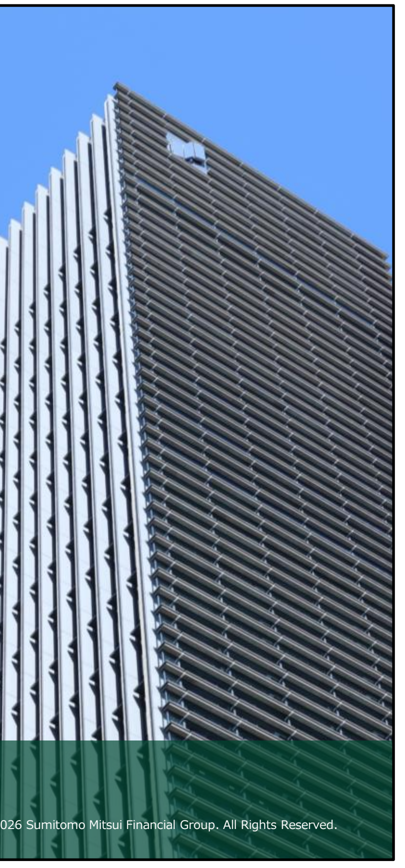
SMBC Group
IR Day

August 26, 2026



SMBC SUMITOMO MITSUI FINANCIAL GROUP

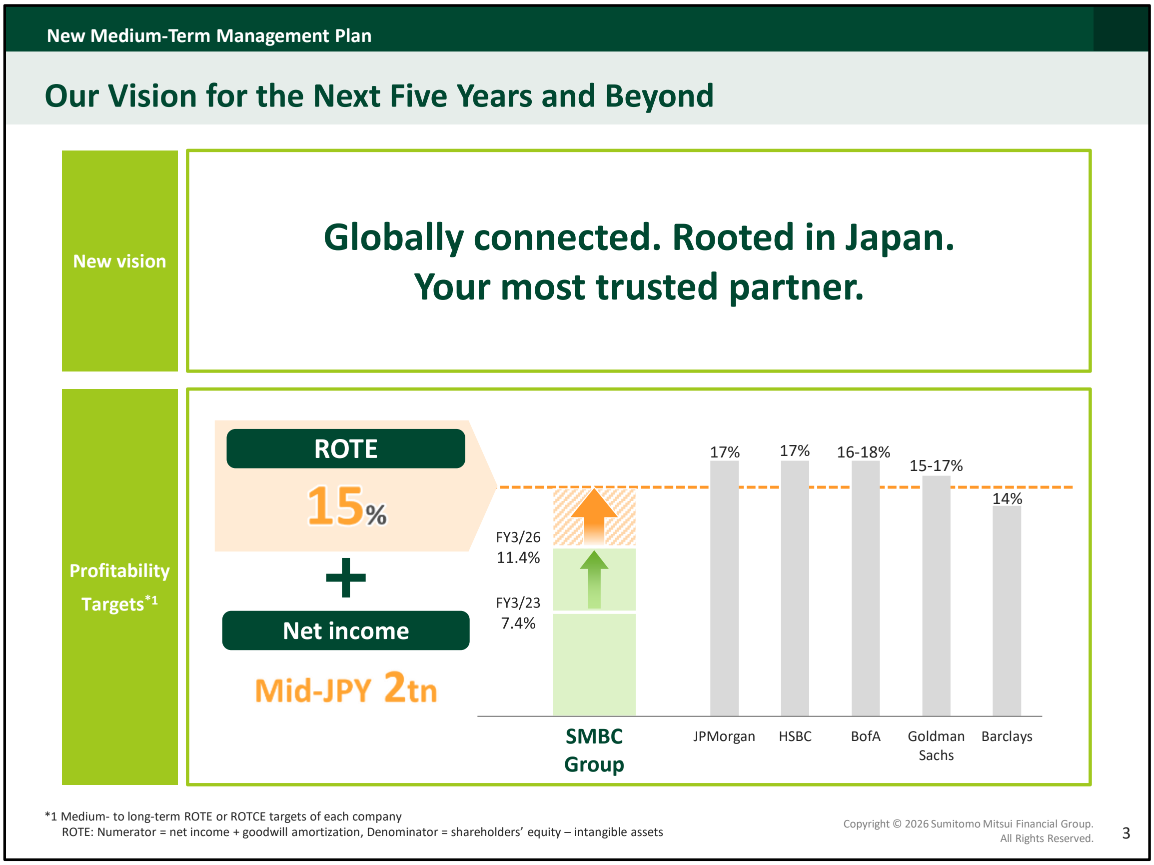
Agenda

New Medium-Term Management Plan

Kazuyuki Anchi

Senior Managing Executive Officer
Group CFO and Group CSO

Before discussing each of our strategies, I would like to briefly review the overall framework of the new Medium-Tern Management Plan presented in May, focusing on the key points that provide the context for today’s discussion.



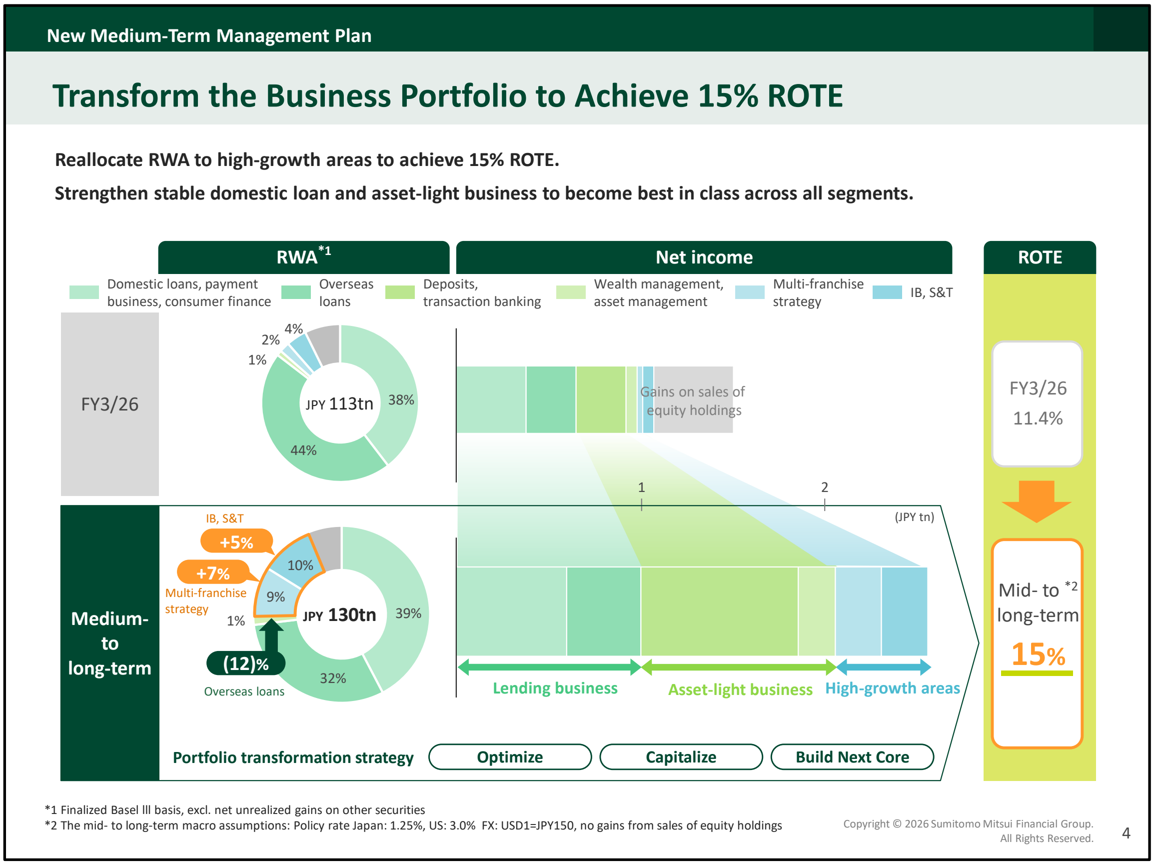
Alongside the formulation of our new Medium-Term Management Plan, we have established a new vision: "Globally connected. Rooted in Japan. Your most trusted partner."

This vision reflects our ambition to "achieve market leadership in the domestic business while strengthening our global presence."

By sharing this aspiration across the Group, we will work together as one team to realize this goal.

We aim to achieve a ROTE of 15% and bottom-line profit in the mid-JPY 2tn level over the medium- to long-term.

I want to achieve these targets by around the end of the next Medium-Term Management Plan period, although the timing will depend on the path of Japan's policy rates.



Achieving a 15% ROTE will be difficult through the traditional lending business alone. A bold transformation of our business portfolio is therefore essential.

We need to increase bottom-line profit by approximately JPY 1tn to reach this target. The expected decline in gains from the sale of equity holdings should be largely offset by a JPY 400-500bn pre-tax earnings uplift if Japan's policy rate rises to 1.25%.

As a result, we need to generate roughly JPY 1tn of earnings growth from our businesses. We aim to achieve this through three sources: lending business, asset-light businesses, and high-growth areas, each contributing about one-third.

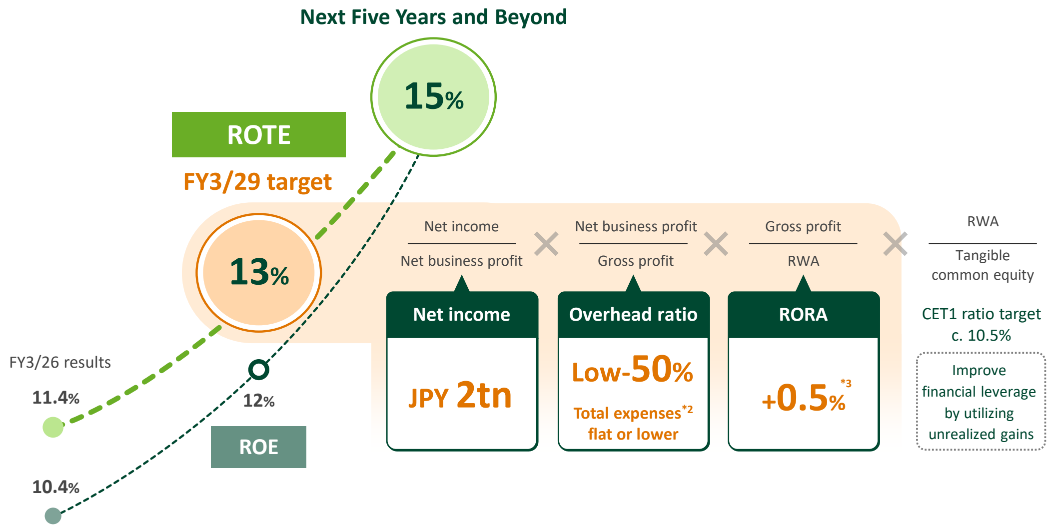
We have strong capabilities in lending and deposit-related businesses and we believe these areas can account for roughly half of the required earnings growth with a high degree of confidence.

The remaining half will need to come from more challenging areas that are still developing, including asset management and S&T businesses.

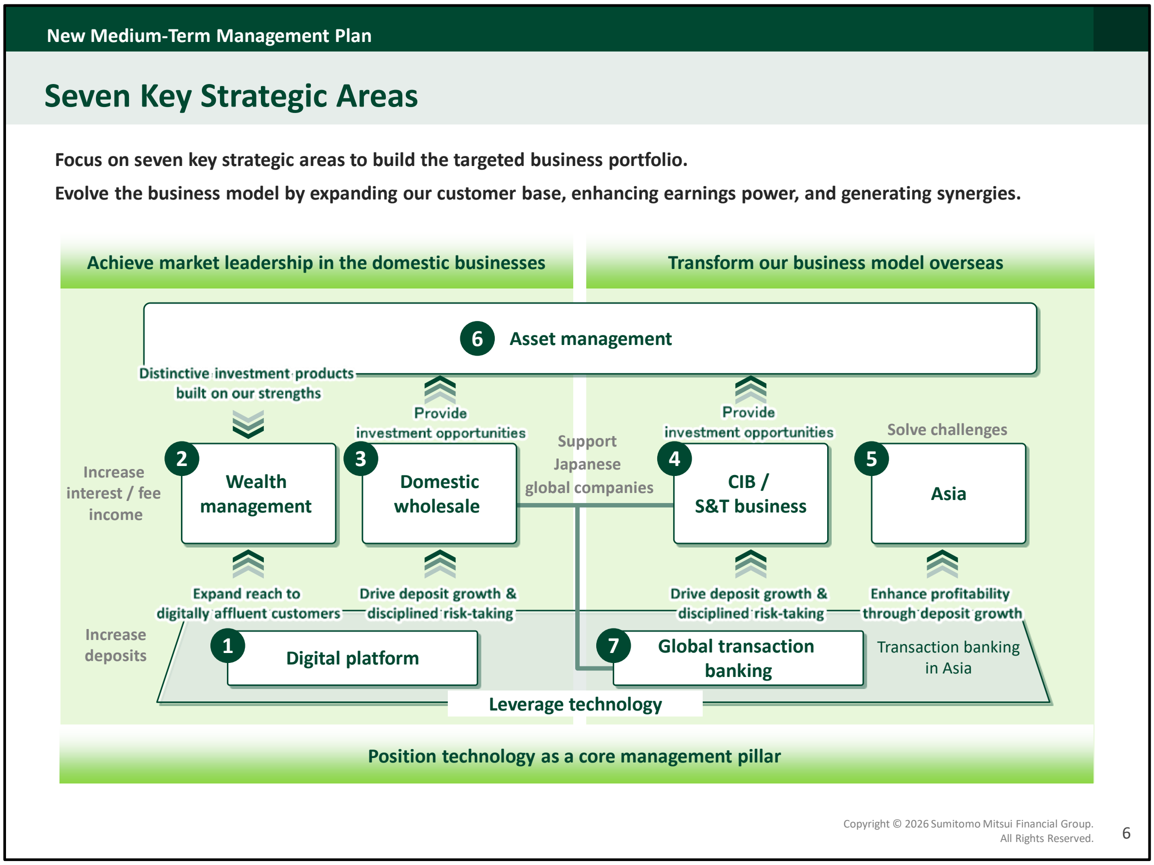
By steadily executing the seven key strategic areas, I believe we can achieve these medium- to long-term goals.

(Appendix) Three-Year Targets on the Path to 15% ROTE*1

Set 13% ROTE for FY3/29 as a milestone on the path to 15% ROTE.
Aim for JPY 2tn in net income through cost discipline and improved RORA.



*1 Macro assumptions: Policy rate Japan: 1.25%, US: 3.0% FX: USD1=JPY150
*2 Excl. environmental factors, one-off factors, revenue-linked variable costs, costs related to IT investment
*3 Excl. impact from JPY interest rates rise



This slide illustrates how our seven key strategic areas are interconnected. These initiatives are not standalone strategies. Rather, they are designed to reinforce one another and drive the evolution of our business model.

The foundation is provided by our digital platforms, Olive and Trunk, and our global transaction banking business, SMBC Connect. As all of our growth strategies are built on deposits and payments, these businesses are becoming increasingly important.

Asset management business is also a key priority, as it is less dependent on balance sheet growth.

We will further strengthen the businesses where we already have established strengths, namely wealth management, domestic wholesale, and CIB businesses.

At the same time, we see S&T and Asia as areas with significant growth potential and we will continue to strengthen our capabilities and improve profitability in these businesses.

Financial Targets by Business Unit*1

Seven key strategic areas	ROTE*2 FY3/26 result	ROTE*2 FY3/29 target	ROTE*2 vs FY3/26	Net business profit (JPY bn) FY3/26 result	Net business profit (JPY bn) FY3/29 target	Net business profit (JPY bn) vs FY3/26	RWA (JPY tn) FY3/29 target	RWA (JPY tn) vs FY3/26
Retail (Digital platform; Wealth management)	14.8%	24%	+1%	427.7	705	+95	15.2	+1.0
	Drive steady earnings growth and higher profitability through Olive and integrated Group-wide wealth management business.							
Wholesale (Domestic wholesale)	20.4%	21%	+0%*3	997.1	1,315	+105	46.3	+2.5
	Strengthen profitability across all segments by capturing strong domestic funding demand and corporate activities.							
Global (Asia; CIB / S&T business)	5.6%	9%	+3%	655.8	790	+170	49.3	+0.5
	Improve profitability through asset reallocation, the Multi-franchise strategy, and transaction banking.							
Global Markets (CIB / S&T business)	21.1%	>16%	—	508.7	>400	—	9.9	+1.8
	Strengthen S&T business by expanding scale and the client base and deepening collaboration with Jefferies.							
Cross-functional areas (Asset management; Global transaction banking)								
	Expand asset-light businesses through broader domestic and global deposit and investor base.							

*1 Managerial accounting basis of FY3/29. After adjustments for interest rates and exchange rate effects for FY3/26
*2 Incl. impact from the interest-rate risk associated with the banking account for Global Markets *3 Excl. sales of equity holdings

Finally, as several of these areas cut across organizational boundaries, this slide maps the key strategies to the relevant business units.

For example, our Global CIB and S&T strategy span both the Global and Global Markets Business Units, while asset management and global transaction banking also extend across multiple Business Units.

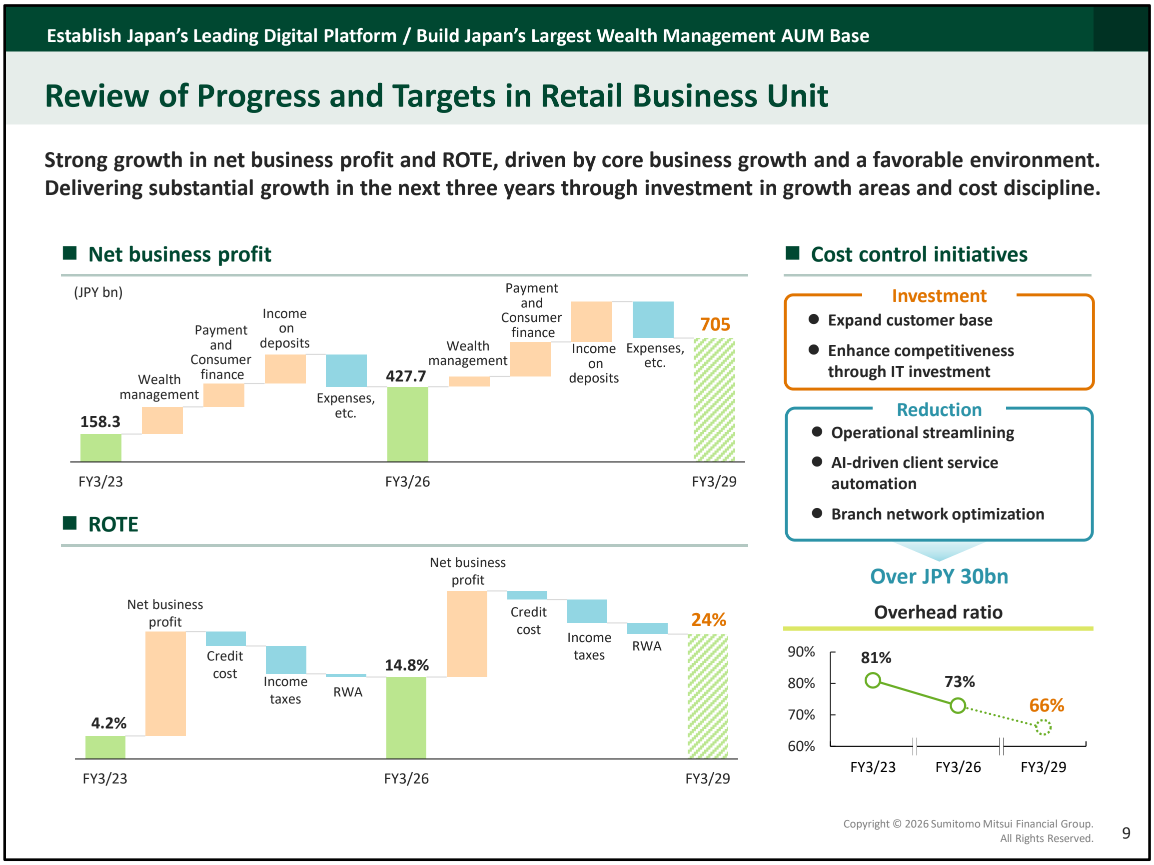
In the following presentations, each executive will discuss the strategy and growth ambitions for their respective strategic areas.

