Message from Group CHRO

Message From

Chief Human Resources Officer

Connect. Support. Co-create.

In an environment where the business landscape is changing rapidly and the variety of backgrounds and perspectives among our employees accelerating, SMBC Group will realize the new Medium-Term Management Plan by strengthening the human capital that supports our growth strategy and maximizing on-the-ground capabilities and strategy execution power.

At SMBC Group, over 130,000 employees are currently active. To create an environment where employees with a variety of backgrounds and perspectives can maximize their individual abilities and maintain their motivation for growth, we established the SMBC Group Talent Policy in FY2023.

The Talent Policy clearly states that we ask employees to embody “Professional,” “Collaborative,” and “Agile,” and in return, the Company provides them with “Be Yourself,” “Make a difference,” and “Build Your Career.”

The establishment of the Talent Policy represents SMBC Group’s determination to evolve the relationship between the Company and its employees from a traditional master-servant dynamic to a relationship where both “Mutual Choice,” aiming for relentless value creation through mutual growth. I believe that creating this virtuous cycle between what we “ask of employees” and the “value we provide” is our long-term, unchanging mission.

To realize the Talent Policy, we believe the three areas on which we must focus are “Talent,” “Culture,” and “Platform.” In the new Medium-Term Management Plan, considering these three perspectives along with the business environment and the variety of backgrounds and perspectives among our employees, we have established three key HR strategies: (1) A sufficient pool of professional talent, both in terms of quality and quantity, is in place across all areas; (2) A culture in which the Talent Policy is embedded and embodied at all times; and (3) An organizational and management foundation that combines high reproducibility and productivity is in place.

Furthermore, from FY2026, to strengthen quantitative effectiveness measurement for the realization of our HR strategy, we have set the Human Capital ROI and Talent Policy scores as KGIs, and we have also renewed our human capital management model to clarify the linkage between HR strategy and business strategy.

Even amidst global regime changes and dramatic technological advancements, SMBC Group’s greatest asset is its “people.” The strength of each and every employee is the source of SMBC Group’s competitiveness.

Even amidst a rapidly changing era, we will provide unsparing support from all angles to employees who ambitiously and boldly tackle the challenges of customers and society, ensuring their capabilities can be maximized.

Connecting employees with the Company, supporting and nurturing their growth, and co-creating business. As Group CHRO, I am determined to vigorously drive the HR strategy and tackle the realization of our business strategy.

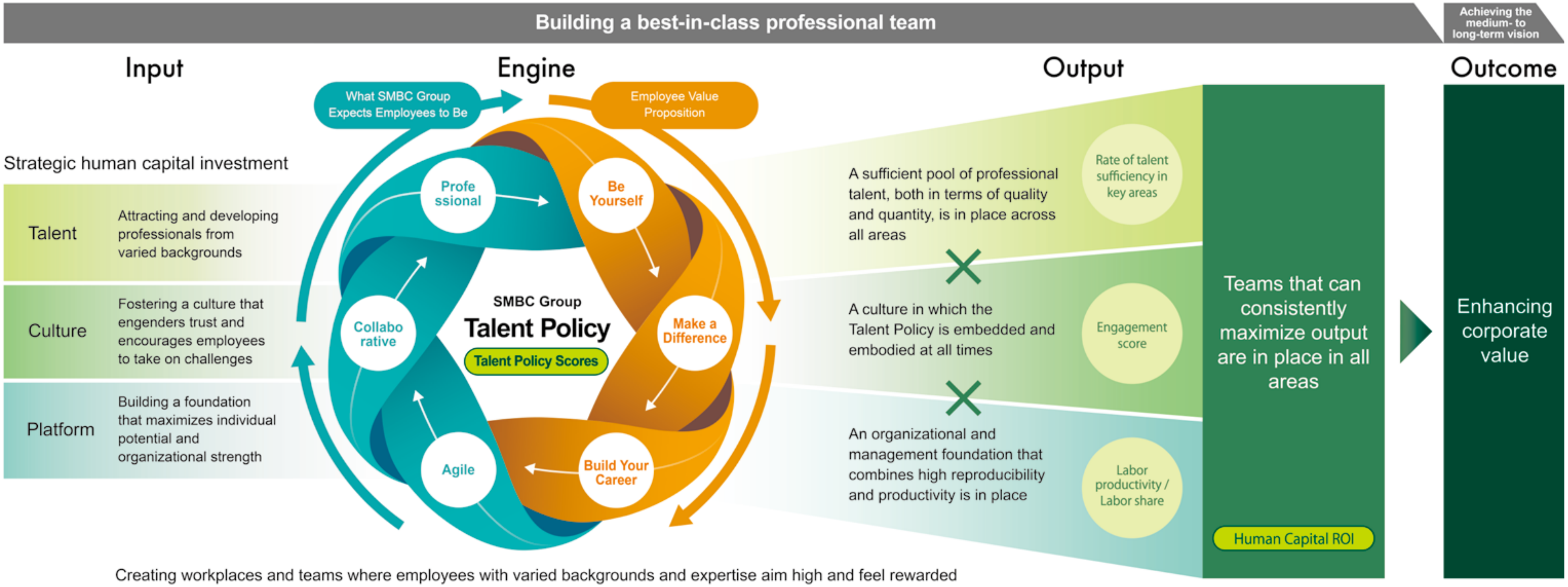
SMBC Group Talent Policy and New Human Capital Management Model

