a new real estate brand

As social conditions change significantly—due to intensifying global warming, an aging society, the need for work style reforms and a commitment to the SDGs, in addition to the COVID-19 pandemic—the real estate industry is being required to address new issues and diversifying needs.

To respond to these needs, SMFL MIRAI Partners, an SMFL Group company, has launched NEWNO, a new brand in its real estate business embodying the aspiration to “Make a New Normal.” The brand will be given to properties in the real estate business that have acquired environmental certification (CASBEE Rank A or higher or DBJ Green Building ★3 or higher), as well as to properties that are jointly operated by business partners who support the brand’s objectives.

Going forward, we will contribute to the realization of a sustainable society by enhancing and strengthening the environmental friendliness and service value of the real estate, as well as the original asset value of the property. These efforts will include converting the electricity used in the buildings to RE100*-compliant CO₂-free electricity and improving ventilation efficiency on each floor, including inside elevators and other enclosed spaces, as a measure against infectious diseases.

*An international initiative of companies that are committed to deriving 100% of the electricity they use from renewable sources



[Environmental Consideration in the Transport Sector]

The first leasing company in the world to participate in an international framework for decarbonization

Based on the “Medium- to Long-term Reduction Targets for Greenhouse Gas Emissions from International Shipping” adopted by the International Maritime Organization (IMO)*, a specialized agency of the United Nations, SMFL became the first leasing company in the world to become a signatory to the Poseidon Principles, which were established in June 2019 by 11 financial institutions in Europe and the United States with the goal of contributing to the shipping industry’s efforts to address climate change risks from a financial perspective.

As of August 2021, 27 financial institutions, primarily in Europe, have signed on to the Principles. Each institution evaluates the degree of achievement of its efforts to reduce CO₂ emissions for each ship to be financed, and calculates and publishes the contribution of its overall ship finance portfolio to reducing CO₂ emissions each year (our first publication is scheduled for December 2021).

SMFL is actively promoting green finance, such as sustainability-linked leases and sustainability-linked loans, on the basis of the actual reduction of CO₂ emissions of the vessels to be financed. In this type of finance, lease rent and interest rates are reduced in accordance with the degree to which sustainability targets are achieved. Going forward, we will continue to expand and strengthen efforts that encourage the decarbonization of the international shipping industry.

*A specialized agency of the U.N. that promotes international cooperation on maritime issues, including ship safety and the prevention of marine pollution from ships



Strengthening Environmental Management

The effects of global environmental problems, including climate change, resource and energy issues, and various issues around waste, are becoming more apparent. In this context, the SMFL Group is striving to strengthen its efforts to reduce the environmental impact of its business activities and to contribute to solving global environmental problems through its business.

Formulating an Environmental Policy

In 2017, the SMFL Group formulated an “Environmental Policy,” and we set forth a clear policy of not only complying with environmental laws and regulations, but also of striving to continuously improve our environmental management systems, reducing the environmental impact of our business activities and contributing to solving global environmental problems through our business.

Environmental Policy

Basic Philosophy

Recognizing that efforts to address environmental problems are an important responsibility to be fulfilled for society, Sumitomo Mitsui Finance and Leasing Co., Ltd. hereby establishes the following Environmental Policy.

Environmental Policy

1. Through our business, we will actively work to harmonize global environmental preservation and pollution prevention with our corporate activities, and contribute to society and the economy.
2. We actively engage in the leasing and rental of equipment that reduces environmental impact, as well as the reuse and proper disposal of equipment whose lease terms have expired. We support our customers’ efforts to address environmental issues by providing products, information and solutions.
3. We will strive to reduce our environmental impact by conserving resources and energy, and by reducing, reusing and recycling waste.
4. We will comply with environmental laws and regulations.
5. To achieve this policy, we will set environmental objectives and targets, reviewing them periodically to ensure the continuous improvement of our environmental management system.
6. We will strive to ensure that all employees are fully aware of this policy, and will disclose it in writing broadly outside the Company.



Feature 2

Evolving Renewable Energy Business Leveraging our collective strengths to provide one-stop solutions

Expectations for renewable energy are rising as the impact of climate change problems intensifies worldwide. The SMFL Group is developing a diverse renewable energy business that includes solar, wind, biomass power, small- and medium-scale hydropower, and geothermal power, among other sources. We are working to evolve our business model from lease transactions to business investment as well as operations, leveraging our collective strengths to provide one-stop solutions.



[Progress in the renewable energy business]



Contributions to carbon neutrality

We provide a broad range of one-stop renewable energy solutions

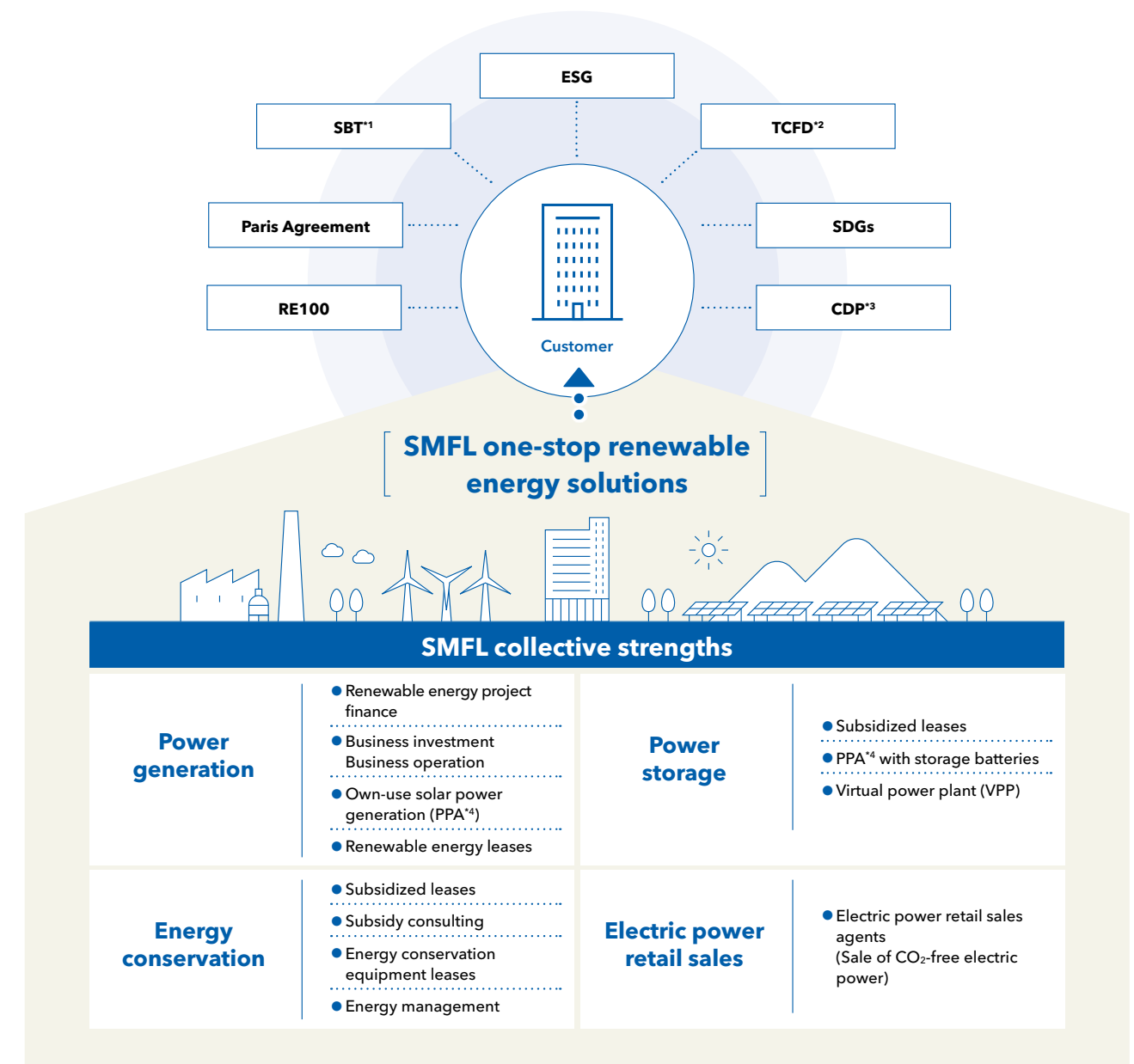
Against the backdrop of the Paris Agreement adopted in 2015, policies for mitigating climate change have been established in countries around the world, and concrete efforts are progressing. In Japan, the Japanese government announced a policy target in October 2020 to "reduce greenhouse gas emissions to zero overall by 2050, or in short, to achieve carbon neutrality, or a decarbonized society, by 2050." The review and formulation of policies to achieve this goal are currently underway.