Establish Japan's Leading Digital Platform

Build Japan's Largest Wealth Management AUM Base

Akio Uemura

Senior Managing Executive Officer
Head of Retail Business Unit



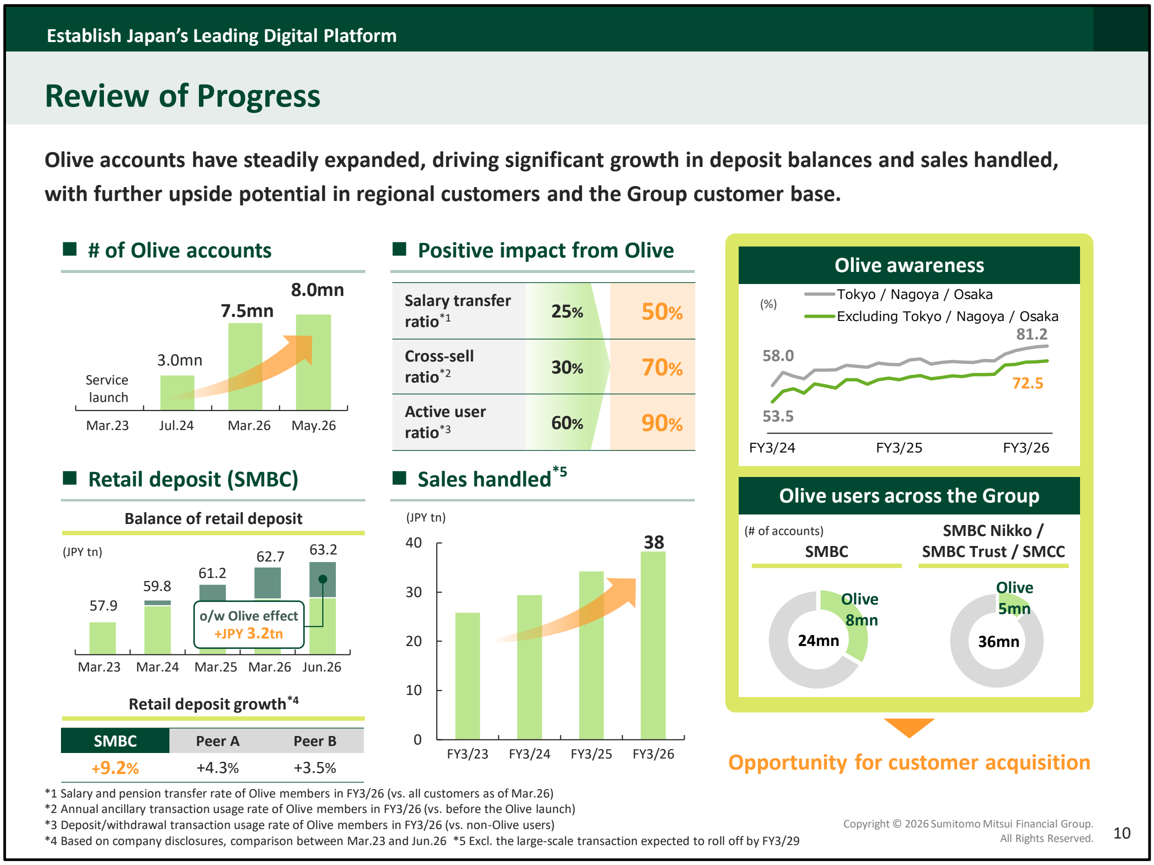
Under the previous Medium-Term Management Plan, the Retail Business Unit realized strong growth in net business profit, supported by both strong growth in our core businesses and favorable external factors, including policy rate hikes, higher stock prices, and a weaker yen. Profitability improved significantly through the expansion of our asset-light businesses and disciplined cost control, resulting in more than a doubling of ROTE.

Looking ahead, we expect our key markets to continue expanding, although competition is also becoming increasingly intense. To capture further growth opportunities, we will continue to strengthen our competitive position through Olive and our asset-light wealth management business.

We aim to increase net business profit by JPY 300bn to JPY 705bn and raise ROTE by 10 percentage points to 24% by FY3/29, the final year of the current Medium-Term Management Plan.

Turning to cost control, while continuing to invest in our business platform and strengthen our competitiveness, we plan to deliver more than JPY 30bn of cost reductions, consistent with what we achieved under the previous plan. Combined with revenue growth and ongoing productivity improvements, we aim to reduce the overhead ratio to below 70% by FY3/29.

From the next slide, I will explain our two key strategies.



The first strategy is the expansion of our digital platform.

Olive, which was launched in March 2023, has now surpassed eight million accounts. Alongside this growth, deposit balances and payment volume have also increased significantly. Moreover, the recurring inflow setup ratio, cross-sell ratio, and active-user ratio are increasing, demonstrating that Olive is becoming customers' primary banking account.

However, Olive's brand awareness in regional cities remains around 70%, compared with approximately 80% in the Tokyo, Nagoya, and Osaka metropolitan areas.

In addition, Olive penetration ratio among existing customers across SMBC Group companies still remain low level.

These factors give us confidence that Olive has significant room for further growth, and we intend to capture these opportunities over the coming years.

Transform the Retail Business through Olive

Expand Olive customers by strengthening core functions and accelerating digital acquisition.
Offer a seamless hybrid financial experience across digital and physical channels.

Enhance convenience › Increase customer acquisition › Expand digital touchpoints › Enhance marketing effectiveness › Strengthen face-to-face support

More attractive products and services

- Enhance UI / UX
- Expand AI utilization
- Expand financial capabilities
- Strengthen external partnerships

Expand Olive to all customers

Expanding customer reach

Digitally engaged customers	Non-Olive existing customers
Workplace / University	Regional customers
Digitally underserved customers	Group company customers

Accumulate customer usage data

Offer personalized recommendations powered by AI

Transform traditional branches into Olive hubs

- Problem-solving support through Olive
- Support for decision-making

Targets

# of Olive accounts	Retail deposits	Expected profit
FY3/26 7.5mn › FY3/29 15mn	+JPY 3tn in three years	FY3/26 JPY 20bn › FY3/29 JPY 110bn

We will continue to enhance Olive's value proposition by improving its UI and UX, leveraging AI, and expanding partnerships with external companies, while further accelerating digital customer acquisition.

At the same time, we will connect every customer touchpoint across the Group companies, workplaces, and universities, to Olive. This will enable us to build an unrivaled customer base and leverage accumulated data to deliver more personalized services and recommendations.

As our Olive user base continues to grow, we will also redefine the role of our branch network. Branch staff will support customers not only in resolving issues related to Olive but also in making important financial decisions.

By combining the convenience of digital services with the reassurance of face-to-face support, we aim to create a seamless and personalized customer experience that differentiates us from our competitors.

Through these initiatives, we aim to increase the number of Olive accounts to 15 million, grow retail deposits by JPY 3tn over the next three years, and raise Olive's profit contribution from JPY 20bn in FY3/26 to JPY 110bn in FY3/29.

More Attractive Products and Services - Strengthening External Partnerships -

Enhance Olive’s convenience through alliances with external partners.

■ Collaboration with Money Forward

Released — Consolidated asset management

Released — Seamless money transfers

■ Collaboration with PayPay*1

Released — PayPay / V Points mutual exchange

Released — Free transfers to SMBC accounts

Released — Benefits for linking credit cards

Upcoming — Flexible Pay with PayPay mode

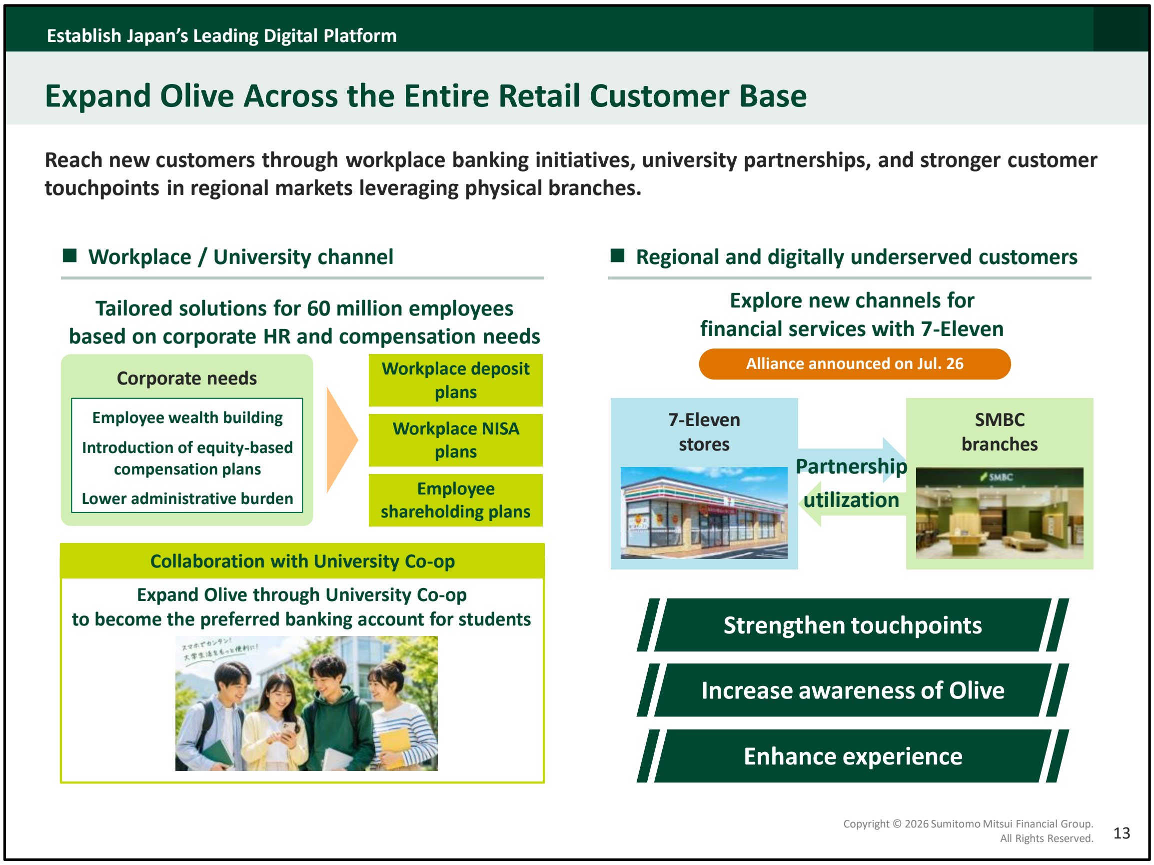
*1 Illustration of Flexible Pay (PayPay mode) screen shown on the right.

We will enhance Olive's value proposition through external partnerships.

Together with Money Forward, we have expanded Olive's functionality beyond simple account management. In addition to the asset aggregation service already in place, we have introduced seamless fund transfers, enabling customers to manage and move their funds more conveniently within the app.

Together with PayPay, we have launched mutual point exchanges, benefits for linking a credit card, and free withdrawals to SMBC accounts. We also plan to introduce a PayPay payment mode within Flexible Pay.

We will continue to expand external partnerships, further enhance Olive's functionality, and increase both customer engagement and platform value.

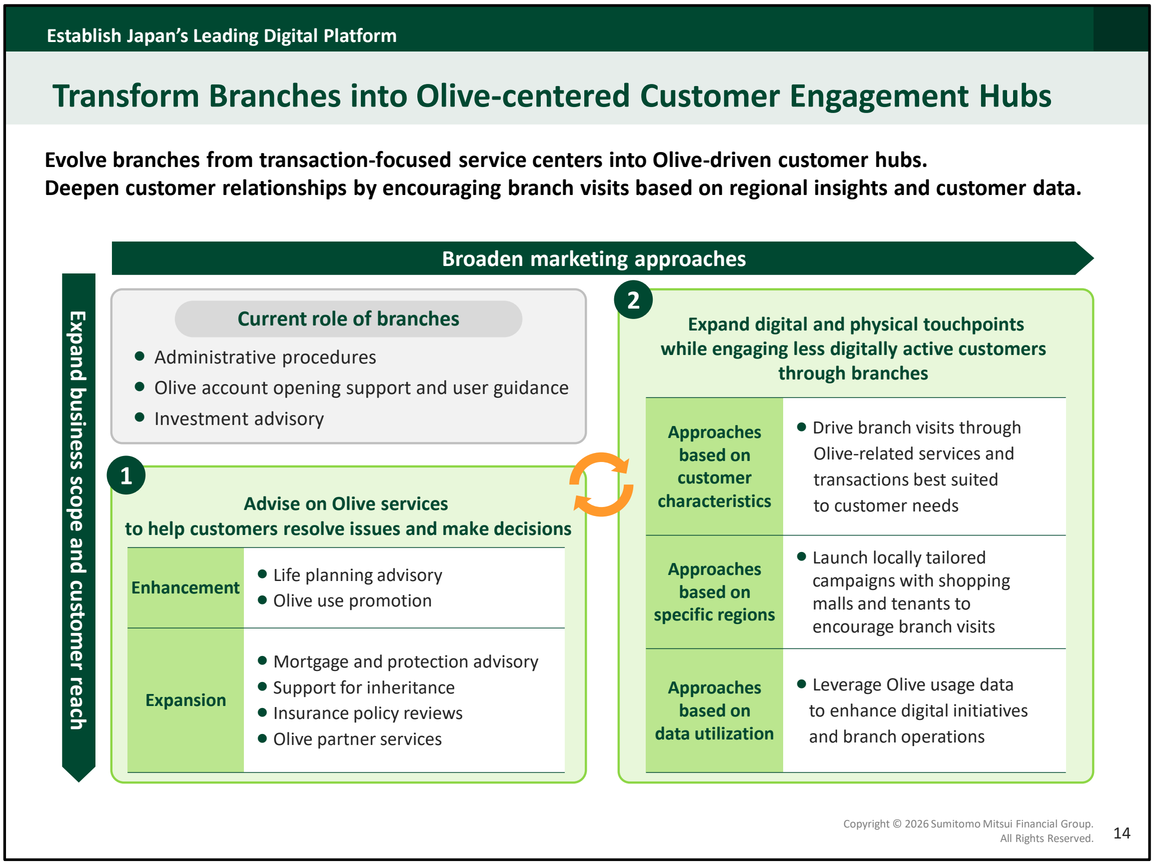


We will expand Olive across the entire customer base.

In workplace banking, we have traditionally focused on opening accounts for new employees. More recently, in response to increasingly diverse corporate needs, we have expanded our offering to include Group-wide solutions such as workplace savings plans and employee share ownership plans. Going forward, these services will be progressively integrated into Olive, creating additional opportunities to acquire and engage customers.

We also see significant potential in our university partnerships. We plan to position Olive as the recommended account for student life and offer exclusive benefits to 1.3 million University Co-op members.
Our goal is to make Olive the most convenient financial account for university students. Working together with University Co-op, we will promote Olive consistently across all customer touchpoints, from before enrollment through graduation.

On July 31, 2026, we announced a capital and business alliance with Seven & i Holdings. Through this partnership, we will leverage 7-Eleven's network of approximately 20,000 stores as a new customer channel. This will strengthen our customer touchpoints and enhance brand awareness in regional and suburban areas where our physical presence has historically been limited. We will also explore opportunities to develop joint-format locations.



We will transform our branches into Olive-centered customer engagement hubs.

Today, our branches primarily handle administrative procedures and provide access to only a limited range of Olive functions. Going forward, Olive will expand to cover a broader range of services, including mortgages and insurance reviews, allowing customers to complete more of their financial activities within the platform. As this expands, branch staff will play a greater role in helping customers navigate Olive and supporting important financial decisions.

We will also use our branch network to engage customers who have yet to fully embrace digital services. For example, we will support former T Point cardholders in transitioning to the app while promoting Olive through V Point integration. In addition, we will work with nearby tenants and shopping malls to develop customer acquisition campaigns tailored to the characteristics of each location and region.

Furthermore, by leveraging customer data, including payment histories, we will be able to engage customers at the right time and invite them to our physical locations when face-to-face support can add the greatest value.

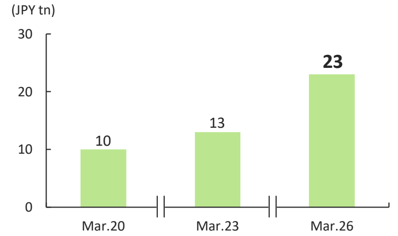
By combining the convenience of digital services with the reassurance of in-person support, we aim to accelerate Olive adoption and deepen customer relationships.

This concludes my explanation of our digital platform strategy.

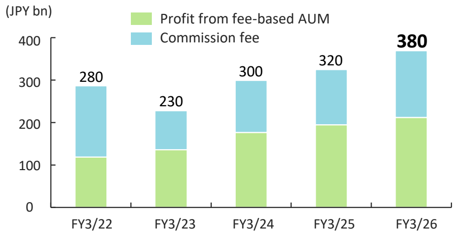
Review of Progress

Establish an integrated banking, securities, and trust model, supported by long-term diversified investment. Further deepen Group collaboration to maximize value for affluent customers.

