SMBC

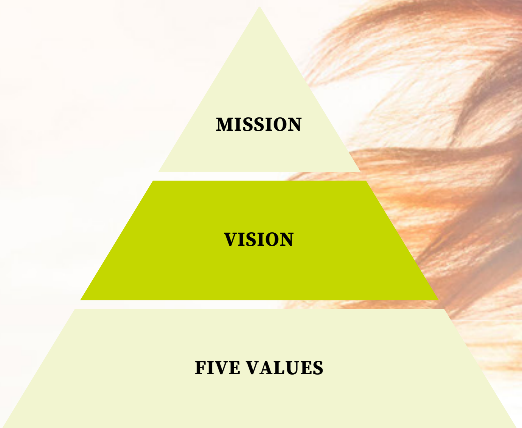
SMBC Group

SMBC GROUP INTEGRATED REPORT 2026

YEAR ENDED MARCH 31, 2026

SUMITOMO MITSUI FINANCIAL GROUP

MISSION & VISION & FIVE VALUES



MISSION

We grow and prosper together with our customers,
by providing services of greater value to them.
We aim to maximize our shareholders' value
through the continuous growth of our business.
We create a work environment that encourages and
rewards diligent and highly-motivated employees.
We contribute to a sustainable society by
addressing environmental and social issues.

NEW

VISION

Globally connected. Rooted in Japan. Your most trusted partner.

FIVE VALUES

Integrity

As a professional, always act with sincerity and a high ethical standard.

Customer First

Always look at it from the customer's point of view, and provide value based on their individual needs.

Proactive & Innovative

Embrace new ideas and perspectives, don't be deterred by failure.

Speed & Quality

Differentiate ourselves through the speed and quality of our decision-making and service delivery.

Team "SMBC Group"

Respect and leverage the knowledge and diverse talent of our global organization, as a team.

Contents

indicates interview content.

Editorial Policy

This report aims to help all stakeholders understand how the SMBC Group enhances corporate value under its long-term Vision. We provide integrated disclosure of both financial and non-financial information.

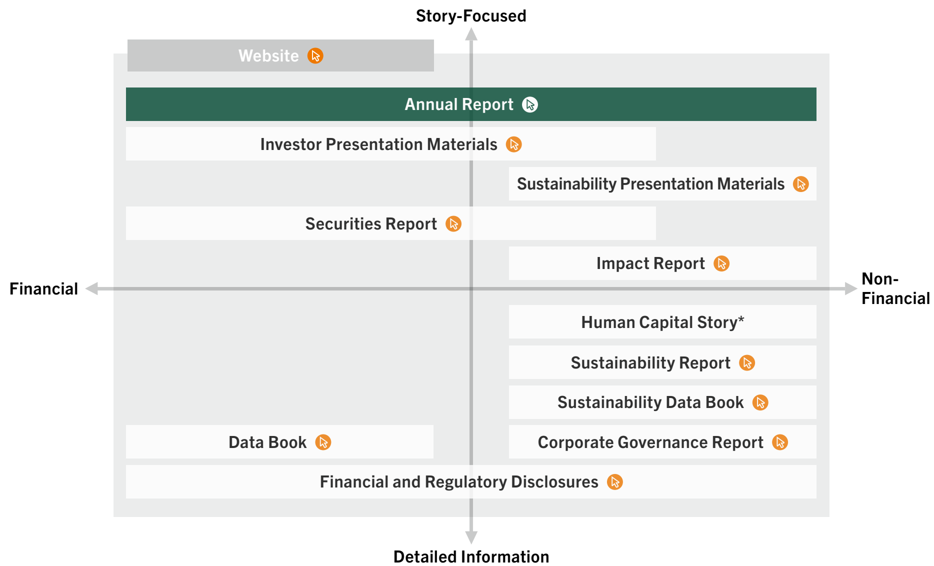
In editing this report, we have referred to resources including the IFRS Foundation's "International Integrated Reporting Framework" and the Ministry of Economy, Trade and Industry's "Guidance for Collaborative Value Creation."

For data and other information, please refer to the appendix section of "SMBC GROUP REPORT," and for details on sustainability initiatives, see "Sustainability Report," etc.

Environment
Social
Governance
価値協創ガイダンス

SMBC Group Information Disclosure

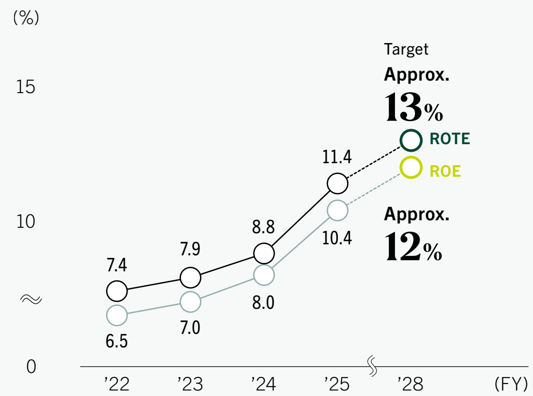
Various reports are available on our website for your reference.



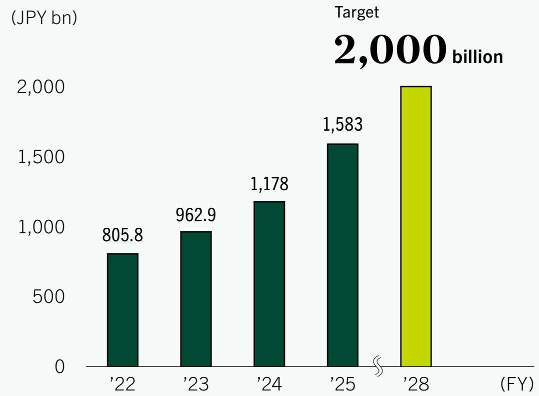
* *"Human Capital Story" is scheduled to be disclosed in fall FY2026.*

Financial Highlights

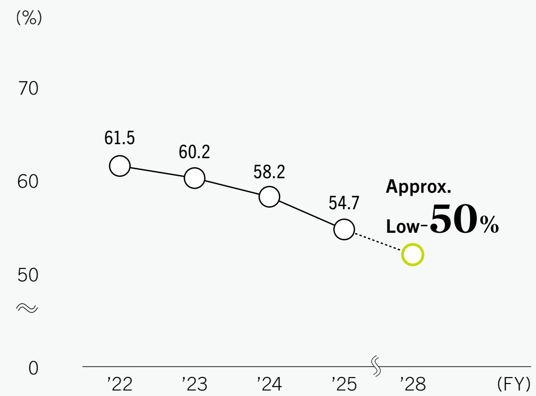
ROTE / ROE Including OCI



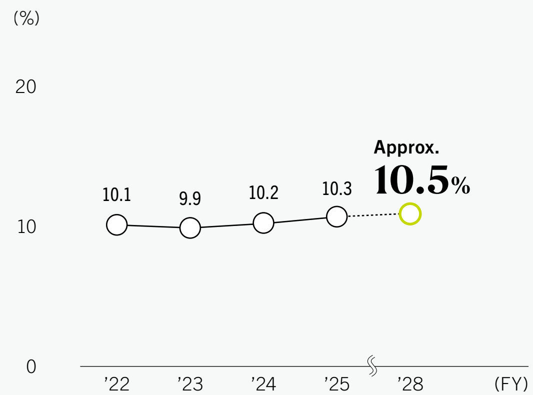
Profit Attributable to Owners of Parent



Overhead Ratio

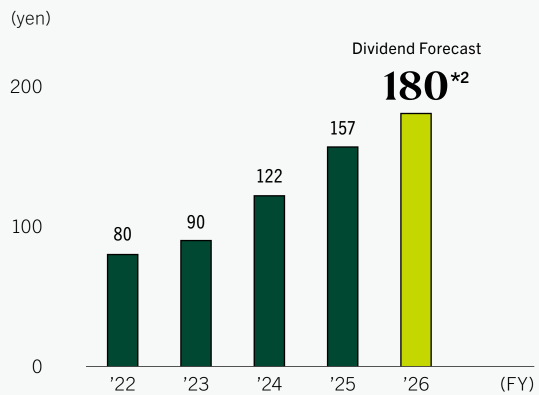


Common Equity Tier 1 Capital Ratio (CET1 Ratio)*



* Post-Basel III finalization basis, excluding net unrealized gains (losses) on other securities

Dividend per Share of Common Stock*1



*1 Amounts have been retroactively adjusted to reflect the stock split implemented on October 1, 2024
*2 A 2-for-1 stock split is planned for October 1, 2026. Dividend per share after the split: ¥90

External Rating (as of the end of June 2026)

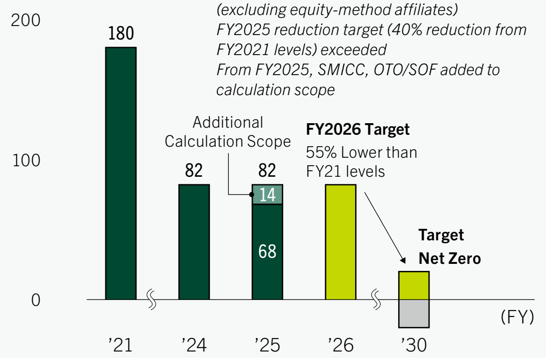
	Sumitomo Mitsui Financial Group		SMBC	
	Long-term	Short-term	Long-term	Short-term
Moody's	A1	P-1	A1	P-1
S&P	A–	—	A	A-1
Fitch	A–	F1	A	F1
R&I	AA–	—	AA	a-1+
JCR	AA	—	AA	J-1+

Non-Financial Highlights

Greenhouse Gas (GHG) Emissions (Scope 1 & 2)*

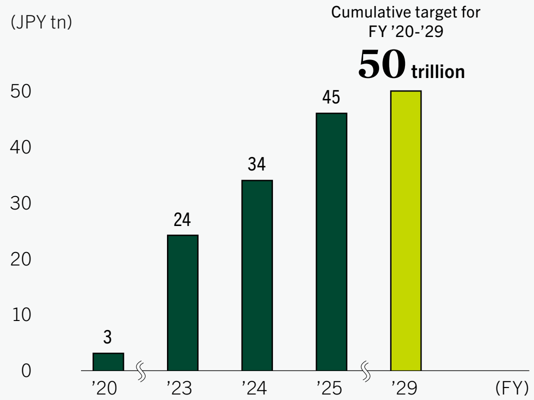
(thousand t-CO_2e)

** Target / Scope of Calculation: Domestic and overseas offices of Sumitomo Mitsui Financial Group and its consolidated subsidiaries as of FY2021 (excluding equity-method affiliates)*
FY2025 reduction target (40% reduction from FY2021 levels) exceeded
From FY2025, SMICC, OTO/SOF added to calculation scope



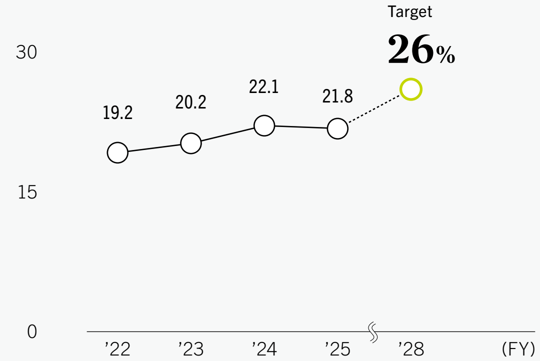
Sustainable Finance

(JPY tn)



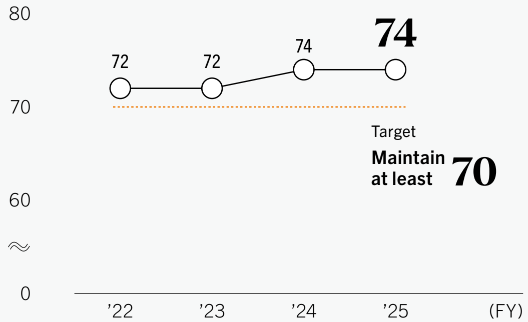
Ratio of Female Managers*

(%)



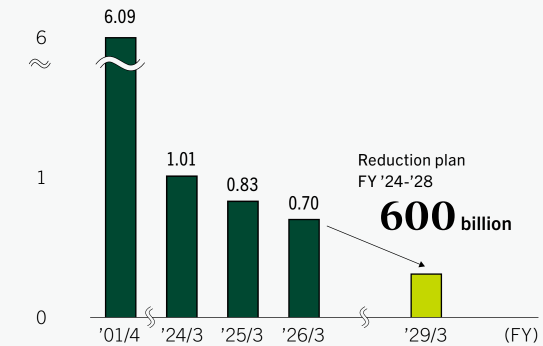
** Calculated based on the definition required by the Act on the Promotion of Female Participation and Career Advancement in the Workplace*

Engagement Score



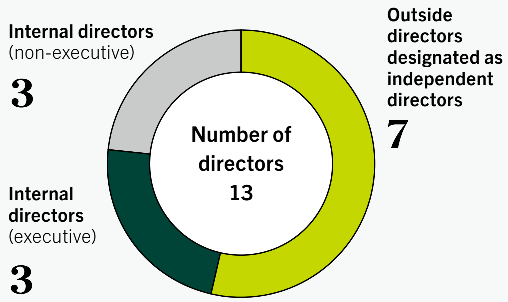
Equity Holdings

(JPY tn)



Composition of the Board of Directors

(As of June 2026)



Women 30% Foreign nationals 15%

SMBC Group's 25-Year History and Four Strengths

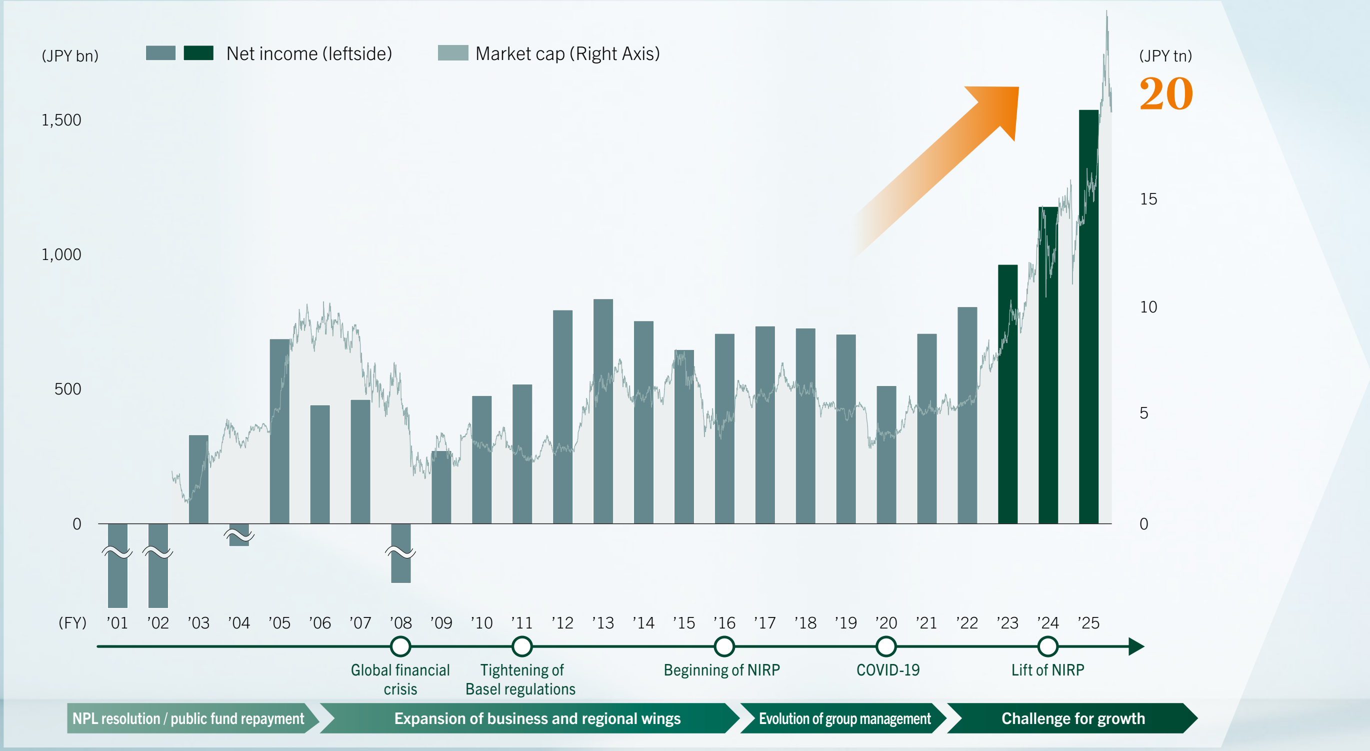
SMBC was established on April 1, 2001, marking 25 years since the formation of the SMBC Group.

Initially, the Group faced challenges such as the non-performing loan issues following the collapse of the asset bubble and the repayment of public funds, and subsequently faced numerous headwinds, including the global financial crisis and the spread of COVID-19.

Even amid these persistently challenging conditions, we have continued to move forward—steadily laying the groundwork for future growth through ongoing structural reforms, the expansion of our business foundations in Japan and overseas, and the evolution of Group management. As a result of these sustained efforts, we have now built one of the strongest earnings capabilities in Japan, supported by a global business platform that accounts for 40% of our total profits.

In addition, during the three years of the previous Medium-Term Management Plan, partly due to an improvement in the business environment, we significantly renewed our record-high profit for three consecutive terms, while our market capitalization grew to approximately ¥20 trillion.

Leveraging our experience to date, we will continue to maximize the four strengths that SMBC Group is proud of, striving for sustainable growth and further enhancement of corporate value.



Four Strengths

01 Compelling Growth Strategy
Achieve market leadership in Japan with a growing global presence

02 Merchant DNA
Create new value through execution excellence and a customer-first mindset

03 Disciplined Risk Management
Mitigate risks through a sound credit portfolio and early risk detection in a volatile environment

04 Commitment to Shareholder Returns
Deliver strong dividend growth and implement share buybacks more flexibly

SMBC Group's Medium- to Long-Term Vision

Formulation of a New Vision

With a strong determination to achieve market leadership in domestic businesses and become a player with a global presence, we have formulated a new Vision.

Globally connected. Rooted in Japan.
Your most trusted partner.

The Thoughts Behind Our Vision

Globally connected.

This reflects our determination to "become a world-class player" and "establish a global presence." Based on our global network, we will become a partner that supports our customers' cross-border activities on a global scale, and by "connecting" the world's capital, information, and business, we aim to become a player that can compete on an equal footing with the world's top financial institutions.

Rooted in Japan.

Japan is the core of SMBC Group's business foundation. We believe that establishing a top position in each strategic area within our home market and having a solid business foundation will serve as the bedrock to support our growth into a player with a global presence. This is why we included the word "Japan."

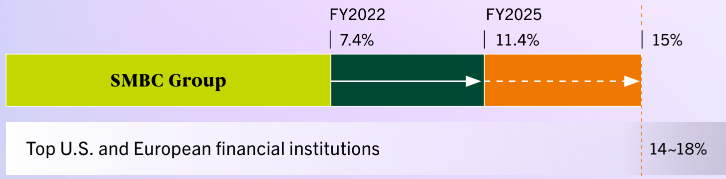
Your most trusted partner.