As the business environment surrounding companies

changes significantly with the acceleration of these global trends, the focus of attention is on renewable energy.

The SMFL Group has a clear grasp of corporate decarbonization needs, and supports those efforts from both the financial and business sides. We provide a one-stop source of comprehensive solutions related to renewable energy, including power generation, power storage, energy conservation and electric power retail sales.

[SMFL one-stop renewable energy solutions]



*1 Science-based Targets: An initiative to encourage and certify companies that establish greenhouse gas reduction targets that are scientifically consistent with the 2°C and 1.5°C targets set out in the Paris Agreement

*2 Task Force on Climate-related Financial Disclosures

*3 Carbon Disclosure Project: Efforts to measure, manage, and reduce the impacts of climate change by encouraging ongoing dialogue between institutional investors and corporate executives on climate change

*4 Power Purchase Agreement: An electricity sale and purchase contract entered into directly between a power seller and the user of electric power

Own-use Solar Power Generation (PPA) + CO₂-free electric power = contribution to corporate achievement of RE100*

In recent years, the number of companies that have joined RE100 has been on the rise amid calls for addressing decarbonization management. By providing own-use solar power generation (PPA) with CO₂-free electric power as a set, the SMFL Group contributes to the customer's decarbonization management.

*An international initiative of companies that are committed to deriving 100% of the electricity they use from renewable sources

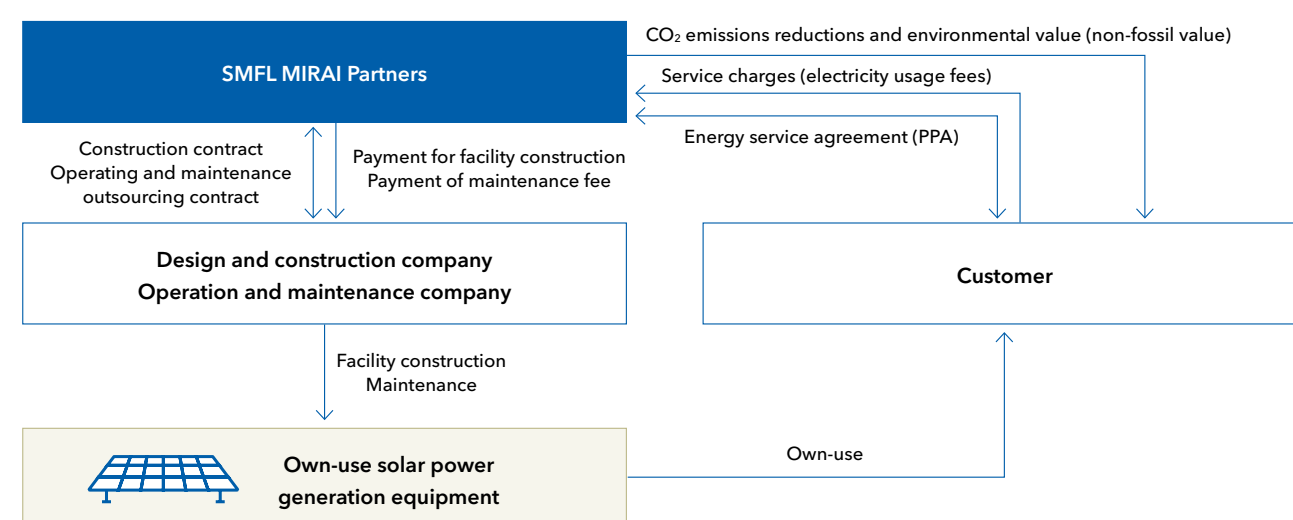
① Own-use solar power generation (PPA)

SMFL MIRAI Partners, an SMFL Group company, is promoting a business model (the PPA model) that provides free installation of solar power generating equipment.

"PPA" is short for "Power Purchase Agreement," a model by which the PPA operator installs solar power generating equipment free of charge in a space provided by the customer, and provides the customer with the electricity generated by the equipment.

Under this model, SMFL MIRAI Partners, which is engaged in the PPA business, owns and manages the solar power generating equipment, which means the customer has no need for the burden of an initial investment or ongoing management costs. In addition, this model contributes to enabling the customer to contribute to the environment by deploying and using renewable energy through use of the electric power generated by the solar power generating equipment, which emits almost no greenhouse gases.

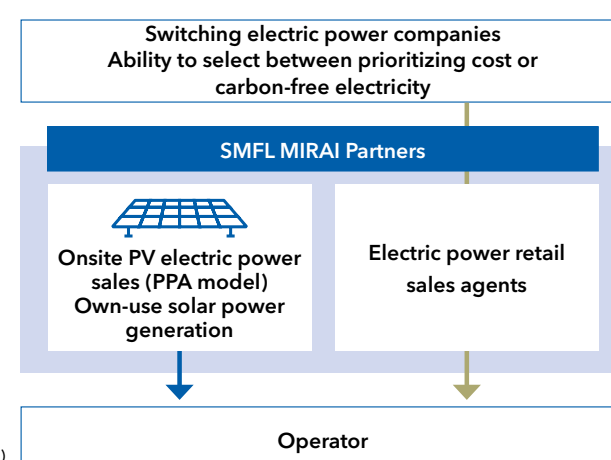
[PPA model scheme]



② CO₂-free electric power

SMFL MIRAI Partners is developing an electric power retail sales agency business in partnership with multiple, new electric power companies that have a proven track record in supplying electric power.

We will select and supply electricity that meets customers' needs, whether for prioritizing cost or for carbon-free electricity, from among the diverse offerings of each company.



Nobeoka Kadogawa Mega Solar Park begins operation

SMFL MIRAI Partners has set forth the renewable energy business as one of its growth strategies. It is developing the solar power generation business as part of its commitment to the SDGs, has begun operation of a solar power generation plant (the Nobeoka Kadogawa Mega Solar Park) in Kadogawa-cho, Higashi-Usuki Gun, Miyazaki Prefecture.

The power plant has approximately 170,000 solar panels installed on a former golf course site (approx. 93 hectares) straddling Nobeoka City and Kadogawa Town. It is the second largest solar power plant in Miyazaki Prefecture^{*1}, with an output of 47 MW and an annual estimated output of about 52,500 MWh, equivalent to the electric power consumption of approximately 16,000 households. The annual reduction in CO₂ emission is expected to be 26,000 tons (equivalent to 1.9 million cedar trees)^{*2}; this will be the first mega solar power plant in which SMFL MIRAI Partners is involved in the development and start of operations.



*1 Based on power generation output of certified business plan information as of the end of May, 2021 (Agency for Natural Resources and Energy, Ministry of Economy, Trade and Industry)

*2 Calculated based on annual average CO₂ absorption of 14 kg per one cedar tree

Solar power generation equipment leases in Asia utilizing JCM subsidies

Efforts to achieve carbon neutrality are progressing primarily in developed countries, but at the same time, the cost of deploying most low-carbon technologies is high, making it difficult to foresee a return on investment in developing countries.

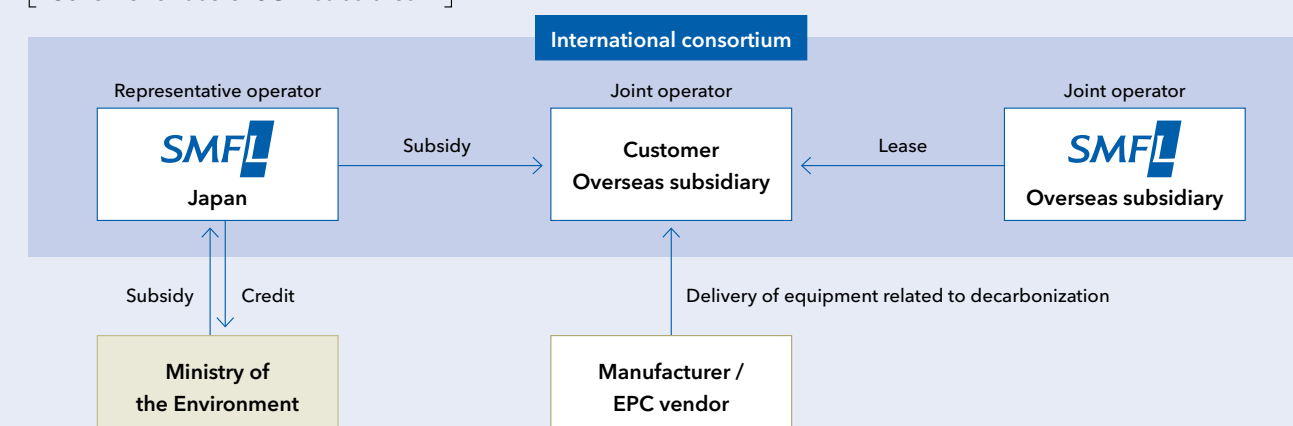
To solve this issue, the Japanese government has established and is implementing a Joint Credit Mechanism (JCM) to quantitatively evaluate Japan's contribution to greenhouse gas (GHG) emission reduction and absorption through the provision of superior low-carbon technologies, systems, etc. to developing countries. This will be used to achieve Japan's reduction targets and contribute to achieving the targets set forth in the United

Nations Framework Convention on Climate Change.