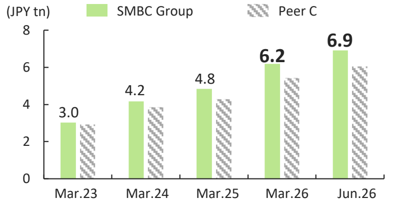
■ AM / foreign currency deposit balance



■ Gross profit



■ Fund wrap balance



Progress of Bank-Securities collaboration

	# of customers	o/w # of mutual customers	o/w # of separate customers
SMBC	900K	200K	700K
SMBC Nikko	600K		400K

Leverage synergies to deliver optimal solutions across each company's customer base

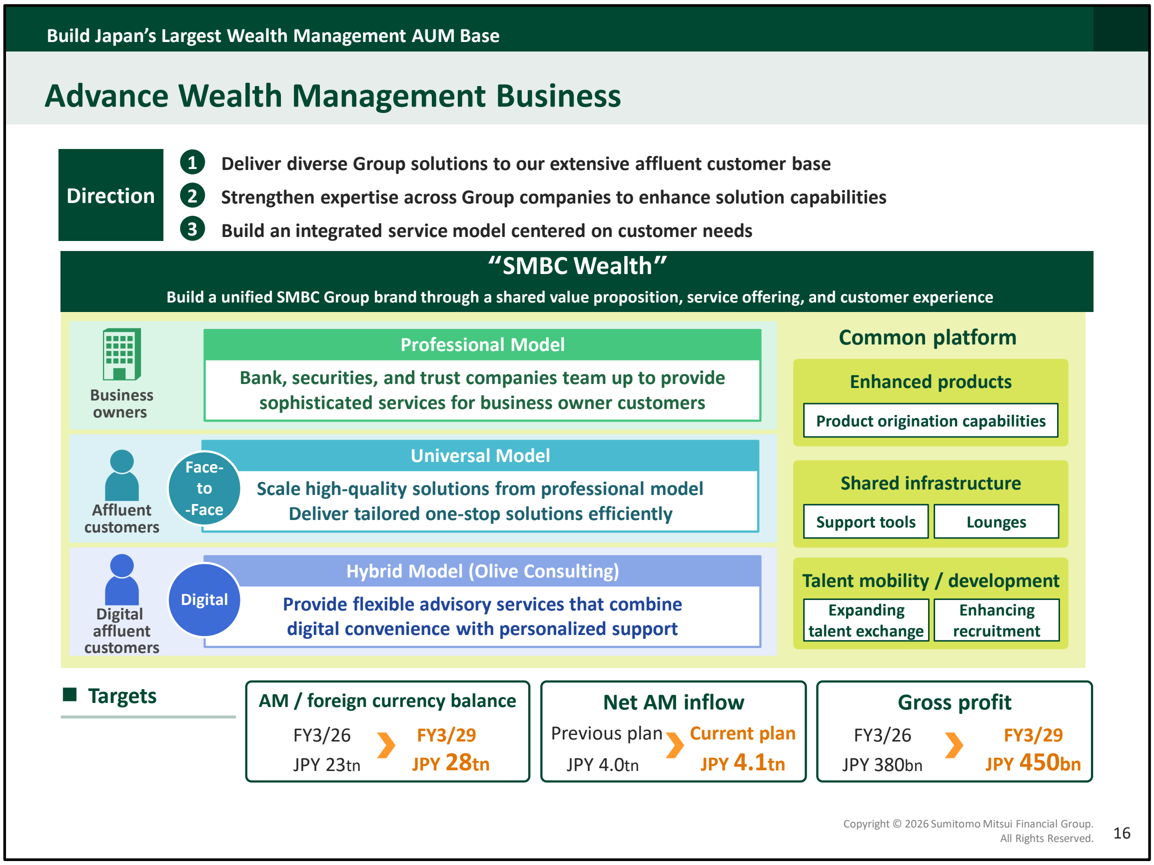
The second key strategy is the wealth management business.

Ahead of our competitors, we have established an integrated banking, securities, and trust model built on customer referrals across the Group. As a result, assets under management and foreign-currency deposits have grown to JPY 23tn. In particular, our fund wrap balance has reached JPY 6.9tn, making us the industry leader in this market.

The increasing adoption of portfolio proposals that support medium- to long-term diversified investment has also accelerated our shift toward a stable and recurring revenue model.

At the same time, we believe there is still significant potential to further enhance our Group-wide wealth management capabilities. While we have strengthened our specialist expertise and expanded our range of advisory services and solutions, there is room to improve how we deliver the best solution to each customer across the Group. There remains significant potential to expand the number of customers to whom we can provide integrated Group-wide solutions.

By further deepening collaboration across the Group and leveraging our extensive affluent customer base, we aim to maximize the value we provide to customers and capture additional growth opportunities.



There are three key elements to our strategy.

1: Serve the affluent customer bases of our banking, securities, and trust businesses with the full range of SMBC Group solutions.
2: Further strengthen the specialist capabilities of each Group company.
3: Establish a fully integrated service model centered on customer needs.

Through these initiatives, we aim to build the leading wealth management franchise with the largest AUM in Japan.

We will deliver banking, securities, and trust services in a more integrated manner under the common brand, "SMBC Wealth", which brings together the Group's value proposition, services, and customer experience.

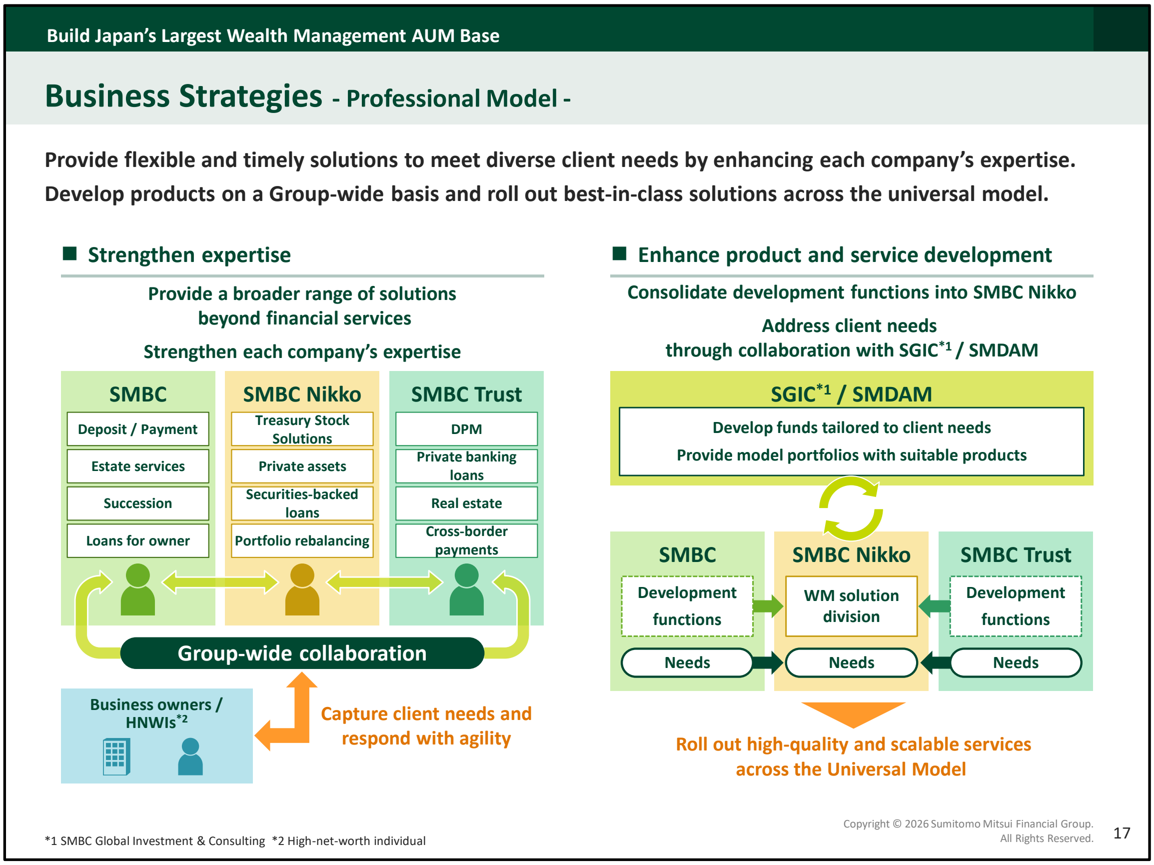
To address diverse customer needs, we will adopt three service models.

- For business owners and ultra-high-net-worth customers, we will provide tailored solutions through integrated banking, securities, and trust teams.
- For affluent customers who value face-to-face advice, we will deliver one-stop financial solutions.
- For digitally oriented affluent customers, we will combine digital convenience with professional advice.

These models will be supported by enhanced products and services, shared infrastructure, stronger talent development, and Group-based recruitment.

In the current Medium-Term Management Plan, we aim to increase assets under management and foreign-currency deposits from JPY 23tn in FY3/26 to JPY 28tn in FY3/29. We also target JPY 4.1tn in net AUM inflows and an increase in gross profit from JPY 380bn to JPY 450bn.

By combining the strengths of face-to-face and digital channels and fully leveraging SMBC Group's capabilities, we are confident in achieving these targets.

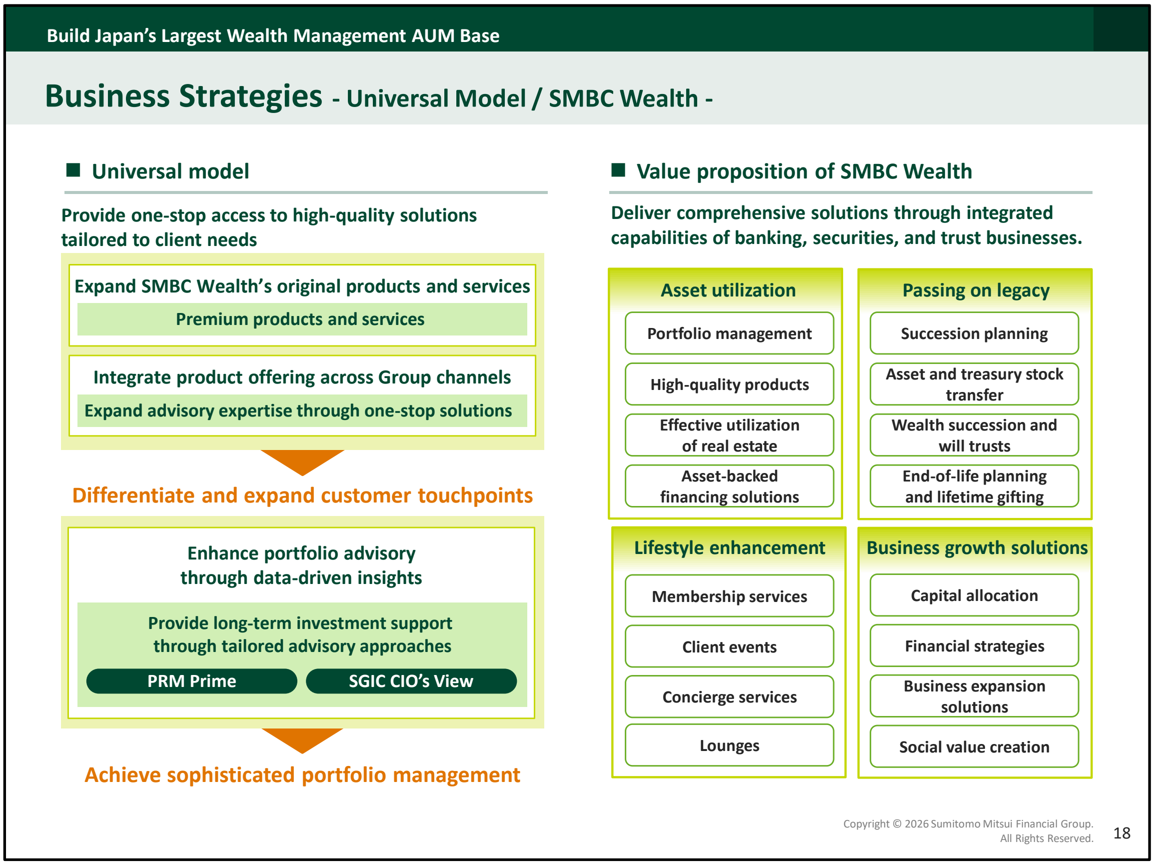


In our Professional Model for business owners and high-net-worth individuals, there are two key priorities: strengthening the specialist capabilities of each Group company and enhancing product and service development.

The needs of these customers are highly individualized and evolve rapidly, requiring timely and tailored solutions. SMBC Group already offers a broad range of financial and non-financial solutions. We will further strengthen these capabilities while deepening collaboration among banking, securities, and trust specialists to respond more quickly and effectively to customer needs.

To support this, we will consolidate product development functions within SMBC Nikko and develop high-quality products and services on a Group-wide basis.

The scalable products and solutions developed through this model will also be provided to affluent customers who prefer face-to-face services.



In the Universal Model for affluent customers who prefer face-to-face services, there are two priorities.

The first priority is to strengthen our products and services.

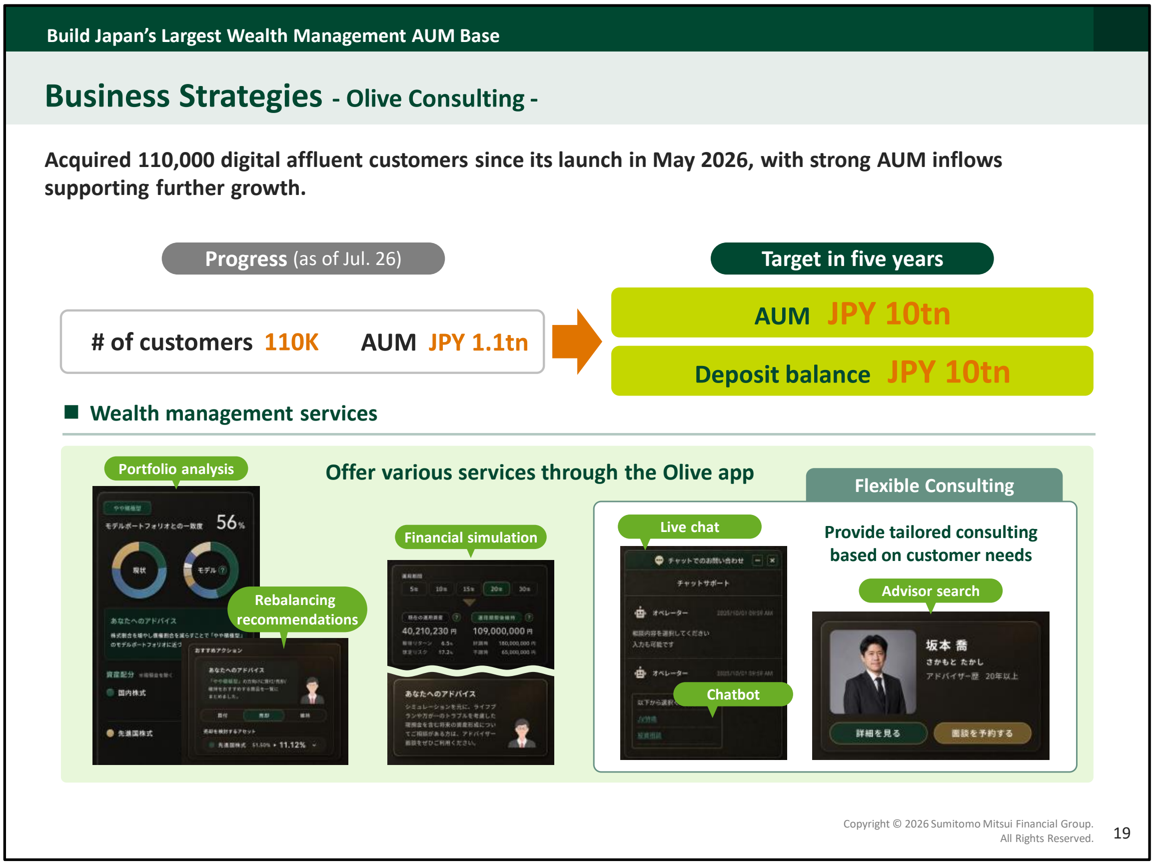
In addition to scaling the products and services developed through the Professional Model, we will offer exclusive products and services under the SMBC Wealth brand, including tailored deposit products to affluent clients' cash flow and income needs. We will also harmonize products across our banking, securities, and trust channels, enabling representatives from each company to offer a wider range of solutions and increasing customer touchpoints.

The second priority is to share sales support tools.

By leveraging PRM and other tools, we will provide more data-driven advice and high-quality portfolio management. We will also share expertise developed through the Professional Model across the Group, improving both customer value and operational efficiency.

We also established SMBC Wealth Lounges as shared client facilities across the Group, offering clients a sophisticated environment while enhancing the efficiency of our branch network.

SMBC Wealth is a common brand that brings together the SMBC Group's value proposition, services, and customer experience. By combining the expertise of our banking, securities, and trust businesses, we will address a broad range of customer needs, from wealth management and wealth transfer to lifestyle and business-related solutions. Rather than offering services separately through each Group company, we will provide a consistent and trusted customer experience under a single brand.



Olive Consulting, launched in May 2026 for digitally oriented affluent customers, made a strong start. As of the end of July, it had attracted approximately 110,000 customers and JPY 1.1tn in assets under management, surpassing JPY 1tn in just over two months.

The key to this growth is the combination of digital convenience and human support. In addition to portfolio analysis and rebalancing recommendations through the app, customers can access chat support or book consultations with advisors whenever needed. This Flexible Consulting model combines ease of use with access to professional advice.

Building on this momentum, we have set five-year targets of JPY 10tn in AUM and JPY 10tn in deposits, representing a total business scale of JPY 20tn.

By combining digital convenience with advanced consulting capabilities, we aim to establish a leading position in the digital affluent market.

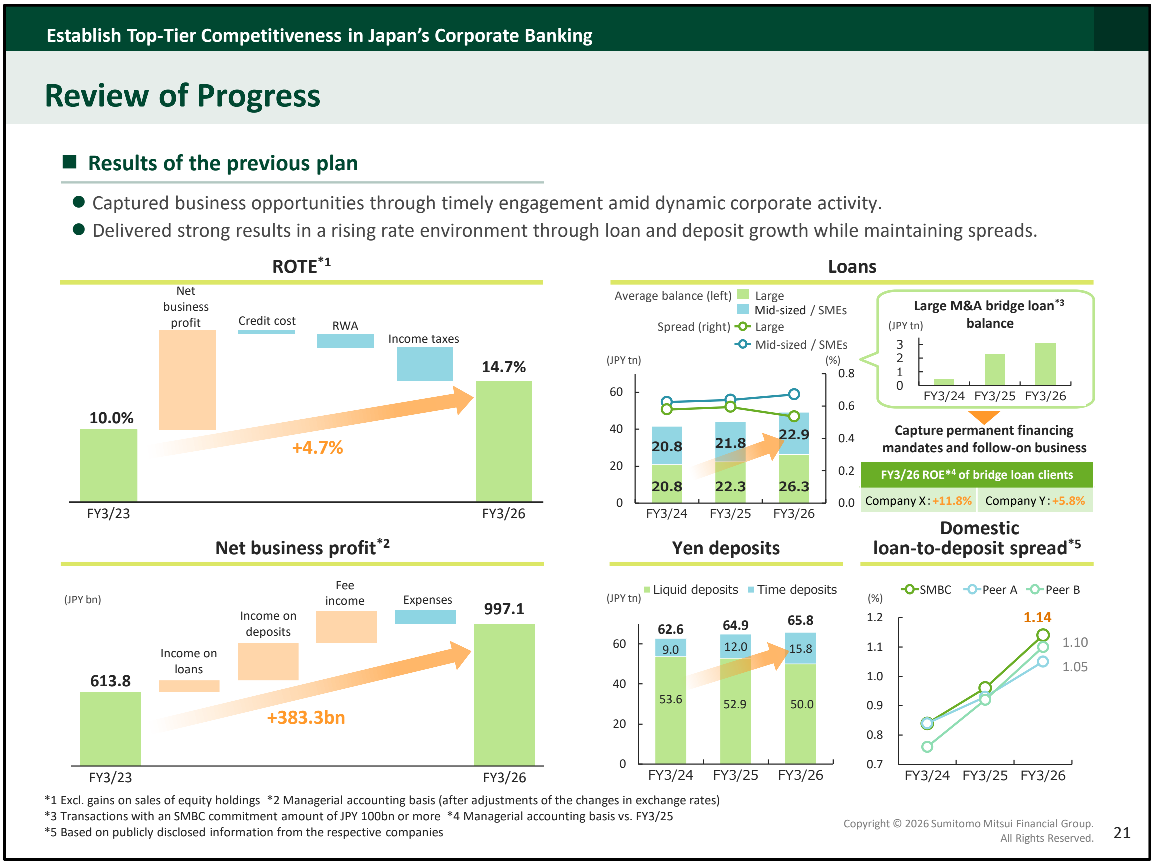
Establish Top-Tier Competitiveness in Japan's Corporate Banking

Fumihiko Ito

Senior Managing Executive Officer
Co-Head of Wholesale Business Unit

Yukihiro Mabuchi

Senior Managing Executive Officer
Co-Head of Wholesale Business Unit



During the previous Medium-Term Management Plan period, we responded swiftly to the dynamic activities of Japanese companies and successfully captured numerous financial events.