SMBC Group Talent Policy

The importance of the SMBC Group Talent Policy, formulated in FY2023, remains unchanged in the new Medium-Term Management Plan. The Talent Policy clearly codifies the unchanging "expectations" for employees and the "value we provide," regardless of changes in the business environment and the employees with a variety of backgrounds and professional expertise. By creating a virtuous cycle between the two, we aim to build a relationship where the Company and employees Mutual Choice by each other. By permeating and constantly embodying the Talent Policy, we will Creating workplaces and teams where employees with varied backgrounds and expertise aim high and feel rewarded.

Redesign of Our Human Capital Management Model

To further clarify the linkage between business strategy and HR strategy, we have fundamentally revised our existing human capital management model starting from FY2026. The new human capital management model positions the SMBC Group Talent Policy as the engine of value creation. By executing strategic investments in human capital, we aim to achieve the desired state in the three focus areas of "Talent," "Culture," and "Platform." The model demonstrates the concept that reaching "Teams that can consistently maximize output are in place in all areas" directly leads to an improvement in corporate value.



Overview of the HR Strategy

SMBC Group Talent Policy

HR Mission

Creating workplaces and teams where employees with varied backgrounds and expertise aim high and feel rewarded

Talent	Culture	Platform

Building a best-in-class professional team

	Talent	Culture	Platform
HR Vision	A sufficient pool of professional talent, both in terms of quality and quantity, is in place across all areas.	A culture in which the Talent Policy is embedded and embodied at all times.	An organizational and management foundation that combines high reproducibility and productivity is in place.
Monitoring Indicators	Rate of talent sufficiency in key areas	Engagement score	Labor productivity / Labor share
Key HR Strategies	A sufficient pool of professional talent, both in terms of quality and quantity, is in place across all areas	A culture in which the Talent Policy is embedded and embodied at all times	An organizational and management foundation that combines high reproducibility and productivity is in place
	Strategic talent acquisition and optimal deployment based on talent quality and quantity; Autonomous growth support and future leader development	Embedding a culture that reflects the SMBC Group Talent Policy; Building resilient and challenging teams	Establishing productivity-enhancing systems and a competitive human resource framework; Establishing an agile, trusted, and stable human resource operating structure
	Maximizing human value through AI utilization		

KGI

	FY2025 Results (YoY)	Target through FY2028
Human Capital ROI*1	196% (+33pt)	200% or more

*1 Ratio of value-added per personnel cost: (Gross profit - (General and administrative expenses - Personnel expenses)) ÷ Personnel expenses - 1

Talent Policy Score*2	FY2025 Results (YoY)	Target
What SMBC Group Expects Employees to Be	74 (+0pt)	Maintain at least 70
Employee Value Proposition	73 (+1pt)	Maintain at least 70

*2 Calculated by combining the results of various engagement survey items

Key HR Strategies | **Talent** | Culture | Platform

Priority **01**

A sufficient pool of professional talent, both in terms of quality and quantity, is in place across all areas.

- Strategic talent acquisition and optimal deployment based on talent quality and quantity
- Autonomous growth support and future leader development

Monitoring Indicators

Rate of talent sufficiency in key areas*

$$\frac{\text{Number of employees meeting specific requirements}}{\text{Number planned for deployment}}$$

(Monitoring starts in FY2026)

SMBC

Toward the realization of our business strategy, we will constantly monitor the quality and quantity of talent and strategically secure human resources from short-, medium-, and long-term perspectives.