As part of this program, SMFL is participating as a representative operator in a project to install a 5 MW roof-mounted solar power generation system at an aluminum building materials factory, which was selected as a JCM project for fiscal 2020.

The project involves utilizing a lease in the installation of a solar power generation system on the roof of an aluminum building materials factory located in an industrial park near Bangkok, Thailand. All of the electricity generated will be consumed in-house, with renewable energy replacing electricity from the normal power grid, thereby reducing GHG emissions.

[Scheme for use of JCM subsidies]



Commitment to SDGs

Commitment to the Next Generation



DX Initiatives

The SMFL Group is strengthening its handling of products that contribute to automation and labor savings, including robots and ICT construction equipment. We have also begun to provide a platform for the management of life cycles of things, using AI and IoT, and we ourselves are promoting digital innovation through the use of digital technology to improve the efficiency of our sales and office operations.

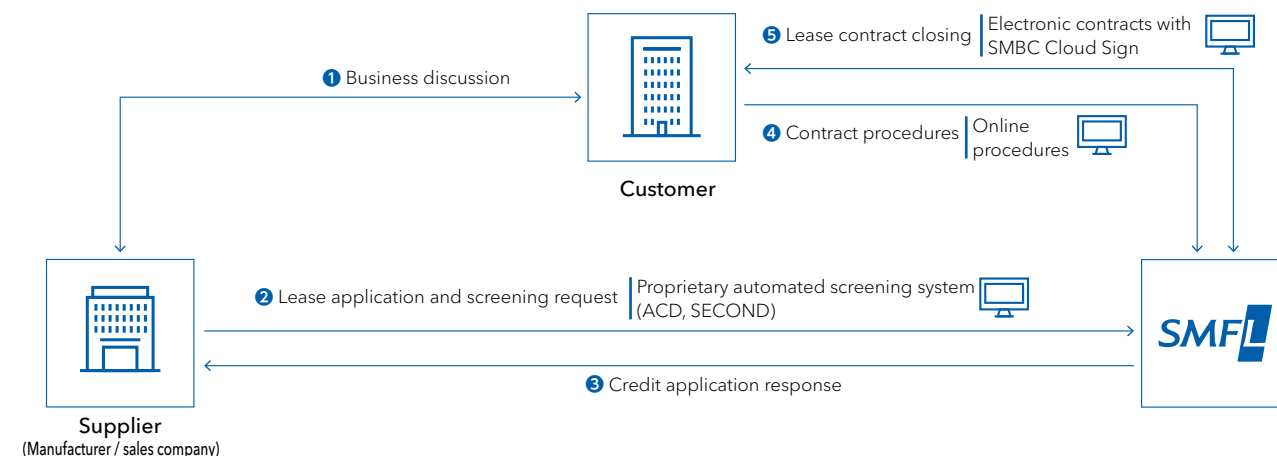
[Example of Initiatives]

Shifting the vendor business online

By introducing electronic contracts to our small-lot sales finance (hereafter referred to as “vendor leasing”) business for small- and medium-sized companies, the SMFL Group has digitalized the entire business process in vendor leasing transactions, from lease applications to credit decisions and contract closings.

We have in the past developed our own system that uses advanced data science to automatically screen applications for lease transactions received via the web, and we are using this system in our vendor leasing business. This time, we have evolved this mechanism to enable online procedures by providing electronic contracts. Note that the electronic contract system uses SMBC Cloud Sign, an electronic contract service

Digitalizing business processes in vendor leasing



provided by SMBC CLOUDSIGN.

[Example of Initiatives]

Jointly obtained a patent for “Optimal Rate Model for Lease Payments”

Working with Hitotsubashi University and Tokyo Shoko Research, Ltd., the SMFL Group has developed and obtained a three-way joint patent for a “Rate calculation device, rate calculation method and rate calculation program” for calculating optimal lease rates in the leasing business.

The purpose of this patent is to obtain the most economically rational lease rate in the leasing business by estimating the causal relationship between the lease rate and the concluding of a contract. This process involves taking into account various transactional backgrounds and assumptions, including the user of the lease, the type of machinery and equipment to be leased, the price competitiveness of the machinery and equipment at the time of purchase, and rate competition in leasing transactions. All of this is based on historical data analysis related to leasing contracts using big data analysis and causal inference methods.

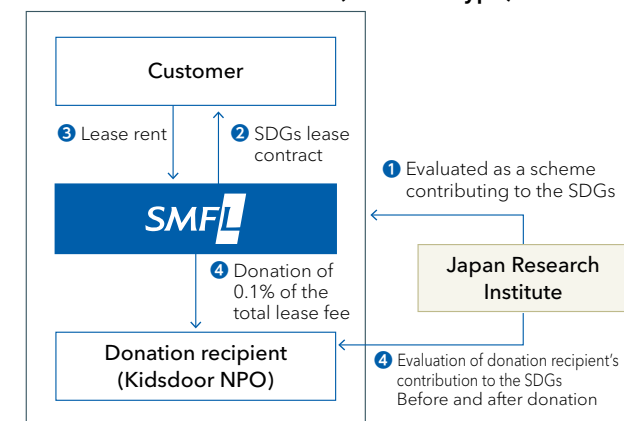
By promptly presenting a lease rate that is optimal for leasing business operations, the system is expected to contribute to promoting sales of machinery and equipment and their greater uptake.

SDGs Leases

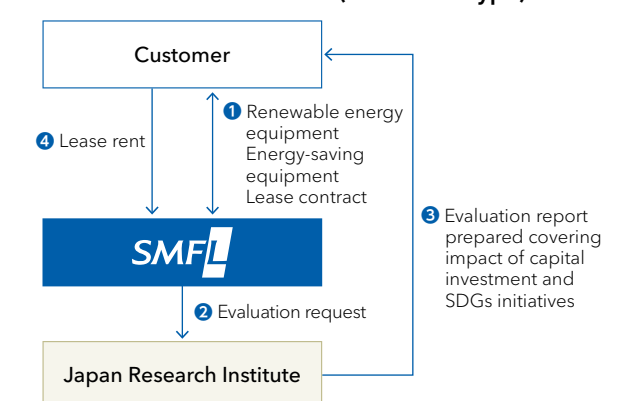
Working together with The Japan Research Institute, Limited, in December 2019 we began offering the first lease in Japan that can contribute to achieving the SDGs, the “MIRAI 2030®.” There are two types of “MIRAI 2030®” leases: the “SDGs Lease ‘MIRAI 2030®’ (Donation type),” in which we donate a portion of the lease payments to NPOs that contribute to achieving the SDGs; and the “SDGs Lease ‘MIRAI 2030®’ (Evaluation type),” which includes a written evaluation of the benefits of installing renewable energy and energy-saving equipment, and of SDGs initiatives.

The “SDGs Lease ‘MIRAI 2030®’ (Donation type)” has been endorsed by companies that support the activities

“SDGs Lease ‘MIRAI 2030®’ (Donation type)” Scheme



“SDGs Lease ‘MIRAI 2030®’ (Evaluation type)” scheme



of Kiddoor NPO and companies wishing to start their own SDGs initiatives. We report to our customers who have given their support regarding how our donations have been used, and in which areas of the SDGs we have contributed.

[Example of Initiatives]

Began offering “SDGs Lease ‘MIRAI 2030®’” for sales of air conditioners using R32, a low global warming refrigerant

In cooperation with Daikin Industries, Ltd. (“Daikin Industries”), SMFL has added air conditioners using the low-global warming refrigerant R32 (“R32 air conditioners”) to be sold by Daikin Industries for eligibility for the “SDGs Lease ‘MIRAI 2030®’ (Donation type)” in January 2021.

Through this initiative, we are encouraging the widespread use of a new refrigerant, R32, which has outstanding energy consumption efficiency and an environmentally friendly coefficient of global warming of about one-third that of conventional refrigerant gases.