As a result, ROTE excluding gains on equity sales increased by 4.7 percentage points from FY3/23 to 14.7%, while net business profit rose by JPY 383.3bn from FY3/23 to JPY 997.1bn, representing substantial growth over the three-year period.

Loan balances increased across both the large corporate and mid-sized / SME segments, driven by our proactive approach to corporate actions.

Spreads also improved and expanded as we accumulated high-return assets, including LBO/MBO financing and real estate finance.

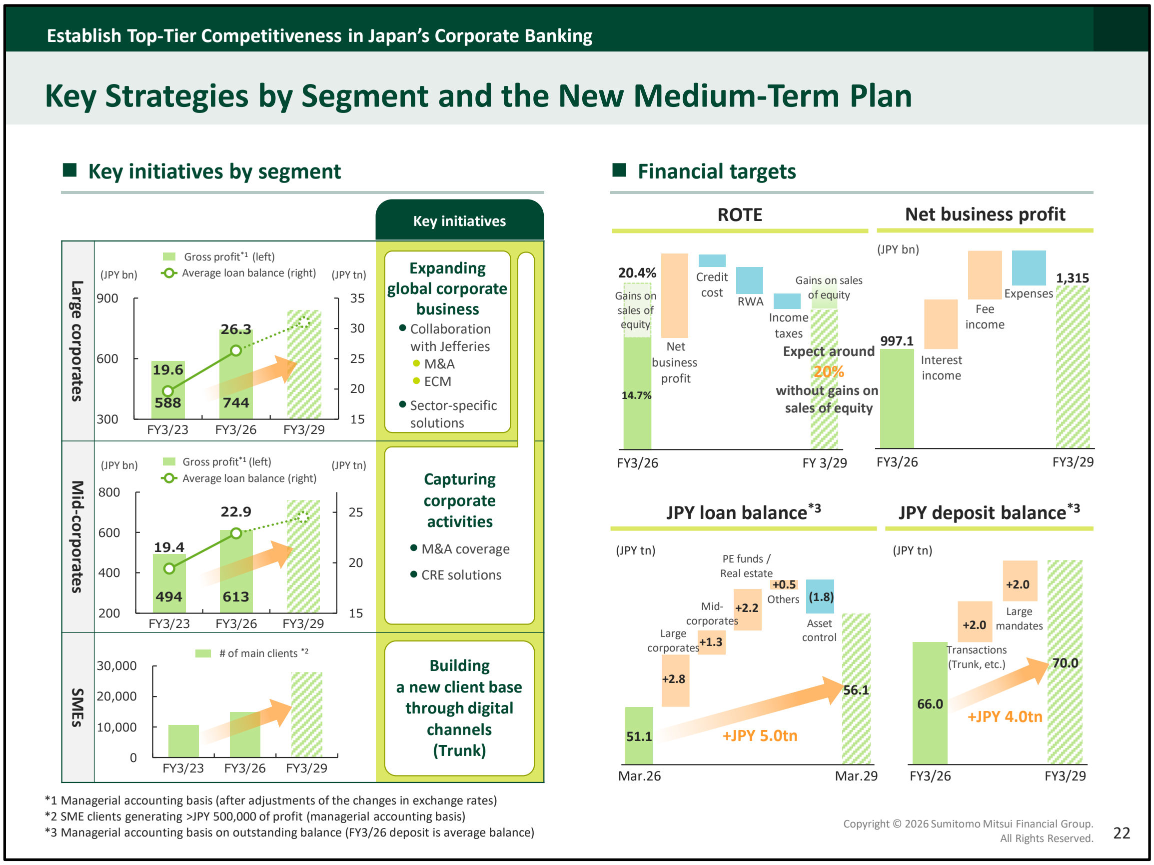
While spreads in the large corporate segment declined in FY3/26, this was primarily due to an increase in large-scale M&A bridge loans.

Using bridge loans as a gateway, we have successfully enhanced ROTE by securing permanent financing mandates.

Spreads are also expected to gradually normalize as bridge loans are refinanced through syndicated loans and capital market funding.

Regarding yen deposits, although higher interest rates have accelerated the shift from liquid deposits to time deposits, total balances have continued to grow.

Furthermore, our loan-to-deposit spread has remained above that of our peers. Combined with steady growth in both loan and deposit balances, I believe that we have achieved high-quality growth supported by both scale and profitability.



The key priorities for each segment are:

- In the large corporate segment, we achieved significant growth in both earnings and loan volume during the previous Medium-Term Management Plan and narrowed the gap with our peers. We will drive further growth through deeper collaboration with Jefferies and enhanced sector coverage.
- In the mid-sized corporate segment, one of our core strengths, we will further strengthen our capabilities in M&A and real estate-related transactions.
- The SME segment has the potential to become a new growth driver in a rising-rate environment. By leveraging Trunk, which we launched ahead of our competitors, we aim to establish a new digital earnings base.

Under the current Medium-Term Management Plan, ROTE excluding gains on equity sales is expected to increase through continued profit growth. We are already on track to exceed 16% in the first half of this fiscal year, with further upside potential toward our target of around 20%. Our FY3/29 net business profit target is JPY 1.315tn, representing an increase of more than JPY 300bn. This growth will be driven by both loan and deposit income and fee-based income generated from corporate action-related opportunities.

We will increase yen-denominated loans by JPY 5tn over the next three years, selectively expanded to high-return opportunities, including large corporates, mid-sized companies, private equity funds, and real estate supported by strong demand, while optimizing our asset portfolio by reducing low-return loans. We target JPY 4tn of growth in yen deposits, supported by transaction deposit acquisition through Trunk and the capture of funds from public-sector and institutional clients.

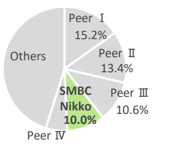
The first quarter marked a strong start into the new Medium-Term Management Plan. With greater focus on balance sheet management at the frontline, liquid deposits increased by JPY 600bn year-on-year, while time deposits increased by JPY 1.9tn.

Large Corporates

■ Securities business - Collaboration with Jefferies -

Expand share of the fee pool in the large-cap segment through deeper collaboration with Jefferies

Large cap fee pool[*1]



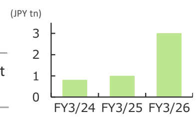
League table

	FY3/26	FY3/29 target
M&A	4th	2nd
ECM	4th	1st
DCM	2nd	1st
Foreign bond underwriting	1st in Japanese	1Q FY3/27 1st

1 M&A

# of referrals[*2]	YoY	+74%
# of collaboration deals pipeline	vs. the same month last year[*3]	+125%

M&A-related loan balance[*4]



2 ECM

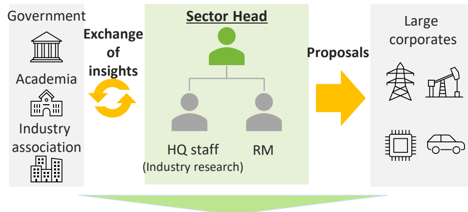
- Capture large-scale and global transactions through an integrated approach in Japanese equities

SMBC Nikko Jefferies Securities

SMBC Nikko		Jefferies
Strong and broad domestic client base	×	Global investor network Deep sector expertise

■ Enhance sector expertise and coverage

Build networks with key stakeholders through sector heads
Capture business opportunities through proposal leveraging insight



Capture strong financing demand and achieve **+20%** earnings growth in focus sectors

Example of key initiatives

- Discussed the need for guarantees with government as GX investment drives funding needs among electric utilities
- Executed Japan's first government-guaranteed corporate loan to an electric utility by establishing the necessary framework

Key points	
	• Led public-private collaboration and contributed to social value creation • Contributed to the stabilization and diversification of funding for electric utilities supporting decarbonization

*1 SMBC Nikko, based on data for FY3/26 from Dealogic; large cap: Top 5% by market cap *2 Result of FY3/26
*3 As of Jun. 26 *4 Corporate finance for large corporates

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For the large corporate segment, we expect a significant growth opportunity in the securities business. The large-cap segment accounts for approximately 75% of the overall fee pool, and we currently ranks fourth in this segment.

By strengthening collaboration with Jefferies and capturing larger mandates, we aim to achieve a No. 2 position in M&A and a No. 1 position in ECM and DCM by FY3/29.

In M&A, collaboration with Jefferies continues to deepen, with growing number of referrals and a stronger pipeline of joint deals. We have already captured several cross-border transactions involving Japanese large corporates.

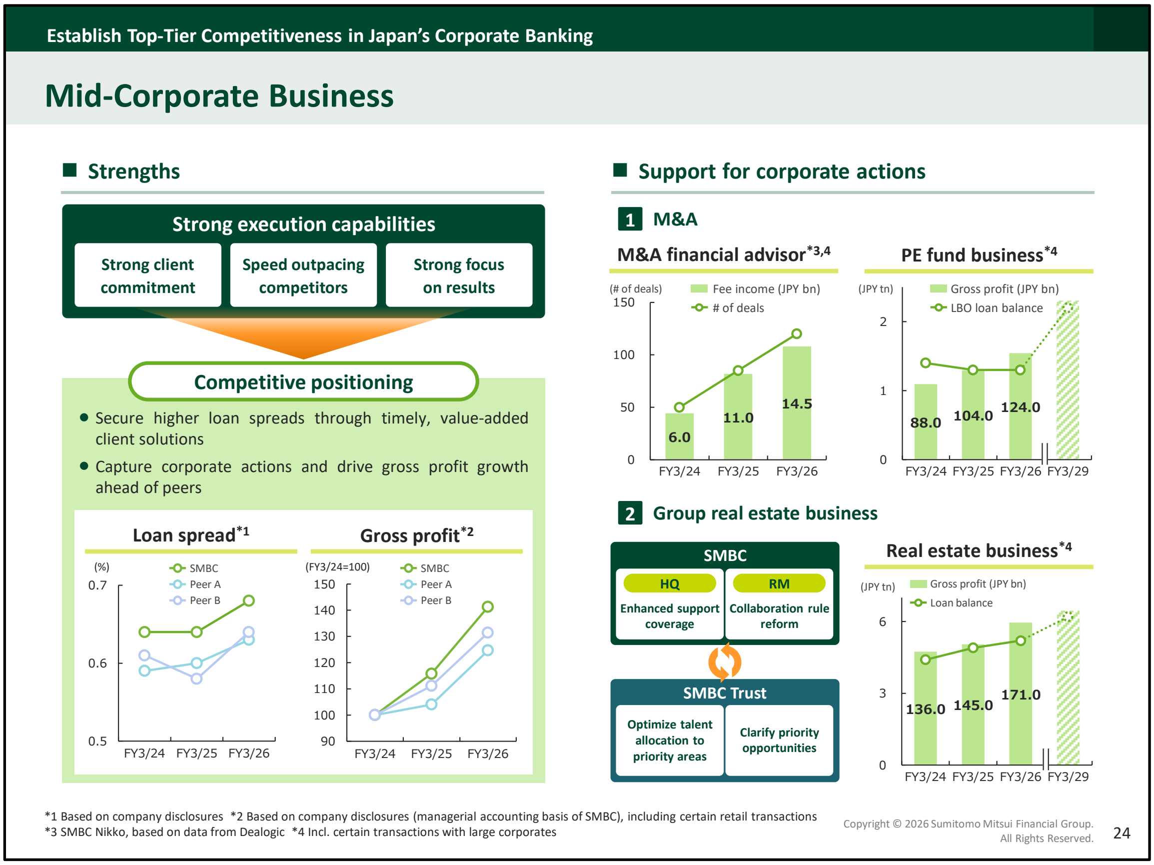
In addition to advisory mandates, we are expanding our M&A financing volume, allowing us to capture opportunities across the value chain.

In ECM, we plan to integrate SMBC Nikko's Japanese equity business with Jefferies to combine the strengths of both platforms and win larger, more global mandates.

As client needs become increasingly complex, demand for sector-based advisory services continues to grow. Led by our Sector Heads, we are strengthening collaboration across industry, government, and academia to generate deeper insights and deliver more strategic solutions.

Through these efforts, we target 20% earnings growth during the current Medium-Term Management Plan in priority sectors such as energy, semiconductors, and mobility, where significant growth opportunities are expected to continue.

The energy sector is a good example. Our early investment in a coordinated sector coverage model has already led to transactions involving government and public-sector stakeholders. We intend to replicate this approach across other sectors to create further growth opportunities.



The mid-sized corporate business is one of our strongest franchises.

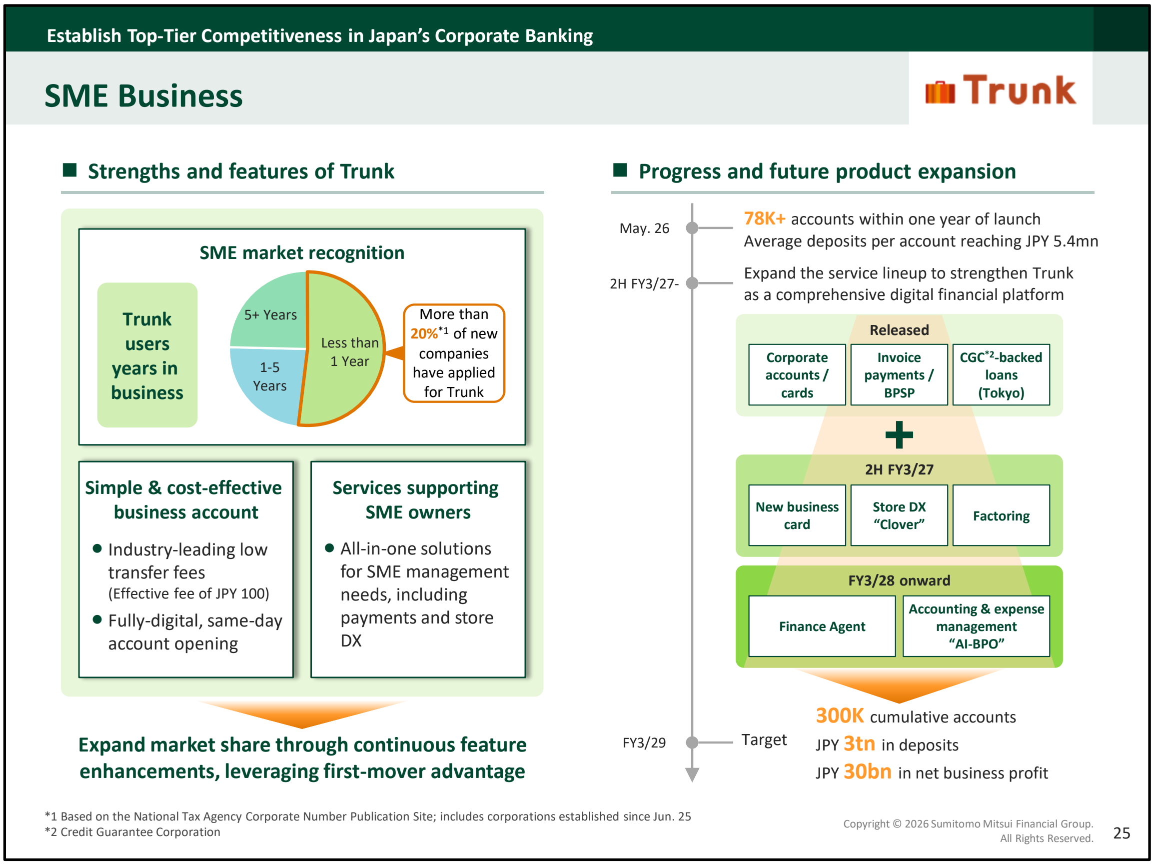
Our strength lies in our execution capabilities, supported by close collaboration between our frontline and head office teams. This is reflected in our superior loan spreads and strong profit growth.

To capture corporate action opportunities, we are focusing on two key growth areas.

The first is M&A. By strengthening collaboration between our banking and securities businesses, we aim to capture a larger share of advisory and financing opportunities. At the same time, we will continue to grow our highly profitable private equity fund business while maintaining disciplined risk-taking.

The second initiative is our real estate business. Our portfolio, including non-recourse real estate loan and REIT financing businesses, is one of the largest in Japan and is key contributor to earnings growth under the previous Medium-Term Management Plan.

We see further potential in real estate brokerage. By strengthening origination capabilities in the banking business and execution capabilities in the trust business, we aim to further enhance profitability.



Our SME business will be expanded through Trunk.

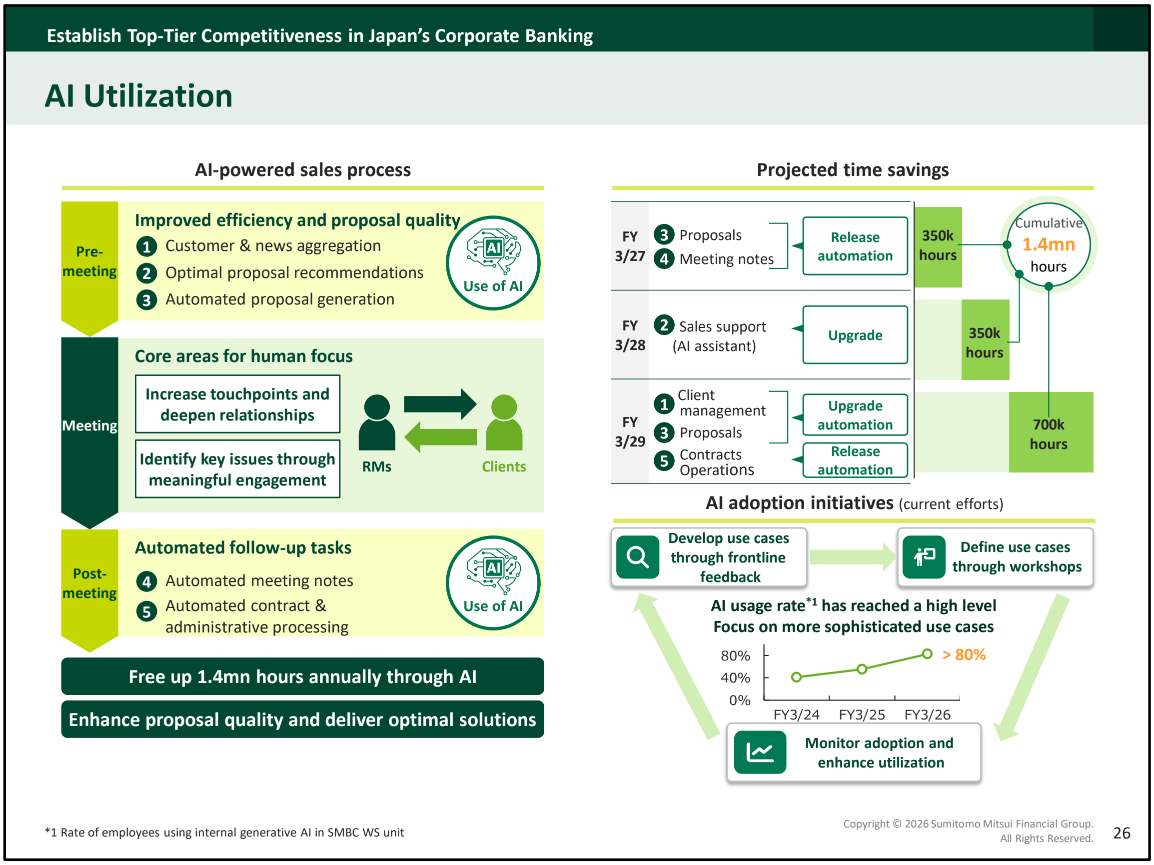
Since its launch in May 2025, Trunk has gained strong traction in the SME market, attracting applications from more than 20% of newly established companies.
I believe that our early entry into the market has provided a strong competitive position.

