

Human Resource Strategies



**Empowering individuals to be resilient and strong.
Becoming a power for society.**

People are our most valuable asset

To ensure that SMBC Group becomes indispensable to our customers and society, it is of utmost importance that each and every employee continues to take on challenges and achieve personal growth. People are our greatest asset and the source of our competitiveness.

Today, SMBC Group is home to 120,000 diverse employees, we truly take pride in their individual strengths. These strengths lie in the dedication and passion each person brings to their work, along with a relentless commitment to thinking through how they can best contribute to customers and society. Each person also reflects an attitude of valuing colleagues, fulfilling one's responsibilities with a strong sense of accountability, and having the drive to boldly confront difficulties. These shared values have been passed down from our predecessors and form a part of our Group DNA.

In FY2023, we established the "SMBC Group Talent Policy" ("Talent Policy") which clarifies our vision.

Building a mutual choice-based relationship through human capital management

To continue creating added value as a company chosen by customers and society, and to achieve sustained growth into the future, it is essential that we pursue the ideals set out in the Talent Policy and foster a virtuous cycle in which both the company and our employees maintain a mutual choice-based relationship. The Talent Policy serves as our "human resource compass," forming the foundation of the various initiatives laid out in our current Medium-Term Management Plan.

In FY2025, we introduced Talent Policy Scores, which are our own unique indicators. These indicators allow us to visualize the extent to which our Talent Policy vision is being realized and to monitor progress. Moving forward, while aligning with management strategies such as the Medium-Term Management Plan, we will update initiatives based on the level of progress achieved.

As Group CHRO, I will position our Talent Policy as the foundation underlying our human resources measures, and will maximize our human resource capabilities to achieve the creation of social value and pursuit of economic value set forth in our management strategy.

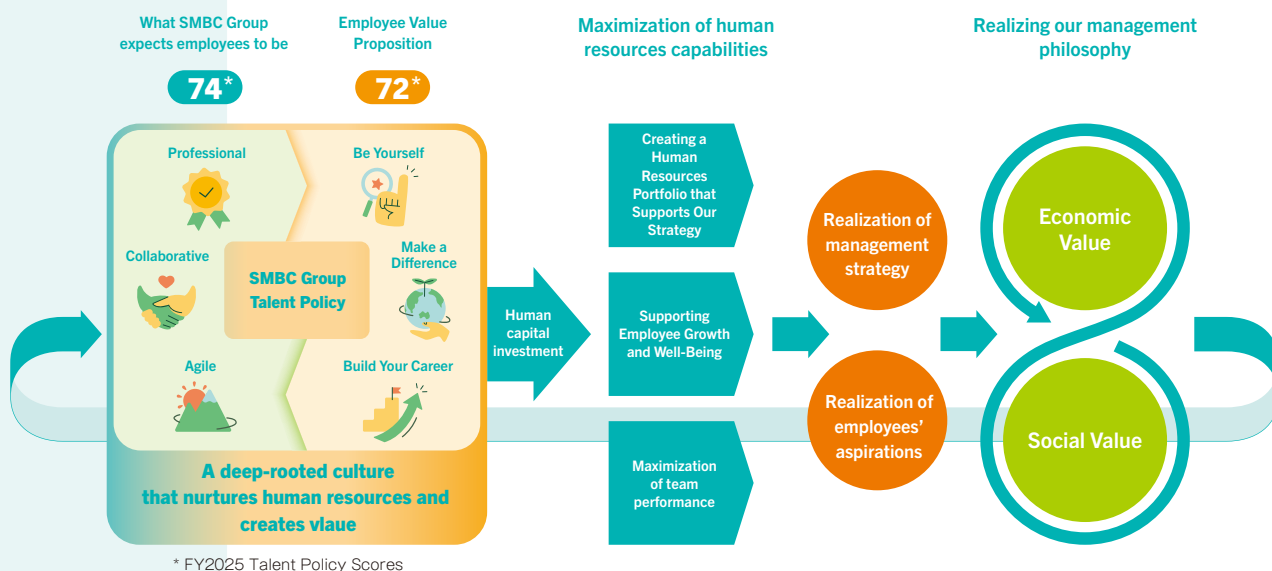
Thoughts on the revision of SMBC's personnel system

At Sumitomo Mitsui Banking Corporation, we are aiming to further embody our Talent Policy through the revision of our personnel system, which is scheduled for January 2026. Through this revision, we seek to break away from legacy practices such as seniority-based systems and establish an environment that promotes challenges and draws out individual strengths by enabling employees to pursue professional careers by implementing thorough evaluations based on roles, actions, and contributions.

