

Creation of Social Value by SMBC Group

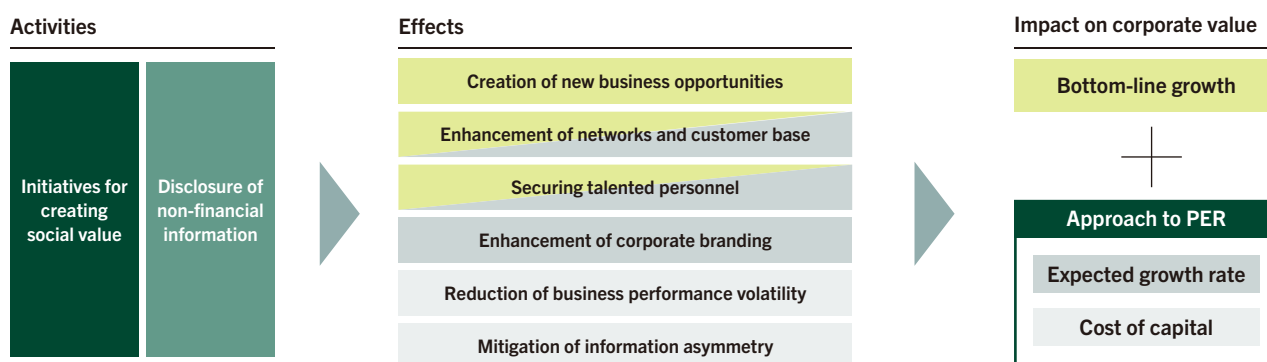
Toward “Fulfilled Growth” for Both Society and SMBC Group

The environment surrounding us is undergoing significant change, and we have entered an era of greater uncertainty than ever before. Nevertheless, SMBC Group remains committed to advancing toward “Fulfilled Growth,” where people feel fulfilled as economic growth accompanies the resolution of social issues.

To realize this “Fulfilled Growth,” the creation of social value remains important, along with the pursuit of economic value. We will continue to leverage the unique qualities and strengths of SMBC Group to contribute to solving increasingly complex and serious social issues.

We also believe that the creation of social value is one of the medium- to long-term growth drivers for SMBC Group. By working on and communicating the creation of social value to stakeholders, we can create new business opportunities, and strengthen our business foundation through, enhancement of networks and customer base, and strengthening of human resources, thereby generating a virtuous cycle that creates further social and economic value.

Going forward, we will continue to make every effort to create social value to realize “Fulfilled Growth” for both society and SMBC Group.



Promotion Structure

SMBC Group has established a Sustainability Committee on the supervisory side and a Corporate Sustainability Committee on the executive side to continuously enhance sustainability management.

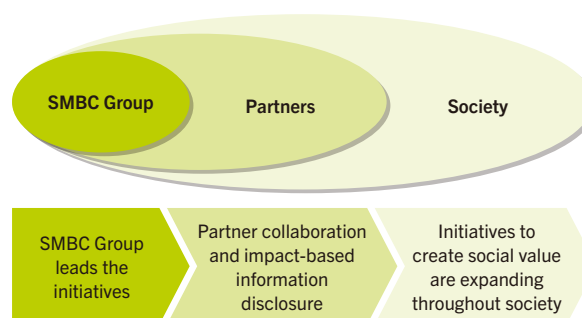
In April 2025, we established a new organization specializing in advisory and solution development with a focus on sustainability.



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Circle of Initiatives for Social Value Creation

Solving various social issues and realizing “Fulfilled Growth” cannot be achieved by SMBC Group alone. We aim not only to work together as SMBC Group on the creation of social value, but also to generate empathy for social value creation through our initiatives and disclosures, and to expand the circle of these initiatives to stakeholders, including our customers, and ultimately to society as a whole.



Expansion of the circle of initiatives

SMBC Group

Following the concept of “full participation,” it is important that each of our approximately 120,000 employees proactively participates. Two years have passed since we set creation of social value as a basic policy in our medium-term management plan, and employee surveys show that about 80% of employees are now more conscious of social value than before, indicating that empathy and activities among employees are steadily spreading. To further accelerate this movement, we will expand opportunities for employee participation and support for initiatives.

● Expansion of participation opportunities

Since FY2024, we have been implementing “Shaka-kachi DAY,” where employees think and act on social value creation themselves. In FY2024, 257 domestic and overseas locations set days to work on social value creation, and planned and implemented initiatives to solve social issues in collaboration with local communities, including customers, as well as participated in and supported the operation of social contribution activities. We also held the “Shaka-kachi AWARD” for the first time to recognize employees who proactively work on social value creation, and from 490 entries (about 2,500 people), the President’s Award and Employee Awards by employee vote were selected.

Through these measures, we will continue to provide opportunities for employees to learn about social issues and work on social value creation, aiming for further expansion of proactive initiatives.



“Shaka-kachi DAY”
Elementary school students seen participating in a company tour that teaches them about the appeal of local companies

● Supporting employees’ initiatives

Support for employees who voluntarily engage in social value creation is also being further expanded.

Specifically, in addition to a ¥10 billion expense budget for initiatives contributing to social value creation, we increased the investment budget to ¥50 billion. We are also working to enhance capabilities through in-house training.

At Sumitomo Mitsui Banking Corporation, we have appointed Shaka-kachi Ambassadors as leaders in each corporate sales department, and are promoting dialogue and support with customers based on social issues by creating discussion papers summarizing 50 social issues and solution approach sheets summarizing SMBC Group’s proposals for each issue. We have also developed the “SMBC Social Issues Resolution Promotion & Support Loan,” which supports customers’ efforts to solve social issues by analyzing the relationship between their business and social issues and supporting the formulation of action plans. In FY2024, we provided approximately ¥110 billion in support to 19 customers.