In July, we further reduced transfer fees to JPY 100 and shortened account-opening times to be completed within the same day, reinforcing Trunk's competitive advantage in both convenience and cost.

Beyond banking services, Trunk also supports SME management through solutions such as corporate payments and store DX tools, contributing to the growth of Japan.

As of May 2026, cumulative accounts exceeded 78,000, while deposits reached JPY 400bn, with average deposits per account of around JPY 5.4 million. As client accounts mature, deposit growth is expected to accelerate further. We also plan to continue expanding Trunk's service offering from the second half of this fiscal year, further strengthening its position as a trusted partner for SMEs.

By FY3/29, we target 300,000 accounts, JPY 3tn in deposits, and JPY 30bn in net business profit.



In our face-to-face marketing businesses, particularly in the large corporate and mid-sized corporate segments, relationship managers currently spend a significant amount of time on internal administrative work.

By automating many of these internal processes before and after client meetings, we believe AI can free up approximately two hours per day per relationship manager, equivalent to around 1.4 million hours annually across the organization.

Relationship managers will be able to redirect this time toward building client relationships and engaging in client meetings, enabling a deeper understanding of management challenges and more sophisticated solution proposals.

The roadmap outlines our path toward realizing these 1.4 million hours of productivity gains. Our immediate priority is to steadily implement and enhance the initiatives currently planned.

At the same time, we are not only expanding AI-enabled content and tools but also promoting broader adoption and more advanced usage of AI across the organization.

AI adoption has already exceeded 80%, but we see further room to increase and standardize usage across the Business Unit.

Going forward, we will focus on expanding use cases and enhancing the sophistication of AI utilization, enabling further improvements in operational efficiency and reallocation of resources to value added services.

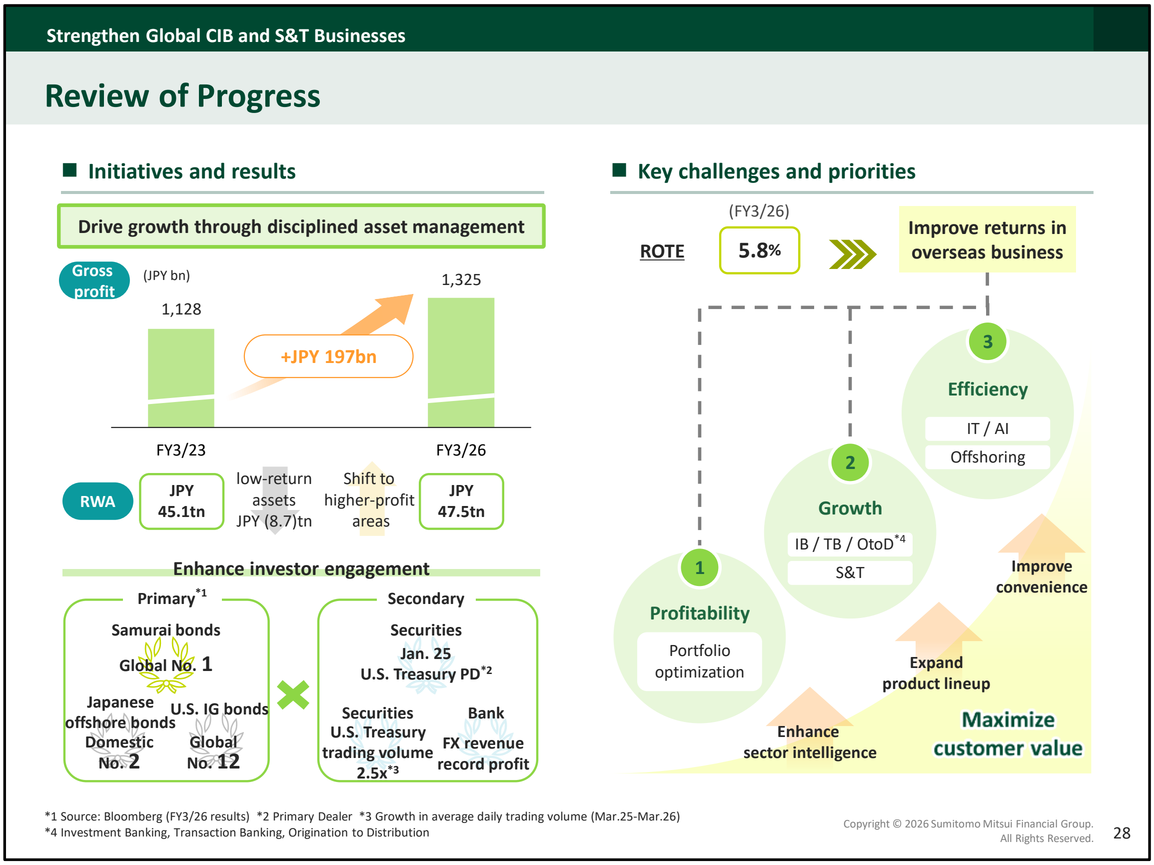
Strengthen
Global CIB and S&T Businesses

Monetize
the Multi-Franchise Strategy

Yoshihiro Hyakutome
Deputy President and Executive Officer
Co-Head of Global Business Unit

Keiichiro Nakamura
Senior Managing Executive Officer
Co-Head of Global Business Unit

Arihiro Nagata
Senior Managing Executive Officer
Head of Global Markets Business Unit



The first strategy is our Global CIB and S&T business.

Under the previous Medium-Term Management Plan, we steadily optimized our portfolio by reducing low-return assets, raising hurdle rates for new transactions, and reallocating capital and resources to higher-growth, higher-return areas. As a result, we achieved solid top-line growth while maintaining disciplined control of risk-weighted assets.

We also strengthened our investor business. This is reflected in our strong market positions in areas such as Samurai bonds, as well as our designation as a U.S. Treasury primary dealer and the growth in trading volumes.

However, ROTE remained at 5.8% in FY3/26, due to one-off increase in credit cost, leaving a significant gap versus the Group average. We recognize closing this gap as one of our highest priorities.

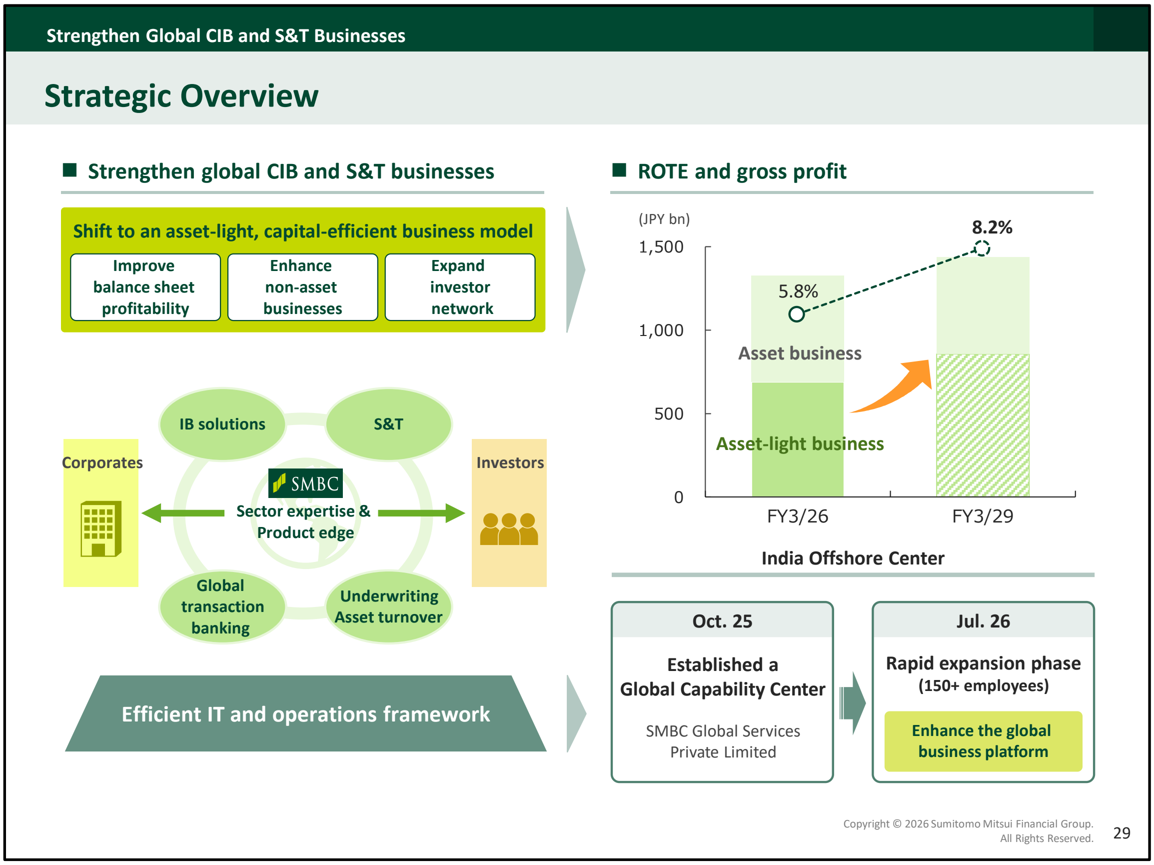
Under the current medium-term lan, our focus is to improve returns in the overseas business by maximizing the value we deliver to clients. We are addressing this challenge from three perspectives: profitability, growth, and efficiency.

First, to enhance profitability, we will further strengthen our sector intelligence capabilities and allocate capital and talent more selectively to areas with strong client demand and attractive returns. Through this approach, we will continue to optimize our business portfolio.

Second, to drive growth, we will accelerate the collaboration of our Global CIB and S&T business model while expanding our product capabilities to generate additional top-line growth.

Third, to improve efficiency, we will continue investing strategically in technology and AI, while leveraging our offshore center in India to standardize processes and enhance productivity.

Through these initiatives, we aim to deliver higher profitability, stronger growth, and improved efficiency across our global business.



Our global business is transforming from a balance sheet-intensive model to a more asset-light and capital-efficient business model.

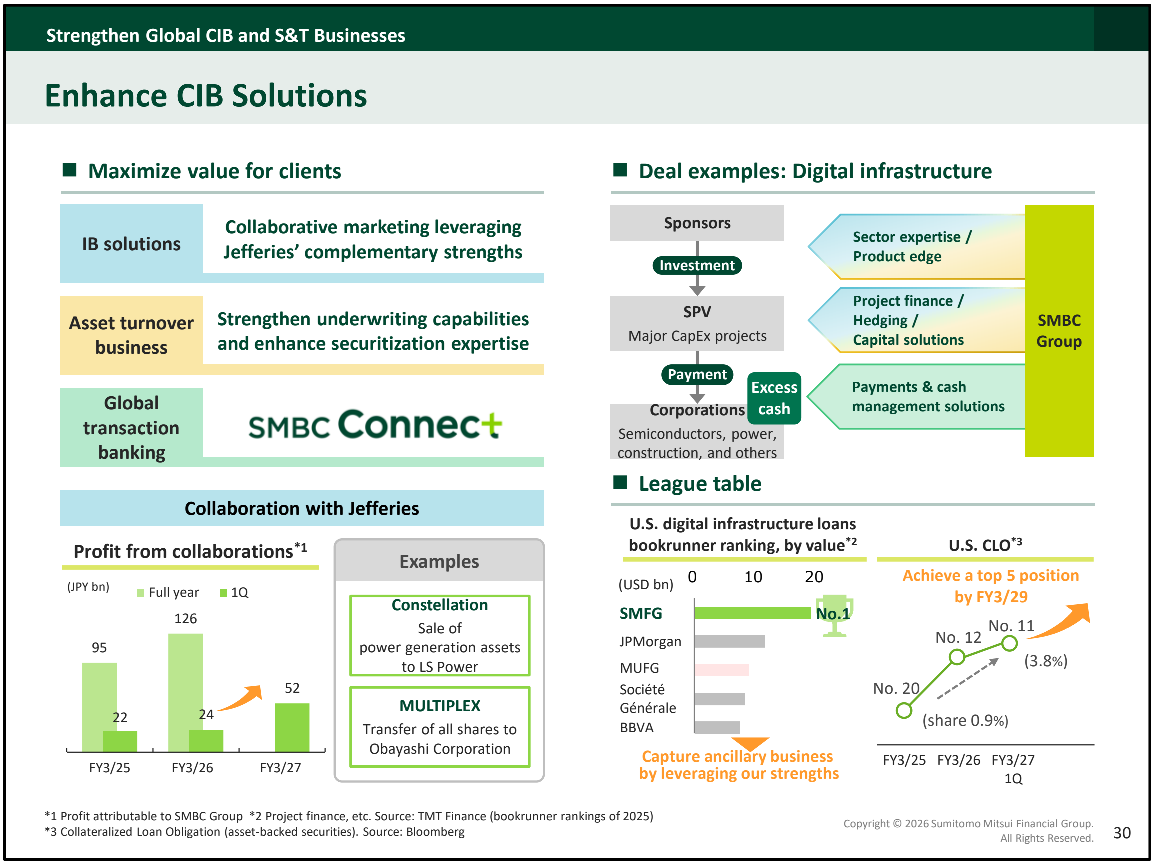
While continuing to improve balance sheet profitability through portfolio optimization and asset rotation, we will further strengthen asset-light businesses such as investment banking and global transaction banking. We will also expand our investor network, which supports our Sales & Trading, underwriting, and asset turnover businesses.

By leveraging SMBC Group's sector expertise and product capabilities, we will deepen relationships with a broad range of clients, including corporates, private equity firms, and institutional investors. Combining these capabilities will allow us to address increasingly diverse client needs and capture more business opportunities across the value chain.

We aim to increase ROTE from 5.8% in FY3/26 to 8.2% in FY3/29, the final year of the current Medium-Term Management Plan, changing business mix with the focus on asset-light businesses.

Efficient IT and operating platforms will also be essential to delivering sustainable and profitable growth. We established our Global Capability Center in Chennai, India, in October 2025. As of July 2026, less than a year after launch, the center has already expanded to more than 150 professionals.

We will accelerate the consolidation and standardization of business processes across the Group, driving both cost efficiency and a stronger operating platform.



In our CIB business, we will maximize client value by combining three key capabilities: investment banking solutions supported by deeper collaboration with Jefferies, asset rotation businesses driven by enhanced underwriting and securitization capabilities, and global transaction banking solutions under the SMBC Connect brand. Through these capabilities, we aim to provide more comprehensive solutions to clients and generate growth across multiple revenue streams.

Collaboration with Jefferies continues to gain momentum. By combining the strengths of both firms and expanding our joint marketing efforts, we have steadily increased our presence in the market, and revenues from primary market collaboration continue to grow. Going forward, we will further deepen the partnership and deliver higher value-added solutions to clients.

As an example, the digital infrastructure sector demonstrates how we combine our sector expertise and product capabilities to capture opportunities across the value chain. Starting from large-scale data center investments, we provide a range of solutions, including project finance, hedging, and capital solutions. We also support related payment and cash management needs, enabling us to capture transaction flows across the broader ecosystem.

Thanks to our first-mover advantage, we have also established leading positions in North American digital infrastructure finance and the U.S. CLO market, which provide a strong foundation for further growth in ancillary and asset rotation businesses.

Build a World-Class S&T Business

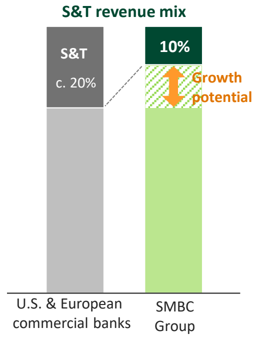
Growth strategy toward FY3/32

Collaboration with Jefferies

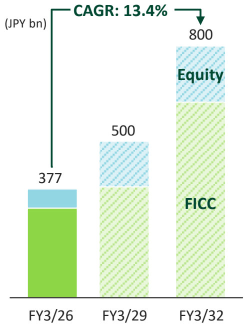
S&T revenue
FY3/32
JPY 800bn
+JPY 400bn vs. FY3/26

Scale — Leverage bank balance sheet (Current → Potential)
×
Client (J) — Expand the overseas client base
×
Tech & Data (J) — Adopt advanced technologies

Potential



Forecast



Targets

		vs FY3/26
Leverage bank balance sheet for securities business	JPY 32 tn	+18
Market share of Japanese equity brokerage commissions	9.2 %	+3.0
Americas fixed income wallet share	2.5 %	+1.7
Market share of JPY swap e-Trading	15 %	+14
JGB trading market share	9.5 %	+3.7

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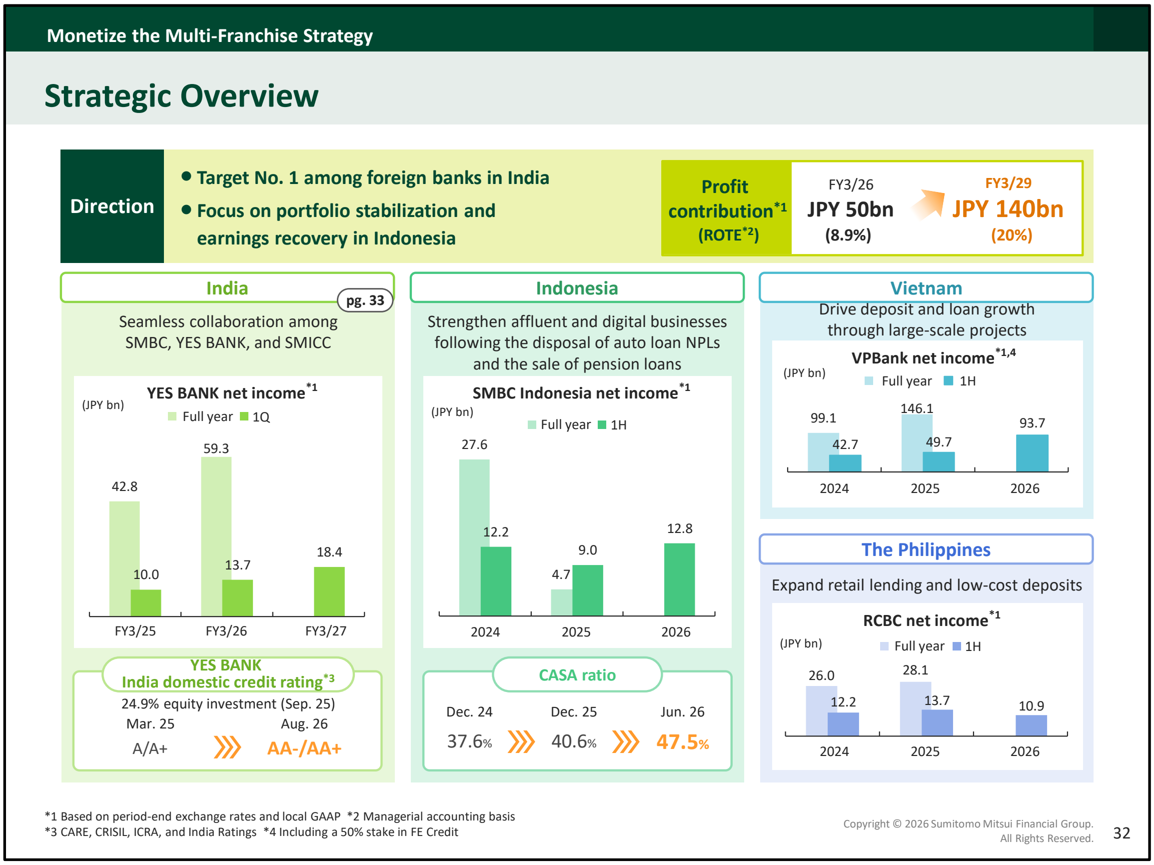
Our ambition is clear: to build a world-class Sales & Trading franchise. Our target to double S&T revenue to JPY 800bn by FY3/32 appears to be ambitious, but we believe it is achievable given our potential and represents the natural direction for our company.