Through this revision, we are committed to ensuring that each and every employee of SMBC Group embodies a strong sense of professionalism and pride, continuously embracing challenges and driving growth. In doing so, we will remain an indispensable presence for our customers and society. As Group CHRO, I hereby express my unwavering commitment to maximizing the potential of our human capital to drive the evolution of the entire Group.

Introduction	Management Messages	Value Creation Story	Create Social Value / Pursue Economic Value	Rebuild Corporate Infrastructure
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The SMBC Group Human Capital Management Model



Talent Policy Scores

SMBC Group has newly introduced Talent Policy Scores as quantitative indicators to assess the degree to which the Talent Policy is being realized. These indicators allow us to visualize the virtuous cycle between what we expect employees to be and our value proposition to employees, two pillars that form the foundation of the SMBC Group Human Capital Management Model. The score is calculated by combining results from various items of the Engagement Survey, with a benchmark set at 70 or higher, aligned with our overall engagement score KPI.

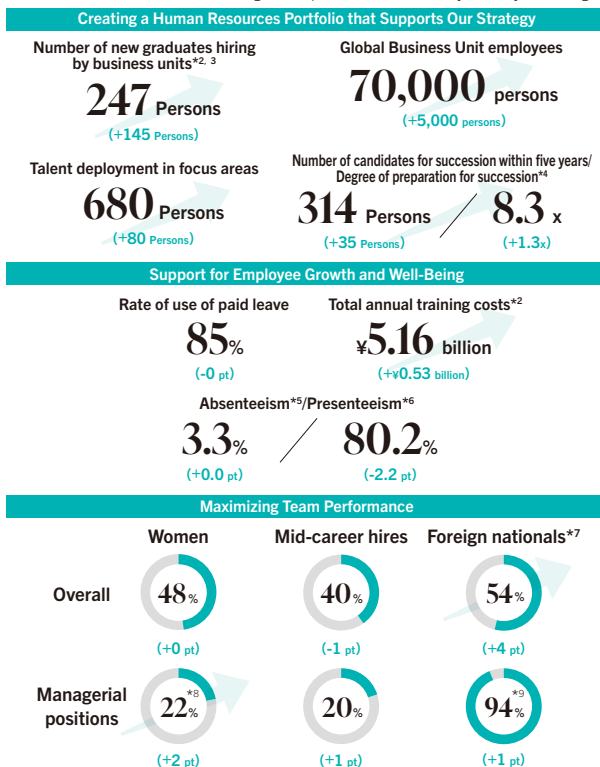
Currently, the score remains above this benchmark, and we consider this evidence that the Talent Policy is being effectively implemented across SMBC Group. We will continue monitoring this score and reflect the insights gained from them in our initiatives to deepen our approach to human capital management and achieve sustainable growth of SMBC Group.

Breakdown of FY2025 Talent Policy Scores

What SMBC Group expects employees to be	74	Employee Value Proposition	72
Professional	73	Be Yourself	71
Collaborative	75	Make a Difference	72
Agile	74	Build Your Career	72

Progress of human resource strategies^{*1} (FY2024)

Figures in parentheses indicate year-on-year changes



^{*1} Unless otherwise noted, calculations are for employees of eight major Group companies hired in Japan

^{*2} The data aggregation criteria have been revised with the figure for the previous year adjusted accordingly

^{*3} Number of new graduate hires entering the company in April 2025

^{*4} Ratio of number of candidates to number of target posts

^{*5} Percentage of employees with at least one day of absence or leave of absence in a year (SMBC)

^{*6} Assessed by asking employees the following question: "On a scale from 1% to 100%, where 100% is the best job performance you could have at your job if unimpeded by sickness or injury, how would you rate your overall job performance on the days you worked during the past four weeks (28 days)?" Measured using Single-Item Presenteeism Question, the University of Tokyo single-item edition (SMBC)

^{*7} Percentage of employees of consolidated SMBC Group

^{*8} Calculated based on the definition required by the Japanese Act on Promotion of Women's Participation and Career Advancement in the Workplace

^{*9} Ratio of locally hired employees in management positions at overseas offices

Revision of SMBC's personnel system

Goals we aim to achieve through the new personnel system

In response to evolving business environments and the increasing sophistication of expertise that we are required to possess, we aim to further expand our business by accelerating the recruitment and development of professional human resources in each domain and utilizing those human resources.