Since our founding, the "highest level of trust" has been something we have consistently valued above all else for a quarter of a century. We aim to further evolve that trust and become a partner that exceeds the expectations of our stakeholders by repeatedly providing new value unique to SMBC Group, unbounded by the framework of finance.

Profitability Befitting a World-Class Player

We will also aim to reach a level of profitability on par with the world's top players.
We have set a medium- to long-term target of ROTE* of 15%, comparable to the levels of top global financial institutions.
At the same time, we will also raise our bottom-line profit to the mid-¥2 trillion level.

Bottom-line profit Mid-¥**2** trillion level + **ROTE** **15**%



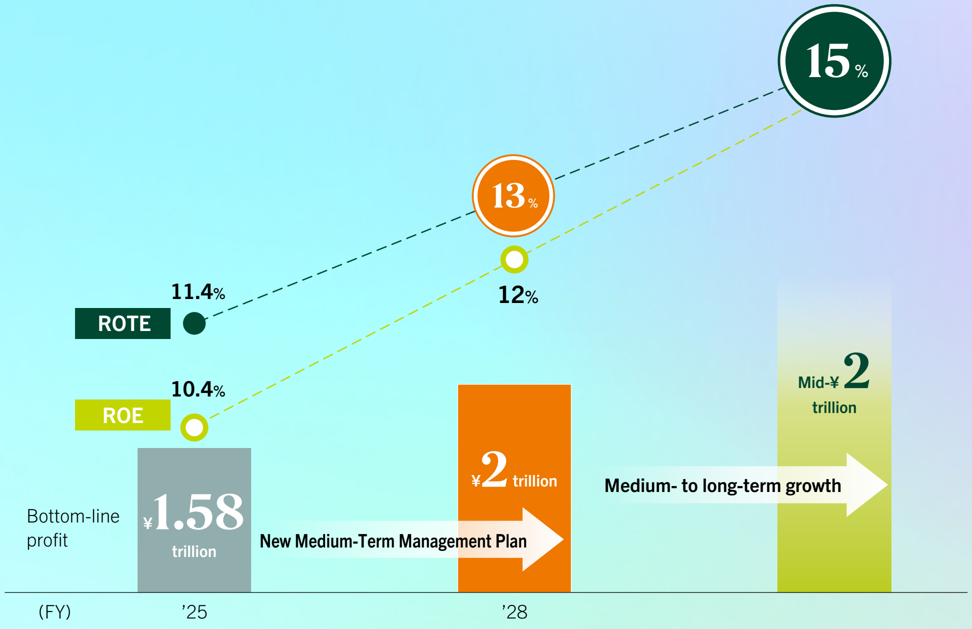
* What is ROTE?

ROTE stands for Return on Tangible Equity. It represents the rate of return on tangible equity, i.e., capital excluding intangible fixed assets such as goodwill. By using the same indicator as globally leading competitors, we aim to clearly communicate SMBC Group's global profitability and positioning, and have it properly evaluated.

New Medium-Term Management Plan (FY2026–2028)

Aiming Higher Through Bold Transformation

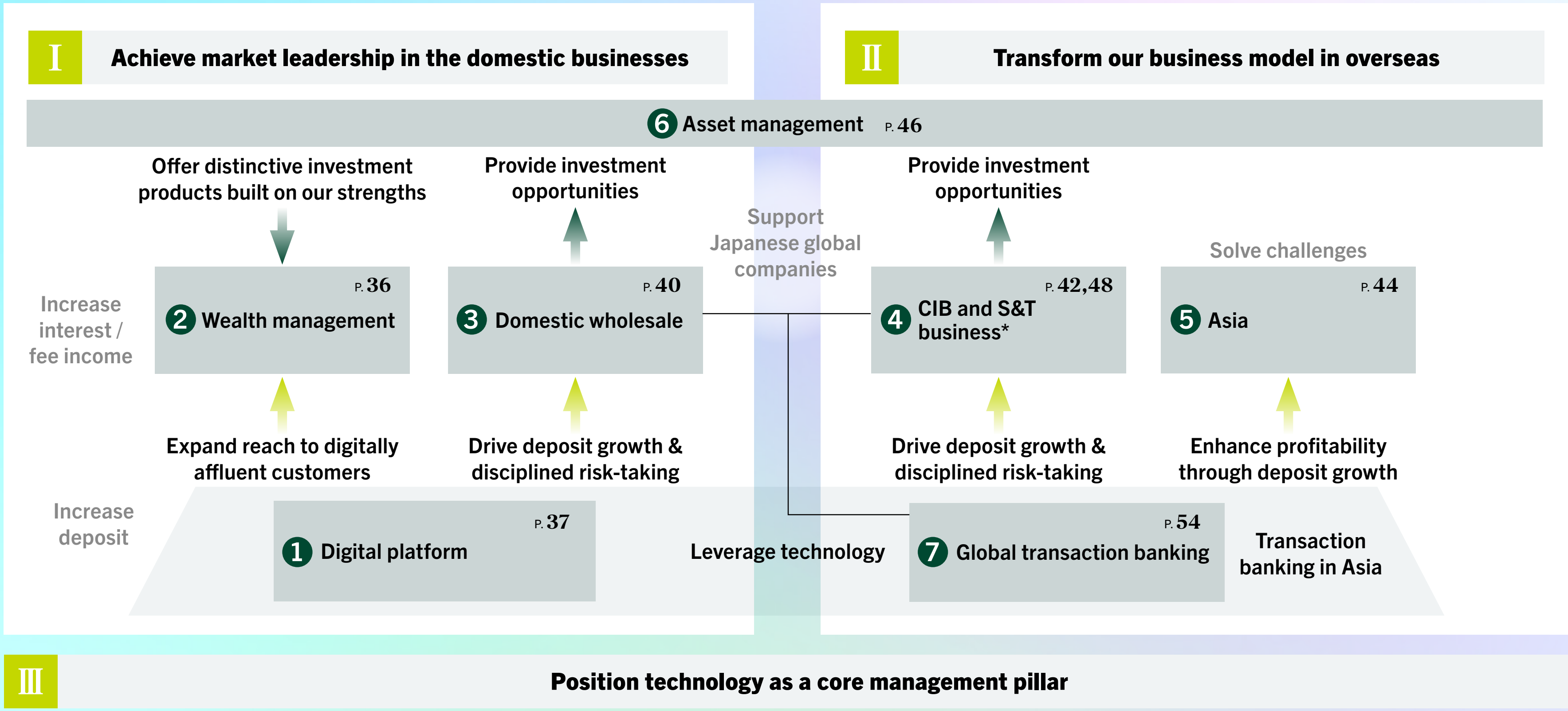
As a milestone for the next three years toward achieving our medium- to long-term target of 15% ROTE, we have set a target of 13% ROTE for the new Medium-Term Management Plan period. Aiming for ¥2 trillion in bottom-line profit, we will work on the Five Goals to realize our medium- to long-term Vision.



New Medium-Term Management Plan (FY2026–2028)

Seven Key Strategic Areas

Within our business strategy, we will particularly strengthen the following seven priority strategic areas.
We will not only further reinforce the customer base and profitability we have cultivated to date, but also evolve our business model by creating synergies among these strategic areas.



*Corporate & Investment Banking and Sales & Trading business

Message from Group CEO

Aspire to Reach Even Greater Heights

Toru Nakashima
Director President and Group CEO

Message from Group CEO

Building on Our Quarter-Century History to Reach the Next Stage of Growth and Success

"Setting sail into stormy seas amid a cold wind."

These were the words Mr. Nishikawa, the first President & CEO of Sumitomo Mitsui Banking Corporation, used 25 years ago to describe the launch of the Bank. Given that April 1, 2001, was a Sunday, the opening ceremony was held at Hibiya Mitsui Building, home to the head office of the newly formed SMBC, on April 2, the first business day of the fiscal year. Society was in a cheerful mood, with the warm spring weather and flowers blooming in Hibiya Park. However, I still clearly recall that a wave of tension immediately ran through stakeholders, who had been very excited with the so-called "Merger of the Century" of zaibatsu-related companies that resulted in the birth of SMBC, after hearing Mr. Nishikawa's speech.

Mr. Nishikawa's words were accurate, with Japan's financial sector facing a very challenging environment at the time. In the 1980's Japan's financial sector was unstoppable and dominated the global market capitalization rankings. However, this environment changed drastically with the bursting of the asset bubble in the early 1990's. Japan's economy fell into a structural recession caused by excessive debt, capital expenditure, and employment, not to mention the country's financial sector was being plagued by non-performing loans.

SMBC Group was no exception. We declared a net loss for two consecutive years following the launch of the Group due to the disposal of non-performing loans and impairment losses on equity holdings. At the time, we remained the third-largest player in the domestic market, and we were compelled to scale back our overseas operations as we worked to restore financial soundness. Furthermore, public scrutiny of banks that had received capital injections was intense, making it no easy task to earn the trust of customers. SMBC Group embarked on a journey into uncharted waters, with its future far from certain. It would not be an exaggeration to say that its very survival was at stake.

"We must overcome these challenges and win back the trust of customers." This was the mindset that drove SMBC Group's executives and employees alike as we worked to complete the repayment of public funds, our top priority. In the three years following the launch of SMBC, we carried out aggressive structural reform to drastically improve profitability, reducing headcount by 30% and closing 10% of our branches. At the same time, we took every possible measure to reinforce our financial foundation, including the transition to a holding company structure and capital increases. During this time our predecessors never gave up on their dream of achieving market leadership in the domestic businesses while strengthening our global presence. On the domestic front, we expanded our business foundations by acting on a "customer first" mindset while also strengthening our non-banking businesses with our capital alliance with Promise Co., Ltd. and merger with Sumisho Lease Co., Ltd. being examples. For our overseas business, we rebuilt our office network and carried out other initiatives for our future growth.

Thanks to such tireless efforts, we slowly won back the trust of our customers, shareholders, investors, and other stakeholders. Finally, on October 17, 2006, five and a half years after the launch of SMBC, we completed the repayment of public funds. Although there was a sense of accomplishment and relief after completing the repayment within the Group, the top management team at the time viewed the repayment not as the goal, but rather as a turning point in our efforts to realize our growth ambitions. In the following year, SMBC Group established a new medium-to long-term Vision, aiming to become "a globally competitive financial services group with the highest trust." Through this Vision we clearly stated our ambition of becoming a global financial institution.

However, the challenging business environment in the financial sector continued. In 2008 there was the Global Financial Crisis, in 2011 there was The Great East Japan Earthquake, and 2020 saw the start of the global COVID-19 pandemic. In such a backdrop, Japan's economy had stagnated with the rise of emerging markets, declining birth rate, and aging population preventing it

Message from Group CEO

from breaking out of its deflationary spiral. The Bank of Japan introduced quantitative and qualitative monetary easing in 2013 and introduced negative interest rates in 2016. In the late 2010's, heightened U.S.-China tensions led to rising geopolitical risk.

In such a volatile business environment, SMBC Group still strived to realize its Vision, one-step at a time. By addressing the continuous challenges in a flexible and timely manner, SMBC Group enhanced its presence both in and outside of Japan and steadily improved its global standing. Even in the aftermath of the Global Financial Crisis, when we were reporting net losses and facing tighter financial regulations, we pursued bold strategic investments. In 2009, we acquired Nikko Cordial Securities to create an integrated bank-securities business model and RBS's aircraft leasing business in 2012. In Asia, we carefully navigated the various movement restrictions that were introduced during the COVID-19 pandemic to carry out various investments and acquisitions from 2021 onwards in Vietnam, the Philippines, and India under the Multi-Franchise Strategy. In the United States, we made our initial investment in Jefferies, a U.S. securities firm.

Meanwhile, in Japan, where the prolonged negative interest rate environment continued to weigh on profitability, we pursued continuous reforms to improve our earnings capacity, including transforming customer channels and improving operational efficiency and digitalization, often ahead of our peers. In 2017, with the global standard firmly in mind, we introduced the business unit and CxO frameworks in order to enhance Group-based management.

Japan's economy finally started making strides towards regrowth after the COVID-19 pandemic. The corporate sector performed strongly, with the yen's depreciation and other factors acting as a tailwind, and started to proactively engage in investments for growth. In addition, increasing wages had a positive impact on consumer spending, and the shift from savings to investment was gaining strong momentum. The Bank of Japan, recognizing that deflation had been overcome, lifted the negative interest rate policy in March 2024, and is moving towards the normalization of monetary policy.

With the turnaround in the business environment acting as a tailwind, we achieved record-high profit for three consecutive years, and our market capitalization reached ¥20 trillion. In Japan, we firmly established ourselves as second-largest financial group, and in many business areas, we either hold a leading position or are well positioned to become the market leader. Our overseas business counts for more than half the headcount of SMBC Group and it now generates approximately 40% of the Group's total profit. I can confidently say we are now in a position to compete with global peers. We are also winning the trust of society and customers as a capable solution provider.

Looking back on the 25 years since SMBC Group was established, we can see how a financial group rooted in domestic commercial banking steadily expanded through the growth of its business wings and regional wings. In terms of our business wing, we have diversified our financial business to include credit cards, securities, leasing, trust banking, and asset management while also working to expand our footprint in non-financial businesses. In terms of our regional wing, we expanded our overseas network while also deepening our Asia retail business, U.S. securities business, and other key businesses in our respective business regions. Furthermore, as the engine to support these two wings, we have focused on establishing a stable earnings foundation for our domestic commercial banking business and a governance framework that adheres to global standards.

SMBC Group will use the lessons and know-how we have learned over our 25-year history to realize further growth. Our medium-to long-term goal is to: "Achieve market leadership in Japan with a growing global presence." This is a dream which has been passed on from our predecessors since the launch of SMBC Group. While we are still in the middle of our journey, I believe we are finally in a position where we can realistically aim to achieve this dream.

Message from Group CEO

Contribute to Japan’s Growth as a “Trusted Partner” and Succeed on the Global Stage

“We must thank our predecessors’ efforts while also laying down the foundations for SMBC Group’s success 10, 20 years from now”

In a meeting held in March 2026, I shared the following message with SMBC Group executives and general managers about what we needed to keep in mind as we enter the next stage of growth.

“The current standing and robust financial results of SMBC Group are not solely due to the efforts of us, the current team. The tireless efforts of our predecessors, who over the past 25 years never gave up on their dream of making SMBC a top-tier bank, regardless of the challenges they faced, came to fruition with the turn-around in the business environment. We must thank our predecessors’ efforts while also laying down the foundations for SMBC Group’s success 10, 20 years from now.”

“I want everyone here today to believe that SMBC Group can achieve market leadership in the domestic businesses while strengthening our global presence and carry out your daily responsibilities with this belief firmly in mind. I look forward to working with you all to realize our shared goal.”

Based on this medium- to long-term direction of SMBC Group, we established our new Vision: “Globally connected. Rooted in Japan. Your most trusted partner.” “Globally Connected” reflects our ambition to become a top-tier global player. Leveraging our global network, we aim to support our clients’ cross-border activities and connect capital, information, and business flows around the world. “Rooted in Japan” reflects our commitment to contribute to Japan’s regrowth while establishing a top position in key strategic areas in our mother market, as Japan remains the core of SMBC Group’s business foundation. Finally, “Trusted Partner” reflects our commitment to becoming a trusted partner of all our stakeholders by consistently adding unique value while never forgetting the “trust” that we have consistently valued over the past quarter century.

This Vision marks the start of the phase in our growth journey in which SMBC Group will compete shoulder-to-shoulder with top-tier global financial institutions.

Aiming Higher Through Bold Transformation

In the new Medium-Term Management Plan, as the medium- to long-term profitability target we set a ROTE (Return on Tangible Equity) of 15%, based on returns excluding goodwill and other intangible assets. This will require raising net income to the mid-¥2 trillion level and is in line with leading global players. We have positioned the new Medium-Term Management Plan as the first 3 years of our journey to achieve these targets. Under the Basic Policy “Aim higher through bold transformation” we will work to achieve an ROTE of 13% and raise our net income to ¥2 trillion.

Use Digital Technology to Become the Leading Japanese Financial Institution

I take great pride that we are the top runner in digital transformation in Japan’s financial industry. Through our two digital platforms, “Olive” for individuals and “Trunk” for small and medium-sized enterprises (SMEs) and start-ups, we were able to redefine comprehensive financial services ahead of our peers. Olive was launched in March 2023 and has been steadily enhanced the user experience through continuous updates. Olive has grown into a key digital platform with over 7.5 million accounts. We plan to double this to 15 million accounts over the next 3 years and will leverage the size increase to further enhance the added value Olive offers.

Such digital platforms are proving to be a major advantage in a business environment where the importance of deposits is increasing as interest rates rise, as they enable us to deepen customer engagement without being constrained by physical location. Furthermore, in May 2026, we entered into a business alliance with Fujitsu Limited and SoftBank Group Corp. regarding the use of Olive to construct a domestic healthcare network. In addition, Olive Consulting, a company we established in the wealth management sector in partnership with SBI Group, has started to provide services. Through Olive Consulting, we aim to grow AUM (assets under management) by meeting the needs of “digital affluent” customers who prefer to complete basic transactions online while having access to face-to-face consultations at their convenience. For Trunk, we also will expand our customer base by working with external partners to enhance the platform’s user experience on an unparalleled scale.

While it is expected that competition in the digital finance sector will continue to intensify, I have every confidence in our future. SMBC Group’s true strengths are our ability to create new value without being bound by precedent, our willingness to pursue bold challenges, and our unwavering passion to deliver meaningful value to customers, regardless of the challenges we may face. These are the driving forces behind our growth. Going forward, we will remain firmly committed to a customer-first mindset and continue to lead the evolution of digital platforms.

In our wholesale business, we will leverage the deposits gathered through our digital platforms to meet robust funding demand while establishing top level competitiveness in all client segments—from large corporations to mid-sized corporations and SMEs. In business with large corporations where historically we lagged behind our peers, we have been able to make significant strides towards closing this gap as we won several large-scale M&A transactions during the previous Medium-Term Management Plan. We will build stronger capabilities for global, large-scale transactions by deepening collaboration with Jefferies and through other key initiatives. In the mid-sized corporations and SME businesses, areas where we have already established competitive advantages, we will continue to build on our leading customer base and earnings foundation by expanding our securities capabilities to enhance our M&A and business succession businesses.

Message from Group CEO

Transform Our Business Model Overseas

When the domestic market was suffering under the negative interest rate policy, it was our overseas business that drove revenue growth. We were able to implement a progressive dividend policy and execute share buybacks thanks to the stable revenue that was generated by supporting Japanese corporates expand overseas and the growth of major global project finance deals. Our overseas business allowed SMBC Group to overcome the setbacks it experienced in the domestic market.

However, the current environment is undergoing a major transformation. With rising domestic interest rates, SMBC Group as a whole is increasing expectations regarding capital efficiency. Our overseas business will be required to raise its “Quality” even further. In other words, we must enhance profitability.