The SMBC Group's Broadening Efforts to Create Social Value

In this discussion, four employees outlined the status of their respective social value creation initiatives, discussed the challenges they face and their future outlook, and received advice from SMBC Group Global Advisor Paul Polman.



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Senior Vice President

Decarbonizing Kikai Island

Hemmi: Kikai Island, located among the Amami Islands, which are famous for being formed by the uplift of coral reefs, aims to become carbon zero by 2050. To this end, Kikai Town, the municipality covering the entire island, has signed a partnership agreement with Sumitomo Mitsui Banking Corporation (SMBC), Sumitomo Mitsui Finance and Leasing Company, and Chiyoda Corporation. Currently, most of Kikai Island's electricity is generated from

thermal power with fuel transported from outside the island, which means it faces issues in terms of both CO₂ emissions and costs. In addition, restoring power lines can be time-consuming during disasters, which had an enormous impact. When the island was struck by a typhoon in 2024, its power supply was disrupted for about a week. Meanwhile, the island has been unable to advance efforts to introduce solar power and other renewable energies due to the high cost. While it will be no easy feat for the island to become carbon zero,

we are promoting the introduction of renewable energy and efforts to bolster disaster resilience so that it can become a leading example for remote islands facing similar issues.

Murakami: We are also providing support for securing resources to resolve issues related to people, goods, money, and information. We proposed to Kikai Town that they utilize the Ministry of Internal Affairs and Communications' program for supporting the revitalization of municipalities. In addition, leveraging the knowledge of the Japan

Research Institute, we formulated a renewable energy introduction plan tailored to the characteristics of Kikai Town and examined the resources that were available. Starting with these sustainable, regional-level initiatives, we are also collaborating with domestic and overseas island regions facing similar challenges on international projects, and in the future, we expect to create business opportunities that contribute to resolving global issues.

Polman: Efforts to introduce renewable energy are crucial for Japan, which depends on overseas resources. Additionally, this project will not only lead to energy transition but also contribute to improving industrial productivity and revitalizing local communities by helping to resolve social issues such as mitigating the risk of power outages in the event of a disaster. I believe that resolving local issues will lead to a better life for residents, and I hope that you will learn a lot in the process of carrying out this project and make a significant contribution to the future growth of the SMBC Group.

Onishi: Another important initiative we are implementing through this project is to revitalize the region from within by utilizing local resources and people and improve the quality of life there through dialogue with residents. For example, we are working to resolve issues that impact quality of life, such as the termination of hospital shuttle services, by introducing a university-launched venture company with autonomous driving technology that is a customer

of SMBC. The challenges of Kikai Island are a microcosm of the various issues facing Japan. Going forward, we will monitor the effectiveness of these initiatives and draw on the strengths of the SMBC Group to create social value.

Fostering Momentum for Full Participation

Nakanishi: The SMBC Group promotes the creation of social value by encouraging the full participation of its employees. For example, it has set social value creation initiatives as one of the evaluation criteria for sales departments and stores and has established a system for recognizing and evaluating such initiatives at the organizational level. In addition, as a tool to encourage frontline employees to actively engage in such efforts, we have created discussion papers on social issues. These papers are used to provide information to customers and serve as conversation starters.

Polman: It is important that you do not overcomplicate the tools and listen carefully to those on the front lines. The SMBC Group has a wealth of outstanding human resources and is already expanding its pioneering initiatives in the field of social value creation. I hope that each employee will work with a sense of pride in being a member of a leading company and take a long-term perspective.

Creating social value is all about aligning your company with the world you want to realize. The first question to ask is what kind of impact you can have on resolving social issues. In the end, however, it will not work if it is not profitable. A lack of profit means that the funds necessary for activities will soon be depleted. I hope that you will keep in mind that economic value is a facet of social value and that you will create a system that encourages the full participation of employees in your efforts to this end.

Co-Creation Project to Realize the Vision of Achieving Regional Decarbonization on Remote Islands

The biodiversity and cultural practices of Kikai Island, which are derived from its environmental characteristics, are extremely rare in today's world, and contributing to the maintenance and development of the island environment is of great significance. However, the issues facing the island are mounting, such as the increase in scale and frequency of natural disasters resulting from climate change and the insufficiency and inactivity of public infrastructure arising from its declining population. In light of these issues, Kikai Island signed a partnership agreement with SMBC, Sumitomo Mitsui Finance and Leasing Company, and Chiyoda Corporation in July 2024 to promote regional decarbonization on the island and revitalize its local communities. Kikai Island will also collaborate with local companies and neighboring municipalities to promote initiatives focused on introducing renewable energy, bolstering disaster resilience, and contributing to improving public transport infrastructure.

Creation of Social Value by SMBC Group

Partners

● Industry-academia collaboration initiatives

In creating social value, it is important not only to work on our own, but also to collaborate with stakeholders, including customers and society. As part of this, we are promoting industry-academia collaboration initiatives. To date, we have concluded partnership agreements with Kyoto University, University of Tsukuba, and the University of Tokyo, working on research starting from social issues, social implementation of research results, transformation of university management, and development of entrepreneurial talent.

Society

● A framework for facilitating funds to solving social issues

As a financial institution, SMBC Group financially connects customers who are tackling social issues and customers who wish to contribute to such efforts. By doing so, we aid the creation of mechanisms that promote the circulation of funds for solving social issues.