We will also aim to foster a virtuous cycle through our Talent Policy for the growth of the Company. This means building a relationship in which employees and the Company mutually choose and value one another. To achieve this, we will cultivate an inclusive organizational culture that respects diverse values and enables every employee to fully realize their potential. In such a workplace, we will recognize and reward those who are actively engaged in their work and deliver results through fair evaluation and treatment, creating an environment where individuals find greater motivation and fulfillment in their roles.

Overview of the personnel system revision

The new personnel system is guided by three core concepts.

1. Design of career paths that empower each individual to define their own professional foundation

Traditionally, we promoted uniform career paths where all employees broadly rotate through roles and aim for managerial positions. Under the new personnel system, we offer career paths that allow employees to deepen their expertise in specific domains and pursue excellence as professionals. This expands the range of career goals beyond management, enabling individuals to aspire to become top players in their respective fields.

2. Elimination of uniform, seniority-based operations

Regardless of tenure or age, evaluations and treatment are determined based on the roles, outcomes, and contributions required of professionals. This ensures that anyone can assume significant responsibilities and receive appropriate recognition based on ability.

3. Career and workstyle selection by individual employees

Employees are encouraged to choose their own career paths and adopt workstyles aligned with their life stage. At the same time, the framework ensures that such choices are fairly evaluated and compensated. This shift supports greater autonomy and a mindset transformation toward self-directed career development.

Key points for making the personnel system revision successful

As this is the first fundamental revision of the personnel system since the establishment of Sumitomo Mitsui Banking Corporation, it is anticipated that employees may feel uncertain about career development and performance-based systems, and that the responsibility on management may also increase.

For instance, in management, leaders will be expected to understand each team member's aptitudes and career aspirations, and to provide growth-oriented feedback. To support increasingly diverse talent and maximize team performance, more advanced management skills will be required. Accordingly, we are expanding initiatives targeted at management-level employees.

Moreover, to ensure that all employees correctly understand the new personnel system and embrace change positively, management, Business Units, and HR engage in thorough, coordinated communication.



Session with employees aimed at promoting understanding and awareness of the personnel system revision

① Creating a Human Resources Portfolio that Supports Our Strategy

Vision and future outlooks

We are further advancing talent portfolio management with the aim of securing professional talent in key focus areas and enabling flexible personnel deployment aligned with strategies. For example, at Sumitomo Mitsui Banking Corporation, we plan to introduce a system that allows employees to disclose their own skills and experience, enabling departments to make offers based on that information. We aim to create a more refined and flexible talent portfolio that can respond to increasingly diverse business needs.

Initiative

Expansion of human resources in focus areas

Key strategic areas for growth

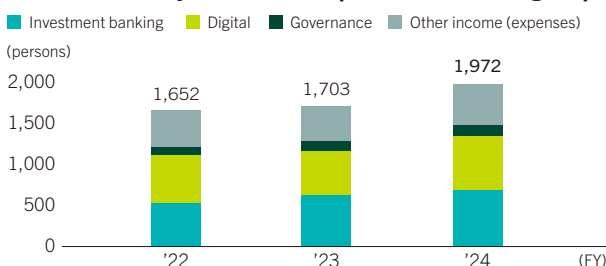
We have established a three-year talent deployment plan as part of the current Medium-Term Management Plan for the three focus areas and are advancing proactive recruitment and flexible personnel allocation accordingly. Specifically, we are focusing on expanding our workforce in DX talent, professionals supporting core management such as legal affairs and compliance management, and global talent driving the Global CIB business, Multi-Franchise Strategies, etc.

Focus areas	Talent Deployment Plan (3 years)		
	FY2023	FY2024	
Legal affairs, compliance, risk management, IT	+400 persons	+550 persons	+1,000 persons
DX, analytics	+150 persons	+100 persons	+300 persons
Global	+50 persons	+30 persons	+100 persons

Subject matter expert certification

To enhance employees' professional skills, we are expanding our certification programs. Japan Research Institute has extended the scope of the "Expert Certification System" from the Systems Division to include the entire Head Office. Furthermore, Sumitomo Mitsui Banking Corporation, is accelerating the development of DX talent by utilizing the "SMBC DX Passport," which indicates that they have obtained designated external qualifications.