In addition, we donate an amount equivalent to 0.1% of the purchase price of R32 air conditioners under the SDGs lease to the Shiretoko Nature Foundation*.

*A public interest incorporated foundation working to “understand, protect, and communicate” nature in Shiretoko, a World Natural Heritage site.

[Example of Initiatives]

Began offering a “Yokohama Version SDGs Lease ‘MIRAI 2030®’ (Donation type)” in collaboration with Yokohama City’s “Y-SDGs” certification system

In June 2021, we began offering the “Yokohama Version SDGs Lease ‘MIRAI 2030®’ (Donation type)” with the aim of realizing the “SDGs Future city” program being promoted by the City of Yokohama and further promoting the wider adoption of Yokohama’s Y-SDGs* certification system.

* By making use of the Y-SDGs certification system and addressing the SDGs, corporations with offices in Yokohama aim to shift to sustainable management and operations, expand new customers and business partners and help investors and financial institutions make better investment and financing decisions, including ESG investment.

Commitment to SDGs

Commitment to Communities



Helicopter Leasing Business Launched

In July 2020, the SMFL Group entered into an agreement with LCI Helicopters Limited ("LCI") to jointly operate a helicopter leasing business.

The SMFL Group and LCI have started the business by jointly establishing a new company, SMFL LCI Helicopters Limited ("SMFLH"), and transferring 19 helicopters (which are worth an equivalent of approximately USD 230 million) owned and leased by LCI. Given continuous growth in the number of aircraft, SMFLH has 28 helicopters as of July 2021.

The helicopters in question are widely used for emergency medical services in various parts of the world, for search and rescue in mountainous regions and

coastal waters, and for personnel transport to offshore wind farm facilities. Demand for this equipment is expected to grow in each of these fields.

Going forward, the company will consolidate its financial strength, including funds procurement, its knowledge and expertise in business management cultivated through aircraft and engine leasing, and the track record and operational expertise of LCI, one of the world's leading companies in the helicopter leasing industry. We will work to expand the scope and scale of our respective aviation-related businesses. We will also contribute to the realization of a sustainable society by providing services that contribute to solving societal issues including disaster response, medical care and renewable energy through this business.



Aircraft leased from SMFLH, a joint venture with LCI, and operated by Westpac Rescue Helicopter Service

Addressing the Increasing Demand for Remote Work

In December 2020, SMFL MIRAI Partners, an SMFL Group company, entered into a business development partnership agreement with XYMAX Corporation for business related to ZXY, a membership-based satellite office service ("ZXY Work Business") for corporations.

SMFL MIRAI Partners will participate in the ZXY Work Business by leasing the business facilities for the development of the business and owning the facilities and equipment. It will provide them to XYMAX Corporation at a fixed rent plus a variable rent based on the utilization rate of the satellite office. Meanwhile, XYMAX Corporation will lease the facility and operate the entire ZXY Work Business. Locations numbered 171 as of the end of August 2021, but we have plans to open more than 200 locations, mainly in the central and suburban areas of the Tokyo Metropolitan region, and additional locations are planned in light of future demand for remote work.

SMFL MIRAI Partners and XYMAX Corporation will collaborate to build and provide social infrastructure—called satellite offices—for the age of remote work, supporting the establishment of flexible work styles in society.



ZXY, a membership-based satellite office service for corporations

Leasing of Air Conditioning Equipment for Classrooms

SMFL and Daiwa Energy Co., Ltd., a Daiwa House Group energy management company, are working together to lease air conditioning equipment for classrooms and gymnasiums in public schools. SMFL is responsible for leasing full sets of equipment, while Daiwa Energy will undertake research, design, installation and maintenance required before and after the lease. This will allow government agencies to install air conditioning systems in many classrooms at once, and local governments can expect to reduce their human resource and cost burdens by outsourcing the maintenance work during the lease period.

School classrooms and gymnasiums are designated as emergency evacuation centers in the event of disasters such as large typhoons, torrential rains and major earthquakes, and we believe that the installation of leased air conditioning equipment will greatly contribute to the safety and security of the community, since it will help the evacuation centers cope with heat and with major cold waves in winter.

416 Used PCs Donated to Organizations Supporting Children in Okinawa

SMFL has donated 416 used PCs at the end of their leases to a support group in Okinawa Prefecture that is working to eliminate the problem of child poverty. The used PCs are currently in place at 97 "places for children" run by the support organizations. We hope this will help children to interact with the world of IT in a more familiar way, give them hopes and dreams for the future, and help them to become independent going forward.

In addition to voluntary donations from our officers and employees, we are also using a matching gift system that allows the Company to add to the amount of money donated in response to the wishes of those making donations. Going forward, our goal is to continue these activities aimed at solving societal issues, with the cooperation of our officers, employees and the Company.

Commitment to SDGs Commitment to Job Satisfaction



Vision

Our goal is to create opportunities for everybody to be actively involved in a better future. As part of that effort, by promoting active roles for women and seniors and through work style transformation, we are moving ahead with the creation of workplaces in which each and every motivated employee can choose a work style that suits their individual lifestyles and life events, challenging themselves to the fullest.

Promoting Diversity and Work Style Transformation

SMFL is a highly diverse organization where a variety of people from different corporate cultural backgrounds come together. In addition to diversity in terms of external "attributes," we value diversity in terms of the values held by each of our employees, and are working on activities that will contribute to further raising awareness of Team SMFL.

Measures to promote diversity and work style transformation



Health and Productivity Management

As a company that supports its employees in their challenges and growth, we consider the health of each and every employee who sustains our Company to be an important management issue. With these issues in mind, in April 2021 we formulated the SMFL Health and Productivity Management Declaration. Under the Chief Health Officer, we are working to (1) Lay the basic foundation for practice, including optimization of working hours; (2) promote physical health, including improving the implementation rate of specific health guidance and supporting a balance between work and medical treatment; and (3) promote mental health, including improving the workplace based on the results of stress checks.

Health and Productivity Management Promotion Structure



Nurturing Human Resources and Career Development

Approach to Developing and Nurturing Human Resources

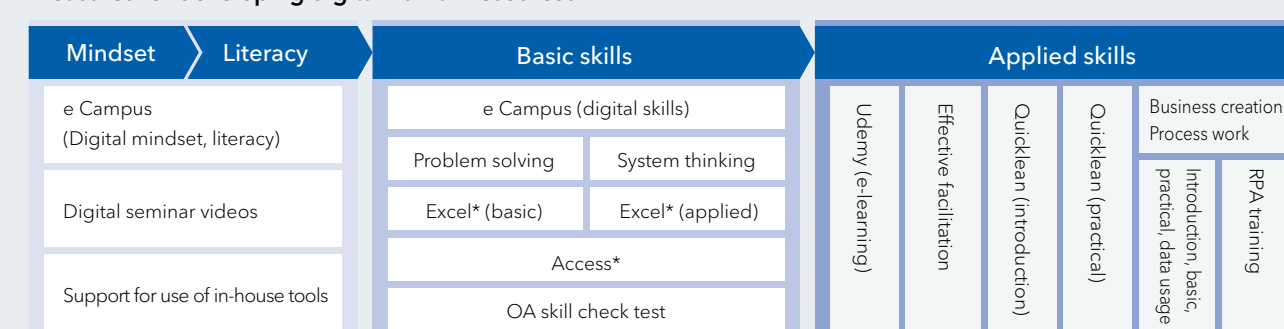
We have defined the type of human resources we seek as people with expertise who are capable of providing high-value-added services, and true leaders who can anticipate changes in the environment and proactively create new businesses and organizations. To develop and nurture such human resources, we are working particularly to upgrade our personnel systems and work environment, improve our training system and provide practical experience.

In promoting the development and nurturing of human resources, we believe it is essential for employees, departments and divisions and the Human Resources Department to work in unison, and we are working on

Approach to developing and nurturing human resources



Measures for developing digital human resources



*Excel and Access are registered trademarks or trademarks of Microsoft Corporation in the United States and other countries.