At leading global commercial, S&T typically accounts for around 20% of total revenue, compared with approximately 10% at SMBC Group today.

Given our strong franchise in wholesale banking, we believe there is significant room to build a world-class S&T business. As a late entrant, we are able to analyze the business models of global players and combine those insights with our own unique strengths to grow more efficiently. Our strategy is built around three key drivers: Scale, Client, and Tech & Data.

- Scale: We will leverage our strong balance sheet to expand securities and financing businesses. Bank balance sheet deployment in securities businesses, including repo financing, will increase by approximately JPY 18tn to more than JPY 32tn, enabling us to meet a broader range of client financing needs.
- Client: Through deeper collaboration with Jefferies and expanded financing capabilities, we will broaden our global client base. By combining our 'Japan Edge' in Japanese equities and rates with Jefferies' investor coverage, we will grow our Japanese equity commission share to a world-class level. We will also expand our Fixed Income presence in the U.S. and Europe to accelerate global wallet capture.
- Tech & Data: S&T is shifting from a talent-driven model to a technology- and data-driven business. By combining proprietary data with AI, we will enhance pricing and risk management. With Jefferies' technology expertise, we aim to become a market leader in Japanese equities, JPY swap e-trading, and JGB trading.

By executing on these three drivers, we expect to deliver annual revenue growth of approximately 13.4%. Strengthening our S&T business is not only about growth, but also about enhancing resilience across market cycles. With disciplined risk management, we will build a world-class S&T franchise and expand our global presence beyond JPY 800bn in revenue.



In our Multi-franchise strategy, we completed building the platform during the previous Medium-Term Management Plan for future growth. However, profit contributions have not yet reached the level originally envisioned when we made these investments.

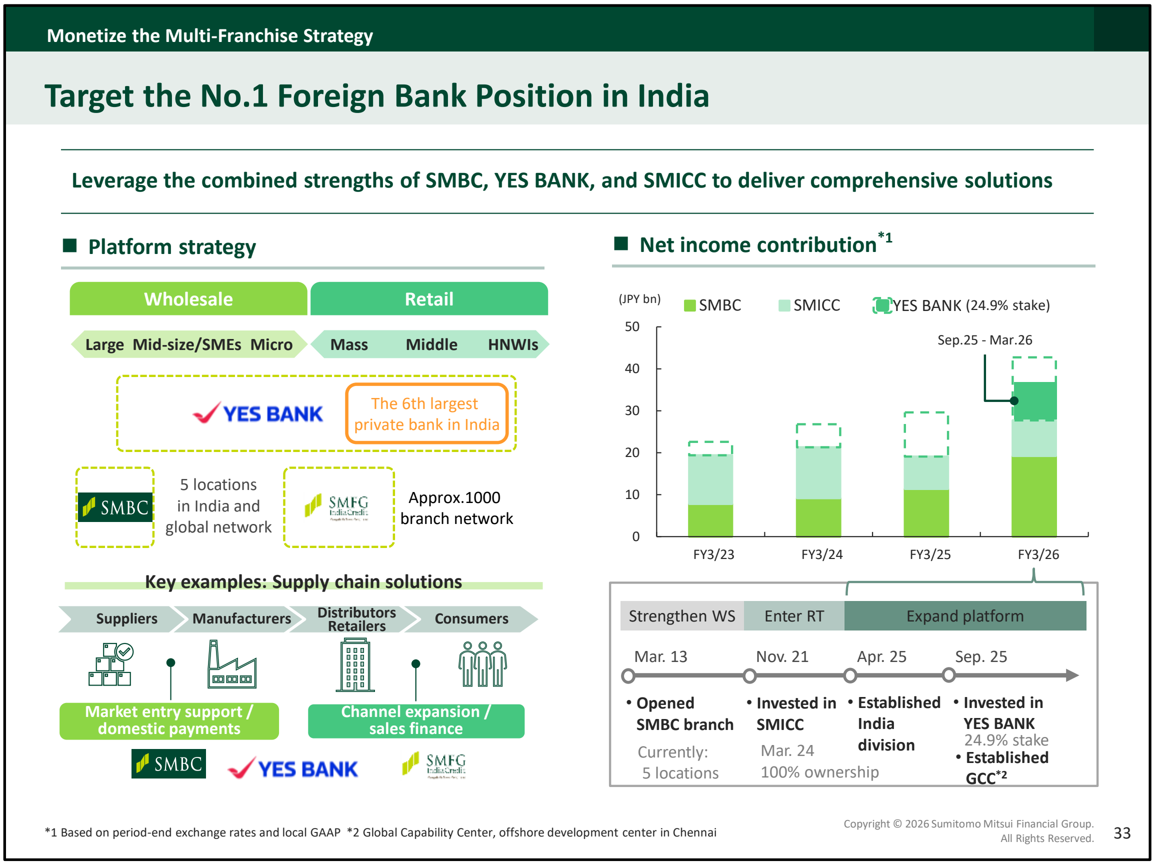
Therefore, we see the next three years as a period of execution, focused on translating those investments into tangible earnings growth through the successful delivery of our investees' growth strategies.

In India, our highest-priority market, we aim to establish the leading foreign-bank franchise by combining the strengths of SMBC branches, YES BANK, and our non-bank entity, SMICC.
While YES BANK previously faced governance challenges and required government support, its turnaround has been successful, and the bank has now entered a new growth phase with improving domestic credit ratings.

In Indonesia, we have restructured the business portfolio through actions including the disposal of auto loan NPLs and the divestment of the pension loan business. Going forward, our focus will be on stabilizing the portfolio and improving profitability through growth in wealth management, digital transactions, higher-return lending, and low-cost transaction deposits. We are already seeing encouraging progress, including improvements in the proportion of liquid deposits.

Across our other markets, we will continue implementing country-specific initiatives tailored to local conditions to strengthen earnings capacity. As a result, we target JPY 140bn of bottom-line profit contribution by FY3/29, consisting of the original JPY 120bn target plus additional upside from India.

While this is an ambitious target, we are confident in achieving it by maximizing collaboration and synergies across the SMBC Group.



India remains one of the world's most attractive growth markets, supported by strong economic expansion and rising demand for corporate investment, consumer finance, and financial services. At the same time, changes in the regulatory environment are creating new opportunities for foreign financial institutions.

Against this backdrop, we aim to establish the leading foreign-bank franchise in India by combining the strengths of SMBC branches, YES BANK, and our non-bank entity, SMICC.

Our platform brings together complementary capabilities. SMBC contributes its corporate banking franchise and global network, YES BANK provides a strong domestic banking platform, and SMICC offers deep expertise in the SME and retail segments through its nationwide branch network.

Together, these capabilities allow us to provide integrated solutions across the value chain, from global companies investing in India to local businesses and end consumers. This ability to serve the entire ecosystem is a key differentiator and a major source of future growth.

Profit contributions from India have increased steadily as we have expanded our platform. Looking ahead, we expect to continue capturing the benefits of India's strong economic growth while strengthening governance and risk management to support sustainable growth.

Expand Asset Management Business

Accelerate Growth in Global Transaction Banking Business

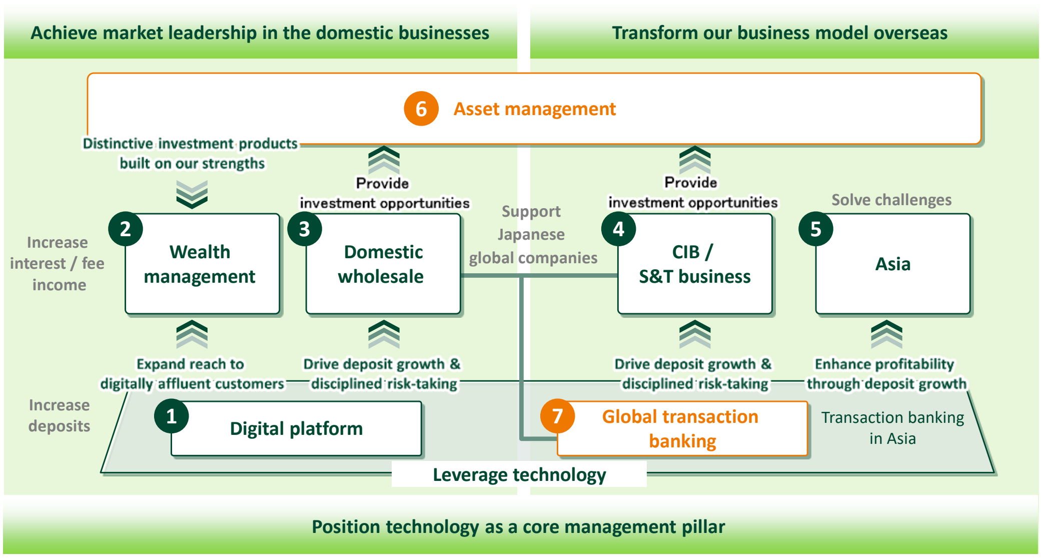
Kazuyuki Anchi
Senior Managing Executive Officer,
Asset and Wealth Management Strategy Dept.

Kazuya Ikeda
Senior Managing Executive Officer,
Transaction Business Division

Seven Key Strategic Areas

Focus on seven key strategic areas to build the targeted business portfolio.

Evolve the business model by expanding our customer base, enhancing earnings power, and generating synergies.



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While we have traditionally focused on our core businesses, asset management and global transaction banking businesses are now emerging as increasingly important growth drivers.

In particular, following several years of investment in our global transaction banking platform, we believe these businesses are entering a monetization phase.

The following slides outline the current state of our asset management business and our strategy for future growth.

Review of Progress

Initiatives and results

- Increased active investment ratio to approx. 90% and maintained a high management fee rate by accelerating our active investment strategy.
- Established an investment value chain centered on SGIC.
- Entered a private asset business on a global base to differentiate our business model.

Growing demand for investment has driven strong sales of investment products, with AUM reaching a record high.

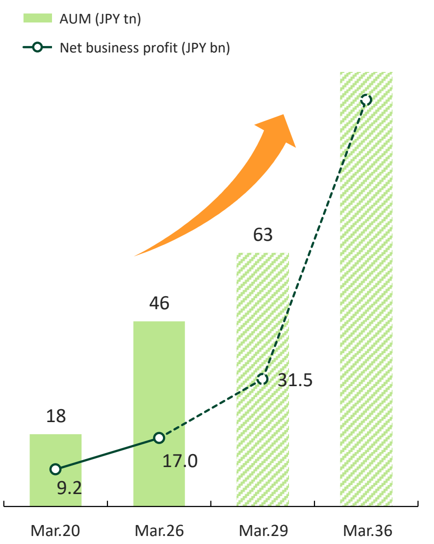
Made progress in building the foundation for stronger asset inflows to expand potential for future earnings growth.

Changing environment and strategic direction

Customers	Banks
Shifting from "savings to investment" to optimized allocation across asset classes	More efficient balance sheet management combining asset origination, holding, and distribution is becoming essential

Growing importance of asset management business

Group AUM and net business profit



At the end of FY3/20, AUM stood at JPY 18tn and net business profit was below JPY 10bn, making it difficult to envision the business as a meaningful standalone earnings pillar. Since then, supported by favorable market conditions and our strategic initiatives, we have expanded the business. As a result, net business profit reached JPY 17bn in FY3/26.

Over the past five years, we have focused on three priorities.

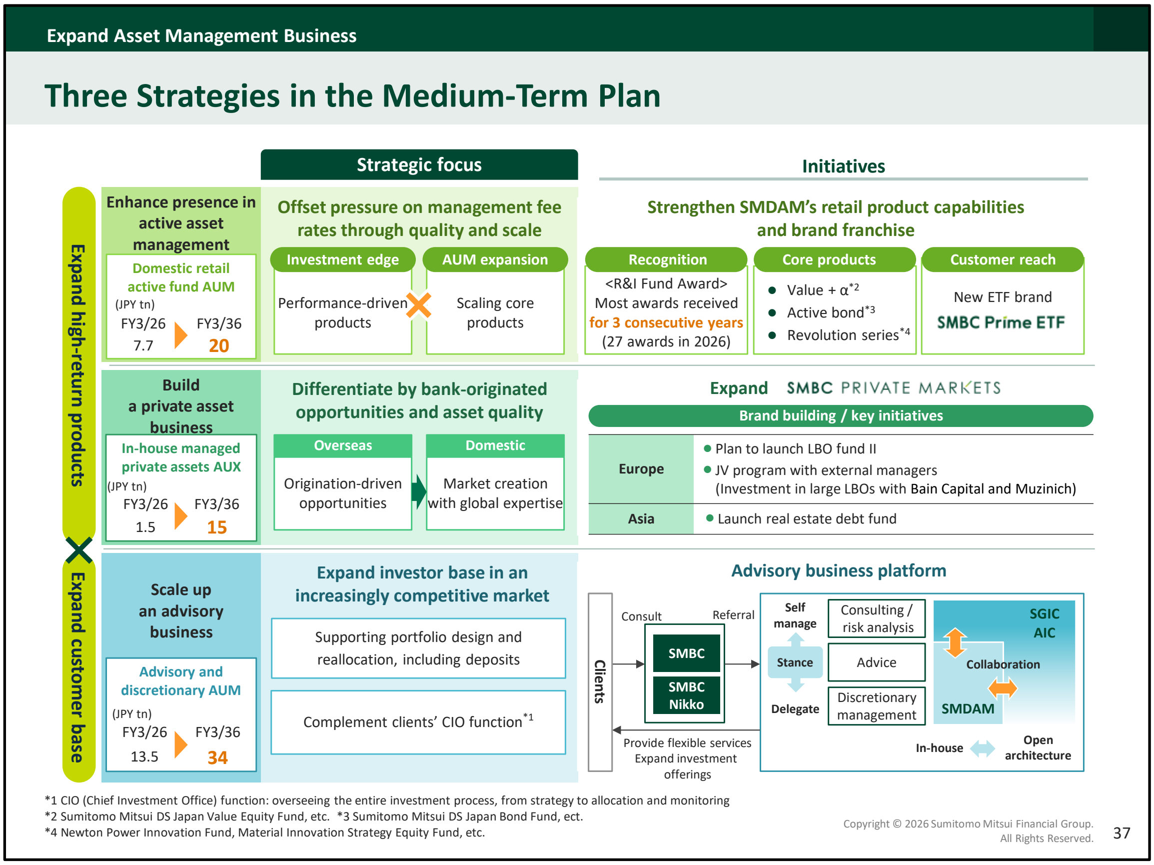
First, while expanding our scale, we have remained committed to increasing the proportion of active strategies.

Second, against the backdrop of Japan's push to become a leading asset management nation, we have built an integrated investment chain across the Group, centered on SMBC Global Investment & Consulting (SGIC), an independent advisory firm that helps ensure neutrality and fiduciary standards.

Third, we have established a presence in the private assets business through our overseas initiatives.

Looking ahead, as Japan moves into a world with positive interest rates, the shift from savings to investment is expected to accelerate, raising client expectations. At the same time, asset management will become increasingly important for banks seeking more efficient balance sheet management.

By capturing this structural trend and continuing to enhance our capabilities, we aim to grow AUM to approximately JPY 100tn and net business profit to JPY 100bn by around FY3/36.

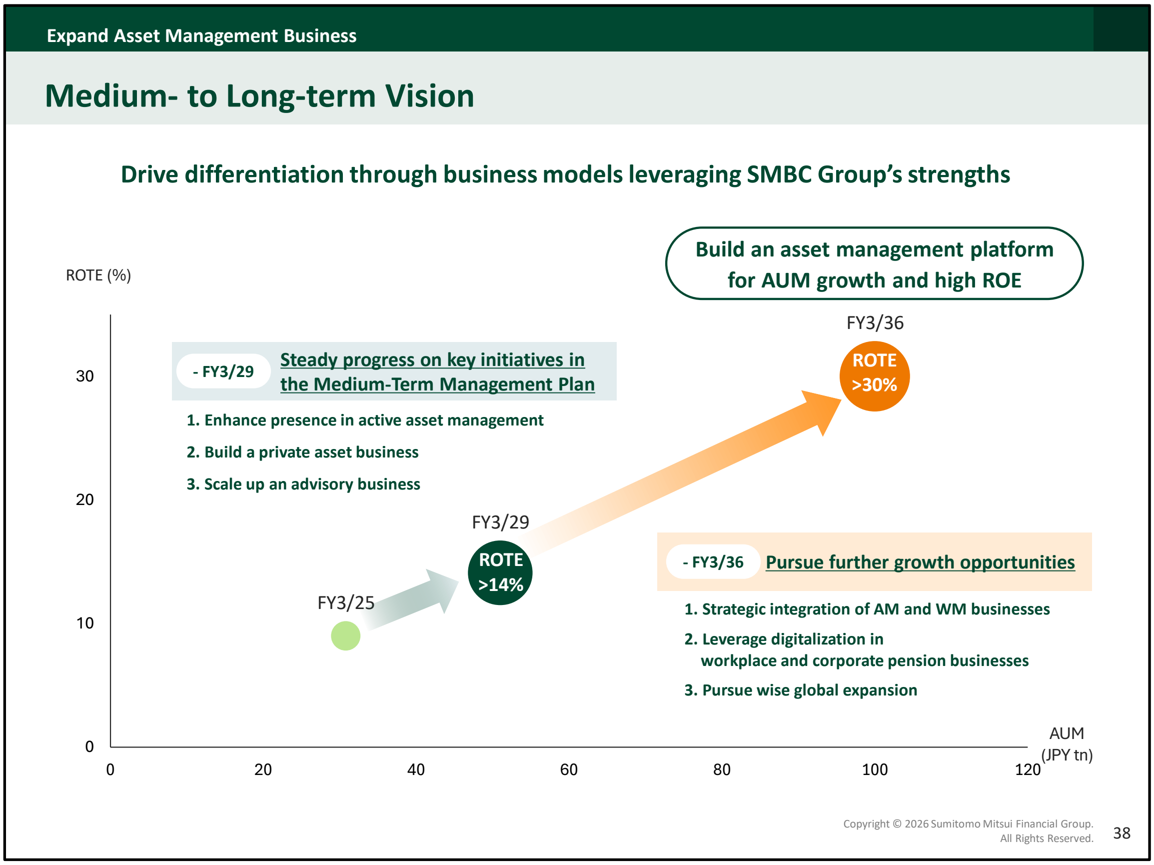


Under the new Medium-Term Management Plan, we will build on the three strategic initiatives we have pursued over the past five years.