In response to such developments, we must shift from our traditional asset-heavy business model focused on loans and pivot toward an asset-light, capital-efficient business model driven by enhanced Global CIB and S&T. In our Global CIB business, we have provided a diverse range of funding options to a wide range of customers by leveraging advanced sector knowledge. This was made possible by combining the respective strengths of Jefferies and SMBC Group. This partnership is steadily building a successful track record, and we will expand it even further going forward. In our S&T business, Group companies worked together to support customer needs that resulted from rising interest rates, the bull stock market, and other changes in our business environment. In addition, we will accelerate growth in asset management and global transaction banking businesses, both of which can generate stable earnings without requiring significant balance sheet usage. In the asset management business, we aim to expand AUM by offering products and services that leverage SMBC Group’s competitive edges. In global transaction banking, we will make the necessary investments in technology and talent while using cloud technology and AI to enhance our products and services. By seamlessly supporting our clients’ domestic and overseas business, we will further capture deposits.

The other key to improving profitability is the Multi-Franchise Strategy in Asia. We have been proactively carrying out investments to deploy full-line financial services in the four strategic countries: India, Indonesia, Vietnam, and the Philippines. These forward-looking investments reached a turning point with our investment in YES BANK. We have positioned the next three years as the time to put the finishing touches on such investees. I have been directly requesting the executives responsible for our respective businesses for the early realization of the benefits expected from these investments. With a strong sense of urgency and determination, we will focus on monetizing our investments in India and other Multi-Franchise Strategy countries.

Position Technology as a Core Management Pillar

The successful execution of each business unit’s strategy increasingly depends on effective use of data, as well as IT systems that are convenient, robust, and efficiently managed. In the new Medium-Term Management Plan, I have positioned “IT Transformation” as a core management

> ***“We must shift from our traditional asset-heavy business model focused on loans and pivot toward an asset-light, capital-efficient business model driven by enhanced Global CIB and S&T.”***

pillar as I recognize that successful IT investment is inseparable from successful business management. Compared to the Medium-Term Management Plan before the previous one, we have doubled our IT investment budget to ¥1 trillion. We will significantly enhance our IT infrastructure, including cloud migration, while building top-tier IT development capabilities.

AI, in particular, is one of the most critical technologies. It has the potential to fundamentally transform how customers and financial institutions interact. SMBC Group will not position AI as a special tool for expert staff, but rather as a standard tool to be used by all employees in their daily responsibilities. We are conducting internal training for all levels, including management, to significantly increase productivity and proposal making skills by making all employees AI-proficient. At the same time, we are creating multiple use cases to consider how we can best introduce AI to services and products in a manner that directly leads to heightened customer experience. Working with external partners, we aim to create a world in which clients can confidently entrust AI with a wide range of administrative tasks and financial decisions related to managing their money.

Human Capital that Allows for Execution Excellence

It is no easy task to execute the various strategies which I have outlined thus far. However, I have no doubt that with our execution and on-the-ground abilities, both strengths that are recognized by external parties, we will be successful. However, we must continue to proactively invest in human capital not only to maintain this advantage, but also to strengthen it. First, we must secure personnel, both in terms of volume and talent, who are able to execute our initiatives in key strategic areas by visualizing ability and business unit-led recruitment. In addition, we must continue developing a culture that allows employees to positively pursue challenging goals and tasks. Above all, we must create an environment where our professionals on the front lines can fully demonstrate their capabilities and ensure that their performance is appropriately evaluated and rewarded. As part of such efforts, in January 2026, a new personnel system was introduced at Sumitomo Mitsui Banking Corporation and it includes a special bonus to recognize outstanding contributions made by employees on the front lines. We will further enhance the management of human capital by visualizing the quantitative impact of these efforts so that we are able to monitor whether value that matches investments in human capital is being generated.

Establish a Social Value Creation Brand

"Social Value Creation" is a term we have proactively used from the previous Medium-Term Management Plan. We have established dedicated teams, and under their leadership we significantly expanded the scope of initiatives which are open to all employees. In addition, we are engaging in numerous unique initiatives, for example "Shakakachi BOON BOON PROJECT" through which we support student athletes succeed in society, and partnerships that go beyond traditional industry-academia collaboration with The University of Tokyo, Kyoto University, and University of Tsukuba, we have been able to establish SMBC Group as a leading brand in social value creation.

However, I believe that there is still much we can do through finance, our core business. We will continue to enhance our social value creation initiatives by leveraging our capabilities as a financial institution. For example, using Olive to solve money-related concerns of individual customers, supporting corporate clients in their decarbonization efforts, and establishing frameworks under which capital can be effectively deployed to address social issues as a philanthropy advisor. We have established "Green Planet," "Thriving People" and "Fulfilled Growth" as our new materiality and will work on initiatives to address it until the creation of social value is regarded as our strength.

Capital Policy and Shareholder Returns that Support Medium- to Long-term Growth

Our basic capital policy remains unchanged in the new Medium-Term Management Plan. We will continue to balance shareholder returns, investment for growth and financial soundness. For investment for growth, our Multi-Franchise Strategy, partnership with Jefferies, and other inorganic investments made during the previous Medium-Term Management Plan have reached key milestones, and over the next three years we will focus on monetizing those investments. For organic investments, we will continue to support strong domestic corporate funding demand not only to realize SMBC Group's growth, but also to contribute to Japan's economic regrowth. We will also carry out the necessary IT investments to establish IT infrastructure that drives growth which is on par with global peers.

As we pursue our strategies under a vision grounded in a medium- to long-term perspective, we also hope to build medium-to long-term relationships with our shareholders and investors and have our performance assessed from the same perspective. Based on this mindset, we have strengthened shareholder returns, including a commitment to annual dividend increases with the aim of making our shares an attractive long-term investment. We will enhance our corporate value through steady profit growth and return the fruits of that growth to our shareholders.

Building Long-Term Relationships with Shareholders

The number of individual investors taking a medium- to long-term approach to their investments is increasing due to the spread of the new NISA program and other trends. With the intent of making SMBC Group shares more attractive for long-term individual investors, we announced a stock split and the introduction of shareholder benefit programs. By conducting a 2-for-1 stock split, we will enhance accessibility for individual investors. In addition, through shareholder benefits linked to Olive, I hope that shareholders will experience our services firsthand and gain a closer understanding of our business. We will continue to make SMBC Group's shares more accessible and attractive to hold over the long term.

Message from Group CEO

In Conclusion

SMBC Group has overcome various headwinds over the past 25 years. Having said this, we cannot know for certain what will happen in the next quarter century. We expect uncertainty to continue with rising geopolitical risk, increasing polarization of society, and political and economic volatility in Japan and overseas. The largest impact, however, will be the evolution of AI. AI has the potential to fundamentally transform our business, and I cannot even imagine what the financial business will look like in ten years.

However, I have no doubt that we will continue to succeed in the next quarter century and that we can make it 25 years of growth. What sustains this conviction is the merchant DNA that has been passed down the generations from the time of Mitsui and Sumitomo —a strong desire to contribute to customers and society, a willingness to think deeply and act proactively, and an unwavering commitment to preserving the trust placed in us by our stakeholders. It is this DNA that is embodied by the 130,000 talented employees across SMBC Group. Our predecessors demonstrated their true value during times of crisis and upheaval. Now it is our turn to demonstrate our true value in this time of uncertainty and lead the Group to even greater heights. This is the kind of future I look forward to.

As Group CEO, I will stand at the forefront to clearly define SMBC Group's desired state and the way forward while also establishing an environment that allows employees to push their limits and reach their full potential. As a result of these efforts, I want to make us a financial group that can overcome any and all challenges it may face over the next 25 years to win the highest trust of customers, shareholders, investors, and society.

In closing, I would like to ask for the continued support and understanding of all our stakeholders.

"I want to make us a financial group that can overcome any and all challenges it may face over the next 25 years to win the highest trust of customers, shareholders, investors, and society."

02

Business Strategy

Message From Group CFO

Pursuing Sustainable Growth in Corporate Value and Further Enhancing Profitability Through Business Portfolio Transformation and Disciplined Allocation of Management Resources to Key Strategic Areas

One distinctive feature of SMBC Group is that the roles of Group CFO and Group CSO are held by the same individual. Under the new Medium-Term Management Plan, as Group CFO, I will exercise rigorous control over both our balance sheet and capital allocation by strategically allocating capital, risk assets, expenses, and other management resources to achieve disciplined investment and detailed management. As Group CSO, I will take a bird's-eye view of SMBC Group's businesses and accelerate the execution of key strategies by leveraging our strong planning capabilities and exceptional speed of execution to transform our business portfolio.
Through the integrated management of our financial and business strategies, we will enhance ROTE/ROE and drive profit growth, thereby advancing SMBC Group toward its medium- to long-term Vision.

Kazuyuki Anchi
Group CFO & CSO
Director Senior Managing Executive Officer

Overview of the Previous Medium-Term Management Plan

We entered FY2025 amid heightened economic uncertainty including U.S. tariff policy. However, the impact of these factors was less significant than initially anticipated. We achieved a substantial increase in profit from our domestic businesses by capturing opportunities arising from the Bank of Japan's policy rate hikes and other favorable business conditions. In Japan, as the country exited the negative interest rate regime, we strengthened our customer base by leveraging Olive across deposits, payments, and wealth management. We also increased profit through higher revenue from loans and fees generated by active corporate activity. Overseas, we continued to replace low-margin assets with higher-margin assets while expanding our securities business through our partnership with Jefferies, further improving the quality of our portfolio.

While increasing earnings, we also strengthened our preparedness for potential downside risks. For example, we recorded additional forward-looking provisions in response to the Middle East situation and inflation risk. Even after taking these measures, we generated net income of ¥1.583 trillion and EPS of ¥412, both record highs. In addition, ROE exceeded 10%, enabling us to achieve the financial targets

(JPY bn)	FY2022	FY2025	3-year increase
Net business profit	1,276.4	2,330.9	1,054.5
Total credit cost	210.2	388.4	178.2
Ordinary profit	1,160.9	2,303.4	1,142.5
Net income	805.8	1,583.0	777.2

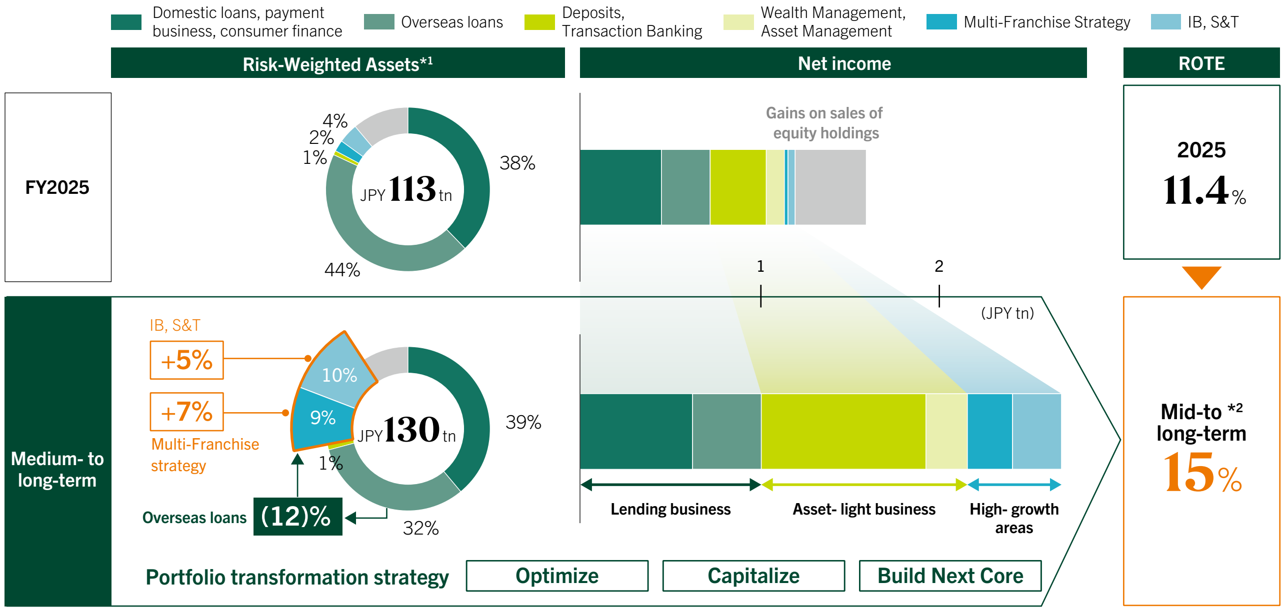
set under the previous Medium-Term Management Plan. I believe we can confidently say that we brought the previous Plan to a strong and successful conclusion.

Medium-to Long-Term Vision and New Medium-Term Management Plan

Medium-to Long-Term Vision

Since the establishment of SMBC Group, we have overcome numerous challenges, including the Global Financial Crisis and the introduction of negative interest rates. Even in difficult times, we never stopped sowing the seeds for future growth. As a result, supported also by a favorable business environment, we have delivered record profit for three consecutive years.

However, we are by no means satisfied with our progress. Looking ahead, we have set ambitious targets as we seek to achieve market leadership in our domestic businesses while further strengthening our global presence. We have established medium- to long-term goals of 15% ROTE and net income in the mid-¥2 trillion range as we



**1 Basel III finalization basis, excl. net unrealized gains on other securities*
**2 The mid-to long-term macro assumptions: Policy rate Japan:1.25%, U.S.:3.0% FX: USD1=JPY150, no gains from the sales of equity holdings*

Message From Group CFO

strive to stand alongside leading global financial institutions.

To achieve ROTE of 15%, we must successfully transform our business portfolio. Our portfolio transformation is based on three key themes. The first is "Optimize," under which we will optimize our business portfolio and enhance capital and expense efficiency. The second is "Capitalize," under which we will fully harvest the benefits of past initiatives and capture upside opportunities. The third is "Build Next Core," under which we will develop businesses that can become future growth pillars for SMBC Group. Specifically, we will reallocate risk assets from overseas loans and other low-margin businesses to the Multi-Franchise Strategy, investment banking, S&T, and other high-margin and growth areas. At the same time, we will strengthen our stable domestic lending business and asset-light businesses such as wealth management, asset management, and transaction banking. Through these efforts, we will transform our business portfolio in a way that balances profitability, growth and stability, thereby increasing the profitability of each business and achieving ROTE of 15%.

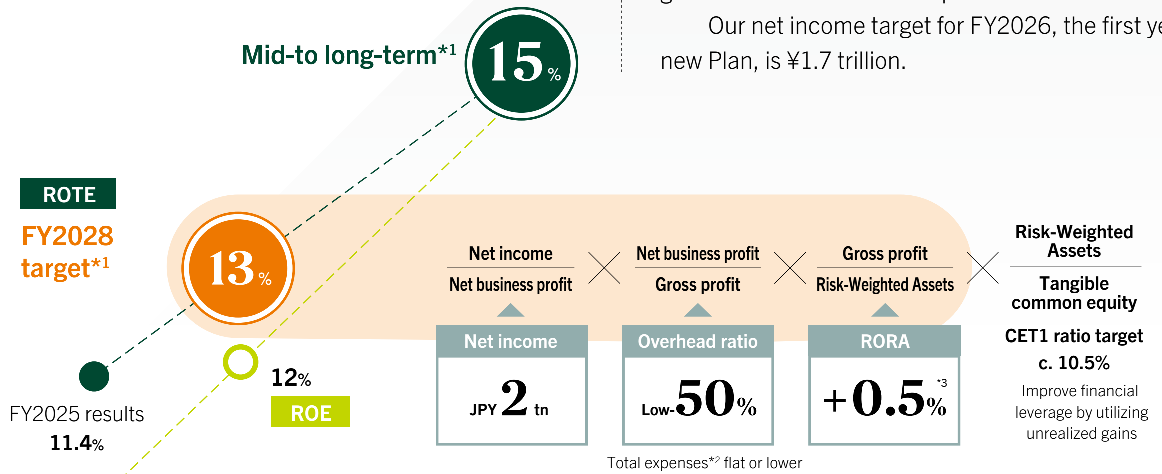
New Medium-Term Management Plan

Our base case scenario for our business environment is one in which opportunities continue to emerge amid solid economic conditions both in Japan and overseas. At the same time, I am also factoring in a number of stress scenarios. In Japan, these include intensified competition for deposits as interest rates rise and a slowdown in client business activity if Japan's renewed growth momentum stalls. Overseas, rising geopolitical risk is another possible scenario. With regard to the situation in the Middle East, we recorded additional forward-looking provisions at the end of FY2025, which I believe will enable us to absorb a reasonable level of downside risk. Nevertheless, we will continue to closely monitor the potential impact of rising oil prices and supply chain constraints on corporate performance and manage our business flexibly.

Against this backdrop, in the new Medium-Term Management Plan, we did not set targets solely through the traditional build-up approach. Instead, we backcasted from our medium- to long-term ROTE target of 15% to determine the level we should reach by the end of the new Plan. By controlling expenses and improving RORA, we aim to increase net income to ¥2 trillion and achieve ROTE of 13% by FY2028. Through disciplined expense and capital management, we will realize capital efficiency accompanied by revenue growth.

We have established seven key strategic areas in the new Medium-Term Management Plan. We will achieve leadership in the domestic market by using digital platforms such as Olive and Trunk to expand our deposit base and also to strengthen our corporate and wealth management businesses. Overseas, we will transform our business model by moving away from our traditional loan-focused model to a more capital efficient model with CIB and S&T as the pillars and by pushing forward the monetization of our Multi-Franchise Strategy. Furthermore, we will strengthen asset-light businesses such as transaction banking and asset management in and outside of Japan. In addition to enhancing our customer base and earning power, we will generate synergies between our key strategic areas and evolve the respective business models.

Our net income target for FY2026, the first year of the new Plan, is ¥1.7 trillion.



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

Capital Policy

Basic Capital Policy

Under the new Medium-Term Management Plan, there is no change to our basic capital policy of balancing stronger shareholder returns and investment for growth while maintaining financial soundness. Taking into account heightened geopolitical risk, changes in our business portfolio, and a reduction in unrealized gains resulting from efforts to reduce equity holdings, our target is to reach a CET1 ratio of 10.5% by the end of the new Medium-Term Management Plan.

Financial Soundness

CET1 ratio target as of FY2028: c.**10.5**% (10.0% - 11.0%)

Raise the operating target by 50bps to reflect heightened geopolitical risks, business portfolio changes, and lower unrealized gains on equity holdings.

Shareholder returns

Encourage long-term shareholding through strong DPS growth
Execute share buybacks more flexibly

Dividend
- Maintain a 40% dividend payout ratio* and drive strong DPS growth through net income growth
- Upgrade the progressive dividend policy to commit to increasing dividend every year

Investment for growth

Prioritize organic growth in domestic wholesale and strategic IT investment

Organic
- Support strong domestic funding demand and contribute to Japan's renewed growth

IT investment
- Invest ¥1 tn over three years, with an approx. (20) bps CET1 impact

Share buybacks
- Execute share buybacks more flexibly, taking into account capital position, share price, and growth investment opportunities

Inorganic
- Support existing investee's growth and limit new capital deployment

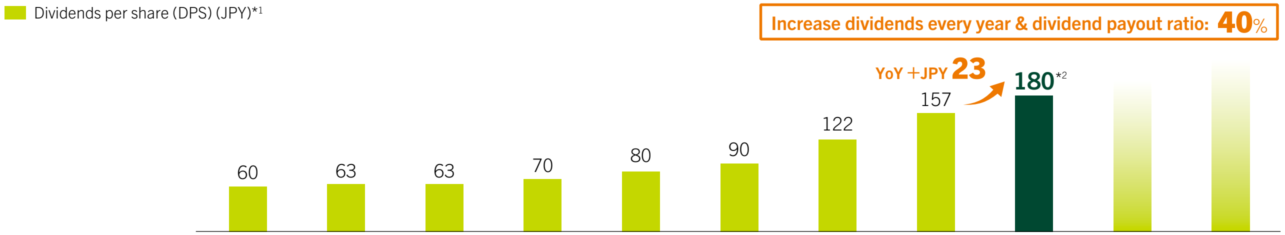
Capital allocation for one-off net income upside will be considered based on the nature of the profit.