Corporate Governance

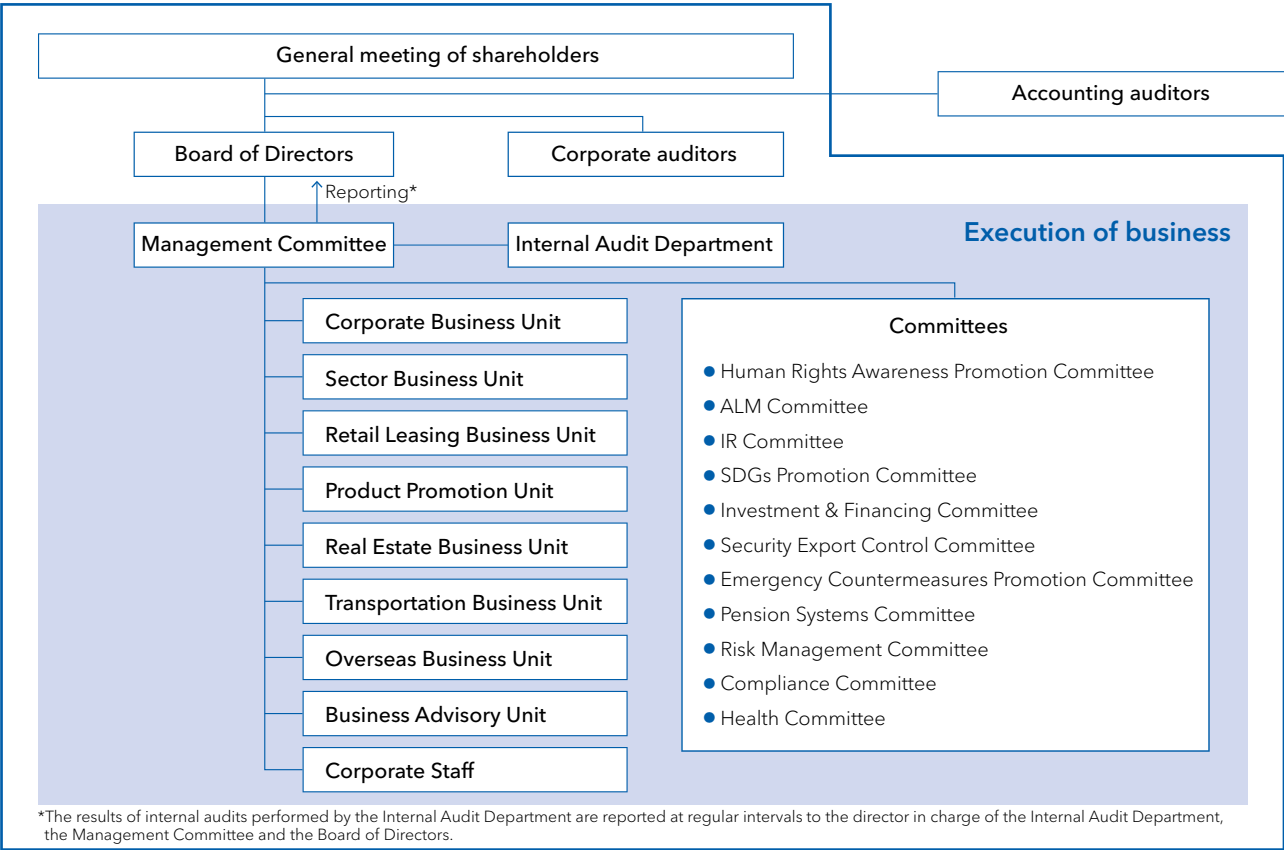
Basic Approach

SMFL was established through a merger between Sumisho Lease and SMBC Leasing and has grown in part through the acquisition of an aircraft leasing business and the merger with SMFL Capital.

Our business domain is expanding rapidly. While responding appropriately to continuing changes in the business environment going forward, we aim for sustainable development for society and sustainable growth for SMFL. As a representation of this commitment, we have formulated the “SMFL Way.”

The “SMFL Way” is the universal approach to corporate management that constitutes our management philosophy, and we believe that strengthening and enhancing corporate governance is an important management issue in the context of following this approach.

Business management organization and structure



Corporate Governance Structure

Directors and corporate auditors

SMFL operates under a structure of eight directors and six corporate auditors, of which two and three respectively were appointed from outside the Company. From the perspective of improving the transparency and soundness of management, the Company operates an executive officer system under which the decision-making and supervisory functions are separated from the business execution functions. Our business is executed by 38 executive officers (including five serving concurrently as directors) appointed by the Board of Directors.

Board of Directors and Corporate Auditors

In principle, the Board of Directors meets once a month. As well as making decisions on important matters, it monitors the execution of our business by directors and executive officers. The Board of Directors is chaired by the Chairman

of SMFL for a balanced allocation of roles with the President, who is the Chief Executive Officer of the Company.

As a company with a Board of Corporate Auditors, corporate auditors are independent of the Board of Directors and of execution of business. In order to understand the progress being made in determining management policies and to grasp the state of business execution, corporate auditors attend important meetings, including meetings of the Board of Directors, and receive reports on the business from directors and others. At the same time, by viewing important approval documentation, as well as hearing reports from and conducting interviews with the accounting auditors, they audit the execution of business by directors.

Structure for execution of business

At SMFL, executive officers selected by the Board of Directors are in charge of the execution of business, and the Management Committee is the ultimate decision-making entity for business execution. The members of the Management Committee consist of directors who serve concurrently as executive officers and executive officers nominated by the President and deliberate important matters of business execution.

With regard to business operations, SMFL has established meetings such as the Information Liaison Meeting which provide spaces for wide-ranging and flexible transmission of information and exchange of opinions, and

various committees which serve as cross-departmental organizations for coordination and discussion, in order to deliberate important business reports and specific measures.

Appointment and Remuneration of Directors and Corporate Auditors

Requirements for resolutions appointing directors

It is set forth in the Articles of Incorporation of the Company that the appointment of directors shall be conducted by a resolution at a general meeting of shareholders attended by at least one third of shareholders able to exercise voting rights, with a majority voting for said resolution.

Details of remuneration for directors and corporate auditors (fiscal year ended March 31, 2021)

Remuneration, etc. for directors	¥357 million (payments made to seven people)
Remuneration, etc. for corporate auditors	¥101 million (payments made to six people)
(Including remuneration, etc. for outside directors and corporate auditors of ¥24 million)	

Note 1 The amount of remuneration, etc. includes provision for bonuses for directors of ¥139 million. No bonuses are paid to outside directors and corporate auditors.

Note 2 The amount of remuneration, etc. includes provision for retirement benefits for corporate auditors of ¥10 million. There is no provision for retirement benefits for directors.

Committees

Name	Purpose
ALM Committee	In order to appropriately implement ALM across the Company, this committee predicts interest rates and analyzes results, exchanges information and reports on the situation with regard to funding, liabilities, and profit and loss, and deliberates policies.
SDGs Promotion Committee	In order to help realize a sustainable society, this committee formulates policies to actively promote initiatives for SMFL's commitment to SDGs, as well as discussing and promoting the necessary measures.
Investment & Financing Committee	As well as deliberating policies related to investment and financing, this committee receives regular reports on the market environment and performance, and discusses various measures to respond rapidly to changes in the market environment, as necessary.
Security Export Control Committee	In order to ensure appropriate controls of security exports in trade transactions by the Company, this committee submits reports, shares information, and deliberates operational policies in relation to the status of trade transactions, the status of security export controls and related structures.
Emergency Countermeasures Promotion Committee	This committee checks and reports the state of progress in relation to plans to establish emergency countermeasures, as well as discussing modifications to emergency countermeasures.
Risk Management Committee	This committee monitors the current risks faced by the Company, as well as discussing and promoting various necessary measures.
Compliance Committee	This committee deliberates and promotes various measures to contribute to the appropriate operation of the Company's compliance system.

Internal Controls

Basic Approach

SMFL has set out its structure for ensuring appropriate corporate operations (internal control system) in the Internal Controls Regulations. We are working to maintain a sound management structure by putting in place systems for the execution of duties by directors, internal controls over financial reporting, systems to ensure appropriate operation of the Group, systems for internal audit and systems for risk management and compliance.

Systems for the Execution of Duties by Directors

Information related to the execution of duties by directors is retained and managed appropriately in accordance with the Information Management Regulations, the Information and Document Management Rules, and other rules. Execution of duties by directors consist of the formulation of operating plans, the efficient operation of the business and management of performance. In addition to appropriately allocating the roles of each director, SMFL has formulated Organizational and Authority Regulations and delegates authority appropriately and in accordance with these.

Internal Controls over Financial Reporting

In order to ensure the appropriateness of accounting and the reliability of financial reporting for the Group as a whole, SMFL has formulated internal control evaluation regulations and others related to financial reporting, enabling it to put in place and operate the necessary systems for internal controls over financial reporting, and to assess their effectiveness.

Determining or amending basic policy for the overall evaluation of internal controls over financial reporting, and important matters corresponding to these, are decided by the Management Committee and approved by the Board of Directors. The plans and policies for each fiscal year, the resulting evaluations, and important matters corresponding to these, are approved by the Management Committee.