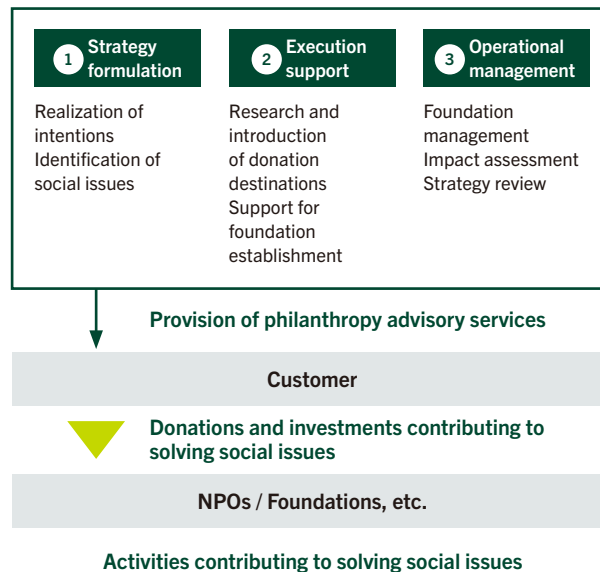
In FY2024, SMBC Venture Capital made its first impact investment by investing in HAKKI AFRICA, which provides microfinance to taxi drivers in the global South.

We also launched a philanthropy advisory service to connect customers, mainly affluent individuals, with non-profit organizations and public interest corporations working to solve social issues. We provide tailor-made, end-to-end support for customers' social contribution and social issue resolution efforts, from proposing and supporting the execution of donation destinations to subsequent monitoring, in line with their wishes. Furthermore, we newly established the SMBC Group Foundation, a public interest incorporated foundation, as one of the donation destinations.

In addition, through existing products such as green deposits and social deposits, funds are steadily being circulated toward solving social issues. Going forward, as a financial institution, we will continue to build ecosystems to solve social issues.

● Corporate collaboration initiatives

We are working on collaboration with companies, including our customers. For example, at Sumitomo Mitsui Banking Corporation, we are collaborating with the CHITOSE Group, which leads the global bioeconomy, to promote the construction of an microalgae industry under the "MATSURI" project, building a value chain involving the industrial sector. In 2024, we also invested in this group using the social value creation investment fund. We will continue to work on creating social value through partnerships.



Information Disclosure Anticipating Changes in the “Metrics”

● Impacts envisioned by SMBC Group and the significance of visualization

Along with the creation of social value, as impact becomes a new “yardstick” for measuring corporate value, SMBC Group is working to visualize impact.

Visualizing impact not only helps appropriately manage the progress and results of initiatives and expand related solutions, but also enables employees to feel the significance of working on social value creation and allows stakeholders, including investors, to quantitatively and objectively grasp the status of initiatives. Furthermore, by working on the creation of social value and widely demonstrating its results as impact to society, we believe that empathy for social value creation will be generated and the circle of initiatives will expand.

● Publication of “Impact Report 2024”

In August 2024, we published our first “Impact Report 2024.” This report presents social value creation initiatives and their results as impact for each of five materialities.

For example, in the pro bono work project supporting NPOs by utilizing skills and experience gained through work, surveys conducted before and after participation showed that it had a positive impact on participants’ sense of fulfillment and engagement. In addition, BTPN Sharia is working to support the social independence of the poor in Indonesia through the provision of financial and non-financial services, including microfinance, and has contributed to improving living environments, such as increased school enrollment rates for customers’ children and higher ownership rates of refrigerators and freezers in households.

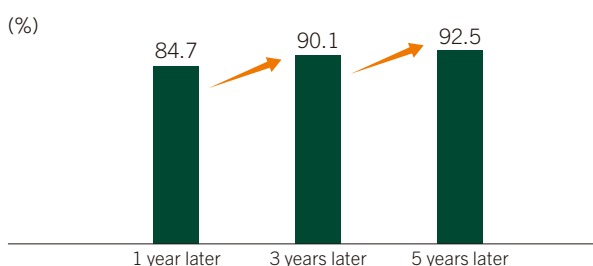
Furthermore, the report introduces initiatives such as positive impact finance, impact IPO support, and impact investment as financial solutions utilizing impact.



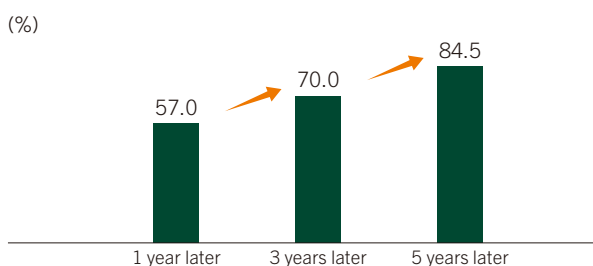
<Impact through support for social independence>

Measuring changes in living environment after using BTPN Sharia by years elapsed

School enrollment rate for children



Ownership rate of refrigeration/freezing equipment



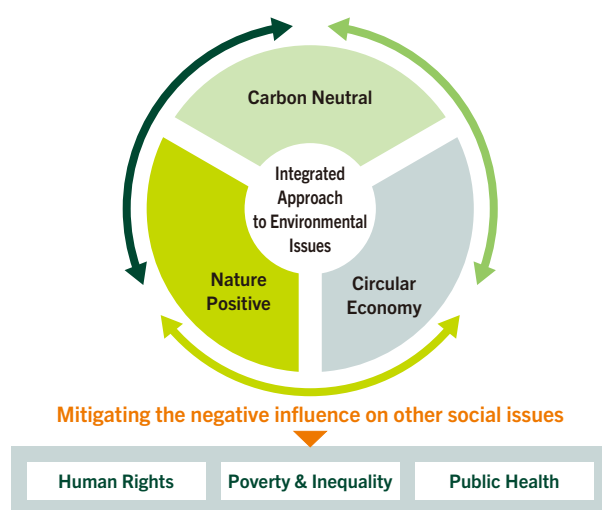
It should be noted that this report is not perfect. Since it takes time to generate impact and given that SMBC Group provides financial services across a broad range of business domains, we recognize the challenges in comprehensively capturing and expressing the full scope of our activities’ impact. By steadily expanding the scope of impact visualization and continuously disclosing it, we will continue to enhance our initiatives while receiving feedback from stakeholders.