Shareholder Returns

Dividends remain our primary approach to shareholder returns as we seek to make SMBC Group shares more attractive to long-term investors. We will maintain a dividend payout ratio of 40% and increase total dividends through bottom-line profit growth. In addition, under our progressive dividend policy, we will shift from our traditional stance of "not reducing dividends" to a more proactive commitment to "increasing dividends every fiscal year," thereby enhancing the predictability of future dividend growth. We will also take a more agile approach to share buybacks, taking into account our capital position, investment opportunities for growth, SMBC Group's share price, and other key factors. Our dividend forecast for FY2026 is ¥180 per share, a year-on-year increase of ¥23. In May 2026, we announced a share buyback program of ¥180 billion and will consider additional buybacks during the year. We also announced a stock split and the introduction of shareholder benefit programs to make our shares more accessible and attractive to hold.

Investment for Growth

For investment for growth, we will allocate the capital we have raised from the disposal of low margin assets to higher margin assets mainly in Japan. In the previous Medium-Term Management Plan, our reduction efforts focused on our overseas businesses. In addition to the reduction of low-return assets in project finance and non-Japanese



(FY)	2018	2019	2020	2021	2022	2023	2024	2025	2026E	2027E	2028E
Share buybacks (JPY bn)	70	100	-	-	138.7	211.3	250	250	180 +α	Execute flexibly	
Ref.Total payout ratio (%)	44	51	51	41	58	59	61	54	51 +α		

**1 Amount adjusted retrospectively, based on the stock split (3-for-1) implemented on Oct.1, 2024 (rounded to the nearest whole number).*
**2 Stock split (2-for-1) effective on Oct.1st, 2026. DPS after stock split: JPY 90*

corporate finance, we disposed of our U.S. railcar leasing business and shut down our U.S. digital bank. Under the new Medium-Term Management Plan, we will reduce low-return assets by ¥9 trillion in both Japan and overseas while capturing opportunities arising from strong domestic corporate funding demand, thereby limiting the increase in organic Risk-Weighted Assets over the three-year period to ¥5.5 trillion.

We have positioned technology as a core management pillar and will allocate capital to IT investments to further accelerate our use of AI and digital technology. While fundamentally enhancing our IT infrastructure and development capabilities, we will use AI to increase productivity and the value we offer customers, in addition to using AI to refine risk management and other aspects of our management infrastructure. On the other hand, for our inorganic investments we will focus on monetizing our current investments.

Reducing Equity Holdings

We announced a plan to reduce equity holdings by ¥600 billion over five years and have already completed a reduction of ¥309 billion over the two-year period through FY2025, putting us well ahead of schedule. At the same time, partly due to rising share prices, it remains challenging to reduce the ratio of the market value of equity holdings to consolidated net assets. We will keep firmly in mind our target of reducing this ratio to below 20% by the end of FY2028 and continue persistent negotiations with clients so that we can achieve the target ahead of schedule.

Increasing Corporate Value
~Further Enhancing ROTE/ROE that is Accompanied by Growth~

In order to increase our corporate value, we will pursue not only stronger earning power but also sustainable profit growth. Leading global financial institutions use ROTE as a key profitability metric, and we have adopted ROTE because it facilitates comparison with global peers. At the same time, we will continue working to improve ROE, a metric commonly referenced by domestic investors. As Group CFO, I will strengthen earning power, exercise appropriate capital control, and reduce risks that concern investors, while also working to improve ROE with a clear awareness of the gap with our peers.

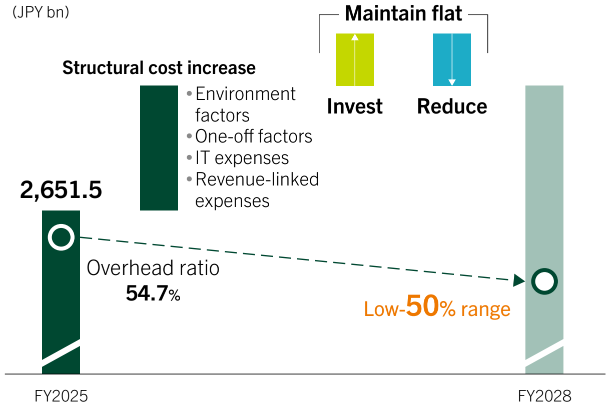
Strengthening Earning Power

The first driver of ROTE and ROE improvement is stronger earning power, which represents the numerator. We will focus on increasing profit from our core businesses and achieving steady, consistent profit growth. In Japan, we will capture opportunities arising from robust corporate activity while also securing deposits in a world that has returned to positive interest rates. In terms of deposit growth, we have successfully differentiated ourselves from peers, with Olive accounts exceeding 7.5 million and an increasing number of these accounts being used as primary accounts. Our rate of deposit growth is higher than that of our peers. Trunk accounts have also surpassed 50,000. By winning highly sticky deposits from corporate clients, we will strengthen our earning power in a positive interest rate environment. Overseas, we will focus management resources on Global CIB, S&T, the Multi-Franchise Strategy, and other key strategic areas as we work to monetize these businesses. Regarding our Multi-Franchise Strategy, we openly acknowledge that returns on investment are currently below expectations. We are undertaking difficult reforms, including major changes to the senior management teams of partner companies and stricter credit standards. We have also established a framework under which employees involved in evaluating investments are also involved in the PMI process. We have positioned the new Plan term as a critical period and will devote our utmost efforts to improving profitability.

Furthermore, growth in asset-light businesses that can increase profit with limited additional capital is critical and we will enhance our wealth management, asset management, and transaction banking.

Controlling expenses is also very important. We aim to achieve an overhead ratio in the low-50% range by the end of the new Medium-Term Management Plan. However, rising domestic interest rates and top-line growth may act to lower our overhead ratio, which could in turn weaken expense discipline. We will therefore continue to make the necessary investments for growth, while keeping operating expenses flat or below current levels, excluding increases attributable to environmental factors, such as inflation and foreign exchange, and structural factors, such as IT expenses and revenue-linked expenses. By doing so, we will further strengthen the linkage between revenue growth and net income growth.

Operating expenses



Controlling Capital

The second driver to improve ROTE and ROE is the appropriate control of capital as it is the denominator. While securing sufficient equity capital is essential for a financial institution, excessive capital retention leads to a decrease in capital efficiency. With a CET1 ratio of 10.5% as our target, we will maintain a sufficient level of capital by strengthening shareholder returns and reducing equity holdings/low-return assets.

Furthermore, with rising geopolitical risk coupled with robust funding demand in the domestic market, I understand that stable capital management has become a more important metric in which investors evaluate financial institutions. We will continue to control risk assets in a highly disciplined manner.

Such an approach to capital allocation also applies to inorganic investments. We will adopt a highly disciplined decision-making process when future investment opportunities arise by carefully determining the strategic rationale, return on investment, and associated risks. Furthermore, when executing an investment, we will strictly control PMI and other post-investment measures to ensure that we consistently generate profit and corporate value.

I am also fully aware that unrealized gains on our equity holdings in our overseas partner firms are weighing significantly on our financial leverage. We will launch actions to address this issue during the new Medium-Term Management Plan.

In order to increase corporate value, enhancing ROTE and ROE is not enough. We must also control capital costs. We are paying careful attention to the Middle East situation and other geopolitical risks, in addition to inflation resurgence risk. SMBC Group will add forward-looking provisions while also enhancing our risk management capabilities. Going forward, we will continue to thoroughly implement agile risk control in response to changes in the business environment while transforming our business portfolio in a manner that balances stability, profitability, and growth. This will allow us to realize stable profit growth even when risk manifests and control capital cost. From the standpoint of generating sustainable profit and reducing future risk, we will also invest in human capital and create social value.

Communicating with Stakeholders

In FY2025, SMBC Group was selected for the “Award for Excellence in Corporate Disclosure” in the banking category by the Securities Analysts Association of Japan for the second consecutive year. I believe this not only reflects the Association’s recognition of SMBC Group’s disclosure framework, it also reflects their expectations for further improvement. As the uncertain environment continues, SMBC Group will engage in the timely and easy-to-understand disclosure of key topics.

Engaging in constructive discussions with investors and other stakeholders is not only an important mission for me as Group CFO; the discussions are also valuable learning opportunities. The new Medium-Term Management Plan and capital policy reflect the feedback we received through such discussions. Having said this, we must not forget the importance of nimbly adjusting our various goals based on changes in the business environment. I will continue my discussions with our stakeholders to further evolve the new Medium-Term Management Plan and realize the sustainable growth of SMBC Group’s corporate value.

Roundtable Discussion with Outside Directors

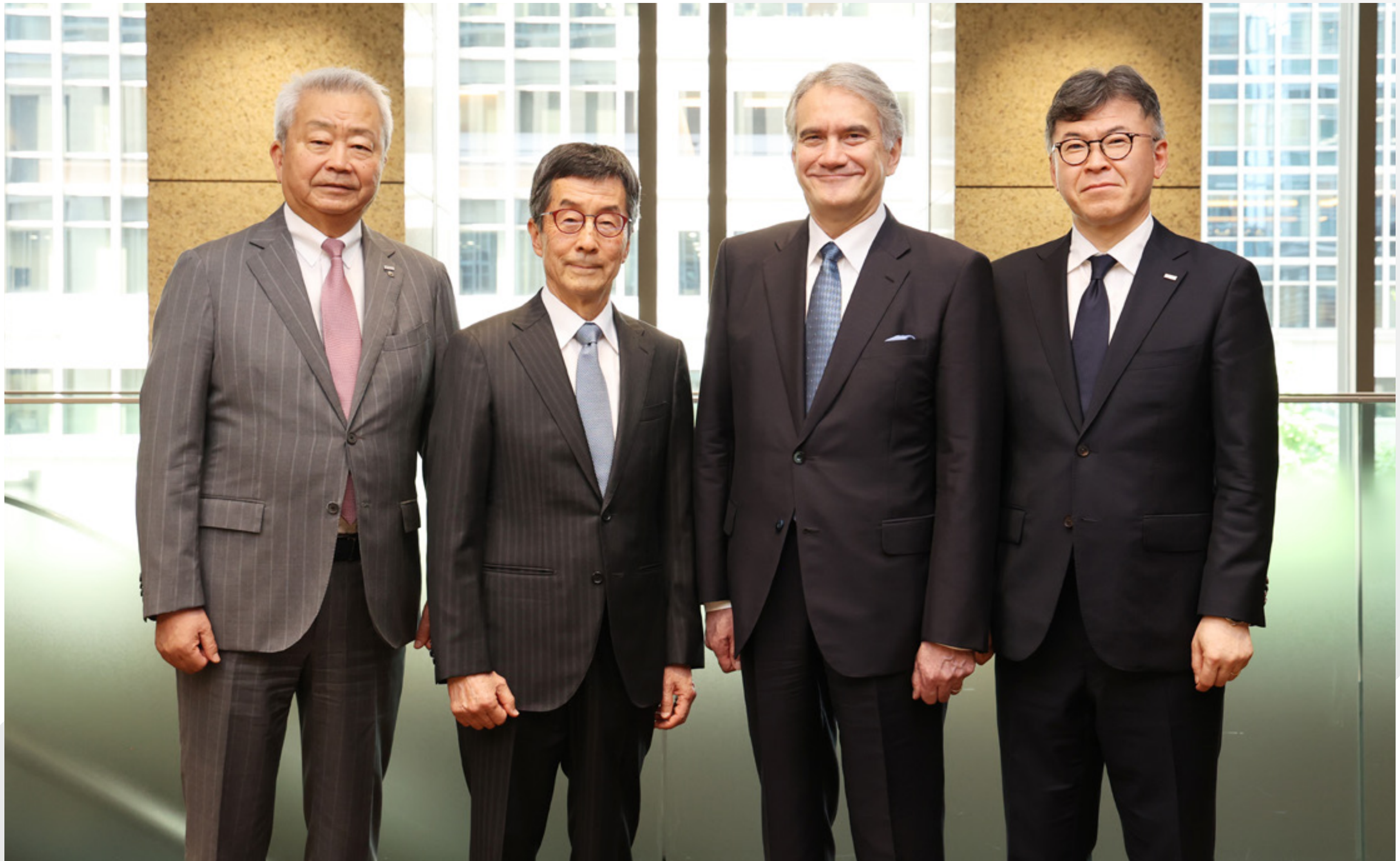
Towards Our Vision: "Globally connected. Rooted in Japan. Your most trusted partner." The Future of SMBC Group as Outlined in the New Medium-Term Management Plan

Jun Sawada
Outside Director

Sonosuke Kadonaga
Outside Director

Charles D. Lake II
Outside Director

Kazuyuki Anchi
Group CFO & CSO,
Director Senior Managing Executive Officer



When formulating its new Medium-Term Management Plan, SMBC Group established its New Vision "Globally connected. Rooted in Japan. Your most trusted partner." In this roundtable discussion, Outside Directors Jun Sawada, Sonosuke Kadonaga, and Charles D. Lake II, together with Group CFO & CSO Kazuyuki Anchi, all of whom were heavily involved in the formulation process, discuss how the new Medium-Term Management Plan and the ambitious medium- to long-term targets of ROTE of 15% and bottom-line profit in the mid- ¥2 trillion range took shape, as well as the strategic intent behind the plan and their resolve to execute it.

Formulating the New Medium- to Long-Term Vision

Anchi: In formulating the new Medium-Term Management Plan, we began by establishing a new Vision and medium- to long-term targets. We then followed a process of setting ambitious goals and building up the discussion by back-casting from these targets and goals. How do you view that approach?

Kadonaga: Around the summer of 2025, I had an opportunity to discuss a draft of the new Medium-Term Management Plan at a Board of Directors meeting. My honest impression at the time was that, while I could understand the overall direction, such as generating revenue from investments made under the Multi-Franchise Strategy and strengthening the securities business, the core pillar of the new Medium-Term Management Plan was not yet entirely clear. In that sense, I felt that the new Medium-Term Management Plan lacked excitement. By excitement, I do not mean simply making the qualitative narrative more appealing. Rather, I mean communicating clearly what kind of company SMBC Group wants to become, in addition to setting ambitious targets. Previous medium-term plans created a certain sense of anticipation, whether by highlighting social value creation or by taking on forward-looking challenges such as the Multi-Franchise Strategy in Asia. In response to this feedback, a backcasting approach was incorporated into the planning process. For example, in IT investment, the new Medium-Term Management Plan now clarifies where gaps exist with global competitors and the targets, timelines, and approaches for closing them. Having been involved in the management of various companies as a management consultant, I believe it is rare for financial institutions to adopt such an approach in strategy planning. I therefore view this very positively.

Sawada: Establishing a new Vision makes a great deal of sense to me. When I was involved in management at NTT, it used the phrase “Your Value Partner.” At the time, the concept of being a partner went beyond a simple business relationship and articulated the aim of creating value together with customers and society. I understand SMBC Group’s phrase “trusted partner” to have a similar meaning. I also sensed this mindset when I took part in discussions with a broad spectrum of employees from various business units. Accordingly, I view this Vision as a declaration of SMBC Group’s commitment to enhance its corporate value as it advances to a new level.

Anchi: I recall Mr. Kadonaga commenting that the new Medium-Term Management Plan lacked excitement. One of the biggest challenges in developing the new Medium-Term Management Plan was creating a clear message that would inspire both employees and external stakeholders. People in financial institutions tend to be highly earnest and disciplined, which can sometimes make it difficult to generate a sense of excitement.

Indeed, in the early stages of discussion, we spent much of our time focusing on how to address the issue of low profitability in our overseas business, which naturally led to a rather sober tone. By incorporating the ambition to become the leading financial institution in Japan, highlighting our roots in Japan, and aspiring to reach global standards in technology, we were able to strike a balance between addressing today’s challenges and creating an inspiring Vision for the future. The phrase “trusted partner” also incorporates various commitments. Given the breadth of the services offered by SMBC Group, our relationship is no longer a simple financial institution–customer model. Instead, we are now supporting our customers in a variety of ways, beyond established frameworks. Although some employees seek specific guidance from management, I believe that employees and customers should develop an approach together, rather than management defining it unilaterally.

Enhancing Capital Policy and Shareholder Returns

Anchi: In formulating the new Medium-Term Management Plan, Outside Directors engaged in in-depth discussions on capital policy and shareholder returns. The upgrade of the progressive dividend policy to commit to increasing dividends every year, as well as the stock split and shareholder benefit program, were all ideas that emerged from our discussions with Outside Directors. How would you rate the process that led to the plan's formulation and the new policies?

Lake: I commend SMBC Group for enabling a series of substantive discussions, including at the Board of Directors, on the critical issue of how to deliver on stakeholder, including shareholder, expectations. The Corporate Governance Code calls for companies to achieve sustainable growth, enhance corporate value over the medium to long term, and strengthen their earning capability. Discussions focused on how to strike a balance between predictability and flexibility in capital policy while also emphasizing a balance between financial soundness, investment for growth, and shareholder returns from a stakeholder perspective, even in an uncertain business environment. The new Medium-Term Management Plan enhances predictability by committing to annual dividend increases while maintaining a 40% dividend payout ratio and striving to execute share buybacks more flexibly. The phrase "more flexibly" signifies that SMBC Group will respond in a flexible manner after carefully assessing its capital position, share price, and growth investment opportunities. It is vital to build stronger relationships with the shareholders who support SMBC Group's long-term growth strategy and maintain long-term shareholdings. In my capacity as an outside director, I also believe SMBC Group should meet the expectations of long-term investors through appropriate supervision of a flexible capital policy while supporting reasonable risk-taking that contributes to an effective growth strategy.

> ***"We will clearly reflect this approach in its execution of shareholder returns so that stakeholders can recognize that it has taken a step further."***
>
> — ***Kazuyuki Anchi***

Sawada: I view the adoption of shareholder benefit programs, including "V Point" rewards, as embodying the aim of combining the interests of shareholders and customers to increase corporate value over the long term, rather than as a measure that focuses on SMBC Group's share price. In that sense, I think aiming for a hybrid model in which the interests of shareholders and customers overlap is highly consistent with current trends.

Anchi: For dividends, the new Medium-Term Management Plan aims to enhance predictability and clearly articulate a path to dividend increases. In contrast, with share buybacks we wanted to be more selective to surprise the market, in a positive sense. Going forward we aim to make decisions on both timing and amount with greater flexibility. While it may not appear significantly different at first glance, we will clearly reflect this approach in its execution of shareholder returns so that stakeholders can recognize that it has taken a step further.