Management/Operation of Group Companies

In order to understand the state of execution of duties by directors at SMFL Group companies, and to ensure that those duties are executed efficiently, basic matters for the management of Group companies are set out in the Group Company Regulations and other rules, and Group companies are managed and operated in accordance with these. Group Company Regulations for Compliance have also been set out, and management of the Group is conducted in thorough accordance with these.

In addition, SMFL ensures the fairness and appropriateness of transactions within the Group in cases where transactions and the like are conducted within the Group or with either shareholder, or with shareholder group companies. SMFL and its Group companies conduct multifaceted verifications in accordance with the procedures set out in the Legal Risk Management Regulations to establish whether the conditions of the trade, such as the consideration received for a product or service, is appropriate and reasonable in comparison to the usual conditions.

Status of Internal Audits

With the aim of ensuring the sound and appropriate management of the SMFL's operations, the Company's Internal Audit Department, which is independent of other departments, implements internal audits of each department of the corporate staff and business department. The Internal Audit Department verifies the efficiency and effectiveness of operations, the reliability of financial reporting, and the appropriateness and effectiveness of the internal controls systems and the like, creates evaluations based on the results and presents recommendations for improvement. These audit results are reported at regular intervals to the director in charge of the Internal Audit Department, the Management Committee and the Board of Directors.

The Internal Audit Department, corporate auditors, and accounting auditors communicate and coordinate with each other as required, and work to implement appropriate and effective audits.

Risk Management

Risk management system principles

SMFL recognizes the importance of risk management and identifies the types and locations of risks to be managed according to our strategic objectives and business activities. In accordance with the following general principles, SMFL conducts appropriate management according to the characteristics of each risk.

(1) Group-level management	Each risk is managed at the Group level to avoid infringement of laws, regulations and other rules in accordance with the nature and importance of the business.
(2) Management based on quantification	SMFL identifies the range of risks to be managed and quantitatively manages them according to the characteristics of the risks.
(3) Ensuring consistency with operational strategy	Risk management shall be consistent with business strategy.
(4) System of checks	Risk management system shall be designed to check operations.
(5) Response in case of emergency or serious situation	If risk materializes, SMFL takes necessary measures based on the assumption of situations and scenarios that have a significant impact on management and financial conditions.
(6) Verification of the risk management system	The internal audit division examines our risk management system.

Risks to be managed

SMFL sets out the types of risks* to be managed and the managing department. Each department shall manage risks under the guidance and supervision of the director, relevant policies and rules. The Risk Management Department shall take a comprehensive approach to bringing together the various risks, recognizing risks that arise as a result of new businesses or changes of environment, and review appropriately the types of risks to be managed.

*Types of risks to be managed

- Credit risk
 - Business investment risk
 - Legal risk
 - Reputational risk
- Asset risk
 - Tax/accounting risk
- Market/liquidity risk
 - Operational risk
 - Personnel risk

Risk capital management

In order to balance risks and returns and control risks within the limit of business vitality without placing undue emphasis on specific risks, we ascertain risk figures as much as possible, and set an upper limit on the size of acceptable risks as the "Total Risk Capital Limit."

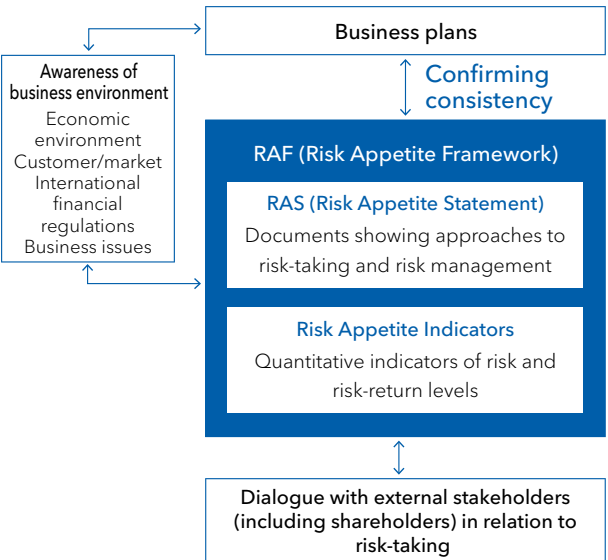
Risk Appetite Framework

SMFL has adopted Risk Appetite Framework as our management structure in order to clarify the types and amounts of risks associated with earnings growth and to disseminate them throughout the Company.

The Risk Appetite Framework is broadly divided into two components: Risk Appetite Statement and Risk Appetite Indicator (see the figure below).

Using these documents and indicators, SMFL conducts company-wide reviews of the risks and reflects them in our management strategy to promote appropriate risk-taking and aim for business operations that balance soundness, profitability, and growth potential.

Risk Appetite Framework



Internal Control

Stress tests

SMFL is developing and enhancing stress testing methods to proactively verify the impact of unforeseen stress events such as large-scale deterioration in economic conditions or the collapse of a specific industrial sector on our portfolio and shareholders' equity, as well as cash flows. Stress tests enable us to maintain the soundness of our business even under stressed conditions.

Risk Register

Risk Register is designed to enhance risk governance and business units' risk ownership. Business units communicate with risk management departments to identify potential business risks. In the future, SMFL will evaluate potential business risks, verify the appropriateness of control measures, and reflect them in our business strategy.

Compliance

Structure for promoting compliance

In order to ensure that the duties of officers and employees of SMFL and SMFL Group companies are executed in accordance with laws, regulations and the Articles of Incorporation, the Company has drawn up a Compliance Policy, which is adhered to by officers and employees. Based on the "Our Principle" section of the SMFL Way, this policy takes a "compliance-first" approach, seeking to fulfill the customer's trust and contribute widely to the development of society, and sets out an effective code of conduct that establishes expectations for the behavior of officers and employees as they execute operations. Furthermore, with the aim of ensuring the effective functioning of the compliance system, we continue to roll out the system by formulating specific annual plans every fiscal year, such as updating rules and providing training. In order to create a cycle of self-purification whereby violations of laws or regulations are discovered and corrected at an early stage, and to protect whistleblowers, we have put in place an internal whistleblowing system that is being operated appropriately.

In addition, to eliminate transactions with antisocial forces, a Basic Policy has been formulated for the SMFL Group as a whole, and we have put in place a structure for its appropriate management. So as to prevent money laundering and the provision of funds to terrorists, SMFL has formulated Money Laundering/Terrorism Financing Prevention Management Regulations as a Basic Policy for the Group as a whole, and which provide the basis for operations and management in this area.

Formulation of Compliance Policy

SMFL formulated the SMFL Way, consisting of the four elements of "Our Mission," "Our Vision," "Our Value," and "Our Principle" to express the identity of the Group. Among these, "Our Principle" provides the foundation for everything else, and expresses our fundamental approach.

It was based on these concepts that we formulated the basic regulation for compliance, which is the "Compliance Policy." Giving the highest priority to compliance is the fundamental approach at SMFL, and is essential for achieving sustainable growth at the Company. It is this Compliance Policy that provides the foundation for the practice by each and every individual of a compliance-first approach.

Compliance Policy

1. Compliance First

Compliance is not something which somebody does for you, but something which each of you practices day by day. Compliance shall be our fundamental rule which protects our company as well as all employees. Our operations and performance are built on top of this foundation.

2. Definition of "Compliance"

We define "Compliance" as follows:
"We comply with laws, regulations and internal rules, and meet social norms and expectations from society and customers."

3. Seven Compliance Policies

We have established the following seven main policies.

- (1) Compliance with Laws and Regulations
- (2) Sincere Actions
- (3) Proper Management and Usage of Information
- (4) Fair Business Operations
- (5) Anti-Bribery and Anti-Corruption
- (6) Respect for Human Rights and Prevention of Discrimination and Harassment
- (7) Cutting Off Relations with Antisocial Forces and Anti-Money Laundering / Combating the Financing of Terrorism

4. Compliance Policies

- (1) Compliance with Laws and Regulations
 - We understand and comply with laws and regulations applicable to our business.
- (2) Sincere Actions
 - We will always consider social norms and expectations that change from time to time and act in full response.
 - We will maintain our dignity as SMFL employees and act in good manners.
- (3) Proper Management and Usage of Information
 - We will properly manage and use any information received on our business.
 - We will properly handle intellectual property rights / confidential information of third parties.