1. Further strengthening our active asset management capabilities
   Fee pressure across the global asset management industry is likely to continue. We will continue to focus on investment quality while expanding AUM. To support this growth, we will launch SMBC Prime ETF, a new ETF brand, positioning ourselves for the expansion of the active ETF market in Japan.

2. Growing private assets business
   We believe our banking origination capabilities and the quality of our assets provide a clear competitive advantage. Through initiatives including joint ventures with external partners, we aim to increase in-house managed private asset AUX from JPY 1.5tn in FY3/26 to JPY 15tn by FY3/36.

3. Accelerating asset management advisory services, or OCIO services
   We will initially focus on client segments such as schools and foundations and then broaden our advisory offerings to corporate pension funds and other institutional investors.



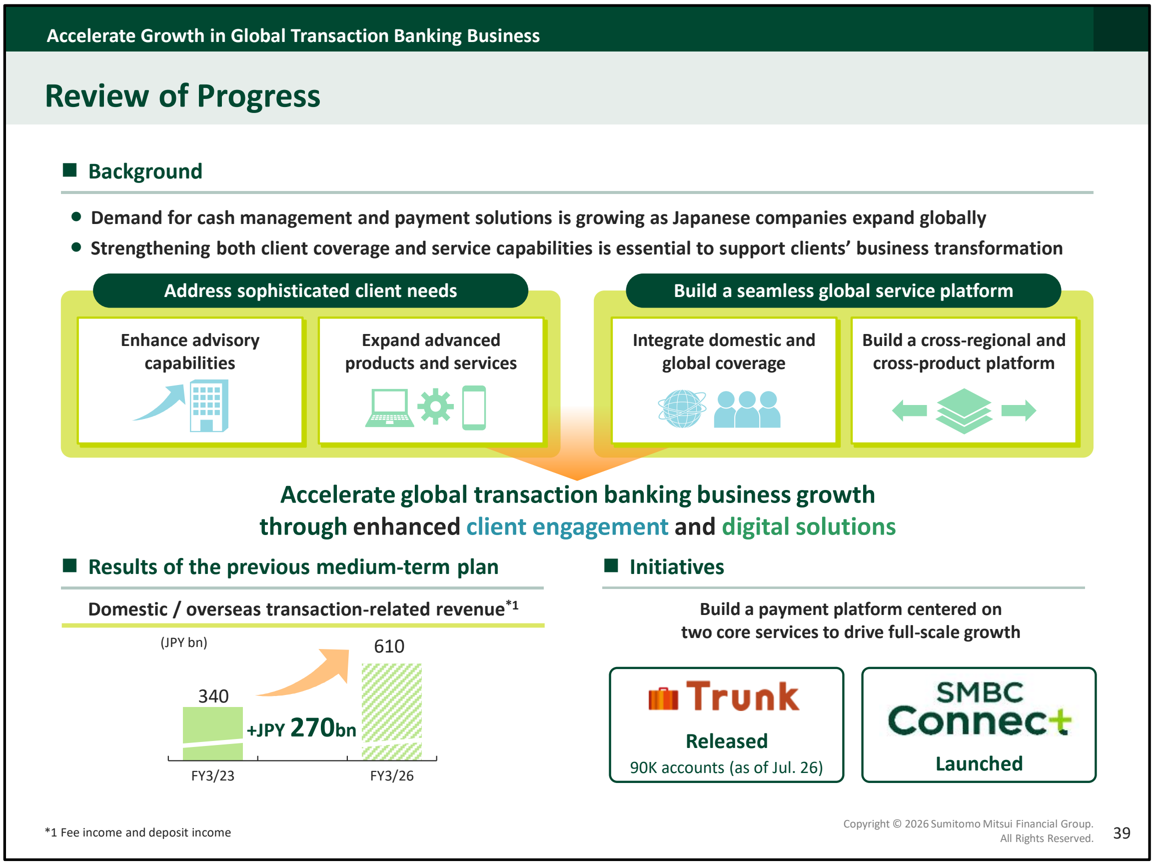
We currently generate a ROTE of around 10%, and our goal is to raise this to more than 30% by FY3/26. For reference, if ROTE were calculated using RWA-converted capital, consistent with the methodology used in our other businesses, it would be close to 100%. Therefore, we use the business's actual equity capital as the denominator here.

There are three key initiatives to drive long-term ROTE growth.

First, we will integrate our asset management and wealth management strategies. In wealth management, we expect continued growth in areas such as lending to affluent clients, while in asset management, recurring investment income is expected to become increasingly important as the contribution from transaction fees declines. As these businesses become more closely linked, we believe an integrated strategy will create greater value.

Second, in the workplace and corporate pension business, we aim to deepen relationships with a broader client base through digitalization. Building on platforms such as Olive, Trunk, and stera, we plan to develop new digital capabilities and expand our market share efficiently.

Third, we will pursue a wise global expansion strategy. Given the significant goodwill that large-scale acquisitions in asset management would likely generate, we do not intend to pursue heavily capital-intensive M&A. Instead, we will strengthen our global presence through a combination of joint ventures, partnerships, and other capital-efficient approaches.



Global transaction banking supports clients in cash management and payments, and it is an important business area for us as it leads to deposit and transaction business.

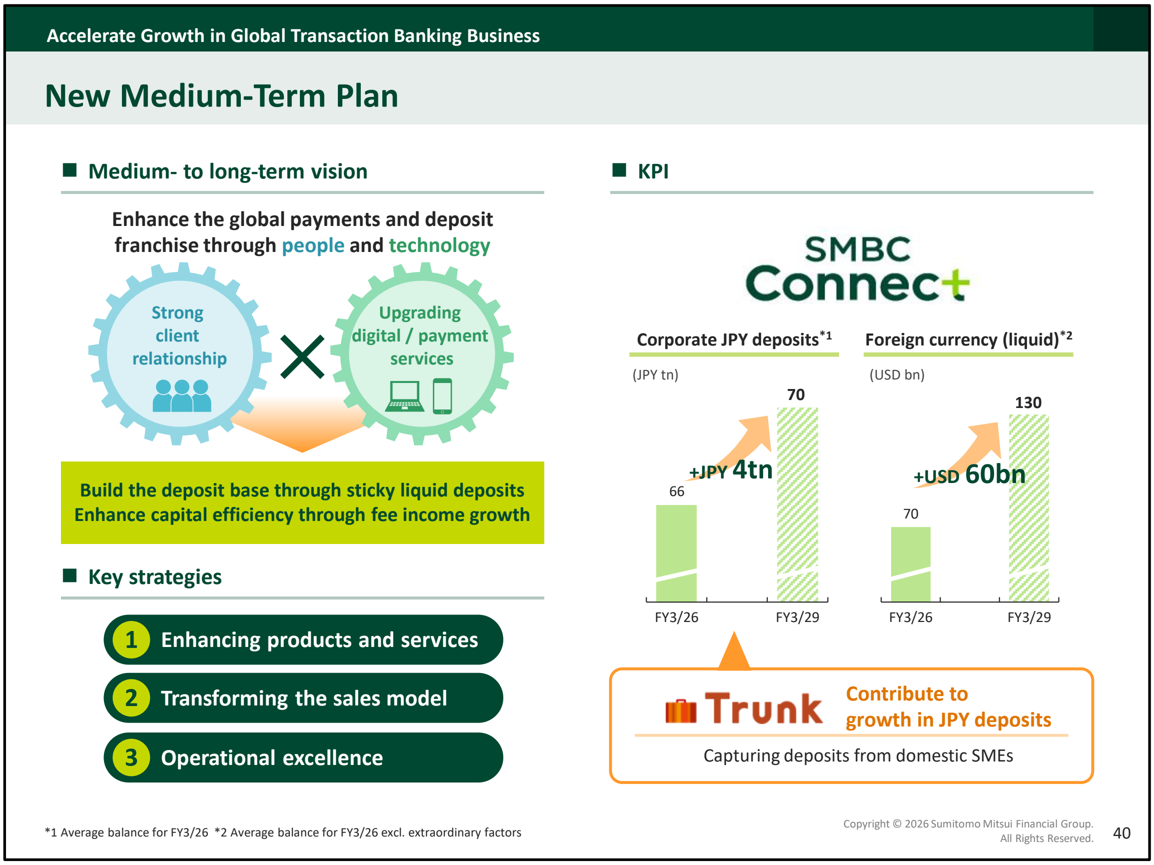
In recent years, including changes in the interest rate environment, the importance of global transaction banking has increased further. Accordingly, we have positioned it as one of our seven priority strategic areas.

There are two key factors behind this.
First, as clients, including Japanese corporates, expand overseas and grow their businesses, their operations are becoming more complex. As a result, their needs for cash management and payment solutions are increasing and becoming more sophisticated.

Second, responding to these increasingly sophisticated needs is directly linked to transforming clients' operations and management itself. As a partner to our clients, we recognize the need to strengthen both our sales and service capabilities—not only by providing products, but also by building a framework to work closely with clients and support their problem solving.

Based on this, it is important to enhance our ability to respond to client needs and deploy that capability globally. Our current direction is to achieve full-scale growth in global transaction banking by strengthening both "people," who serve as client touchpoints, and "technology," which supports our digital services.

Against this backdrop, as shown in the lower-left section, total payment-related revenues, including deposit income and fee income, are expected to reach approximately 600 billion yen in FY3/26, demonstrating that the business has grown to a meaningful scale. As specific initiatives, by the previous Medium-Term Management Plan, we began building payment platforms such as Trunk and SMBC Connect. As explained earlier, Trunk is a digital platform that clients can use immediately, while SMBC Connect is a platform designed to provide more advanced solutions.



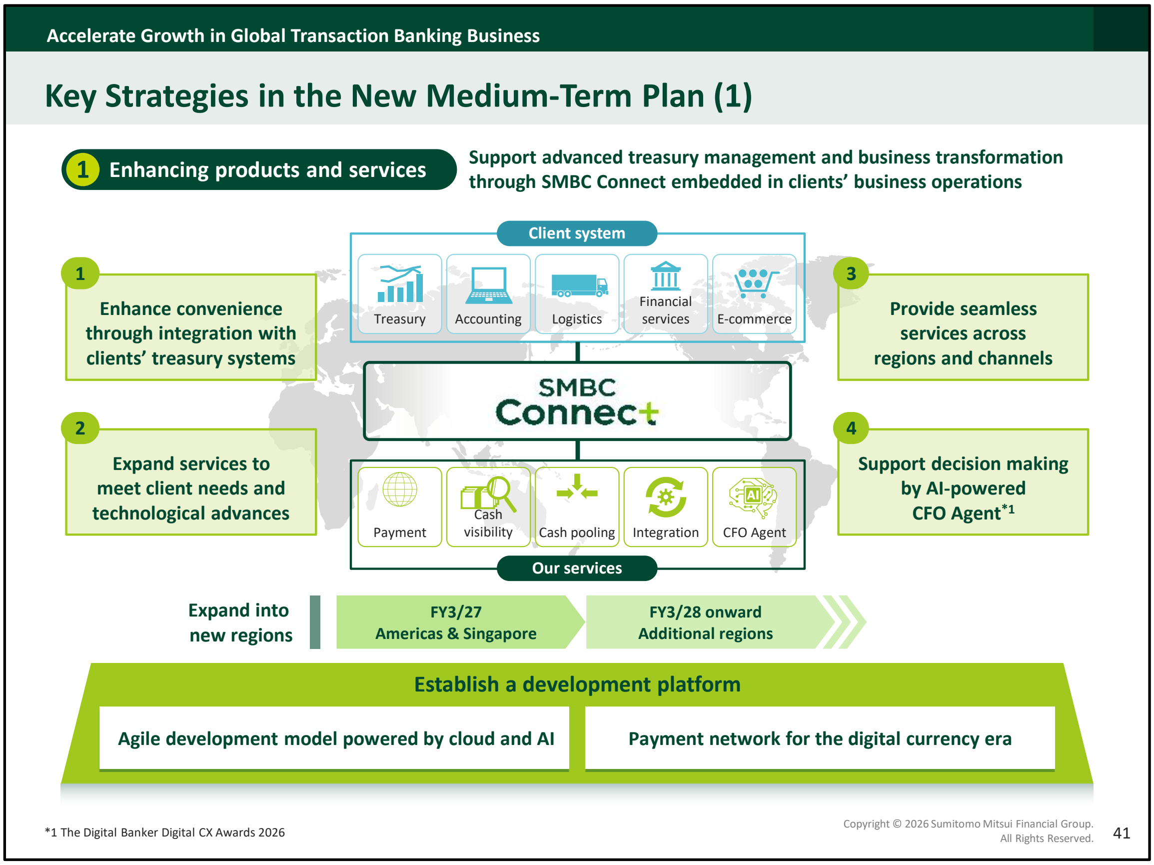
I will now explain our direction under the new Medium-Term Management Plan.

We will continue to advance digital and payment services, in other words, further develop technologies including AI.

At the same time, we believe that simply enhancing technology and products is not enough to provide truly valuable solutions to clients. As shown on the left, deeply understanding our clients and building long-term, strong relationships of trust will lead to solving their challenges, and ultimately to strengthening our deposit base in global transaction banking. By firmly reinforcing both “people” and “technology,” we aim to ultimately improve capital efficiency, represented by ROTE.

I will explain the strategic points shown in the lower-left section later.

As shown on the right, we have set two KPIs. The first is to increase corporate yen deposits by JPY 4tn. The second is to increase foreign currency liquid deposits by USD 60bn on a combined domestic and overseas basis. Both are ambitious targets, but we will work toward achieving them.



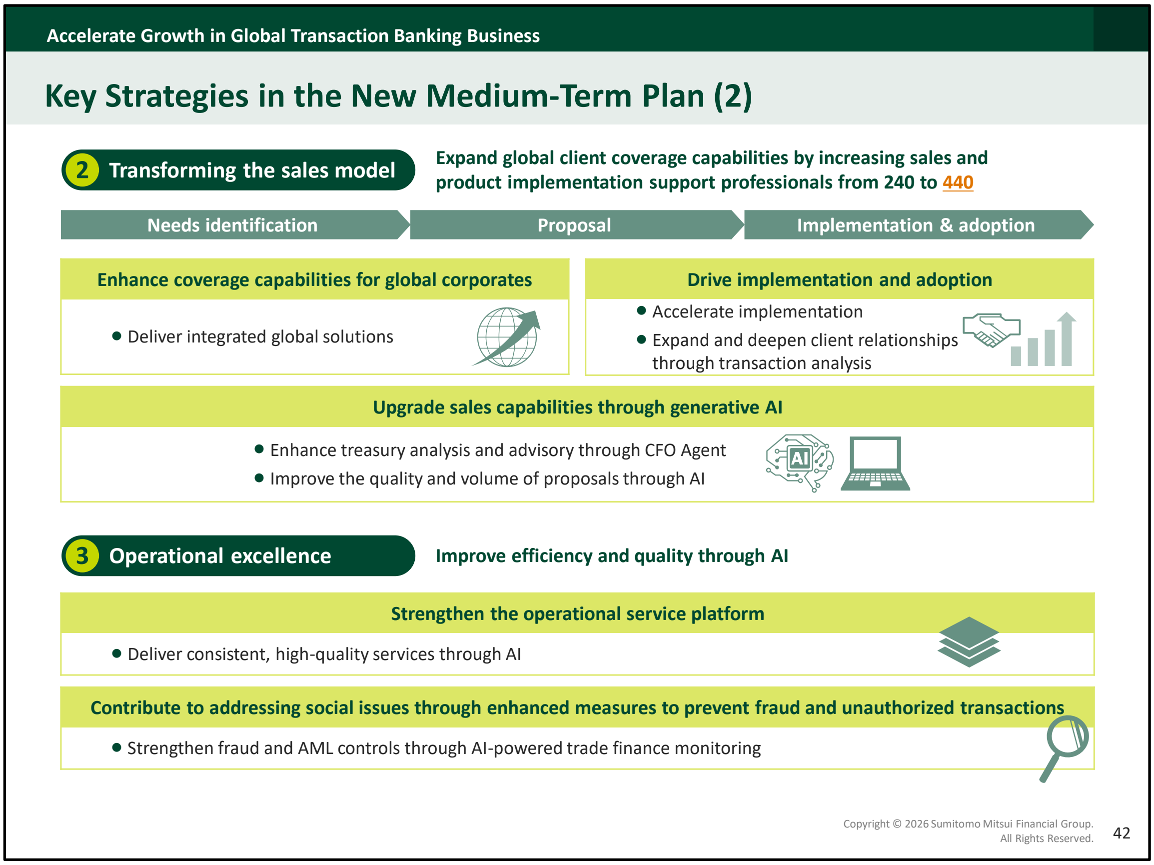
I will now explain the three strategic points in more detail.

Our first strategy is enhancing products and services. I will focus on SMBC Connect, since Trunk has been covered in the previous session. The key concept of SMBC Connect is to be more deeply embedded in clients' business processes.

From this perspective, we highlight four features. The first three are designed to connect SMBC Connect with clients' various platforms, such as finance, accounting, and logistics systems, and seamlessly provide services such as payments, cash management visibility, and group cash concentration. By responding flexibly to client needs and providing similar services globally, we aim to embed SMBC Connect into clients' business processes.

The fourth feature is CFO Agent. Simply connecting clients' systems with our existing products will not solve all of their treasury challenges. For example, issues such as how to hedge foreign currency revenues expected over the next month cannot be fully addressed by existing products alone. Since each client faces different challenges, CFO Agent enables us to work alongside clients, think through their issues together, and connect them to solutions that have been difficult to realize in the past. We believe this CFO Agent is one of the major unique strengths of SMBC Connect.

Regarding the development foundation shown in the lower section, in addition to utilizing cloud technology and AI, we are also working to build a foundation with future digital currencies in mind, including tokenized deposits as shown on the right.



The next page covers the second strategy: strengthening our sales organization. Currently, we have approximately 240 sales personnel. Going forward, we plan to add around 200 people, nearly doubling the size of our sales force.

There are two main objectives. The first, as shown on the left, is to further strengthen our ability to provide solutions while working closely with clients. The second, as shown on the right, is to enhance support for product implementation, in other words, our customer success capabilities. We will not only introduce products, but also support clients so that they can fully utilize them and work alongside them to identify more effective ways of using our solutions. By strengthening our sales personnel along these two axes, while also leveraging AI, we will enhance the overall sophistication of our sales organization.