Roundtable Discussion with Outside Directors

Key Priorities for Delivering the New Medium-Term Management Plan

Anchi: The new Medium-Term Management Plan entails a major transformation, and I recognize that achieving its goals will not be straightforward. What aspect do you believe warrants the greatest attention in achieving the targets adopted in the new Medium-Term Management Plan?

Kadonaga: Having observed SMBC Group from the outside for around a decade, what has struck me most is its exceptionally strong frontline execution excellence. Management decisions are effectively cascaded down to employees, and I sense SMBC Group excels at translating these decisions into results. However, for inorganic investments, the strategy for post-merger integration plans and resource deployment, including talent, lacked clarity at times. I have long regarded this as an issue and pointed it out to the executive side on several occasions. In the new Medium-Term Management Plan, while it makes sense to focus on generating returns from investments made under the Multi-Franchise Strategy, it is not appropriate to discuss Asian countries as if they were a single market. Conditions differ from country to country, including in terms of market growth phases, the competitive environment, the effectiveness of business models, and regulatory policies. The new Medium-Term Management Plan already reflects these differences, but I believe it will be vital to clarify in external communications that tailored responses for each country are, of course, necessary.

“Management decisions are effectively cascaded down to employees, and I sense SMBC Group excels at translating these decisions into results.”

Sonosuke Kadonaga

Lake: In the process of formulating the new Medium-Term Management Plan, the Board of Directors engaged in open and constructive discussions, including on past successes and failures. Amid ongoing conditions that make it difficult to anticipate changes in the business environment, including geopolitical risks, I commend SMBC Group for developing the new Medium-Term Management Plan by thoroughly taking into consideration the external and internal environment, as well as SMBC Group's own strengths and challenges. With that said, unforeseen events will inevitably occur as the New Medium-Term Management Plan is executed. When that happens, the operations side and the Board of Directors must confront and address uncomfortable realities with integrity. I believe SMBC Group should face the changes in the internal and external environment head-on, engage in organic discussions, and enhance the new Medium-Term Management Plan's effectiveness by continuously refining it with agility, rather than as something that cannot be changed for three years.

Anchi: Investors have often observed that we demonstrate strong discipline in organic investments but have been less disciplined in inorganic investments. While I think we have become more meticulous in identifying issues over the past few years, additional issues that need to be addressed still come to light, so we must step up our efforts in this regard. For example, a common feature across investees in Asia is that deposit acquisition is extremely important for controlling funding costs. However, as both the macro environment and the positioning among financial institutions differ from country to country, approaches and challenges also vary. Recently, the situation in the Middle East has created an additional challenge, as its impact is more likely to be felt in Asia. We will address this challenge appropriately.

Roundtable Discussion with Outside Directors

The Significance of Creating a Medium-Term Management Plan in an Era of Uncertainty

Anchi: The Board of Directors discussed whether creating a Medium-Term Management Plan in an era of such high uncertainty was a meaningful endeavor. What is your stance on it?

Sawada: In today's world, geopolitical shifts and technological innovations, exemplified by AI, are unfolding at a rapid pace and with a high degree of uncertainty. Accordingly, I fully understand the argument calling for management to adopt a practical approach of changing strategies flexibly in light of the external environment, similar to the Observe–Orient–Decide–Act (OODA) Loop method, rather than executing strategies based on a Plan–Do–Check–Act (PDCA) cycle. However, that approach alone is not sufficient. SMBC Group must firmly define a clear vision of its future—what it aims to achieve and where its shared value lies—in a Medium-Term Management Plan and act flexibly within that framework. These two elements may seem contradictory. However, I think arguing that a medium-term plan is unnecessary because the environment is changing is a little too simplistic. I hope that SMBC Group will both maintain a strong vision and realize the flexible execution of the new Medium-Term Management Plan.

Lake: There is a saying in strategy research: "plans are worthless, but planning is everything." In the current era, I believe integrating two types of strategic thinking, waterfall and agile thinking, is imperative. When viewing the new Medium-Term Management Plan using these two types of strategic thinking, the plan has set forth a long-term target of achieving a ROTE of 15% based on SMBC Group's long-term Vision and established a clear direction to boldly transform the Group's business portfolio. Achieving this target and Vision requires SMBC Group to drive operational reforms in accordance with waterfall thinking. In that sense, formulating a medium-term plan is necessary for mobilizing the organization. At the same time, in a rapidly changing business environment, SMBC Group must continue to adapt its plans and operations in an agile way and respond strategically to change.

Anchi: Another important point is that employees need to be convinced by our strategies. We formulated the new Medium-Term Management Plan while gathering insights on the observations and aspirations of a broad spectrum of employees, both in Japan and overseas. What makes the biggest difference in execution is how fully employees internalize and act on the strategies. I believe it is crucial for executing strategies effectively to reassess our position and communicate its strategic priorities every three years.

"In a rapidly changing business environment, SMBC Group must continue to adapt its plans and operations in an agile way and respond strategically to change."

Charles D. Lake II

Investment in Leveraging IT and AI

Anchi: Under the new Medium-Term Management Plan, we plan to invest ¥1 trillion in leveraging IT and AI. This decision entailed repeated discussions, including a gap analysis against top-tier global financial institutions. How do you evaluate this investment plan?

Kadonaga: The Board has a shared understanding of the key management challenges related to technology. Cloud migration must be accelerated, and establishing AI-enabled development environments can no longer be delayed. Cybersecurity is also likely to remain an area where it is difficult to keep pace, no matter how many measures SMBC Group takes. Although everyone is aware of these urgent issues, they cannot be solved overnight. The Board of Directors also discussed whether raising IT investment to ¥2 trillion would further accelerate the response. However, given constraints such as talent availability, we concluded that ¥1 trillion would be an appropriate level. As I stated earlier, I urged management to identify where gaps exist with global competitors and to clarify timelines and approaches for closing them. Following subsequent discussions, the strategy has become much clearer and easier to understand.

Sawada: Speaking from my own experience serving concurrently as President and Chief Executive Officer of NTT Security, SMBC Group operates its security at a very

"The key point is to build an approach tailored to each situation, determining how far processes should be adapted from current operations, rather than adopting every kind of cutting-edge technology."

— Jun Sawada

high level. At the same time, Japan overall trails the rest of the world by several laps in some respects in the IT field. Financial institutions are still in the early stages of cloud migration, and they must also address AI use. The key point is to build an approach tailored to each situation, determining how far processes should be adapted from current operations, rather than adopting every kind of cutting-edge technology.

Although AI produces accurate answers, it will produce accurate but incorrect answers if fed incorrect data. Since everything depends on the quality of the input data, deploying AI with a strong focus on data governance is crucial.

Anchi: An investment in IT of ¥1 trillion today should achieve a different level of efficiency than the same amount of investment would have achieved in the past. We will establish KPIs, including development efficiency metrics, and monitor them closely. In addition, establishing internal governance for advancing digitalization is of critical importance, as only by ensuring such governance will we be able to leverage AI globally. Over time, I think securing robust governance will help SMBC Group gain recognition as a trusted financial institution when working with external parties.

Roundtable Discussion with Outside Directors

Enhancing Global Governance

Lake: Looking back over the past year, I think one of the most valuable topics of discussion has been the enhancement of global governance. Today, overseas revenue accounts for approximately 40% of SMBC Group's total revenue. Going forward, further advancing SMBC Group's global governance will be indispensable as it expands its global activities under the Vision, "Globally connected. Rooted in Japan. Your most trusted partner." and to grow to become a leading global bank. In order to further strengthen the partnership between SMBC Group and Jefferies, as well as quickly adopt global technology changes, such as Frontier AI, into SMBC Group's strategies, it is important to ensure strategic alignment between the regional or local subsidiary boards and the Sumitomo Mitsui Financial Group Board of Directors. We should further enhance governance initiatives, including the face-to-face dialogue between these boards. I applaud the constructive discussions that took place at the SMFG Board of Directors meetings to ensure such strategic alignment and to advance governance initiatives.

Anchi: To share one specific example, when we announced various partnerships with Jefferies, including the establishment of SMBC Nikko Jefferies Securities, the Board of Directors emphasized the importance of close coordination on a global basis. I therefore personally attended meetings of the boards of directors of local subsidiaries in the United States and Europe six times each. At these meetings, I explained the status of strategies under consideration and our approach and worked to build alignment with local management. As transformations in areas such as global CIB, asset management, transaction banking, and global markets are all efforts that require global mutual understanding, we put in place frameworks to this end based on the observations of the Board of Directors. We remain committed to executing a range of strategies based on a shared global understanding.

Lastly, I take pride in the fact that the new Medium-Term Management Plan was developed after extensive discussions. However, what matters most is effective execution. We will work on the new Medium-Term Management Plan to deliver clear results, including addressing the challenges facing the Multi-Franchise Strategy.

I hope all Outside Directors will continue to pose incisive questions from a wide range of stakeholder perspectives, even when they may at times challenge the management team.

"I take pride in the fact that the new Medium-Term Management Plan was developed after extensive discussions. However, what matters most is effective execution."

— ***Kazuyuki Anchi***

Roundtable Discussion on Risk Management

Building Resilience Through In-Depth Analysis of Uncertainty

Geopolitical risks are intensifying, cyber threats are becoming more advanced with highly sophisticated AI, and Japanese interest rates are rising. Amid this unprecedentedly complex and interconnected risk environment, the SMBC Group is working to achieve a high level of resilience. Charles D. Lake II, an outside director and chair of the Risk Committee, joined Group Chief Risk Officer (CRO) Natsuhiro Samejima and Group Chief Financial Officer (CFO) and Group Chief Strategy Officer (CSO) Kazuyuki Anchi to discuss SMBC Group's current governance framework and the challenges that lie ahead.

Charles D. Lake II

Outside Director
Chair of Risk Committee

Natsuhiro Samejima

Senior Managing Executive Officer
and Group CRO

Kazuyuki Anchi

Group CFO & Group CSO, Director
Senior Managing Executive Officer

Incorporating Risk into Management Strategy

Samejima: I feel that the nature of the risks we are currently facing is fundamentally different from before. These include the protracted instability in the Middle East, shifts in U.S. tariff policy, credit uncertainty in the private credit market, cyberattacks and technological risks arising from the use of highly sophisticated AI, as well as scenarios in which fading AI expectations lead to AI-related stocks decline. These risks are increasingly likely to materialize in a complex and interconnected way rather than emerging independently. Looking at Japan, the trend toward rising interest rates is intensifying competition for deposits and making balance sheet management more difficult.

Anchi: In formulating our new Medium-Term Management Plan, we spent more time than ever assessing the external environment and identifying risks. In addition, geopolitical risks in the Middle East materialized in the final stages of the process, so the new Medium-Term Management Plan effectively began under conditions of extremely high uncertainty. In that sense as well, it has become more important than ever to discuss how to incorporate risk into management strategy in order to achieve the targets set out in the plan.

Lake: To ensure an effective risk management framework, I see three key points that the Risk Committee should focus on. The first is setting the committee agenda strategically. For the Risk Committee, which is an internal committee of the Board of Directors, to truly contribute to deeper discussions of priority strategic areas at the Board level, it is essential to work closely with the operations side, and that includes working with Mr. Samejima, our Group CRO, to identify issues that are directly linked to management strategy. In 2025, in preparation for the new Medium-Term Management Plan, we focused our discussions on key areas such as recognition of external environmental risks, the Risk Appetite Framework, and basic policies for risk management. By supporting the formulation, execution, and review of the management strategy, these elements can make a meaningful contribution to integrated risk management. The second point is fully drawing on the insights of each committee member, based on their expertise and practical experience. In addition to Outside Director Isao Teshirogi, the Risk Committee includes external experts such as Tatsuo Yamasaki*[1] and Hirohide Yamaguchi*[2], who bring a wealth of knowledge and experience. It is important that members engage in substantive, real-time discussions about SMBC Group's risk environment, rather than formal or procedural exchanges. As chair, I make a conscious effort to build on members' comments by asking further questions, encouraging an active exchange of perspectives that leads to new insights and deeper discussion. The third point is the active participation and engagement of senior management in the Risk Committee. A framework in which management internalizes the Committee's discussions in real time and ties them directly to agile operations and to the Board's oversight function enables stronger responsiveness and effectiveness in governance amid rapid change.

Transitioning to a More Resilient Business Portfolio

Lake: In executing our management strategy, I believe one of the most important changes in the external environment is the structural shift in the interaction between geopolitics and the economy. Geopolitical risks are shifting significantly, with risks materializing on a much larger scale and at a far faster pace, while their impacts are becoming less predictable. This creates a particularly challenging environment. The Risk Committee has repeatedly emphasized the importance of looking beyond individual risk events to assess the [broader] world order and macroeconomic implications, as well as reviewing risk management as an integrated set along with strategy formulation.

Anchi: Rather than focusing only on surface-level developments, I have once again come to appreciate the importance of always questioning the underlying core of these changes.

Samejima: We have made it our highest priority to build resilience—the capacity to keep our business running under any circumstances responding to such environmental changes. Specifically, we identify top risks based on internal and external developments, map out the risk transmission pathways, and prepare countermeasures accordingly. We modeled a scenario where three risks— protracted Middle East conflict, disruptions in private credit markets, and fading AI expectations—materialize in combination and simulated their impact on financial soundness through stress testing. Based on the results, we are reviewing our operating policies and putting in place contingency plans for crisis situations. Another key area of focus is strengthening frontline risk ownership. Frontline teams are expected to detect early signs of a situation that differs from normal conditions and escalate them appropriately. We are also reinforcing a framework in which the first and second Line work closely together to determine which risks to take and which must be avoided.

Lake: In addition, it remains critically important to enhance early warning monitoring and strengthen our response when events occur. To achieve this, it is crucial to make full use of the Risk Committee, where members with deep expertise come together and engage in high-quality, real-time discussions centered on scenarios developed by the operations side. As SMBC Group continues to grow as a key player in the global financial and capital markets, we aim to further strengthen the Risk Committee functions to ensure a highly effective risk management framework that enables SMBC Group to maintain its agile management under a robust governance structure, even in a rapidly changing environment.

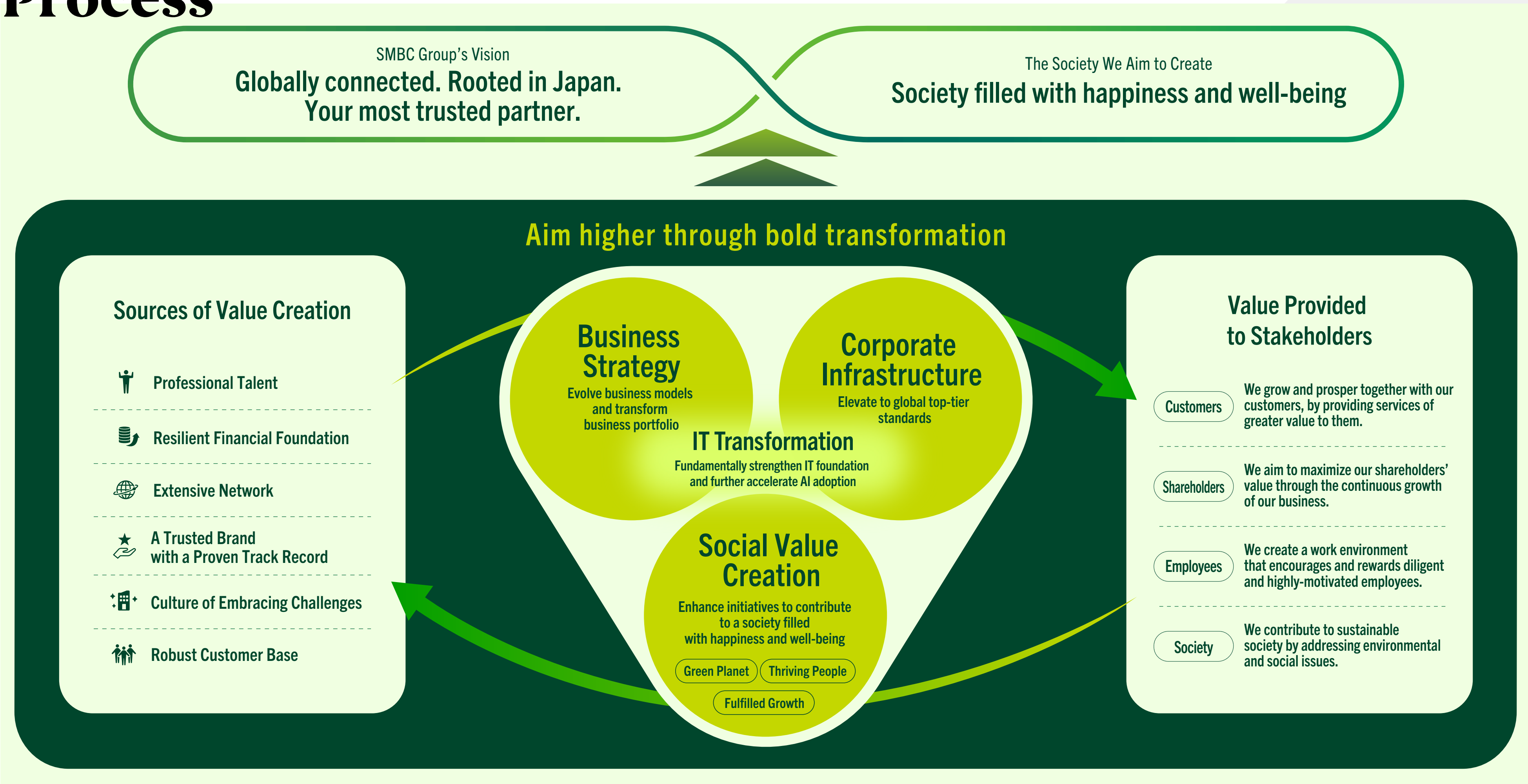
Anchi: In such a highly uncertain environment, I believe it is essential to proceed with two pillars: portfolio transformation and strengthened risk management. Risk management alone is not enough; we must fundamentally transform our portfolio into one that is resilient to risk. By steadily promoting these efforts over time, I am confident that we can ultimately demonstrate to our stakeholders both the stability of our performance and our ability to respond to and recover from crises.

**1 Tatsuo Yamasaki (Specially appointed professor at the International University of Health and Welfare, former Vice Minister of Finance for International Affairs)*
**2 Hirohide Yamaguchi (Chairman of the Advisory Board of Nikko Research Center, former Deputy Governor of the Bank of Japan)*

See page 62 for more information on the Risk Committee's activities.

SMBC Group's Value Creation Process

SMBC Group leverages its sources of value creation, including our employees with varied backgrounds, globally connected network, and strong relationships with customers, to provide new value to our stakeholders while taking on bold challenges with a broad perspective.
Through this, we will create a virtuous cycle in which both society and SMBC Group continue to grow together, and as a "Trusted Partner," we strive to pass on a society filled with happiness and well-being to future generations.



Business Strategy

Retail Business Unit

Retail Business Unit results

	FY2025	YoY*1
Gross profit	**¥1,555.6 billion**	+¥200.2 billion
Expenses	**¥1,134.6 billion**	+¥62.4 billion
Overhead ratio	**72.9%**	(1.3) %
Net business profit	**¥427.7 billion**	+¥139.4 billion
Net income	**¥217.8 billion**	+¥227.4 billion
ROCET1	**15.6%**	+6.7%*2
Risk-Weighted Assets (RWA)	**¥14.1 trillion**	¥0.5 trillion

**1 Managerial accounting basis (after adjustments of the changes in exchange rates)*
**2 Excluding the impact of the radical allowance on interest repayment*

By continuing to evolve the retail business from a customer-centric perspective—including the further strengthening and sophistication of Olive, business model reform centered on Olive, and group integration of the wealth management (WM) business—we aim to become "the retail financial group most valued by customers for its innovation, convenience, and security."