- (4) Fair Business Operations
 - We comply with internal rules, accurately report and record facts and information related to our business, and do not conceal or alter them.
 - We will promptly report and take appropriate measures in the event of violation.
 - If we notice or find anything undesirable, even if it has nothing to do with us, we won't overlook it. We will raise our voice immediately to seek improvement.

- (5) Anti-Bribery and Anti-Corruption
 - We will comply with laws and regulations concerning the prohibition of bribery and will not engage in anything which may invite suspicion or distrust from society.
 - We do not accept business entertainments or gifts that exceed social norms or business practices.
 - We will not use our position or authority as an officer or employee of the Company, or sacrifice the Company's assets or profits to benefit ourselves or a third party.

- (6) Respect for Human Rights and Prevention of Discrimination and Harassment
 - We respect people and do not discriminate or harass anyone.

- (7) Cutting Off Relations with Antisocial Forces, and Anti-Money Laundering / Combating the Financing of Terrorism
 - We will maintain a resolute attitude toward antisocial forces and strive to prevent transactions and break off relations with them.
 - Regarding anti-money laundering and combating the financing of terrorism (AML^{*1}/CFT^{*2}), we will strengthen and continue AML/CFT by implementing measures and responses in accordance with laws and regulations as well as regulatory guidelines.

^{*1} AML: Anti-Money Laundering
^{*2} CFT: Combating the Financing of Terrorism

List of Directors and Corporate Auditors
(as of June 28, 2021)

Directors



Chairman of the Board
Makoto Horie

April 1981
Joined Sumitomo Corporation (SC)
April 2012
Executive Officer of SC
April 2015
Managing Executive Officer of SC
June 2015
Representative Director, Managing Executive Officer of SC
April 2017
Representative Director, Senior Managing Executive Officer of SC
June 2017
Senior Managing Executive Officer of SC
June 2019
Chairman of the Board of Sumitomo Mitsui Finance and Leasing Co., Ltd. (current position)



President
Masaki Tachibana

April 1980
Joined Sumitomo Bank
April 2007
Executive Officer of Sumitomo Mitsui Banking Corporation (SMBC)
April 2010
Managing Executive Officer of SMBC
April 2012
Managing Executive Officer of Sumitomo Mitsui Financial Group
April 2013
Director and Senior Managing Executive Officer of SMBC
April 2015
Representative Director and Deputy President of SMBC
June 2017
President of Sumitomo Mitsui Finance and Leasing Co., Ltd. (current position)

Outside Director
Shoichiro Oka

April 1983
Joined Sumitomo Corporation (SC)
April 2014
Executive Officer of SC
April 2017
Managing Executive Officer of SC
April 2018
Director of Sumitomo Mitsui Finance and Leasing Co., Ltd. (current position)
April 2019
Senior Managing Executive Officer of SC (current position)

Outside Director
Toru Nakashima

April 1986
Joined Sumitomo Bank
April 2014
Executive Officer of Sumitomo Mitsui Banking Corporation (SMBC)
April 2016
Managing Executive Officer of SMBC
April 2017
Managing Executive Officer of Sumitomo Mitsui Financial Group (SMFG)
April 2019
Director and Senior Managing Executive Officer of SMBC (current position); Senior Managing Corporate Executive Officer of SMFG; Director of Sumitomo Mitsui Finance and Leasing Co., Ltd. (current position)
June 2019
Director and Senior Managing Corporate Executive Officer of SMFG (current position)

Representative Director, Senior Managing Executive Officer
Reiji Morooka

April 1984
Joined Sumitomo Corporation (SC)
April 2016
Executive Officer of SC
April 2017
Managing Executive Officer of Sumitomo Mitsui Finance and Leasing Co., Ltd. (SMFL)
June 2018
Director, Managing Executive Officer of SMFL
April 2019
Director, Senior Managing Executive Officer of SMFL
June 2019
Representative Director, Senior Managing Executive Officer of SMFL (current position)
April 2020
Managing Executive Officer of SC (current position)

Representative Director, Senior Managing Executive Officer
Takehisa Ikeda

April 1983
Joined Mitsui Bank
April 2011
Executive Officer of Sumitomo Mitsui Banking Corporation (SMBC)
April 2013
Managing Executive Officer of SMBC
May 2016
Senior Managing Executive Officer of Sumitomo Mitsui Finance and Leasing Co., Ltd. (SMFL)
June 2016
Director, Senior Managing Executive Officer of SMFL
April 2017
Managing Executive Officer of Sumitomo Mitsui Financial Group
June 2020
Representative Director, Senior Managing Executive Officer of SMFL (current position)

Director, Senior Managing Executive Officer
Takeshi Murata

April 1982
Joined Sumitomo Corporation (SC)
April 2015
Executive Officer of SC
April 2018
Managing Executive Officer of Sumitomo Mitsui Finance and Leasing Co., Ltd. (SMFL)
April 2019
Adviser to SC (current position); Senior Managing Executive Officer of SMFL
June 2019
Director, Senior Managing Executive Officer of SMFL (current position)

Director, Senior Managing Executive Officer
Eiichi Sekiguchi

April 1986
Joined Sumitomo Bank
April 2015
Executive Officer of Sumitomo Mitsui Banking Corporation (SMBC)
April 2017
Managing Executive Officer of SMBC; Managing Executive Officer of Sumitomo Mitsui Financial Group (SMFG)
May 2020
Senior Managing Executive Officer of Sumitomo Mitsui Finance and Leasing Co., Ltd. (SMFL); Managing Executive Officer of SMFG (current position)
June 2021
Director, Senior Managing Executive Officer of SMFL (current position)

Corporate Auditors

Standing Corporate Auditor (Outside Corporate Auditor) Full-time
Shimboku Hattori

Standing Corporate Auditor Full-time
Toyofumi Sakai

Standing Corporate Auditor Full-time
Ichiro Takano

Corporate Auditor (Outside Corporate Auditor)
Seiichiro Ito

Standing Corporate Auditor Full-time
Kazuhiko Tomita

Corporate Auditor (Outside Corporate Auditor)
Katsuhiko Taguchi

Executive Officers

Senior Managing Executive Officer

Atsushi Kuroda
Tetsuya Nishikawa
Koichiro Yase

Koichi Kato
Tatsurou Terada
Takashi Arima

Managing Executive Officer

Shinichiro Watanabe
Etsuji Honda
Hirotsugu Harada

Yoshinori Ebihara
Yoichi Namiki
Hiroshi Sugimoto

Osamu Oshida
Hiroo Sugai
Satoshi Matsumura

Executive Officer

Tomomichi Kuraoka
Shinichi Kadowaki
Masashi Yoshida
Toshiyuki Seki

Mineo Suehiro
Kenji Murakami
Naoyuki Omura
Koichi Tanaka

Yasuhiro Maei
Toru Okamoto
Takahisa Shirai
Keiichi Kuroda

Takumi Jouan
Hideyuki Yamazaki
Tsutomu Tasai

Toyoki Fukuhara
Tomoyuki Tanaka
Fumiko Kobayashi

10-year summary

	2012/3	2013/3	2014/3	2015/3	2016/3	2017/3	2018/3	2019/3	2020/3	2021/3
Operating results (million yen)										
Revenues	951,955	992,201	1,037,237	1,152,011	1,147,898	1,420,430	1,622,823	1,502,378	1,513,701	1,438,293
Cost and expenses	852,335	877,038	907,169	1,015,656	1,006,141	1,243,965	1,437,305	1,316,886	1,332,526	1,281,942
Gross profit	99,619	115,162	130,067	136,355	141,756	176,465	185,517	185,492	181,175	156,351
Selling, general and administrative expenses	38,523	57,531	54,421	51,551	62,132	87,372	88,438	94,559	91,761	114,956
Operating income	61,096	57,631	75,645	84,804	79,624	89,092	97,079	90,932	89,413	41,395
Ordinary income	62,865	59,006	77,292	86,996	81,078	90,458	97,636	87,593	90,321	45,096
Profit attributable to owners of parent	29,796	30,840	41,257	45,851	45,593	50,449	54,553	80,010	61,219	33,627
Financial condition (million yen)										
Total assets	2,907,284	3,776,342	4,176,340	4,594,742	4,732,940	5,596,643	5,660,666	5,812,698	6,378,701	7,041,995
Operating assets	2,531,036	3,226,758	3,612,311	3,983,755	4,192,692	4,897,506	4,795,956	4,815,249	5,278,231	6,053,622
Interest-bearing debt	2,064,255	2,754,710	3,067,464	3,390,313	3,472,201	4,192,197	4,249,771	4,514,990	5,026,133	5,476,612
Net assets	535,694	602,163	651,909	714,660	728,821	779,319	824,602	734,041	735,542	922,067
Cash flow (million yen)										
Cash flows from operating activities	78,909	(70,032)	(178,522)	(136,546)	(100,985)	(113,811)	(46,033)	(343,019)	(232,629)	(296,859)
Cash flows from investing activities	569	18,931	(2,916)	(6,189)	(6,052)	(148,604)	(3,388)	(15,689)	(42,567)	(52,226)
Cash flows from financing activities	(63,949)	52,067	194,826	146,909	98,711	275,470	67,796	334,357	353,662	386,094
Ending balance of cash and cash equivalents	42,795	64,066	82,725	96,754	86,697	109,662	135,181	108,420	185,864	224,005
Main operating indicators (% , million yen)										
Capital ratio	18.0	14.5	14.0	13.7	13.5	12.1	12.6	10.6	9.6	10.6
Return on equity (ROE)	5.8	5.8	7.3	7.5	7.2	7.7	7.8	12.1	10.0	4.9
Return on assets (ROA)	2.2	1.8	1.9	2.0	1.7	1.7	1.7	1.5	1.5	0.7
Transaction volume	1,080,158	1,335,491	1,767,031	1,865,841	1,994,882	2,192,640	2,185,012	2,412,201	2,489,229	2,433,511
Other										
Number of Employees	2,095	2,228	2,260	2,358	2,481	3,492	3,550	3,285	3,357	3,631