Visualizing Required Talent and Understanding the Fill Status

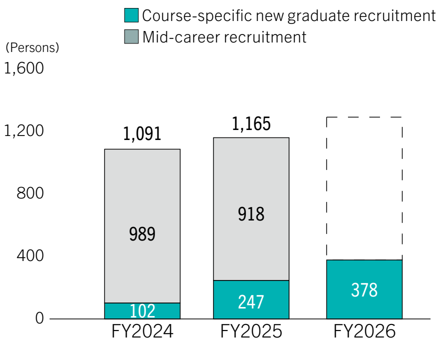
For Key strategic area, we will enhance recruitment, development, and placement by visualizing not only the “quantity” of necessary talent but also the “quality,” such as skills and experience. Furthermore, we will strategically allocate resources generated through streamlining headquarters functions and improving the efficiency of domestic and international middle and back office operations to growth areas. We will promote optimal placement across Group and global boundaries, further strengthening the linkage with our business strategy.

Key strategic area	Three-year talent allocation plan*
Digital platform, IT Transformation	+3,000 Employees
Wealth management	+600 Employees
Domestic Wholesale Business	+300 Employees
Global CIB and S&T business	+500 Employees
Asia Business	+300 Employees
Asset Management Business	+100 Employees
Global transaction banking	+200 Employees

Reviews will be conducted in a flexible manner based on business conditions, etc.

Building Recruitment Strategy and Infrastructure

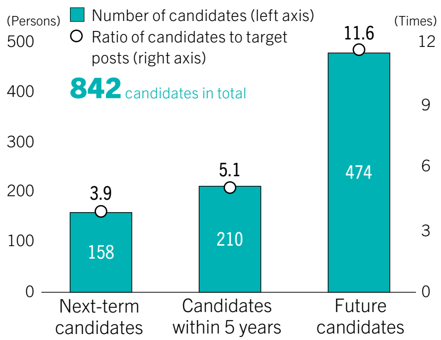
We are strengthening and diversifying our talent acquisition efforts in alignment with our business strategy. We have expanded open-track recruitment of new graduates, providing access to a broad range of career opportunities; recruitment of new graduates by business units, enabling candidates to build careers in their chosen fields; and mid-career recruitment opportunities that capitalize on advanced expertise as well as diverse experiences and perspectives. We will continue to attract and recruit talent capable of making a significant impact beyond the traditional boundaries of financial services. To this end, we will strengthen collaboration among Group companies and enhance our talent development and onboarding frameworks.



Systematizing Management Talent Development

We are also focusing on developing the talent that will lead our management in the future. We have formulated succession plans for key positions globally, including CxOs and Head of Business Units.

For future management candidates, we are building a system for planned development over a medium- to long-term span. This includes providing tough assignments involving cross-boundary learning unbounded by business domains, diverse training opportunities, and opportunities for dialogue with management.



Supporting Employees’ Self-directed Career Development

We are expanding a Group-wide self-study platform, creating an environment where each employee can proactively acquire the necessary knowledge and skills according to their challenges and goals. We will support employees in their pursuit of diverse career paths and contribute to employees’ long-term growth and development.

Key Strategic area	FY2024 Results	FY2025 Results
Annual training cost	¥5.16 billion	¥5.99 billion

Key HR Strategies | Talent | **Culture** | Platform

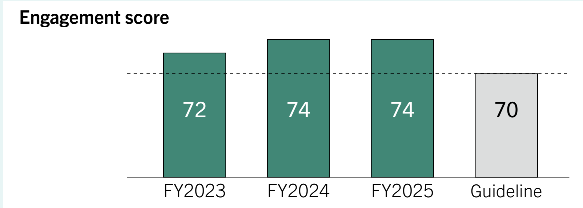
Priority
02

A culture in which the Talent Policy is embedded and embodied at all times

Embedding a culture that reflects the SMBC Group Talent Policy

Building resilient and challenging teams

Monitoring Indicators



We aim to foster a culture where the Talent Policy is constantly embodied and realized. This will be achieved by promoting further measures to instill the Talent Policy and strengthening initiatives that support the embodiment of what we ask of employees and the realization of the value we provide.

Strengthening Internal and External Communication

In FY2026, SMBC Group will disclose its first report dedicated to human capital. This report will detail our HR strategy and introduce employees who embody the Talent Policy.

Furthermore, we will enhance communication by utilizing internal social networking services and increasing proactive interviews and speaking engagements, thereby working to instill a culture that embodies the Talent Policy both internally and externally.