Environment

Integrated Approach to the Environment

Responding to climate change, conserving and restoring natural capital, and transitioning to a circular economy are all interconnected. For example, protecting forests increases sinks for greenhouse gases (GHG), bringing us closer to carbon neutrality. In addition, transitioning to a circular economy promotes resource circulation, ensuring the sustainability of natural capital.

By taking an integrated approach to these three areas, SMBC Group will not only help solve environmental issues, but also contribute to suppressing and eliminating the negative chain reactions in which environmental issues cause other social problems.



Climate Change Response

The external environment surrounding climate change is becoming more complex and unstable, but there is no change in the fact that climate change is a pressing social issue that must be addressed. As SMBC Group, we will continue to contribute as much as possible to the decarbonization of the real economy without changing the direction of our initiatives, while appropriately managing SMBC Group's climate-related risks. In addition to the fact that the path to decarbonization differs by country and sector, it is also important to take a pragmatic approach tailored to the circumstances of each country, region, and sector, given that climate change measures and industrial policies are becoming more closely linked in national policies and decoupling is accelerating.

SMBC Group will accurately grasp each situation and leverage our strengths to support customers and society in decarbonization.

Contributing to decarbonization of the real economy

Implementing approaches tailored to the specific circumstances of countries, regions, and sectors

1 Risk-taking in new energies and new technologies

2 Transition finance

3 Collaboration with stakeholders and diverse solutions

Maintaining appropriate control over climate-related risks

Strengthening sector-specific analysis and continuing appropriate management for decarbonization and risk awareness

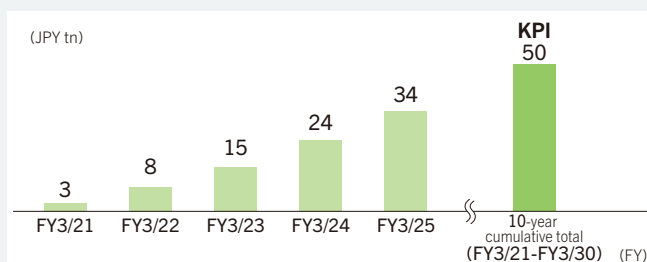
1 Policy

2 Portfolio management

3 Individual company and project-level management

Sustainable finance

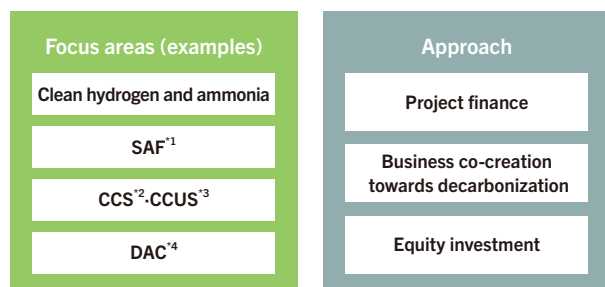
SMBC Group has set a cumulative ¥50 trillion as our target for sustainable finance for the 10 years from FY3/21 to FY3/30. The amount allocated to initiatives has reached ¥34 trillion as of FY3/25, progressing steadily.



Promoting decarbonization of the real economy

● Taking risks on new energies and new technologies

The realization of a decarbonized society requires the development and social implementation of new energies and new technologies, but due to a lack of funding, delays are occurring. SMBC Group selects key areas for focus toward decarbonization, and by actively providing risk money especially in phases where funding tends to be insufficient, will accelerate the social implementation of new energies and new technologies.



*1 Sustainable Aviation Fuel

*2 Carbon dioxide Capture and Storage

*3 Carbon dioxide Capture, Utilization and Storage

*4 Direct Air Capture

● Transition finance

To realize a decarbonized society early, it is important to support the transition of hard-to-abate sectors where technical and economic alternatives for decarbonization are limited and a rapid shift is difficult. SMBC Group, ahead of many other financial institutions, has formulated the “Transition Finance Playbook,” which sets a definitions for transition finance, and is promoting it. This sets standards for each region based on not only international principles but also the policies and regulations of each country and region. Using this, we have engaged with over 130 companies and executed 46 transition finance deals.

In 2024, we also published the “Transition Finance Scorebook,” which presents practical issues and recommendations for solutions identified through the promotion of transition finance. This discusses, for example, the need to strengthen



support for companies that find it difficult to formulate decarbonization plans aligned with the Paris Agreement, and the role that gas-fired power generation can play in the transition. Utilizing this, we have conducted 60 dialogues with companies and governments to date. We will continue such dialogues to lead discussions on promoting global transition and contribute to its development and deepening.



● Collaboration with stakeholders and diverse solutions Providing solutions through collaboration with other companies

Sumitomo Mitsui Banking Corporation is working on business co-creation that connects customers with decarbonization technologies to those with decarbonization needs. In addition, SMFL Mirai Partners, a strategic subsidiary of Sumitomo Mitsui Finance and Leasing, is working with customers and partner companies to supply renewable energy using virtual PPAs (Power Purchase Agreements) and to introduce battery storage co-located with renewable energy.