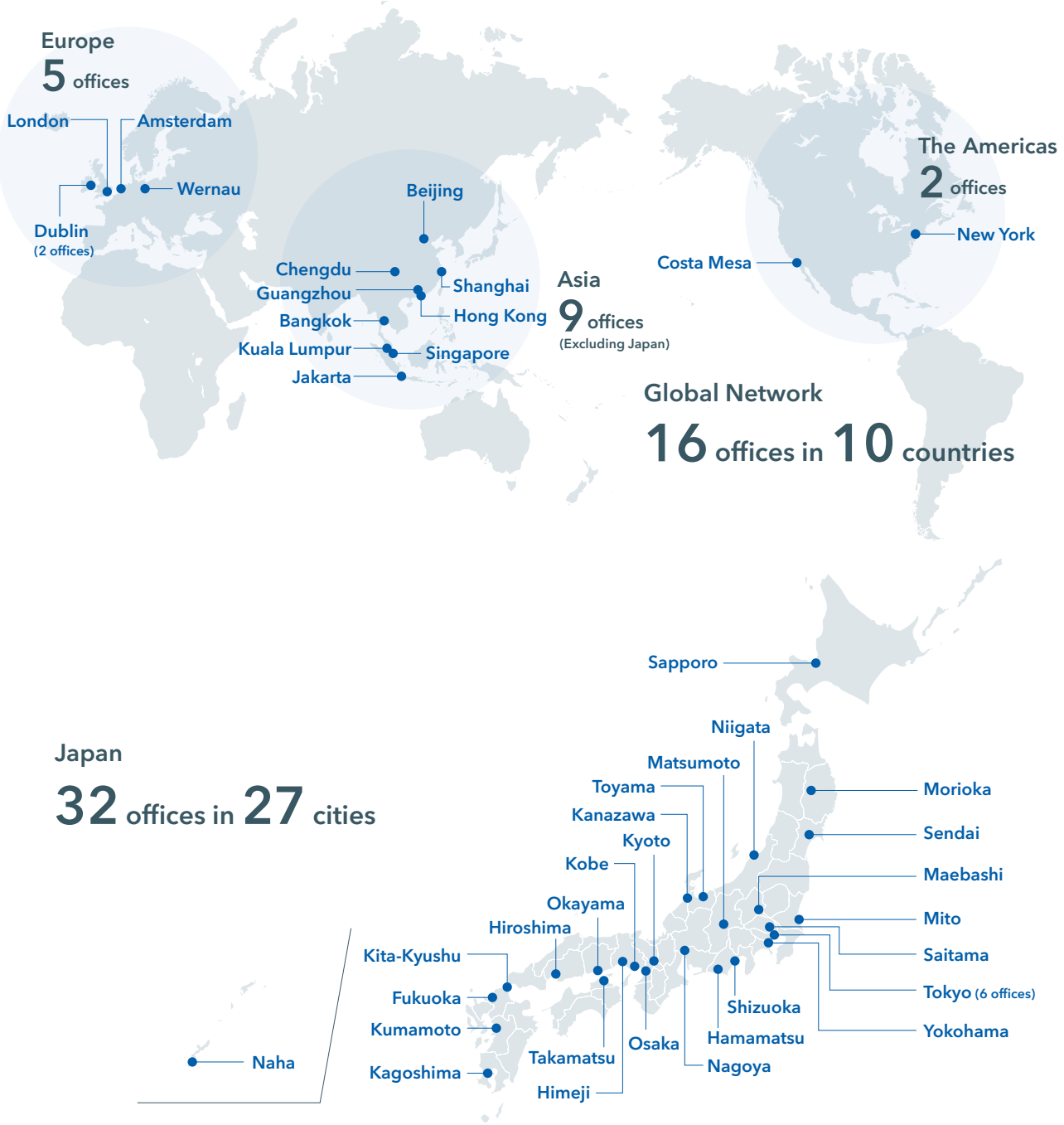
Company Overview

Name	Number of Employees
Sumitomo Mitsui Finance and Leasing Company, Limited.	3,631 (Consolidated)
Head office locations	Business Activities
Tokyo head office 1-3-2 Marunouchi, Chiyoda-ku, Tokyo TEL: 03-5219-6400	1. Leasing and installment sales of a variety of equipment and machinery 2. Loans and factoring 3. Other 4. Services relating to above-mentioned businesses
Osaka head office 3-10-19 Minami-senba, Chuo-ku, Osaka TEL: 06-6282-2828	
Established February 1963 (Start of leasing business: May 1968)	Shareholders
Capital ¥15.0 billion	Sumitomo Mitsui Financial Group 50% Sumitomo Corporation 50% (excluding treasury stock)

Group Companies

Domestic leasing business	International business
● SMFL MIRAI Partners Co., Ltd.	● Sumitomo Mitsui Finance and Leasing (China) Co., Ltd.
● SMFL Rental Co., Ltd.	● Shanghai Sumitomo Mitsui General Finance and Leasing Co., Ltd.
● SFI Leasing Co., Ltd.	● Shanghai Sumitomo Mitsui Finance and Leasing Co., Ltd.
● AJCC CORPORATION	● Sumitomo Mitsui Finance and Leasing (Hong Kong) Ltd.
● Kyushu Capital Finance Co., Ltd.	● Sumitomo Mitsui Finance and Leasing (Singapore) Pte. Ltd.
● SC Club Co., Ltd.	● SMFL Hire Purchase (Malaysia) Sdn. Bhd.
● SMART Incorporated.	● SMFL Leasing (Malaysia) Sdn. Bhd.
Real estate business	● PT. SMFL Leasing Indonesia
● SMFL MIRAI Partners Co., Ltd.	● SMFL Leasing (Thailand) Co., Ltd.
● Kenedix, Inc.	● DMG MORI Finance GmbH
● MAX-REALTY INC.	
Transportation business	Other
● SMBC Aviation Capital Limited	● Sumitomo Mitsui Auto Service Company, Limited
● SMBC Aero Engine Lease B.V.	● NEC Capital Solutions Limited
● SMFL LCI Helicopters Limited	● The Shimizu Lease & Card Co., Ltd.

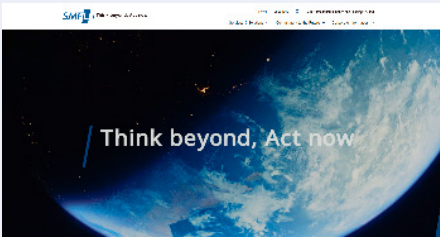
Domestic/Overseas Offices



Our website

Our website provides a variety of information to allow you to analyze the SMFL of today more deeply, including further details on the nature of the business and basic leasing knowledge. It can also be viewed from a smartphone, and we encourage you to visit the site at your earliest convenience.

Corporate website <https://www.smfl.co.jp/english/>





Sumitomo Mitsui Finance and Leasing Co., Ltd.

[Tokyo Head Office] 1-3-2 Marunouchi, Chiyoda-ku, Tokyo 100-8287, Japan TEL: 81-3-5219-6400 (Main)
[Osaka Head Office] 3-10-19 Minami-senba, Chuo-ku, Osaka 542-0081, Japan TEL: 81-6-6282-2828 (Main)

www.smfl.co.jp/english/

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