Under the previous Medium-Term Management Plan ending in FY2025, favorable market conditions such as rising yen interest rates and stock prices provided tailwinds, and businesses including WM, payments and finance, and deposits performed strongly, resulting in a significant increase in net business profit of ¥241.1 billion over the three years to ¥427.7 billion. Net income increased by ¥139.4 billion over the three years to ¥217.8 billion, and ROCET1 reached 15.6%, more than tripling the level over the same period.

In the new Medium-Term Management Plan starting from FY2026, our business opportunities are expected to continue expanding, driven by the ongoing shift from savings to asset formation, the growing number of wealthy customers, the acceleration of digitalization and cashless transactions, and rising yen interest rates.

Over the next three years, to steadily capture this expansion in key markets, we will work on the further sophistication of Olive, now firmly established as one of our core strengths, and its application to other businesses, as well as further group integration in the WM business, which brings together Japan's top-tier SMBC, SMBC Nikko Securities, and SMBC Trust Bank. Furthermore, to ensure the sustainability of our business, we will also build a robust business foundation through investment in focused areas such as AI/digital and marketing.

Since its launch in March 2023, Olive, now firmly established as a major strategic pillar, has grown to 7.63 million accounts over three years. Over the next three years, by continuing bold resource allocation, we will further expand Olive's functions and strengthen its competitiveness, aiming to acquire a cumulative total of over 15 million accounts. Through the further expansion of Olive, we will accumulate sticky deposits linked to daily transactions and achieve further growth in cashless transactions.

In the WM business, another key pillar, through enhanced group collaboration, asset management and foreign currency deposit balances increased by ¥9 trillion over the three years to ¥23 trillion. Over the next three years, with the theme of group integration, we will aim to achieve Japan's No.1 balance of assets under management by building three models tailored to customer needs: a professional model for business owners, a universal model for affluent customers, and a hybrid model for digital affluent customers.

By maximizing the comprehensive capabilities of Japan's premier group and accelerating customer-centric transformation, we aim to become the group most trusted and continuously chosen by customers.

Wealth Management

Strengthening the Wealth Management Business to Capture Japan's Largest AUM

Differentiation Through Group, Corporate-Individual Collaboration and Sales Structure Efficiency

We continue to position the wealth management business as a critical strategic area, given the ongoing shift from savings to asset formation and the growing number of wealthy customers.

Looking back on roughly the last decade, we have transitioned from a business structure mainly reliant on flow-based revenues to a stable business model centered on stock-based revenues, by shifting our operations to be centered on long-term, diversified investments under the fundamental premise of a customer-oriented approach. Going forward, the needs of individual customers are expected to become increasingly diverse, with the expansion of inheritance and succession due to the aging population, and the deepening needs of business owners accompanying the activation of corporate actions.

To optimally address these diverse needs, the SMBC Group will build a structure capable of providing "high-quality, unified consulting" by concentrating the Group's comprehensive capabilities, regardless of the delivery channel. Under the unified brand "SMBC Wealth," common to SMBC, SMBC Nikko Securities, and SMBC Trust Bank, we will deploy three models so customers can enjoy optimal value tailored to their characteristics and lifestyles.

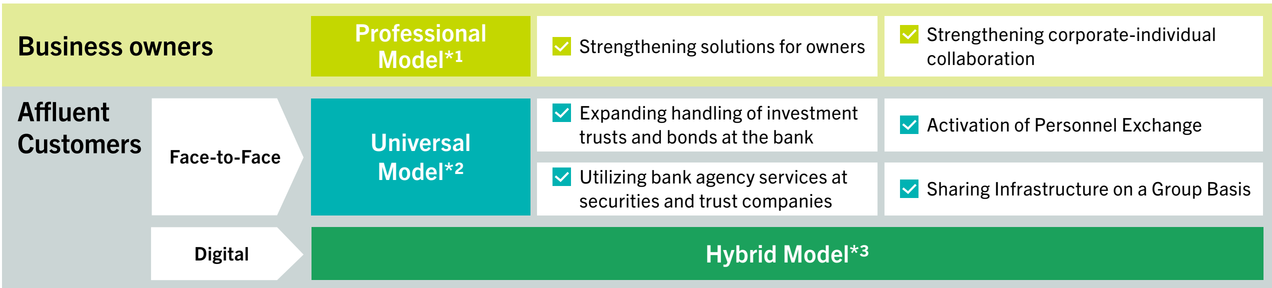
We will also work on the sophistication of products and services. In collaboration with SMBC Global Investment & Consulting and Sumitomo Mitsui DS Asset Management, SMBC, SMBC Nikko Securities, and SMBC Trust Bank will strive to create funds with high acceptability based on customer analysis and provide model portfolios combining appropriate products. Going beyond simply offering financial products, we will pursue value for our customers, aiming to draw up guidelines together for realizing their life goals and to continue as a lifelong partner.

Acquiring "Digital Affluent Customers" Through Digital × Human Consulting

Traditionally, the main method for asset management services involved sales representatives providing face-to-face information at branch counters or homes during weekday daytime hours. However, with various financial services now being offered via smartphones, customers are increasingly gathering information and making investment decisions not only from the "people" at banks and securities companies but also from their own smartphones. This trend is particularly pronounced among what can be called "digital affluent customers"—those in their 40s to 60s who are adept with smartphones, active in both their work and leisure, and have high incomes.

As the expansion of customers with such preferences is expected, building new asset management services suited to the digital age is essential. To provide a service combining digital convenience with high-quality human consulting, we established a new company, Olive Consulting.

In addition to transactions at SBI Securities' industry-lowest fee levels, the company offers "Flexible Consulting," allowing customers to flexibly choose and combine consultation channels, advisors, and consultation times according to their lifestyle. We aim to realize a new asset management experience where daily transactions are completed digitally, while seamlessly receiving highly specialized support when needed.



*1 Professional Model: For corporate owner customers with advanced needs encompassing both corporate and individual aspects, specialists from the bank, securities, and trust companies team up to provide sophisticated services including asset management, shareholding management, and business succession.
*2 Universal Model: For wealthy customers who prefer face-to-face transactions, we provide one-stop services by sharing functions such as products and talent across group companies.
*3 Hybrid Model: For wealthy customers who prefer digital channels (digital affluent), we provide a hybrid experience combining digital and human support.

INTERVIEW **Digital Platform**

Spurring Fresh Innovation to Asset Management in the Digital Age ——

Asset Management Services Combining Digital Convenience with Comprehensive Support: Opening New Frontiers with Olive Consulting

In August 2025, the SMBC Group established Olive Consulting, a joint venture with SBI Group. Since May 2026, Olive Consulting has been providing asset management services via Olive that blend digital tools and in-person consulting. SMBC Group and SBI Group employees involved in the establishment Olive Consulting met to discuss initiatives for spurring innovation in the digital age.

(First from right)

Ryota Murase

Deputy President, Manager of Marketing Department, Olive Consulting
Oversees all aspects of service planning and marketing, and leads business design

(Center)

Ryo Munakata

Director, Manager of Planning Department, Olive Consulting
Oversees tasks including establishing Olive Consulting and corporate planning such as general affairs, human resources, and finance

(Second from left)

Asako Kono

Retail Marketing Department, Sumitomo Mitsui Banking Corporation (SMBC)
In charge of promoting collaboration between SMBC and Olive as the SMBC contact point

(First from left)

Hiroki Inaba

Manager of Strategic Business Promotion Department, SBI Securities
(Also serves as Director, Olive Consulting)
Supports product introduction as SBI Securities' contact point for planning and collaboration

(Second from right)

Naoto Hata

Strategic Business Promotion Department, SBI Securities
Supports collaboration with Olive and data utilization as SBI Securities' contact point

Services Provided by Olive Consulting

Murase SMBC Group and SBI Group established Olive Consulting with the aim of developing new asset management services on Olive. Through research into customer feedback and needs, we found that many customers primarily use digital channels for transactions but still seek advice on asset management due to uncertainty. At the core of our approach is providing asset management services that support and stay close to these customers. To achieve this goal, SMBC Group provides Olive's platform as well as the consulting and advisory expertise developed across its banking and securities businesses. The SBI Group will leverage its track record with asset management, including its extensive range of investment products as a leading online securities firm, its advanced digital infrastructure, and its cost-effective and user-friendly service experience, to provide services that combine the strengths of both groups.

Munakata Our key advantage over other companies is providing consulting via the Olive platform, while retaining the service quality and usability of SBI Securities. We are targeting the space that offers comprehensive support even at low cost. We are also working on differentiating the user experience; for example, customers can select advisors based on their name, photo, experience, or qualifications, and then review and rate them, ensuring a service designed from the customer's perspective.

INTERVIEW **Digital Platform**

Murase SBI Securities excels at rapidly delivering innovative products and services to customers. That driving force is a key element of this partnership. We have also begun developing the wrap account service "Olive Wrap," drawing on the strengths of both groups, and we expect to continue delivering new value to customers quickly.

Inaba These partnership initiatives have actually been underway for some time, and many customers are already being introduced to SBI Securities through Olive. SMBC Group's extensive customer base, along with touchpoints deeply embedded in customers' daily lives through services such as payments, is a significant advantage. Meanwhile, as SBI Securities, we would like to leverage the asset management services and digital expertise we have cultivated to offer SMBC Group customers a wider array of asset management options.

Hata We also have high expectations for SMBC Group's advanced, in-person consulting services. One key feature of this initiative is the successful combination of digital convenience with an environment where customers are able to easily consult with advisors whenever necessary.

Kono We have traditionally provided asset management services centered on face-to-face consultations. There are aspects that would be difficult to achieve on our own, such as effective digitalization, diversification of the service lineup, and providing more competitive fee structures. By launching the new company, Olive Consulting, the five companies* providing funding can provide resources generously, making it possible to offer customers the latest products even quicker.

Strengthening Touchpoints with Digitally Savvy High-Net-Worth Individuals

Kono In recent years, a growing number of high-net-worth customers have been completing their transactions fully online by themselves. In this context, SMBC Group establishing robust touchpoints with the growing "digital high-net-worth" segment was the starting point behind this initiative. We aim to create a virtuous cycle in which we establish connections with younger customers through Olive, support their asset formation and funding needs from an early stage, and eventually provide further asset-building support through Olive Consulting when they become digitally savvy high-net-worth individuals in the future.

Inaba I also believe that there will be more customers aiming to maintain and protect their assets as they prepare for retirement. Areas like these are difficult for online securities alone to cater to, so cooperation with Olive will be essential.

Murase We need the support of many customers, so raising customer satisfaction is our primary objective.

Munakata We also plan to improve our services in an agile manner while monitoring direct customer feedback.

Inaba Given that this is a challenge that major financial institutions have not yet actively addressed, it is important to evolve it flexibly going forward. Fortunately, we have many young team members with a strong sense of responsibility capable of bringing about changes on their own. We will continue to move forward with speed and agility, constantly evolving without losing momentum.

Hata Another key strength is the wide array of data such as consumer behavior and other sources based on SMBC Group's extensive services. The SBI Group is also accumulating extensive data and expertise related to finance and asset management, and we aim to deliver more personalized proposals for each customer by leveraging AI to analyze the data of both companies.

Kono Progress is also being made beyond company boundaries, which is important. If we are successful with this project, it will also serve to create opportunities for new initiatives in other fields, so I hope that we can pool the resources of everyone here to make sure Olive Consulting is a success.

** Sumitomo Mitsui Financial Group, SMBC, SMBC Nikko Securities, SBI Holdings, and SBI Securities*

Business Strategy

Wholesale Business Unit

Wholesale Business Unit Results

	FY2025	YoY*1
Gross profit	¥1,253.4 billion	+¥230.2 billion
Expenses	¥407.9 billion	+¥27.2 billion
Overhead ratio	32.5%	(0.5) %
Net business profit	¥997.1 billion	+¥213.5 billion
Net income	¥918.5 billion	+¥69 billion
ROCET1	21.4%	+0.7%
Excluding Gains on Sales*2	16.3%	+3.3%
Risk-Weighted Assets	¥40.0 trillion	+¥2.0 trillion

**1 Managerial accounting basis (after adjustments of the changes in exchange rates)*
**2 Gains on sale of equity holdings*

By providing a wide range of solutions related to financing, investment, payments, etc., as a unified SMBC Group, we aim to establish the No.1 financial business for corporate clients, trusted by customers for our response to their increasingly sophisticated management issues amid changes in the business environment.

Under the previous Medium-Term Management Plan, despite a drastically changing external environment—including changes in capital markets and fragmentation of the global economy due to heightened geopolitical risks—we implemented a swift, unified SMBC Group approach to customers' management issues, resulting in both net business profit and ROCET1 significantly surpassing initial plan targets. Under the new Medium-Term Management Plan starting from FY2026, we will focus on the following five initiatives.

(1) Maximizing Value Provision Through Advanced Group Synergy

We will provide sophisticated comprehensive financial services as a unified Group in response to customers' increasingly complex management issues. In the securities business, in addition to strengthening collaboration with Jefferies, we will further develop the collaboration framework between SMBC and SMBC Nikko Securities, and strengthen our Group-wide capabilities to handle M&A deals. In the real estate brokerage business, we will promptly develop talent, strengthen our capacity to handle highly difficult deals, mainly through SMBC and SMBC Trust Bank, and aim to improve profitability.

(2) Building a Structure to Support Customers' Global Expansion

For global corporate customers, we will strengthen our seamless domestic and international collaboration framework. Additionally, by deepening collaboration between SMBC, SMBC Nikko Securities, and Jefferies, cross-leveraging their respective knowledge and networks, we aim to capture large-scale cross-border M&A deals.

(3) Building an Efficient and Effective Structure Through Full Digitalization

Trunk will enhance its convenience through functional expansion, and we will efficiently expand our profit base in the SME sector through digitalization. Furthermore, we will fundamentally streamline existing operational processes through the use of generative AI, using the time freed up to improve the quality and speed of our proposals to customers.

(4) Through Accumulating High-Quality Assets and Risk-Taking Improving ROTE

Customers' corporate actions remain active, and we will continue working to improve loan interest margins and ROTE through asset deployment based on appropriate risk-taking.

(5) Building a Resilient Organization with Pride in Professional Conduct and Skills

Under a new HR system, we will create an environment where each individual can strengthen their expertise and maximize performance, and we will concentrate resources on focused areas to further improve profitability.

Through these initiatives, we aim to be a financial group that is trusted even more by customers and achieves sustainable growth together with them.

INTERVIEW **Domestic Wholesale**

Advancing Customer Value Through Banking–Securities Collaboration in a Transformative Era

Support for Customers' Large-Scale Corporate Actions

As Japanese companies expand globally, SMBC Group's Wholesale Business Unit has integrated banking and securities services in order respond to the complex management challenges faced by our customers. The following discussion features five SMBC Group professionals who played key roles in two major corporate actions carried out by TOPPAN Holdings Inc. (hereinafter referred to as "TOPPAN")—the acquisition of the Thermoformed & Flexibles Packaging business (TFP) of Sonoco Products Company, a large U.S.-based packaging company, and the IPO of TOPPAN's subsidiary, Tekscend Photomask Corp.—to share the story behind their collaboration and their outlook going forward.

(From left to right)

Kazuyuki Abe
TMT* Group, Corporate Finance Division, SMBC Nikko Securities Inc.
Mr. Abe's investment banking work includes M&A advisory, equity and debt financing support, and assistance with IPOs

Kazunori Kitsutaka
Strategic Corporate Banking Dept. Sumitomo Mitsui Banking Corporation (SMBC)
As a member of the M&A Finance Group, Mr. Kitsutaka partners with clients on financing structuring, leads arrangement work, prepares contractual documentation, and drives proposal development

Shuhei Kishi
Tokyo Corporate Banking Dept. I Sumitomo Mitsui Banking Corporation (SMBC)
Mr. Kishi is in charge of large-corporate accounts, mainly in the materials manufacturing industry

Sou Takamori
Global Markets Solution Dept. Sumitomo Mitsui Banking Corporation (SMBC)
As a member of the Structuring Group, Mr. Takamori is responsible for hedging currency and interest-rate risks linked to cross-border M&A and global bond offerings

Kyosuke Hosokawa
Corporate Advisory Dept. I Sumitomo Mitsui Banking Corporation (SMBC)
As a member of the TMT Group, Mr. Hosokawa focuses on M&A origination

** Telecom, Media, and Technology*

Kishi Although TOPPAN is a leading Japanese integrated printing company, its legacy printing business in decline, which has led the company to pursue a major transformation of its business portfolio. Since becoming responsible for handling TOPPAN's banking needs three years ago, I have made numerous visits to the company and held extensive discussions not only with their finance department but also with their corporate planning and business units. In collaboration with staff who oversee the company's overseas subsidiaries, we have created and refined a variety of hypothesis-based proposals. As a result, I believe we had built the kind of relationship where they would reach out to us first when it came time to carry out corporate actions.

Key Factors in the Acquisition of the TFP Business of Sonoco Products Company

Kishi For the acquisition, we faced three challenges at the same time—a short period of time to work with, the need for absolute confidentiality, and the large scope of the acquisition. This was the largest cross-border acquisition ever for TOPPAN, at approximately JPY 270 billion, and the period from when the company first approached us to when they signed the contract for the acquisition was only about one month.

Kitsutaka The initial point we had to address was whether the financing would be obtainable, and in parallel we needed to negotiate the contents of the commitment letter in line with the expectations on the sales side. Under those circumstances, Mr. Hosokawa's team analyzed the financial impact and the implications for TOPPAN's credit rating in advance, and their work gave us confidence that full senior financing would be feasible. This allowed us to propose a permanent financing plan at an early stage. After mapping out the considerations for both loan financing and prospective bond issuance, and coordinating with Mr. Takamori on the FX hedging strategy, we succeeded in proposing an integrated solution within one month.

Hosokawa Since TOPPAN is active in a variety of business fields, we needed to look at the acquisition from multiple angles. We mobilized the full resources of the Corporate Advisory Division to analyze North American market trends, competitors' corporate actions, financial impact, and rating implications.

Takamori Cross-border M&A always involves foreign-exchange risk. This acquisition involved two main considerations. The first was the timing of the large foreign-currency funding together with the selection of hedging instruments, and the second was the management of post-acquisition foreign-exchange risk considering the currency composition of the permanent financing. We moved decisively, aligning our approach with the customer's policies and preferences while responding promptly to the acquisition structure and prevailing market conditions.

Kitsutaka Furthermore, since the acquisition target was the business of a U.S.-based company, in addition to financing proposals, we also provided an early proposal suggesting the establishment of a post-acquisition cash management system. We expected many financial institutions to approach TOPPAN with proposals once the acquisition became public information, so I believe that our ability to quickly deliver a comprehensive solution was what ultimately led to the successful outcome.