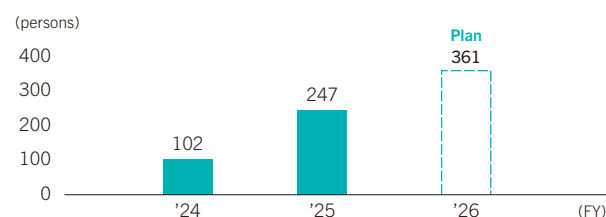
Number of subject matter experts across the group



Enhancing human resources acquisition

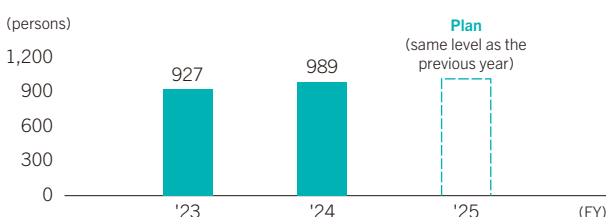
To enhance specialization in each area, we are promoting new graduates hiring by business units. At Sumitomo Mitsui Banking Corporation, we have expanded the IT and Digital Courses and newly established the Global Banking Course, which guarantees overseas assignments shortly after joining. We are diversifying mid-career recruitment approaches, including department-led scouting, referrals, and rehiring of former employees. The number of mid-career hires through scouting reached 99 in FY2024.

Number of new graduates hiring by business units*



* Number of new graduate hires entering the company for the year indicated.
The data aggregation criteria for FY2024 and beyond have been revised with past results retroactively corrected.

Number of mid-career hires*



* Number of mid-career hires entering the company for the year indicated.

Promoting group/global-wide career opportunities

Seamless personnel deployment in Japan and overseas

We are developing systems and environments that enable diverse talent to work across the Group and on a global scale without restriction.

In addition to 3,200 employees participating in talent exchanges among Group companies, more cases of cross-company project team being formed are emerging.

On a global level, we are implementing a uniform Global Mobility Policy to govern cross-border assignments, paving the way for a more cohesive and unified approach to talent mobility. We aim to enable flexible global personnel deployment and provide a wide range of growth opportunities for employees and platforms for their success.

Global alignment through shared experiences

To allow employees in Japan and overseas to appreciate the diversity of SMBC Group's businesses and talent while enhancing their skills and expertise as global professionals, we are promoting short-term assignments and secondments in both Japan and overseas.

At Sumitomo Mitsui Banking Corporation, we offer overseas employees practical opportunities such as the Global Japan Program, a short-term training initiative in Japan, and encourage Japan-based assignments. In FY2024, 90 overseas employees came to Japan, demonstrating high-level expertise and gaining opportunities for growth and success beyond employment location boundaries.

In addition to continuing the two-year overseas trainee program for Japan-based employees, we also launched a three-month short-term assignment program in FY 2024 for junior employees to India, which is a strategically important country for the Group. Through such programs, we focus on cultivating future global business leaders.



"Indo wo Shiro Program," a short-term dispatch program where junior employees are assigned to work in India

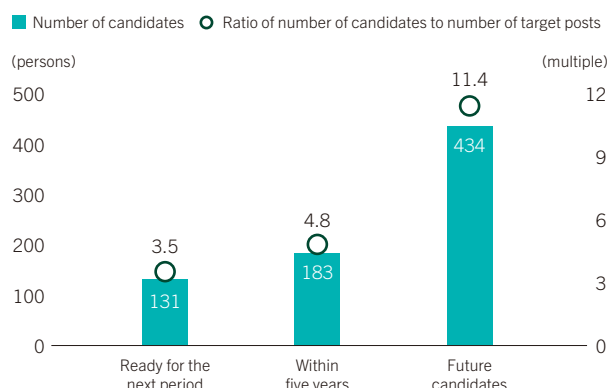
Fostering management human resources

Succession planning

To develop management talent with strong leadership skills for key domestic and international positions such as Group CxO and division heads roles, we have established a succession plan that promotes appointments based on performance and achievements, regardless of age or background. For example, we have appointed executive officers in their early 40s and appointed executive officers across Group companies.

We also conduct joint training sessions across the Group aimed at systematically developing future executive candidates. In addition to fostering a broad management perspective, the program strengthens unity to advance business by leveraging Group strengths.

Number of candidates for succession/ Degree of preparation for succession



Global talent management

To optimize placement in key global positions, in FY2024 we structured the process for appointing overseas executive officers under the Global Talent Management Framework. This framework clarifies all processes, from candidate selection to appointment, including 360-degree evaluations, and accelerates the appointment of optimal talent without being restricted by geographic location.