Policy advocacy

To steadily and realistically promote transition across society, we are also actively engaging in dialogue and policy advocacy with industry and government authorities. In Japan, we continue dialogue with the government on issues related to finance support for decarbonization and the need for public-private risk sharing such as blended finance. For decarbonization in Asia, we are making recommendations on support systems and funding supply based on the challenges faced by the region and our customers.

Environment

Appropriate management of climate-related risks

SMBC Group has established a climate-related risk management framework from the perspectives of policy, portfolio, and individual companies/projects. In particular, we are strengthening analysis by Sector and continuing appropriate management based on the key points for achieving decarbonization and climate-related risk awareness for each.

● Portfolio management

Setting of interim reduction targets

SMBC Group aims to achieve net zero GHG emissions (Scope 3) throughout our investment and loan portfolio by 2050. We have set medium-term reduction targets for the six sectors that account for about 70% of our portfolio: electric power, Oil and gas, coal, automobiles, steel, and real estate.

● Individual company/project management

Environmental and social due diligence

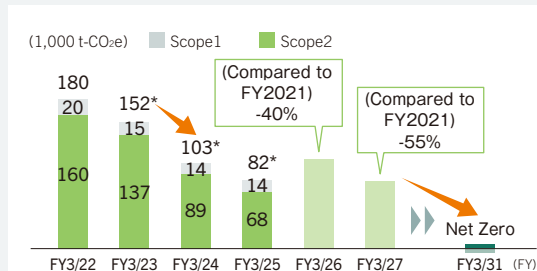
We have introduced environmental and social due diligence, which assesses environmental and social risks, for both corporate finance and project finance. The evaluation results are used to enhance credit decisions and in engagement with customers.

Sector	Scope of Emissions	Metric	Mid-term target for FY3/31	FY3/24	vs. baseline	Baseline (Base year)
Power	Scope1	Emission intensity (g-CO ₂ e/kWh)	138–195	276	(17)	332 (FY3/21)
Oil and gas	Scope1, 2, and 3	Absolute emissions (Mt-CO ₂ e)	12% to 29% reduction (Compared to FY3/21)	24.1	(41)	40.8 (FY3/21)
Coal	Scope1, 2, and 3	Absolute emissions (Mt-CO ₂ e)	37% to 60% reduction (Compared to FY3/21)	2.2	(84)	13.6 (FY3/21)
Automobiles	Scope1, 2, and 3	Emission intensity (g-CO ₂ e/vkm)	120–161	197	(4)	205 (FY3/22)
Steel	Scopes 1 and 2	Emission intensity (t-CO ₂ e/t-Steel)	1.2–1.8	2.0	-	2.0 (FY3/22)
Real estate	Scopes 1 and 2*	Emission intensity (kg-CO ₂ e/m ²)	33.1–42.9	79.9	(1.4)	81.0 (FY3/22)

* Domestic commercial real-estates (non-recourse loans and REITs), including Scope 3 Category 13 for REITs

Initiatives related to operational GHG emissions (Scope 1 & 2)

SMBC Group has set a target to achieve net zero operational GHG emissions by 2030. To first achieve the interim targets set in FY3/24, we are working on switching to renewable energy for electricity at our domestic properties and data centers, and converting company vehicles to environmentally friendly models, resulting in a reduction of emissions in FY3/25 by 20% compared to the previous year.



* Figures covering all domestic and overseas locations existing as of FY3/22. Preliminary figure used for FY3/25.

Realization of a Circular Economy

SMBC Group is working toward the realization of a circular economy by creating business in areas where high demand for recycled materials is expected and promoting collaboration between arterial and venous industries.

● Promoting circular use of EV batteries

Investment in MobiSavi

In April 2025, SMBC invested in MobiSavi, which operates an EV data utilization business. MobiSavi is working toward realizing a performance guarantee service using EV performance prediction technology. By providing support for MobiSavi, we will further contribute to the realization of a circular economy for EV batteries.

● Supporting collaboration

between arterial and venous industries

For the realization of a circular economy, collaboration between arterial industries responsible for product design and production and venous industries responsible for collection and recycling is essential. SMBC Group supports solving each challenge through a wide range of functions including finance, leasing, and consulting, and promote collaboration between arterial and venous industries by leveraging our broad customer base.



Conservation and Restoration of Natural Capital

As nature positive, which aims to halt and restore the loss of natural capital, becomes increasingly important for global environmental conservation, SMBC Group, as a pioneer in the financial industry in the field of natural capital, is focusing on supporting customer initiatives and strengthening our own efforts.

For example, by disseminating information and providing a solutions catalog through the Finance Alliance for Nature Positive Solutions (FANPS), we are supporting

customers' nature positive management. In addition, Sumitomo Mitsui Banking Corporation has acquired a forest in Isehara City, Kanagawa Prefecture, as "SMBC's Forests." We are conducting environmental education as "SMBC's Forests Isehara Nature School," as well as working on biodiversity conservation within the forest, carbon credit creation, and biomass power generation using thinned wood, utilizing the forest in a wide range of ways for environmental conservation.

Adaptation to climate change

While efforts to mitigate climate change through GHG reduction are expanding, the global average temperature continues to rise. In this situation, it is important to adapt to climate change in preparation for further increases in natural disasters. Sumitomo Mitsui Banking Corporation provides climate change adaptation loans that partially forgive debt in the event of wind or flood disasters, supporting customers' adaptation efforts.