Tekscend Photomask IPO

Abe Tekscend Photomask was established in April 2022 when TOPPAN's semiconductor photomask business was spun off. SMBC Nikko Securities was selected as the lead underwriter to support the IPO, working side-by-side with the team for over three full years from the project's inception until the company was listed on October 16, 2025. In particular, while supporting the establishment of the governance and internal control systems required of a listed company and handling the securities-firm and TSE examinations, we later focused on developing the equity story for investors and providing marketing support. Although the IPO process is typically led by the securities company involved, our ability to coordinate appropriately and broadly with the bank was highly valued, enabling us to support the listing as lead manager.

Kishi Even for IPOs, close coordination with various stakeholders is indispensable. Since roughly 90% of Tekscend Photomask's revenue comes from overseas, it was necessary from the early stages of the listing preparation to organize the capital structures of its foreign subsidiaries and to establish a framework for managing foreign-exchange risk. By coordinating closely with Mr. Takamori's team from early on, we provided end-to-end support, from formulating the hedging policy and preparing the relevant internal rules to executing the actual hedges and verifying their effectiveness after the listing.

Takamori Around the time of the listing, the foreign-exchange market experienced substantial volatility, making FX risk impossible to ignore. To support Tekscend Photomask as a company preparing for an IPO, it was essential to be able to respond to questions from external parties from every angle, so we stayed closely involved all the way to providing post-listing follow-ups, including verifying the effectiveness of the hedges.

Abe We have continued to provide support after the listing. In practice, what we usually do is support everything by integrating our banking and securities services, from helping hold earnings briefings and handling IR for investors in Japan and overseas to working with the company on future growth strategies and new business development, and even arranging the associated financing.

Enhancing the Strengths of Banking-Securities Collaboration to Expand Global Market Share

Hosokawa I think the main reason why these initiatives all came together so well was our commitment to really understanding the overall picture.

In our day-to-day interactions, we always start by identifying the value we can bring, and then we go further by understanding the client's decision-making process and even their inner culture. Approaching our proposals that way allows us to be seen not just as a provider of financial solutions, but as a true strategic partner.

Abe From a securities perspective, having deep, sector-specific expertise as a foundation means that the moment we learn about a client's needs, we are able to immediately visualize a proposal and coordinate with the banking team on the spot. That initial speed, combined with the quality of the proposal, is what separates us from the competition. Looking ahead, the establishment of our joint venture with Jefferies will significantly broaden our access to global information and products, and we intend to use that expanded capability to further grow our share in the corporate client business.

Kitsutaka To strengthen our banking-securities collaboration, we've been steadily building real, face-to-face relationships, by, for example, holding regular study sessions and welcoming trainees from SMBC Nikko Securities, so that we have a foundation where we can work together seamlessly without any obstacles in the way. We have a strong track record in large-scale cross-border M&A, experience that we will continually leverage to address the diverse challenges our clients bring to us.

Takamori The ability to quickly grasp key issues and collaborate from early on isn't a skill that can be acquired overnight. In addition to possessing specialized market knowledge, I think it is necessary to closely coordinate with each relevant section on a daily basis to put forward proposals with a clear grasp of the client's financial situation and how the entire deal is structured.

Kishi Despite that, we can't allow ourselves to be satisfied with our current status. Aiming to be No.1 in Japan means we have to keep honing our capabilities to compete on a global level. By promoting banking–securities collaboration across the SMBC Group worldwide, we will continue strengthening the framework that supports our clients.

JOINT MESSAGE **CIB Business**

Securities Business Strategy of the SMBC Group

SMBC Group started a full-scale securities business in 2009 when SMBC Nikko Securities (formerly known as Nikko Cordial Securities) became a subsidiary. Since then, we have built out our wholesale securities capabilities and worked to strengthen our ability to deliver products and services that meet the increasingly diversifying needs of our clients, leveraging the Group's strong customer base and robust balance sheet.

As client needs have rapidly globalized and grown in scale, it became clearer for us to further enhance our capabilities and raise our presence on the global stage. To meet such needs, in 2021, we entered into a strategic alliance with Jefferies, a U.S. investment banking firm to speed up initiatives to meet such needs.

Jefferies has best-in-class sector coverages, strong investor base on a global basis and electronic equity trading platform which is highly evaluated across the industry. By leveraging these capabilities through business collaborations, we are aiming to further enhance our global CIB business as well as our global markets business.

Japan Equity Business Joint Venture

As corporate activity accelerates among clients in Japan, our home market, and global investors demonstrate growing interest in Japanese equities, SMBC Nikko Securities and Jefferies agreed in September 2025 to integrate their Japan equity wholesale businesses on a global basis. Under this agreement, the two firms will operate the integrated business through a newly established joint venture in Japan. The new company will be named SMBC Nikko Jefferies Securities Inc. and is scheduled to commence operations in January 2027.

By consolidating their Japan equity operations in the new company, which will focus on ECM, sales and trading, and Equity Research, the new company will combine SMBC Nikko Securities' strong domestic franchise with Jefferies' global network, deep sector expertise, technology infrastructure, and research capabilities. This integration will enable the two firms to deliver higher-value-added financial services both in Japan and globally, contributing to the further development of capital markets in Japan.

SMBC Group × Jefferies

A Collaborative Path

Yoshihiro Hyakutome

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

Fumihiko Ito

Senior Managing Executive Officer
Co-Head of Wholesale Business Unit

Business Strategy

Global Business Unit

Global Business Unit Results

	FY2025	YoY*
Gross profit	**¥1,550.9 billion**	+¥110.1 billion
Expenses	**¥1,063.4 billion**	+¥107.4 billion
Overhead ratio	**68.6%**	+2.5%
Net business profit	**¥655.8 billion**	+¥16.3 billion
Net income	**¥321.0 billion**	(¥37.6) billion
ROCET1	**5.9%**	(1.0) %
Risk-Weighted Assets	**¥51.0 trillion**	(¥1.7) trillion

** Managerial accounting basis (after adjustments of the changes in exchange rates)*

We will maximize the use of our broad business portfolio, including global CIB/S&T and the Multi-Franchise Strategy, to provide unified Group support for the international business expansion of domestic and overseas customers.

During the previous Medium-Term Management Plan period, amidst rising uncertainty in the business environment, including the manifestation of geopolitical risk in the Middle East, we steadily advanced initiatives for growth, such as accelerating resource shifts to improve portfolio profitability, strengthening CIB/S&T including integrated primary-secondary operations, and investment in India's YES BANK under the Multi-Franchise Strategy.

As a result, while the top line grew significantly while suppressing Risk-Weighted Assets, expenses also increased due to strategic investments in growth areas and foundation strengthening. Furthermore, recognizing the increase in credit costs in certain emerging markets, we believe further strengthening risk control is important.

Under the new Medium-Term Management Plan, while continuing to monitor the highly uncertain business environment, we will focus on the following four priority strategic areas to drive the Group's Growth with Quality over the medium to long term, centered on improving profitability.

(1) Strengthening Global CIB/S&T
While continuing resource shifts to high-profitability areas and business portfolio replacement, we will expand our investor network in parallel with strengthening S&T, promoting a shift to an asset-recycling business model including OtoD (Origination to Distribution). We will also further expand non-asset
revenues, such as investment banking business leveraging the Jefferies alliance, and transaction banking business under the new "SMBC Connect" brand, which also supports deposit growth.

(2) Realizing Growth Under the Multi-Franchise Strategy
We will focus on improving the profitability of existing investees, including creating synergies through collaboration with the SMBC Group, steadily capturing the fruits of high economic growth in countries such as India. Additionally, while appropriately responding to changes in each country's business environment, we aim for stable and continuous profit growth through improvements in asset quality and other means.

(3) Strengthening the Global Management Foundation
Alongside strengthening risk management in line with the increasingly complex business environment, we will build an optimal and resilient global operational framework. For IT and AI, we will strategically execute investments necessary for model transformation from a global, integrated perspective, efficiently advancing infrastructure development. We will also promote operational efficiency, leverage the offshoring base established in India, improving our expense structure and transforming our operating model.

(4) Expanding New Growth Areas
For the alternative Asset Management strategy, which supports future growth, we will expand our investor network while utilizing the unified brand SMBC PRIVATE MARKETS launched in 2025, aiming for unified group expansion of the management fee business.

INTERVIEW Asia

Capturing India's Growth on the Path to Becoming the No.1 Foreign Bank

Hidetaka Fukatsu
Business Development Dept.
Sumitomo Mitsui Banking Corporation (SMBC)

Osamu Wada
India Division
Sumitomo Mitsui Banking Corporation (SMBC)

Ritesh Gupta
India Business Management Dept.
Sumitomo Mitsui Banking Corporation (SMBC)

In the rapidly growing Indian market, the SMBC Group has built a structure in which Sumitomo Mitsui Banking Corporation, YES BANK, and SMFG India Credit Company (hereinafter referred to as "SMICC") work together seamlessly. The following discussion features SMBC Group professionals involved in our India-based initiatives to share their strategy and outlook as we work toward becoming the No.1 foreign bank in India.

Strengthening Our Presence in India, a Strategically Important Market

Wada There are three main reasons why we are focusing on India. First is the country's medium- to long-term growth potential. India, which already ranks fifth globally in GDP, is projected to reach second place by 2047. Second is the shift in Indian banking regulations. Rules governing foreign financial institutions' investments in private Indian banks are moving in a more supportive direction, creating opportunities that were previously unavailable to institutions like ours. Third is alignment with our clients' business needs. As many of our clients rapidly expand their presence in India, we see growing opportunities to support them in areas such as cross-border payments and acquisition financing.

Ritesh In the Indian market, we can leverage our global network, our extensive track record in banking, and our globally benchmarked governance and risk-management framework. I also see Japan's accumulated experience and expertise in capital and financing for India's infrastructure development as a major strategic advantage.

Wada Under its multi-franchise strategy, the SMBC Group has steadily expanded its presence across Asia through strategic investments in Indonesia, Vietnam, and the Philippines. Given India's strong growth prospects, strengthening our presence there was essential. However, opportunities to enter India's commercial banking sector have historically been limited, leaving a significant "missing piece" in our regional strategy.

Fukatsu Our investment in YES BANK fills this long-standing "missing piece," marking the first cross-border investment acquiring significant stake of a major private-sector bank in India. YES BANK is the sixth-largest private bank in the country, with total assets of approximately ¥8 trillion and more than 1,300 branches across the nation. While the bank previously experienced a period of weakened performance due to governance issues, it has shown strong recovery through restructuring and is now in a growth phase, with net income increasing approximately threefold over the past three years. YES BANK has also strong capabilities in digital banking, with a super-app that reached 3.4 million users in 16 months and infrastructure supporting about one-third of India's digital payment transactions.

INTERVIEW **Asia**

Synergy Is Built on Mutual Understanding and Trust

Fukatsu One of the key factors in the investment process was our engagement with the local regulator, the Reserve Bank of India. The regulator places importance on sustained, long-term commitment rather than short-term capital investment. In that sense, our previous investment in SMICC and the launch of the India Division in 2025 signaled that commitment clearly. We believe such initiatives greatly helped us secure final agreement after over a year of negotiations.

Ritesh My role locally was to assist HO team with data required for the approval process
with regulatory authorities. In addition to securing approval from the regulators, strict confidentiality was required given the high level of market focus. By addressing complex issues with discipline and consistency, we were ultimately able to build the foundation for this partnership.

Wada SMBC's branches in India have strong capabilities in wholesale banking and structured finance for multinational clients, including major domestic corporations and Japanese companies. YES BANK serves a broad customer base spanning large corporates, mid-sized companies, SMEs, and retail customers, including approximately 10,000 middle-market corporate clients. SMICC operates more than 1,000 locations nationwide and focuses on consumer finance and housing loans, particularly in suburban and rural areas. These three businesses are highly complementary, creating strong potential for synergy. The key to unlocking that synergy, however, is cultural integration. To maximize collaboration, it is essential to foster mutual understanding and trust not only at the management level but throughout the organization.

Fukatsu We have launched mutual employee exchange programs between headquarters and our India operations—"Indo wo Shiro" (Get to Know India) and "Nippon wo Shiro" (Get to Know Japan). Experiencing each other's business environments, cultures, and people firsthand is critical to building a strong global team. We are also seeing clear synergy in wholesale banking, where YES BANK's strengths align closely with SMBC's capabilities, leading to increasingly active collaboration. We will continue advancing, grounded in mutual respect for each organization's identity and culture.

Ritesh Employee interaction through CSR initiatives, such as tree-planting programs, fosters connections that extend beyond individual organizational units. Moreover, with the establishment of the Global Capability Center in India in 2025, the SMBC Group is strengthening the operational backbone that supports its global businesses.

Contributing to the Economic Development of India and Japan

Ritesh Our goal is to become the No.1 foreign bank in India. By fully leveraging the unique position we have created, where our three entities can jointly deliver comprehensive services, we aim to contribute meaningfully to India's future growth. Since our investment in YES BANK, recognition of the SMBC Group in India has risen significantly. Today, many common people identify us as "the bank that invested in YES BANK." I have seen firsthand in India that the deep trust built over many years toward Japan and its products is now manifesting as strong expectations for the SMBC Group.

Fukatsu Cultural integration, engagement with regulators, and the resolution of on-the-ground challenges all require sustained, long-term commitment. This is an unprecedented challenge for any foreign financial institution, which is precisely why it is so worthwhile. We sincerely appreciate the warm support of ourstakeholders.

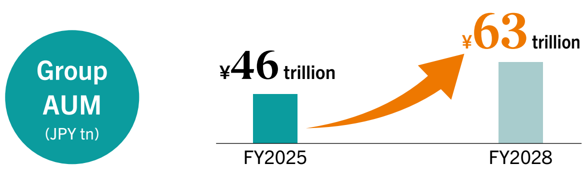
Wada Over the past ten years, India and Japan have built a strong relationship. In the next ten years, we expect to see even more Japanese companies entering India and more Indian companies partnering with Japanese firms. Our India strategy is intended not only to drive our own growth but also to contribute to the economic development of both India and Japan. As we move into the execution phase of our growth strategy, we look forward to your continued support.

Asset Management

Becoming Japan's Premier Global Asset Manager, Built on Trust

Looking at trends in the global asset management market, total assets under management (AUM) globally reached record highs, supported by steady performance and expanding investment demand. In Japan as well, in response to the formulation of the Policy Plan for Promoting Japan as a Leading Asset Management Center, which is aimed at addressing supporting asset formation, ongoing inflation, and changes in the interest rate environment, investment needs are expanding among both corporate and individual customers. Furthermore, overseas investors are increasingly focusing on the Japanese market.

The SMBC Group has long been attentive to customers' asset management needs and challenges. Capitalizing on this business environment, we have positioned the expansion of our asset management business as a priority strategic area in the new Medium-Term Management Plan. Specifically, through the three initiatives described below, we will further enhance our ability to address diverse customer needs and challenges, achieving a leap forward to become "Japan's premier global asset management player" who is continuously chosen by all stakeholders based on trust. We also aim to expand Group AUM and grow into a new driver that boosts the overall profitability of the SMBC Group over the medium to long term.



❶ Strengthening the Provision of Active Management for Customers

Sumitomo Mitsui DS Asset Management has been focusing on active management under the brand message "Be Active." Going forward, we will aim to simultaneously improve "quality" by strengthening product governance, and expand "quantity" in terms of AUM scale by enhancing investor-centric product creation capabilities and strengthening support for distributors such as banks and securities companies. We also plan to focus on providing services through digital channels using Olive and targeting the workplace business, offering opportunities for high-quality active management to a wide range of customers.

Furthermore, we aim to expand our presence among overseas investors, effectively utilizing the Group's global network, not just within Japan.

❷ Expanding Private Asset Capabilities

As fund inflows into private assets continue and growth accelerates globally, the SMBC Group launched "SMBC PRIVATE MARKETS," a unified brand covering a range of diverse asset management products and services in the private space.

SMBC PRIVATE MARKETS

Going forward, while leveraging our reach and asset origination capabilities for investment opportunities both domestically and internationally, we will work to expand our product offerings through co-investments with major investors, and steadily strengthen our sales structure to propose high-quality investment opportunities to a wide range of investors. Through these initiatives, we aim to establish a brand with a global presence.

❸ Full-Scale Deployment of Advisory Services

Following the Japanese government's formulation of the "Asset Owner Principles," there is growing pressure on asset owners to improve investment capabilities and strengthen governance. Meanwhile, asset owners face various challenges, such as a lack of specialized talent for the advancement of asset management. To address this, Group companies related to asset management—Sumitomo Mitsui DS Asset Management, SMBC Global Investment & Consulting, and Alternative Investment Capital—will fully leverage their respective strengths to launch a full-scale offering of accurate and flexible asset management advisory services tailored to customer needs and challenges, ranging from consulting, analysis of held assets, and advice on selecting asset managers and funds, to comprehensive discretionary management. We will also provide hands-on support for problem-solving, including offering custom-made solutions from a variety of investment schemes.

Business Strategy

Global Markets Business Unit

Global Markets Business Unit Results

	FY2025*1	YoY*2
Gross profit	**¥697.8 billion**	+¥56.7 billion
Expenses	**¥228.5 billion**	+¥23.2 billion
Overhead ratio	**32.7%**	+0.7%
Net business profit	**¥508.7 billion**	+¥39 billion
Net income	**¥356.2 billion**	+¥28.8 billion
ROCET1*3	**21.7%**	+1.4%
Risk-Weighted Assets	**¥7.5 trillion**	+¥0.7 trillion

**1 Excluding impact of bond portfolio rebalancing*
**2 Managerial accounting basis (after adjustments of the changes in exchange rates)*
**3 Including impact from the interest-rate risk associated to the banking account*

As market risk professionals, we aim to connect global trends and market changes to the creation of new value while sustainably providing high-value-added solutions to our customers.

The Global Markets Business Unit is responsible for trading in foreign exchange, derivatives, bonds, equities, and other products, providing solutions through market products, and managing balance sheet liquidity risk and market risk comprehensively through Asset and Liability Management (ALM) operations. As market risk professionals, we aim to refine our own risk-taking while sustainably providing high added value to our customers. What we value most is the ability to deeply analyze various events occurring globally with the "Four I's"—Insight, Imagination, Intelligence, and Integrity—and to discern the true nature of the markets. Leveraging this strength, we have navigated the markets even in an uncertain environment, managing risk through dynamic portfolio management.

Under the new Medium-Term Management Plan, our vision is "to connect global trends and market changes to the creation of new value." In addition to the sophistication of the ALM framework, we will diligently build a profit base robust enough to withstand volatile market conditions, with a particular focus on placing yen products at the core of Sales & Trading (S&T) to boost the growth trajectory of our overseas business.

(1) Strategic Portfolio Management and Building a Resilient Funding Base

In an era of normalized interest rates and AI, our mission is to continue making efforts to accurately capture the shifts in the tides that will occur going forward. We will carefully assess global economic trends and the market environment, steadily capturing profit opportunities centered on the opportunity to build a JGB portfolio. Furthermore, to sustainably support our customers through stable funding in yen and foreign currencies, we will diversify our funding methods and actively promote the use of technology to advance enhancements in our ALM operations.