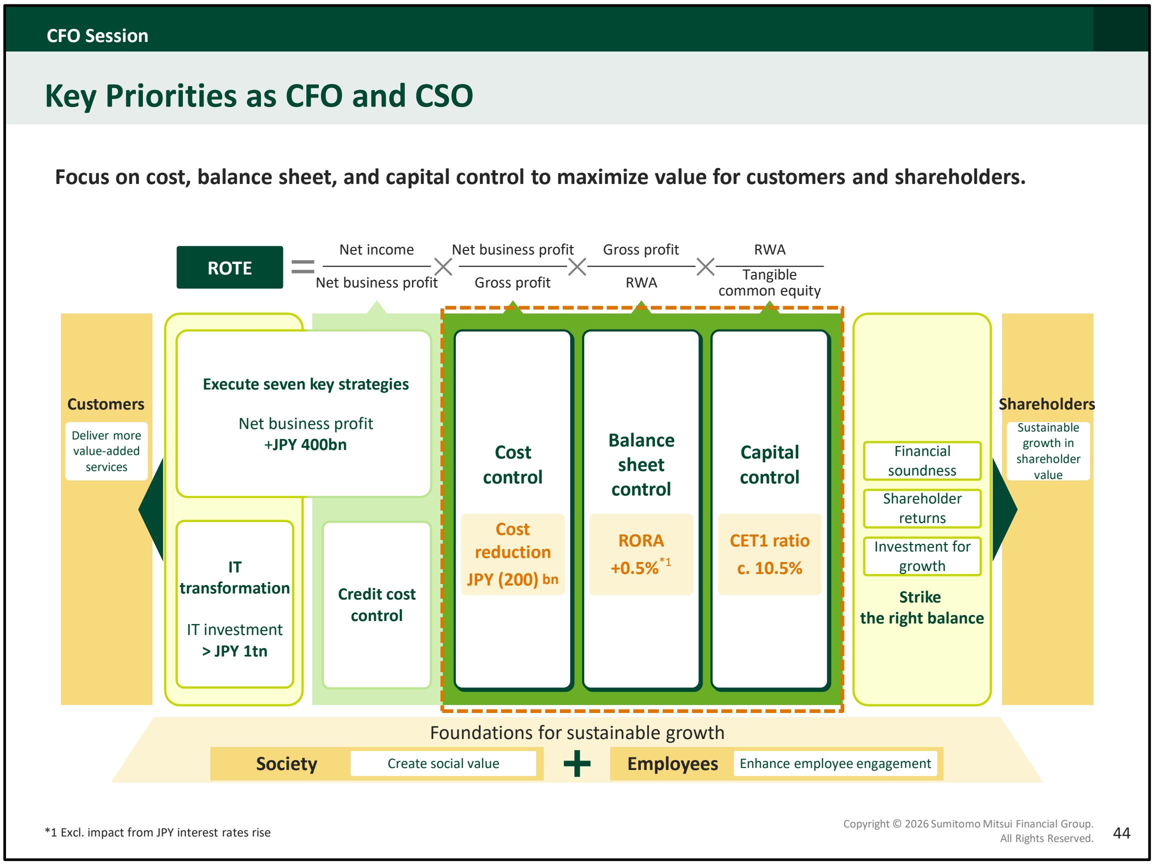
Finally, I will discuss the enhancement of operations. There are two points here. First, at our operations center in Japan, we are promoting the use of AI in back-office business processes. In the future, as AI helps reduce language barriers, we believe it may become possible, for example, to handle certain overseas operations from Japan. Second, we are strengthening initiatives to prevent remittance fraud and unauthorized transactions, which have become social issues. We will reinforce our efforts in these areas, including trade finance.

As one of our seven priority strategic areas, we will continue to work on global transaction banking with the aim of improving ROTE.

CFO Session

Kazuyuki Anchi

**Senior Managing Executive Officer,
Group CFO and Group CSO**



Let me conclude by explaining my responsibility as CFO and CSO.

As CSO, I am providing hands-on support to advance the seven strategic areas outlined today. I will also drive IT transformation, which is closely linked to the success of these initiatives.

As CFO, I focus on improving ROTE through four key levers.

First, for the ratio of net income to net business profit, controlling credit costs is critical and I will work closely with the CRO to manage this.

Second, for net business profit to gross profit, disciplined cost control is essential. We will implement cost reduction initiatives totaling at least JPY 200 bn.

Third, for gross profit to RWA, we will optimize our balance sheet while maintaining appropriate liquidity and continue improving RORA.

Finally, for RWA to tangible common equity, we will manage capital through a balanced approach, including raising our CET1 ratio to around 10.5%, enhancing shareholder returns, and further reducing strategic equity holdings.

From the next page, I will focus on three areas that are particularly important to improving ROTE: costs, balance sheet, and capital.

Cost Control

Extend the business efficiency initiatives implemented first in Japan to overseas operations.
Generate JPY 200bn in cost reduction through operating optimization and modernization of IT infrastructure.

Through the previous medium-term plan

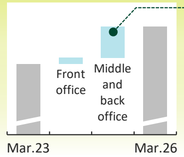
		(JPY) FY3/20	FY3/26
Domestic	Personnel expenses	530bn	520bn
	Headcount	71,000 people	60,000 people
	Non-personnel expenses, etc.	580bn	590bn
	Efficiency improvements		
Overseas[*1]	Personnel expenses	160bn	550bn
	Headcount	13,000 people	17,000 people
	Non-personnel expenses, etc.	120bn	330bn
	Investment		
IT	IT expenses	290bn	460bn

New medium-term plan

Optimize overseas operations

- Strengthen expense management for CxO functions

Overseas headcount



CxO headcount increased to enhance governance

- Streamline structures across Business units and CxOs
- Consolidate operations at the India offshore center

IT modernization

- Discontinue non-strategic products and services
  - Review and streamline systems for cloud migration
- Balanced approach to AI

Investment	Strengthen cybersecurity
Cost reduction	Improve operational efficiency
Revenue growth	Enhance marketing capabilities

Cost reduction
(3 years)
JPY (200) bn

*1 Excl. Multi-franchise strategy

Over the years, while we have steadily improved efficiency in Japan, we have invested heavily overseas to build our business platform and respond to regulatory requirements.

Over the past six years, domestic personnel expenses have remained broadly flat despite wage increases, supported by workforce optimization, particularly in back-office operations. While revenue-linked costs increased due to business growth including SMCC, these have largely been offset by reductions in real estate and branch costs.

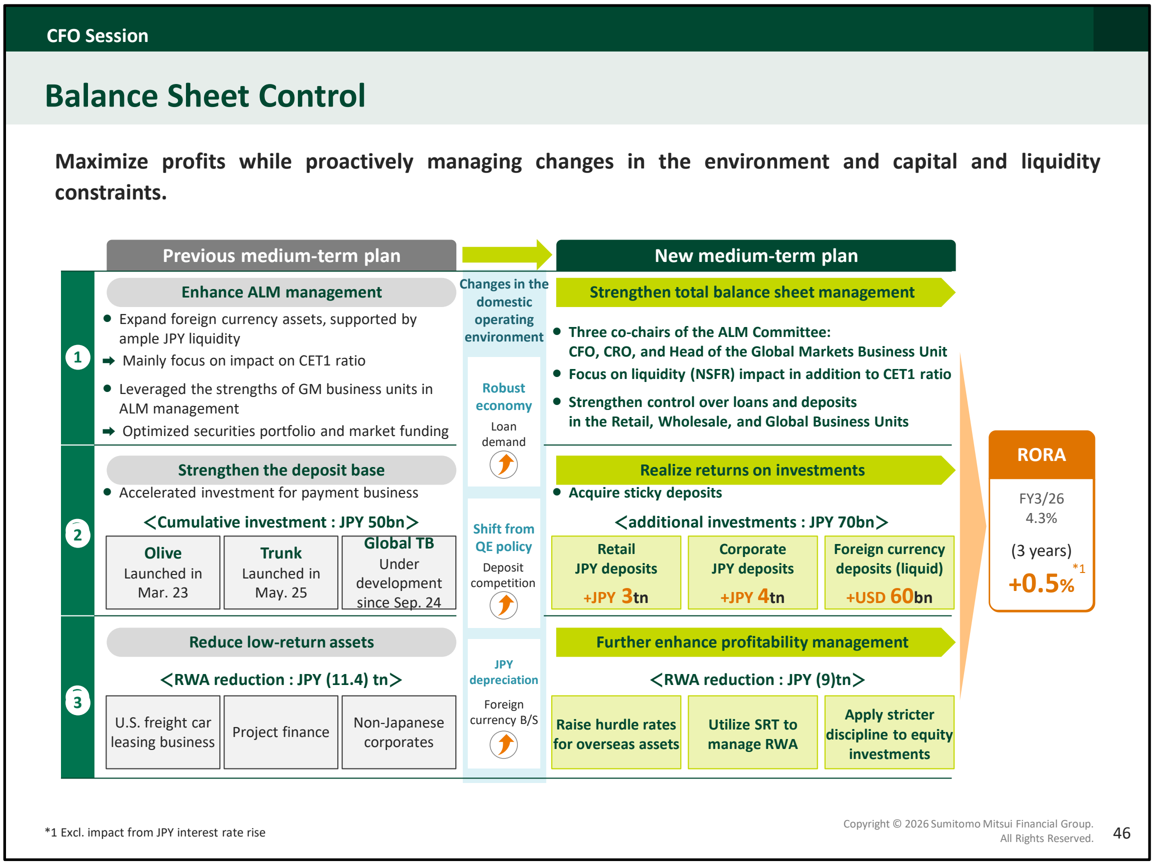
Overseas, however, both personnel and operating expenses have increased significantly due to headcount growth and inflation. We will address this by optimizing our global operating model. Much of the increase in overseas personnel expenses has been driven by growth in the corporate functions under the CxO lines. Therefore, cost reduction efforts will be led on a Group-wide basis by those functions, rather than by the Global Business Unit alone. Through these initiatives, we aim to reduce expenses by approximately JPY 90bn over the next three years.

We will also advance IT modernization to contain technology costs. This consists of two key initiatives.

First, we will streamline non-strategic products and services and reduce system assets as we accelerate migration to the cloud.

Second, we will expand the use of AI. While continuing to invest in cybersecurity, we will use AI to pursue productivity gains and revenue opportunities.

Reflecting increased cybersecurity investment needs driven by advances in AI technologies, we have raised our IT investment budget under the new Medium-Term Management Plan from JPY JPY 1.0tn to 1.1tn. As a result, we intend to place even greater emphasis on cost discipline and aim to exceed our JPY 200bn cost savings over the next three years.



Domestic funding demand remains strong, while competition for deposits continues to intensify. In addition, a weaker yen has expanded the size of our foreign-currency balance sheet when translated into yen, putting downward pressure on our NSFR.

Against this backdrop, we are taking action in three areas.

First, ALM management. Under the previous Medium-Term Management Plan, our focus was on maximizing ALM earnings while carefully managing the capital impact of asset growth. Under the new plan, we are enhancing balance sheet management by placing greater emphasis on liquidity as well. We have strengthened our governance framework by adding the CFO as a co-chair of the ALM Committee and are exercising tighter control over loans and deposits across the Business Units. As a result, our NSFR has remained above our initial expectations.

Second, strengthening our deposit franchise. Our early investments of JPY 50bn in platforms such as Olive, Trunk, and global transaction banking provide a significant competitive advantage. Under the new plan, we will invest an additional JPY 70bn and further leverage AI to accelerate deposit growth.

Third, reducing low-return assets. We have already made significant progress in reducing large pools of low-return assets. Going forward, we will raise profitability thresholds, assess profitability on a transaction-by-transaction basis, and further optimize RWA through the use of SRT transactions.

Through these efforts, we aim to improve RORA by 0.5 percentage points over the three-year plan period.

Capital Control

Integrate capital deployment and composition management to balance financial soundness, shareholder returns, and growth investment while controlling each capital component.

Capital deployment

	Previous medium-term plan	New medium-term plan
Financial soundness	CET1 ratio target : c.10% (9.5-10.5%)	CET1 ratio target : c. 10.5% (10.0-11.0%)
Shareholder return – Dividend	Dividend payout ratio : 40% Progressive dividend policy : "no dividend reduction"	Dividend payout ratio : 40% Progressive dividend policy : "increase dividends every year"
Investment for growth – Organic	Allocated capital mainly in domestic market	Allocate capital primarily to strong domestic loan demand
Investment for growth – IT		> JPY 1tn in three years
Shareholder return – Share buyback	Execute flexibly JPY 0.7tn	Execute more flexibly
Investment for growth – Inorganic	Invested mainly in Asia JPY 1.0tn	Focus on growth support for existing investees

Capital composition

Composition of tangible common equity

(JPY)	Mar.23	Mar.26
Shareholders' equity	10.3tn	11.8tn
Net unrealized gains on other securities	1.4tn	2.2tn
Foreign currency translation adjustments	0.8tn	1.7tn
Intangible fixed assets, etc.	(0.7)tn	(1.0)tn
Tangible common equity	**11.8tn**	**14.6tn**

Management policy by component

- Maintain capital discipline through shareholder returns
- Control the balance by reducing equity holdings
- Improve financial leverage by utilizing unrealized gains
- Neutralize the impact of FX fluctuations on CET1 ratio

Under the previous Medium-Term Management Plan, a larger portion of capital was ultimately allocated to inorganic growth opportunities compared with share buybacks .

Under the new plan, we have raised our CET1 ratio target to around 10.5%. While we will continue to balance shareholder returns and growth investments, we intend to moderate RWA growth from business expansion and allocate more capital to IT investments. In addition, we expect the amount allocated to share buybacks to exceed that allocated to inorganic investments over the course of the plan.

In managing our capital base, shareholders' equity will continue to grow through retained earnings, but we will maintain an appropriate capital level through disciplined shareholder returns.

We will also continue reducing strategic equity holdings and managing unrealized gains within available-for-sale securities. In addition, we recognize the unrealized gains associated with certain foreign equity investments as a source of financial leverage and intend to begin addressing this issue during the current plan period.

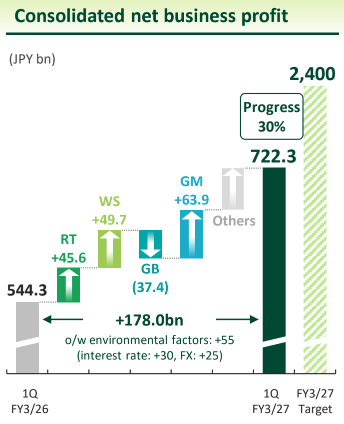
Regarding foreign currency translation adjustments, we continue to manage the balance between foreign-currency RWAs and overseas investments, thereby minimizing the impact of exchange-rate movements on our CET1 ratio.

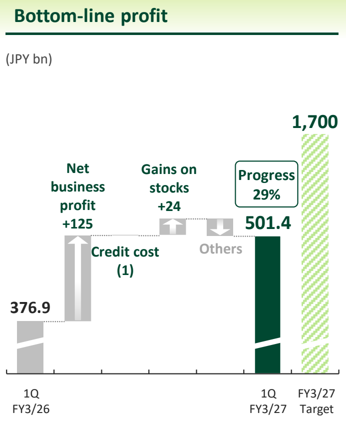
Through these initiatives, we will maintain capital at an appropriate level and further improve ROTE.

Results of 1Q FY3/27

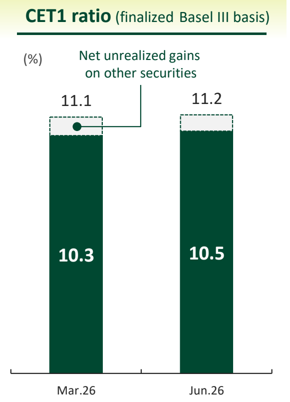
- Progress rate of both consolidated net business profit and bottom-line profit was approximately 30%.
- The anticipated negative impact of Middle East-related risks has not yet materialized.
  Pursue upside, supported by factors such as higher interest rates in Japan and core business growth.
- Maintain sufficient capital with CET1 ratio of 10.5% as of Jun. 26.

Profit (Assumption of policy rate for FY3/27 target : 0.75%)





Capital



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Our first-quarter results have been solid. While we continue to closely monitor developments in the Middle East, including their potential impact on Asia, where we have significant exposure, we currently see more upside than downside to earnings, supported by higher policy rates in Japan and strong underlying business momentum.

We will carefully assess potential for additional upside ahead of our first half results announcement.

Our CET1 ratio stood at 10.5% at the end of June, maintaining a solid capital position. Given that this level was originally targeted to be achieved over the three-year plan period, we believe we have a solid capital position and consider additional share buybacks during the fiscal year as appropriate.

This document contains "forward-looking statements" (as defined in the U.S. Private Securities Litigation Reform Act of 1995), regarding the intent, belief or current expectations of Sumitomo Mitsui Financial Group, Inc. ("the Company") and its management with respect to the Company's future financial condition and results of operations. This document also contains "sustainability statements" related to the sustainability activities of the Company concerning the environmental, social, and governance matters.
In many cases but not all, these statements contain words such as "anticipate," "believe," "estimate," "expect," "intend," "may," "plan," "probability," "risk," "project," "should," "seek," "target," "will" and similar expressions. Such statements are not guarantees of future performance and involve risks and uncertainties, and actual results may differ from those expressed in or implied by such forward-looking statements or sustainability statements contained or deemed to be contained herein. The risks and uncertainties which may affect future performance or results include: deterioration of Japanese and global economic conditions and financial markets; declines in the value of the Company's securities portfolio; incurrence of significant credit-related costs; the Company's ability to successfully implement its business strategy through its subsidiaries, affiliates and alliance partners; and exposure to new risks as the Company expands the scope of its business. Given these and other risks and uncertainties, you should not place undue reliance on forward-looking statements or sustainability statements, which speak only as of the date of this document. The Company undertakes no obligation to update or revise any forward-looking statements or sustainability statements. The sustainability initiatives described in the "sustainability statements" are undertaken in accordance with policies and practices independently determined by the Company, with the aim of supporting and addressing its risk management and other financing and investment objectives. Each decision will be made subject to local legal requirements.
Please refer to the Company's most recent disclosure documents such as its annual report on Form 20-F and other documents submitted to the U.S. Securities and Exchange Commission, as well as its earnings press releases, for a more detailed description of the risks and uncertainties that may affect its financial conditions, its operating results, and investors' decisions.

Exchange rates (TTM)

	Mar.25	Mar.26
USD	149.53	159.90
EUR	12.05	183.44

Definitions

SMFG	Sumitomo Mitsui Financial Group, Inc.
SMBC	Sumitomo Mitsui Banking Corporation
SMBC Trust	SMBC Trust Bank
SMFL	Sumitomo Mitsui Finance and Leasing
SMBC Nikko	SMBC Nikko Securities
SMCC	Sumitomo Mitsui Card Company
SMBCCF	SMBC Consumer Finance
SMDAM	Sumitomo Mitsui DS Asset Management
SMBCAC	SMBC Aviation Capital
SMICC	SMFG India Credit Company
Major local subsidiaries	SMBC Bank International, SMBC Bank EU, SMBC (China)

Expenses (non-consolidated)	Excl. non-recurring losses
Net business profit	Before provision for general reserve for possible loan losses

Retail Business Unit (RT)	Domestic retail business
Wholesale Business Unit (WS)	Domestic wholesale business
Global Business Unit (GB)	International business
Global Markets Business Unit (GM)	Market / Treasury related businesses

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