DE&I/Human Rights

SMBC Group positions DE&I as one of its key growth strategies and is developing an environment where employees with diverse backgrounds can respect each other and fully demonstrate their abilities and individuality.



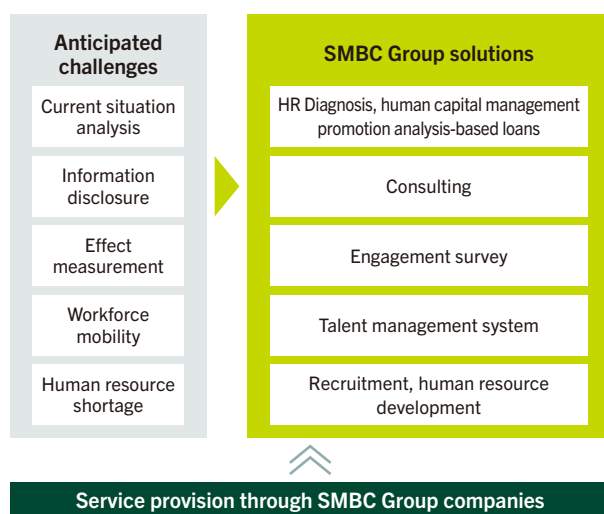
See page 036 for more information on human resource strategies.

Supporting Customers' Human Capital Management

As human capital management, including DE&I initiatives, becomes essential as a corporate growth strategy, SMBC Group is also focusing on supporting customer initiatives.

For example, we provide the digital tool “HR Diagnosis,” which visualizes customers’ HR issues and determines SMBC Group solutions that contribute to their resolution. We also provide a range of solutions to address various HR issues, such as engagement surveys, talent management systems, and recruitment services, on a group basis.

Furthermore, we contribute to customers’ efforts to realize employees’ financial well-being by providing corporate/personal defined contribution plan and financial and economic education.



Respect for Human Rights

● Our basic approach to human rights

SMBC Group recognizes that respect for human rights is a corporate responsibility and that inadequate response can pose significant risks to management.

To fulfill our responsibility to respect human rights and appropriately manage risks, SMBC Group identifies potential negative impacts on various human rights holders based on the “Statement on Human Rights” and strives to prevent, mitigate, and remedy them. Through our efforts to respect human rights, we will build trust with society and contribute to the realization of a sustainable society.

● Enhancing the human rights respect framework Update of the “Statement on Human Rights”

In April 2025, in light of the diversification of human rights issues such as new human rights violations arising from climate change and AI development, we revised the “Statement on Human Rights.”

Human rights due diligence

SMBC Group has established a system to confirm initiatives to respect human rights by customers and projects we finance or invest in, as well as external business partners we transact with.

Enhancing the grievance framework

To appropriately address complaints from a wide range of stakeholders, not limited to customers and employees, we have established a remedy and grievance mechanism using the “Engagement and Remedy Platform” operated and provided by the Japan Center for Engagement and Remedy on Business and Human Rights (JaCER).

Poverty & Inequality

SMBC Group is working to eliminate poverty & inequality from a medium- to long-term perspective. Domestically, to break the negative cycle of poverty & inequality for the next generation, we are working to provide educational and experiential opportunities for children, and overseas, we support the social independence of the poor through contributions to financial inclusion in emerging countries.

Initiatives for the Next Generation of Children

Due to parents' economic circumstances, children may lose opportunities for education and experience, and as a result, those children may also fall into poverty in the future, creating a negative cycle across generations. SMBC Group is working with NPOs and business corporations to provide educational and challenge opportunities for children to break this cycle, as well as to create safe and enjoyable places for children to spend time.

● Providing Educational and Challenge Opportunities for Children

Since May 2023, SMBC Group has been collaborating with Chance for Children, a public interest incorporated association (CFC) to provide the “SMBC Group Study Coupon,” which children can use for cram schools, lessons, and other activities. In addition to financial support, we also dispatch personnel for CFC and actively engage in planning and management.

From September 2024, the initiative to eliminate educational disparities for children in collaboration with CFC has been named “CHANCE!” and support for local governments working to eliminate educational disparities has also begun. As the first step, in cooperation with Kamakura City, Kanagawa Prefecture, we provided coupons to elementary and junior high school students in eligible households within the city, which can be used for a variety of learning

opportunities such as academics, sports, cultural activities, and experiential activities. Going forward, we aim to create model cases of community-based projects and expand them nationwide.

● Providing Places and Experiential Opportunities for Children

Due to changes in family structure associated with the declining birthrate and aging population, and the weakening of community ties, opportunities for children to interact and learn together are decreasing. Especially for upper-grade students, it is becoming difficult to find places to spend time in the community after school or during long vacations. To address such social issues, we opened “Atelier Banrai-ITABASHI-” in an idle bank branch. At this facility, in addition to hosting experiential programs by companies and organizations, we have a collection of about 4,000 books and open the space to the community for children's cafeterias, providing a variety of experiences.