The Challenge of Enhancing Global HR

Advancing global HR functions

Overseas business is becoming increasingly important to the SMBC Group. In recent years, both our business scale and workforce have expanded significantly abroad with sustainable growth expected to continue. As overseas business expands and become more complex, there is a need for us to advance global HR functions. Accordingly, we are working to integrate HR functions globally by simplifying and streamlining operations, strengthening collaboration across countries and regions, and building an appropriate governance framework at the Head Office. Under “One Global HR,” we are executing talent strategies aligned globally to provide all Group employees, regardless of region, with opportunities to thrive, aiming for joint growth between the business and our people.

Building a unified platform

To realize a global talent strategy, we believe it is essential to have a unified HR platform that brings together organizations and operations across the globe.

Therefore, in FY2025, we also established reporting lines from local HR heads to the Head Office Human Resources Department. We also created a global planning and operating structure by function through a Global CoE (Center of Excellence) model. Among the five CoE functions, four are led by overseas local employees, enabling talent deployment that transcends geographic limitations even within the Human Resources Department. Furthermore, in recognition of the integrated operations of banking

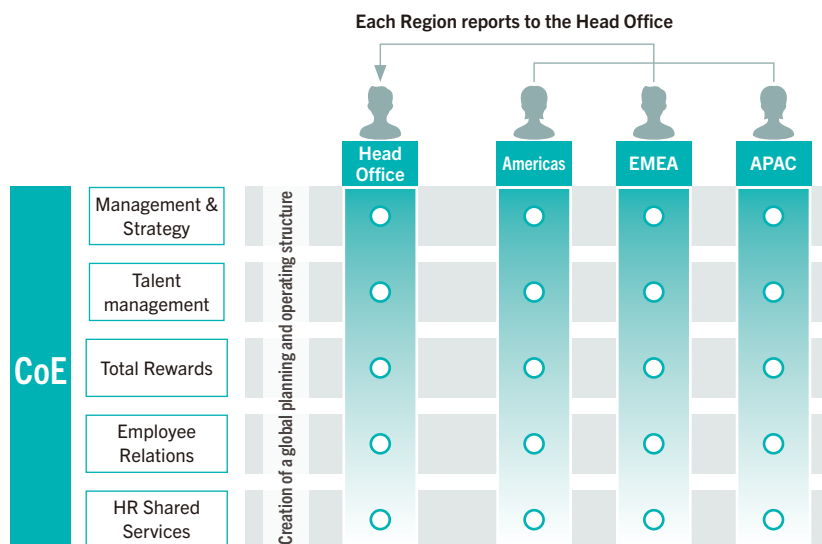
and securities overseas, we have initiated integrated HR operations between Sumitomo Mitsui Banking Corporation and SMBC Nikko Securities in global HR domains. Through this new structure, we will accelerate unified HR operations with overseas offices and maximize global talent capabilities across the Group.

We are also exploring the integration of HR systems overseas to enhance the global use of HR data. We aim to realize optimal human capital management across the globe by utilizing HR data for cross-border transfers and placements.



Joel Fastenberg

Executive Officer
Head of Global Human Resources



② Support for Employee Growth and Well-Being

Vision and future outlooks

SMBC Group is committed to creating systems that support employees in taking on new challenges and to building an environment where each individual can work in a physically and mentally healthy manner while expressing their individuality. We are also advancing initiatives to provide opportunities for employees to enhance their professionalism in their respective areas and further enrich their careers.

Initiative

System for supporting self-directed career development

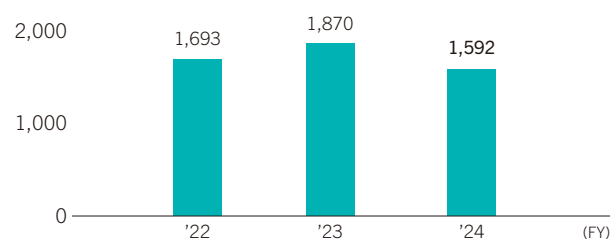
Self-directed career engagement and opportunities for taking on challenges

Group supports employees in self-directed career development through initiatives such as an internal job posting system that allows applications for positions across the Group, and the regularly-held “job forum” information sessions to communicate the appeal of departments. Approximately 1,400 employees participated in the “job forum” information sessions held in FY2024. In addition to an internal job posting system, Sumitomo Mitsui Card Company introduced the “career challenge (FA system),” which enables employees to independently apply for positions or roles they are interested in. In FY2024, a total of 310 employees utilized this system together with the regular job posting system.