SMBC Group Diversity Management

We position diversity management as a growth strategy itself, aiming to transform diversity into organizational strength, leading to new value creation and improved corporate value. For example, in Japan, we provide development programs for female executive candidates to promote greater diversity at the decision-making level, in response to the country's persistent gender gap. Additionally, some Group companies have implemented a "sponsorship system" where management committee executives provide comprehensive support for career advancement to female executive candidates.

We are also expanding support programs that enable employees to balance their work and personal lives while realizing their full potential. At SMBC and SMBC Nikko Securities, we are advancing initiatives to strengthen team resilience* so that teams can cope with vacancies arising from various reasons, including childcare. As part of this effort, we established a new incentive system for teams that took the opportunity of childcare leave to strengthen their team resilience.

	FY2025 Results	FY2028 Target
Number of female officers	45*1	55
Ratio of Female Managers*2	21.8%	26%

*1 As of June 2026 *2 Aggregated in accordance with the Act on Promotion of Women's Participation and Advancement in the Workplace

* The ability of a team, when facing difficult situations, to adapt quickly and flexibly and overcome them.

Health and Productivity Management

We consider the physical and mental health of each employee, which is the driving force for providing value to customers, as a management issue, and are promoting health and productivity management. To support physical and mental condition management as professionals, we offer various seminars and training programs, as well as subsidies for medical examinations and treatments, and flexible work arrangements. These efforts have been recognized, and our Company was certified as a Health and Productivity Management Outstanding Organization 2026 (Large Enterprise Category (White 500)).

Key HR Strategies Talent Culture **Platform**

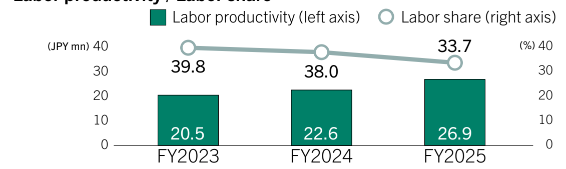
Priority 03

An organizational and management foundation that combines high reproducibility and productivity is in place.

- **Establishing productivity-enhancing systems and a competitive human resource framework**
- **Establishing an agile, trusted, and stable human resource operating structure**

Monitoring Indicators

Labor productivity / Labor share*



Labor productivity: (Gross profit - General and administrative expenses + Personnel expenses) ÷ Number of employees
Labor share of income: Personnel expenses ÷ (Gross profit - General and administrative expenses + Personnel expenses)

By operating highly effective HR systems that reward challenge and contribution, alongside continuously improving organizational productivity, we aim to achieve a state where an organizational and management foundation with high reproducibility and productivity has been built.

Strengthening the Group HR Structure

As our businesses expand across the Group, differences in HR systems and operations among companies, along with the decentralization of structures and foundations, have become constraints on the agile promotion of our HR strategy. Therefore, we will promote Group integration in four areas—HR systems, talent deployment, HR IT infrastructure, and HR organizational structures—to enhance our HR platform and work on improving the agility of operations that support strategy execution.

Strengthening the Global HR Structure

We view the issues as strengthening alignment between headquarters and regions and moving away from region-optimized HR operations. We are addressing these by strengthening global response capabilities at our Japan-based headquarters and integrating HR systems, operations, and IT infrastructure at overseas locations. We are also working on formulating a consistent talent management policy for employees hired in Japan and those hired locally overseas, aiming for a shift toward consistent talent management across the entire Company and all regions, regardless of hired location.

Productivity Improvement Through Effective Operation of the New HR System (SMBC)

SMBC introduced a new HR system in January 2026. The system is guided by the basic principles of “Professional,” “Merit-based,” and “Inclusion,” this is the first fundamental system reform since its establishment, featuring appointments and promotions not constrained by seniority and compensation based on roles. To enhance effectiveness, while monitoring labor productivity and the labor share ratio, we will link the added value created through employees’ expertise to the sharing of the resulting gains. Through this, we aim for sustainable productivity improvement and strengthening of recruitment competitiveness and retention.

Maximizing Human Potential through AI Utilization

Considering the progress in AI utilization, we aim to maximize the value that only humans can provide, such as sophisticated judgment and the ability to build trust. In preparation for business transformation, we will integrally advance reskilling, talent redeployment, and review of evaluation and compensation. By building an HR foundation suited to the AI era, we aim to achieve both productivity gains and enhanced value creation.

Talent
- Optimizing talent deployment through AI utilization and developing actionable reskilling programs

Culture
- Fostering a Group-wide culture in which employees proactively use AI

Structure
- Introducing incentives to accelerate AI talent development