Atelier Banrai-ITABASHI-

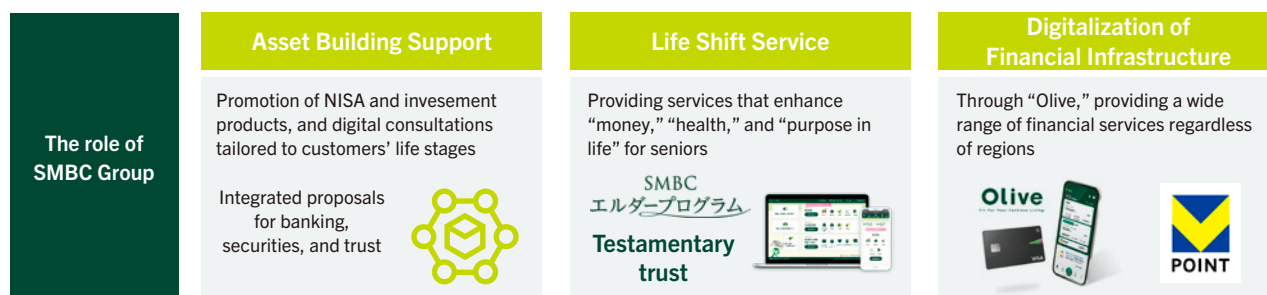
Initiatives to Support Social Independence

SMBC Group is strengthening initiatives to contribute to financial inclusion, focusing on countries targeted by its Multi-Franchise Strategy. Specifically, through investees such as BTPN Sharia and SMFG India Credit Company, we provide microfinance to segments with insufficient access to financial services. In addition, by offering multifaceted support such as financial and economic education, health checkups, and vocational training—not limited to financial services—we support customers' social independence and contribute to poverty alleviation.



Declining Birthrate & Aging Population

In the era of 100 year lifespans, an increasing-number of people are facing concerns about financial security in retirement, maintaining health, and the lack of nearby support for elderly individuals living alone. In addition, growing regional disparities have led to increasing concerns about the quality of life for people living in depopulating areas. To address these concerns, SMBC Group offers a comprehensive range of services across its group companies.



● SMBC Elder Program

The "SMBC Elder Program" is a service in which concierges at Sumitomo Mitsui Banking Corporation support customers' lives, tailored to the increasing anxieties and concerns that come with age.

We support customers from multiple angles as a "reliable advisor," "daily life assistant," and "your personal banker."

In addition to support for wealth management such as consultations on gifts and testamentary trusts, we also introduce various affiliated and ancillary services from external companies according to customers' needs.

We will continue to strengthen initiatives that transform customers' anxieties about living a 100-year life into peace of mind, and powerfully support them so they can enjoy their precious time ahead.

● Financial and Economic Education

SMBC Group, aiming for a society where everyone can acquire correct knowledge about money and live with peace of mind, provides financial and economic education to a wide range of generations, leveraging the knowledge and know-how possessed by each group company. With concerns about increased financial troubles due to the lowering of the age of adulthood, the revision of curriculum guidelines making asset formation classes at high school mandatory, the government's promotion of Asset Management Nation, and the diversification of lifestyles, the necessity and importance of financial and economic education is increasing.

SMBC Group, led by SMBC Consumer Finance, which has provided financial and economic education program since 2011, has promoted these initiatives as a group. In September 2024, in collaboration with Japan Financial Literacy and Education Corporation (J-FLEC), we held the first-ever public-private co-hosted event on financial and economic education.

We will continue to leverage the know-how of each group company to provide financial and economic education to a wide range of generations.



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Japan's Regrowth

For SMBC Group, a financial group rooted in Japan, Japan's regrowth is a fundamental part of our mission. By solving customers' management issues, we support the growth of Japanese companies, industries, and regions, and will work to support new industries and the next generation that will lead Japan in the future.

● Support for Startups

SMBC Group has supported startups with a wide range of solutions, including funding through fund investments or direct loans and investments, IPO support, and collaboration support with large corporations. We are also focusing on supporting the creation of startups through industry-government-academia collaboration, by participating in organizations such as WE AT, a general incorporated association, which aims to create innovation to solve social issues, and the Startup Ecosystem Co-Creation Program of the Japan Science and Technology Agency. Furthermore, to break down structural barriers to the growth of startups, we are continuously expanding our support menu. In February 2025, in response to the increase in maturing investment funds, we established a secondary fund to enhance the liquidity of unlisted shares and support the sustainable growth of startups.

● Fostering Growth Industries

Fostering new industries and supporting the development of industries that will drive Japan's future growth are also important roles for SMBC Group. As one specific initiative, in June 2025, aiming to expand Japan's drug discovery ecosystem, we entered into an investment contract with AN Venture Partners I, LP, which has created global biotechnology companies based on Japan's outstanding research and drug discovery seeds. In the drug discovery industry, there are high expectations for academia-originated startups with new technologies and cutting-edge knowledge, especially in biopharmaceuticals. Therefore, by leveraging the Fund's expertise and network, as well as SMBC Group's relationships with pharmaceutical companies and universities, we will first support startups with

drug discovery seeds originating in Japan to engage in R&D and commercialization in the large U.S. market. In the medium- to long-term, by creating a mechanism to return the technology and capital gained there to Japan's drug discovery ecosystem, we will contribute to strengthening the international competitiveness of the drug discovery industry, one of Japan's growth industries.

● Supporting the Challenges of the Next Generation “Shaka-kachi BOON BOON PROJECT”

In 2024, we launched “University Sports Support Program” to support the growth of student athletes belonging to university sports clubs. In addition to financial support from Sumitomo Mitsui Banking Corporation, we provide activity support through ambassadors and partner companies. We feel that students that have grown through this project will go on to work in society, contributing to Japan's regrowth.

“Shaka-kachi RISE PROJECT”

We have also launched “University Researcher Support Program”. Among research projects that contribute to solving social issues, we provide up to ¥5 million per person per year for four years, to researchers who engaged in research aimed at commercialization and practical implementation as well as basic research which will lead to breakthroughs thereby providing an environment where they can focus on research over the medium- to long-term. In addition, we provide unique SMBC Group support tailored to each researcher's challenges, such as support for commercialization of research, leading to the resolution of social issues and the creation of innovation.