We also support initiatives for launching in-house ventures, providing opportunities to take on new challenges regardless of age or experience. As a result of this initiative, six new business “presidents” emerged in FY2024.

Number of applicants for Group-wide job posting system

(persons)



Promoting growth through external dispatch and side jobs

We encourage the acquisition of diverse skills and experiences through mechanisms such as the external dispatch entry system and external/in-house side jobs. For example, SMBC Trust Bank and Sumitomo Mitsui Finance and Leasing offer opportunities for short-term workplace experience in other departments, helping to increase employee experience and clarify their career vision.

	FY2022	FY2023	FY2024*
Number of users of side job system (including, internal)	426	713	938

* The data aggregation criteria for FY2024 and beyond have been revised with past results retroactively corrected

Development programs focused on specialization

Group companies are also advancing initiatives to help employees build professional expertise. At Sumitomo Mitsui Finance and Leasing, we have established the learning platform “SMFL Academy,” providing a system that enables employees to take active steps toward acquiring specialized knowledge. At SMBC Consumer Finance, efforts are underway to bring about skills visualization and support employees in obtaining necessary qualifications.

Health and productivity management

Ensuring mental and physical health to support employees' growth

We organize a variety of seminars and events across the Group to enhance awareness and literacy regarding employee health. We also provide subsidies for medical examinations and treatments, and have implemented flexible work systems. In recognition of these efforts, we were certified as one of 2025 Outstanding Organizations of KENKO Investment for Health “White 500” (Large Enterprise Category).

③ Maximizing Team Performance

Vision and future outlooks

SMBC Group works to foster a corporate culture that respects diverse values among employees and generates results through teamwork. In particular, positioning DE&I as an important growth strategy of SMBC Group, a new structure was established in FY2024 to allow cross-group planning and development of measures by theme (such as work-life balance support). We will continue to implement a variety of initiatives that reflect evolving social conditions and the increasing diversity in employee values.

Initiative

Furthering DE&I

Enhancement of Diversity at Decision Making Levels

SMBC Group is promoting various initiatives to enhance diversity at decision making levels. For example, in light of gender gap challenges in Japan, Sumitomo Mitsui Banking Corporation has established a “Sponsor Program” in which executive officers serve as sponsors to support female executive candidates (sponsored individuals) through comprehensive career development assistance. In FY2025, 17 Management Committee members are serving as sponsors for 21 candidates.

	Actual performance	Target	
	FY2024	FY2025	FY2030
Number of female executive officers	40 ^{*1}	30	—
Ratio of female managers ^{*2}	22.1%	25%	30%

^{*1} As of June 2025

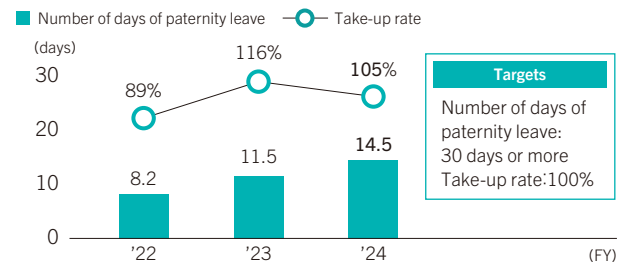
^{*2} Calculated based on the definition required by the Japanese Act on Promotion of Women's Participation and Career Advancement in the Workplace

Promoting work-life balance support

To enable employees to fully thrive while balancing work and private life, we are expanding work-life balance support programs. This includes creating a work environment that facilitates parental leave regardless of gender and

issuing a caregiving guidebook to raise awareness and support for balancing work and caregiving responsibilities.

Average number of days and take-up rate of paternity leave*



* The paternity leave take-up rate may exceed 100% depending on how individuals who took paternity leave across fiscal years are accounted for.

Organizational culture that improves performance

Developing management for leading the organization

We are strengthening the management capabilities of employees ranging from mid-career staff to executives. Managers are evaluated through 360-degree feedbacks by an average of 22 subordinates. This and other measures provide opportunities for reflection that help drive overall organizational performance.

Utilization of “Wevox”

The engagement survey “Wevox” is used throughout the Group and around the world to visualize employee sentiment. Based on this data, on-site teams take the lead in identifying and addressing issues. At Sumitomo Mitsui Banking Corporation, more than 3,000 employees serve as “Engagement Ambassadors,” playing a central role in workplace culture. While engagement scores remain high, we will continue conducting regular monitoring and use what we have learned through monitoring to enhance each type of HR measure.

Engagement score