Insights from Employees Who Are Striving to Create Social Value

Providing a Blue Loan to Improve India's Water Infrastructure

Abhinav: In India, securing safe drinking water in rural areas has long been an issue. HUDCO is a major governmental financial institution that implements the Indian government's housing and urban development policies, and we have a long-standing business relationship with them. In response to a request from the Indian government, SMBC arranged a syndicated loan with a Blue Loan tranche totaling U.S.\$440 million for a project aimed at developing water infrastructure in rural areas of Rajasthan, India, and served as Mandated Lead Arranger, among other key roles. Blue Loans are a type of sustainable financing aimed at projects that contribute to the preservation and sustainable use of water resources. Still a novel concept, a clear definition of the term "Blue Loan" has yet to be established. However, by coordinating with the many stakeholders involved in the project, we have been able to build a highly effective framework that suits regional characteristics and meets international standards.

Abhishek: Since 2019, the Indian government has been promoting the Jal Jeevan Mission, a policy that aims to provide clean water to rural households in all parts of the country. As of October 2024, 78% of the approximately 152 million rural households in India had access to tap water. This project has enabled many people in rural Rajasthan to access running water, helping bring the figure closer to 100%. In addition, women who previously had to walk long distances to fetch water from wells can now devote that time and energy to self-improvement and small-scale business activities, allowing them to increase household income and enjoy greater independence.

I strongly feel that we succeeded in advancing this project thanks to everyone involved working together not only to carry out the tasks at hand but also to achieve the common goal of creating social value.

Giuseppe: I believe that this project will serve as an extremely valuable example when expanding the initiative to other regions and markets, such as Indonesia. It could be said that sharing such examples of success across various markets is one of SMBC Group's strengths. Also, through Blue Loan transaction, I have been able to gain a real sense of how financing from banks can impact society at large, which has strongly reaffirmed my understanding of the important role of financial institutions. Rather than simply pursuing profit, financial institutions have a responsibility to contribute to the sustainable development of society as a whole.

It is expected that sustainable financing in the Asia-Pacific region will continue to see significant growth in the future. As countries become aware of their own issues and pursue initiatives to solve them, it will be important to gain a deeper understanding of the characteristics of each region and provide optimal solutions. We will continue to leverage SMBC Group's global network and expertise to help realize a sustainable society.



Abhinav Karla

Global Financial Institutions
Group, Sumitomo Mitsui Banking
Corporation, New Delhi Branch

**Oversees transactions with Housing and Urban Development Corporation Limited (HUDCO), a governmental financial institution that contributes to the Indian government's housing and infrastructure policies.*



Abhishek Gupta

Global Financial Institution
Group, Sumitomo Mitsui Banking
Corporation, Singapore Branch

**Has supported collaboration with HUDCO and led the structuring and execution of this Blue Loan transaction.*



Giuseppe Dell'Edera

Sustainability Solutions Group,
Sumitomo Mitsui Banking
Corporation, Singapore Branch

**Provides expertise in sustainable finance.*

Creating the Future of Japan's Transportation with "stera transit"

Masatoshi Ishizuka

Sumitomo Mitsui Card Company
Head of Transit Division and
General Manager, Transit Business Planning Department



"Stera transit" is a service that enables the use of public transportation with credit card contactless payments, utilizing the "stera" payment platform, and is being introduced on railways and buses nationwide.

Around 2018, when we began considering the service, contactless payments for public transportation were starting to become widespread overseas, but had not yet taken hold in Japan, so it was necessary to help government officials and

transportation operators understand the benefits. In addition, Japan has the world's fastest speed for passing through ticket gates, so there were technical challenges to achieve this. Therefore, by aligning images through hearings with operators and users, and by combining various patented technologies on the technical side, we achieved a processing speed of about 0.25 to 0.35 seconds.

Just then, in 2020, the COVID-19 pandemic struck, and the declaration of a state of emergency led to a series of project postponements. However, the pandemic greatly changed the way people think about "mobility," and we anticipated that more flexible payment methods would be required. Looking ahead to the post-pandemic recovery of inbound tourism demand, we continued dialogue with transportation operators. Amidst this, in July 2020, we succeeded in introducing the service at Ibaraki Kotsu and began rolling out the service sequentially. In October 2024, in preparation for the Expo 2025, the service was introduced simultaneously by major private railways in the Kansai region. Furthermore, in fiscal 2025, we plan to expand the introduction to about 230 companies in 42 prefectures.

Since "stera transit" uses a unified cloud server covering the entire country, operators can significantly reduce introduction costs while making maximum use of existing infrastructure. In addition, the number of inbound foreign visitors is increasing year by year, and this service eliminates the hassle of purchasing tickets at vending machines when using transportation. As a result, the hurdle to using transportation in unfamiliar places is lowered and the desire for travel increases, which we believe will also lead to revitalization of local consumption activities. Additionally, by utilizing cashless data analysis support services, there are cases where both boarding/alighting data and consumption data are analyzed to implement measures to increase user circulation.

In this way, we believe that working to improve the convenience of public transportation and revitalize local economies through the provision of services will ultimately contribute to Japan's regrowth. I myself always keep in mind the challenge of how to make the "norm" of daily life more convenient and advanced for the future, and I want to continue to provide customers with new experiences and services that are not bound by conventional wisdom.



On our Shaka-kachi special website, we introduce many initiatives aimed at enhancing social value creation by employees.
https://www.smfg.co.jp/sustainability/social_value/interview/