(2) Promoting S&T and Strengthening our Solution Delivery Capabilities

In the S&T business, we will drive momentum through three pillars: "Regional Strategy," "Customer Strategy," and "Product Strategy." By expanding our customer base, we will generate stable profits in any environment, while advancing a transition to a business model that can further increase profits during periods of rising volatility. Furthermore, through the use of electronic trading, including eFX, we will globally provide optimal solutions tailored to diversifying needs.

(3) Utilizing AI for Advanced Value Creation

We will promote the use of AI in these priority areas. In trading, we will go beyond operational efficiency, pursuing a "human in the loop" approach that enhances human judgment value and creativity. Simultaneously, we will develop the integrated data infrastructure that serves as the foundation for AI utilization, connecting it to the creation of high-value-added services.

INTERVIEW **S&T Business**

Building an S&T Business Capable of Competing on the Global Stage

Responding Reliably to Global Client Needs and Turning Volatility into Opportunity

Keita Matsumoto
Managing Executive Officer
Co-Head of Global Markets Unit
SMBC Nikko Securities Inc.

The new Medium-Term Management Plan highlights the enhancement of our global S&T presence as a key objective. In the following interview, the Co-Head of the Global Markets Unit discusses the initiatives underpinning the growth of SMBC Group's S&T business and outlines the vision for its future development.

The Japanese Market—A Market Attracting Global Attention

Japan's capital markets have been undergoing notable transformation in recent years, driven by rising interest rates and buoyant equity markets. I can strongly sense this shift based on my conversations with foreign investors. Some have remarked that Japan today feels similar to the U.S. in the late 1990s. That was a period when higher interest rates spurred the development of diverse financial products and laid the groundwork for the subsequent expansion of U.S. banks. Investors who experienced that era now perceive comparable potential in Japan, and those viewing Japan from abroad may be even more sensitive to these changes than domestic participants.

During overseas client visits, I increasingly observe a distinct change in how SMBC Group is received, which is an indication of rising expectations toward the Japanese market. Our task is to convert this momentum into concrete business opportunities.

Working Together as "One Team" on a Global Level

Taking into consideration the business conditions that I have mentioned, our strongest focus is building a global "One Team" structure that links all our offices seamlessly. We are establishing systems that allow our Japan and Asia teams to work collaboratively with our U.S. and European offices in serving clients. This includes appointing vertical heads in each region.

Previously, each office operated largely within its own region. For clients whose business was confined to a single market, that approach was sufficient. However, for global institutional investors operating across multiple regions, we cannot deliver adequate service without cross-regional coordination. Major Western banks, our competitors, have spent many years building such integrated organizational structures. Closing this gap is one of our key challenges today.

At the same time, it is essential that we clearly identify the clients we should prioritize and allocate resources accordingly. The number of institutional investors worldwide is enormous, and it is not realistic to approach all of them with equal depth. We aim to deepen relationships with clients to whom we can truly deliver value, based on the strengths of the SMBC Group. The first step is building a strong foundation of trust. Without trust, clients will not share their real needs.

INTERVIEW **S&T Business**

The Answers Lie in Dialogue with Clients

When delivering products, what I value most is starting with the client's needs. It is something that may seem obvious, but in practice it is difficult to do. We often fall into the trap of proposing solutions based on what we can offer rather than what the client actually requires. But the real answer lies with the client. Our business is, at its core, a client-service business.

That is why I place the highest importance on direct dialogue with clients. While sharing what is happening in global markets as well as in Japan's markets, we listen carefully to what clients seek and what concerns they have. Their true thoughts, which cannot be perceived from data or documents, often emerge only through conversation.

We are also working to share these insights across regions in real time using AI-based tools. For example, client-meeting notes entered in Japanese by the Tokyo team are organized and translated into English by AI, enabling colleagues in London and New York to access them immediately. This approach allows us to build client understanding as a shared organizational asset.

Strengthening the Business Foundation

Strengthening our global S&T capabilities requires continuous investment in infrastructure. With global trading now largely electronic and executed at massive scale and speed, a robust system platform, including electronic trading capabilities, is essential. We must continue IT investment with a long-term perspective.

Ultimately, the foundation of the business is talent. The S&T business is a business centered on client value, and people are the most critical management resource. We will continue to recruit highly competitive talent from around the world and foster the SMBC Group's culture within our teams. Although it takes time, I believe this is the most important investment we can make in building the foundation of our business.

Expanding the S&T Business Strengthens the Entire Group

Enhancing our S&T capabilities also has significant implications for the overall balance of the SMBC Group's portfolio. At major U.S. banks, S&T businesses account for roughly 30 to 40% of their gross profit. At SMBC Group, the figure is just over 10%, which means there is substantial room for growth in this area. Moreover, the S&T business has characteristics that differ from traditional banking. Periods of heightened geopolitical risk or market volatility typically create headwinds for banking due to rising credit costs, yet they often generate increased trading activity among investors, creating opportunities for S&T. Developing the S&T business therefore contributes to diversification of the Group's overall risk profile. Given its capital-efficient nature, S&T is also expected to support improvements in the Group's ROE.

Building a S&T Business Capable of Competing on the Global Stage One Step at a Time

As mentioned earlier, the structural changes underway in Japan's markets provide a strong tailwind. This is precisely the moment to strengthen our S&T platform and accelerate growth. Driving this transformation is highly fulfilling. Still, rather than chasing quick wins, I believe that steady, disciplined progress, which involves global coordination, client trust, and investment in people and infrastructure, will create the foundation for long-term growth. Becoming a trusted partner to our clients, and continuously building on that trust, is the path toward realizing the future vision of SMBC Group's S&T business. I remain fully committed to advancing our efforts toward a S&T business capable of competing on the global stage.

Financial Targets by Business Unit*1

	ROTE*2			Net business profit (JPY bn)			Risk-Weighted Assets (JPY tn)		POINT
	FY2025 result	FY2028 target	vs FY2025	FY2025 result	FY2028 target	vs FY2025	FY2028 target	vs FY2025	
Retail	**14.8%**	24%	+1%	**427.7**	705	+95	15.2	+1.0	Aim for steady earnings growth and improved profitability through resource allocation to the payments and finance area and strengthening of the wealth management business.
Wholesale	**20.4%**	21%	+0%*3	**997.1**	1,315	+105	46.3	+2.5	Not only capture robust domestic fund demand but also increase non-interest income through group collaboration.
Global	**5.6%**	9%	+3%	**655.8**	790	+170	49.3	+0.5	Improve profitability through asset reallocation, realizing growth under the Multi-Franchise Strategy, and strengthening the global transaction banking business.
Global Markets	**21.1%**	≥16%~	–	**508.7**	≥400~	–	9.9	+1.8	While profits are assumed to normalize compared to the strong FY2025 results, but we will strengthen the S&T business as a priority strategic area.

**1 Managerial accounting basis of FY2028. After adjustments of the interest rates and exchange effects for FY2025 *2 Incl. impact from the interest-rate risk associated to the banking account for Global Markets *3 Excl. the sales of equity holdings*

03

IT Transformation

Message from Group CIO

Message From

Chief Information Officer

Creating a Spiral of Growth Based on Rapidly Advancing Digital Technology

1 Placing IT as a Pillar of Management and Driving Value Creation

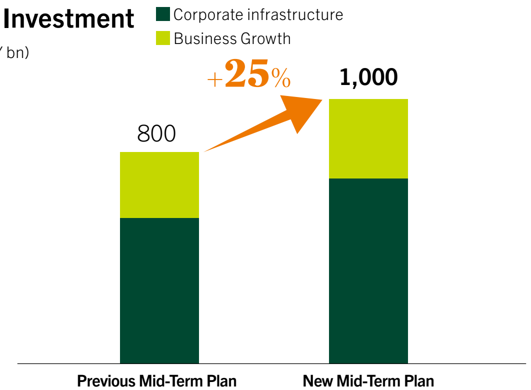
The source of competitiveness required of financial institutions is changing significantly, due to the IT-solutionization of financial services, the acceleration of digital customer touchpoints, and changes in the competitive landscape driven by technological advances. Future growth depends not only on the merits of the strategy itself, but also on how quickly and reliably it can be implemented. IT is the source of this execution capability. IT is no longer just a function supporting management, but rather a pillar that drives management itself. Under the new Medium-Term Management Plan, we will place IT as a pillar of management, modernize our IT infrastructure, improve development functions, and further accelerate AI utilization. We will promote management strategy, business strategy, and IT transformation in an integrated manner, driving value creation through IT.

2 Fundamentally Enhancing Development and Execution Capabilities to Drive Transformation

To achieve this, we are planning IT investments on a scale of ¥1 trillion over the three years of the new Medium-Term Management Plan, a first for a Japanese bank. This is not simply a large-scale investment but a strategic allocation of resources to drive business strategy execution and management foundation sophistication. To steadily advance key measures, we will strengthen planning and development functions within business units and CxO departments, while advancing the IT development structure across the entire Group including Japan Research Institute. In addition, we will recruit and develop planning and development talent for IT projects, enhancing the capabilities to handle everything seamlessly from planning to implementation. We will evolve into a development and operation model that balances the quality and speed of IT development by enhancing value creation capabilities in areas close to the front lines while appropriately functioning governance from the perspective of overall optimization.

IT Investment

(JPY bn)



3 Creating the Financial Group of the Future by Pairing Modernization and AI Utilization

The foundation for this transformation is the modernization of our IT infrastructure, aimed at breaking away from legacy systems. We will integrally advance cloud adoption, API implementation, data infrastructure development, and cybersecurity enhancement, while building a global data and IT infrastructure, aiming to realize the advanced, sophisticated IT and data infrastructure, operations, management structure, and risk management frameworks befitting a global top-tier financial institution. With respect to AI, we will go beyond using it merely as a tool for efficiency and instead leverage it to transform the customer experience, our business processes, and the very value we deliver. In addition, we will enforce disciplined resource allocation through measures such as the abolition of low-usage systems, aiming to realize a financial group with world-class competitiveness built on stability and reliability.

Hideki Takamatsu

Senior Managing Executive Officer
Group CIO

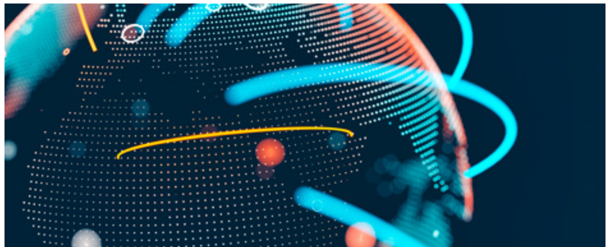
AI Utilization

Creating a New Value in Finance through AI and Human Expertise, grounded in Trust

AI is evolving at an extraordinary pace, and it is already becoming a foundational element supporting operational execution in the financial industry. To harness its potential, it will be essential to incorporate cutting-edge technologies while visualizing operations, steadily strengthening our data and system infrastructure, and transforming our business model itself.

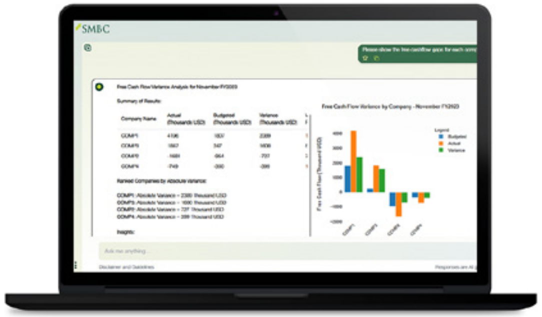
Through the use of AI, the SMBC Group aims to be a trusted partner in driving transformation, further enhancing added value for customers by maximizing the potential of each employee and evolving products and business models through deeper insights and dialogue.

Going forward, the involvement of AI in business decisions and execution is inevitable. For this very reason, we believe the weight of transparency and accountability will further increase, and the most important element will become “trust.” Based on this fundamental premise, we will pursue AI-driven transformation with both prudence and ambition.



New Growth for the SMBC Group Pioneered Together with AI

The SMBC Group established an investment framework of ¥50 billion in October 2024 to accelerate business leveraging AI. By FY2025, we had approved about 70 projects and are steadily working to improve the customer financial experience, such as streamlining accounting operations and credit screening, as well as deploying AI operators that provide high-quality service 24/7/365. During this Medium-Term Management Plan period, we plan to invest ¥100 billion, advancing the provision of solutions Awarded at the Digital CX Awards 2026 integrated into customers’ businesses, such as a CFO Agent that supports customers’ financial analysis and management decision-making through generative AI, and AI utilization in transaction banking.



CFO Agent Operation Screen

Furthermore, to promote AI use by employees, in FY2025 we incorporated approximately 1.3 million files, including regulations and internal documents, into our internal generative AI tool "SMBC-GAI" establishing a platform enabling quick and accurate access to necessary information. Currently, about 90% of all employees use it. In FY2026, we will deploy Copilot to all employees of major domestic and overseas subsidiaries, building a structure where each individual can master AI and focus on high-level judgment and value creation.

In addition, we will advance business development by combining the cutting-edge AI technologies of external partners with the SMBC Group’s financial expertise and business foundation. In July 2025, we established a CVC fund in the U.S., in addition to our fund in Asia. In August, we invested in kAIgentic Pte. Ltd. These initiatives support our efforts to drive global business development and capture opportunities emerging in the AI agent era. Furthermore, in March 2026, we formed a capital and business alliance with ExaWizards Inc., a company with advanced AI knowledge and implementation capabilities, to integrally accelerate everything from use case creation to development and implementation.

Topics

Awarded at the Digital CX Awards 2026

In April 2026, at the Digital CX Awards 2026 hosted by The Digital Banker, “CFO Agent” received the Best Use of Gen AI for Customer Experience – Overall award, and the Best Use of Technology for Customer Experience – Overall – Singapore award.

It was recognized for accurately reflecting the unique context of each customer, reducing data integration and reconciliation work from hours to minutes, and ensuring governance and reliability through functions such as output controls and processing history traceability.

This marks the SMBC Group's first external award related to generative AI.

INTERVIEW **Global Transaction Banking**

Pioneering a New Era of Payments with SMBC Connect

Launch of a Globally Connected Payment and Cash Management Platform

As our customers' businesses become increasingly globalized through the use of digital technologies, SMBC Group launched SMBC Connect, a new brand integrating global transaction banking services (payments and cash management), in April 2026. Leaders from each region shared their insights regarding the strategy that we are envisioning to build a globally-connected payment and cash management platform.

SMBC Connect

Becoming a Partner that Creates Value Together with Customers

Ikeda To achieve the Vision and goals set forth in the new Medium-Term Management Plan, global transaction banking is positioned as a key growth driver. As companies accelerate their overseas expansion, customer needs for cash management and payment solutions are rapidly becoming more sophisticated. What we are aiming for is to evolve from simply being a financial service provider offering payment functions, into a partner that deeply engages with our customers' business operations and management processes, generating substantial value. As a core initiative in this regard, we launched SMBC Connect in April 2026. SMBC Connect is a new brand that comprehensively supports the transaction banking needs of our customers operating globally. Under this brand, by providing a platform that seamlessly connects all processes related to our customers' cash management, payments, and treasury management, we will advance the development of globally consistent solutions.

Kazuya Ikeda

SMBC
Transaction Business Division
Senior Managing Executive Officer

Steve Robson

Sumitomo Mitsui Banking Corporation
Global Transaction Banking Department (GTBD) (LDN) /Co-Head of GTBD (LDN)

Craig Vaream

Sumitomo Mitsui Banking Corporation
Global Transaction Banking Department (GTBD) (NY) / Head of CMS, Co-Head of GTBD (NY)

Dharmesh Sethi

Sumitomo Mitsui Banking Corporation
Transaction Banking Chief Product & Operation Officer, Global Chief Information Officer for Transaction Banking

Sridhar Srinivasan

Sumitomo Mitsui Banking Corporation
Global Transaction Banking Products Development Department (GTPD) (APAC)/ Head of GTPD (APAC), Transaction Banking Chief Operating Officer, Asia Pacific

INTERVIEW **Global Transaction Banking**

Vaream In the U.S., we fully launched SMBC Connect in June 2026. SMBC Connect dramatically improves customer convenience by offering an intuitive user interface configured based on customer feedback, flexible user permission settings, digitization of various procedures, and enhanced multi-currency management functions. Furthermore, the development of SMBC Connect has progressed agilely, with functions being improved and added while incorporating direct feedback from our customers. Going forward, we plan to sequentially develop services with even higher added value for our customers, such as expanding FX payment functions and AI-powered support features.

Robson The launch in the U.S. is only the starting point for SMBC Connect. We will expand its deployment to Asia and Europe going forward. In Europe, we also fundamentally reviewed the account opening and onboarding processes, significantly reducing the procedural burden on our customers. Smoothing out processes that tend to be a challenge for many banks is an important step toward meeting customer expectations. Despite differences in regulations and market environments across countries and regions, we pride ourselves on our strength in collaborating as a global team and achieving both region-specific solutions and global consistency. SMBC Connect, as the culmination of these efforts, will connect our customers to a variety of possibilities through its services and accompany them on their business growth and transformation journeys.

Sethi In building the global platform we aspire to, what will be important is the existence of an organizational culture and DNA deeply rooted within SMBC Group. I believe that embracing, understanding, and putting it into practice are the starting points for successful transformation. The fact that we were able to release SMBC Connect with the business, product, and technology teams working as one, directly incorporating customer feedback, is testament to that. Despite being a large organization with a 400-year history, we are tackling this transformation with the agility of a startup, and I am convinced this will become our greatest differentiating factor from our competitors. Going forward, we will establish an architecture that balances global standardization with flexible responses to unique regional needs. We will also establish a system that can widely provide high-quality services while utilizing specialized knowledge from each region as a shared asset.

Transformation and a New Level of Convenience Driven by AI

Srinivasan AI plays a fundamental role in our transformation, both in terms of transforming SMBC Group itself and in providing value to our customers. SMBC Group is accelerating the implementation of AI, and its application areas are rapidly expanding, from streamlining user experience (UX) design and automating code generation/testing, to enhancing compliance operations like anti-money laundering, and providing real-time customer and market information to the front office. In providing value to customers, how the product integrates into the customer's management process is more important than the cash management or payment product itself. For example, by deeply integrating with customers' core business systems and automating accounts receivable and payable processes using AI, we can increase customer productivity and reduce errors. Furthermore, we are also developing solutions that actively support our customers' financial decision-making, such as developing dashboards through co-creation with their CFO teams. On top of that, SMBC Connect connects to all channels, including APIs and host-to-host connections, to provide new value to our customers' transactions.

Sethi In addition, we are also developing an AI-powered chatbot for SMBC Connect. We plan to integrate it into the production environment soon as a complement to user support, and the entire team is excited about the new convenience it will bring to our customers.

Ikeda Even in utilizing AI, it is crucial to understand our customers and how we can accompany them on their business transformation through our products. By continuing to expand our talent base of specialists, we strive to embody our Vision of being "Globally connected. Rooted in Japan. Your most trusted partner."

As a core engine of SMBC Group's growth, transaction banking plays a vital role in strengthening the Group's brand, profitability, and overall financial resilience. By advancing process transformation through AI, expanding and evolving SMBC Connect, strengthening our sales framework, and renewing our product lineup, we will significantly elevate our global competitiveness and achieve sustainable growth as a trusted partner to our customers.

SMBC Group will continue to connect businesses, regions, and people going forward.

04

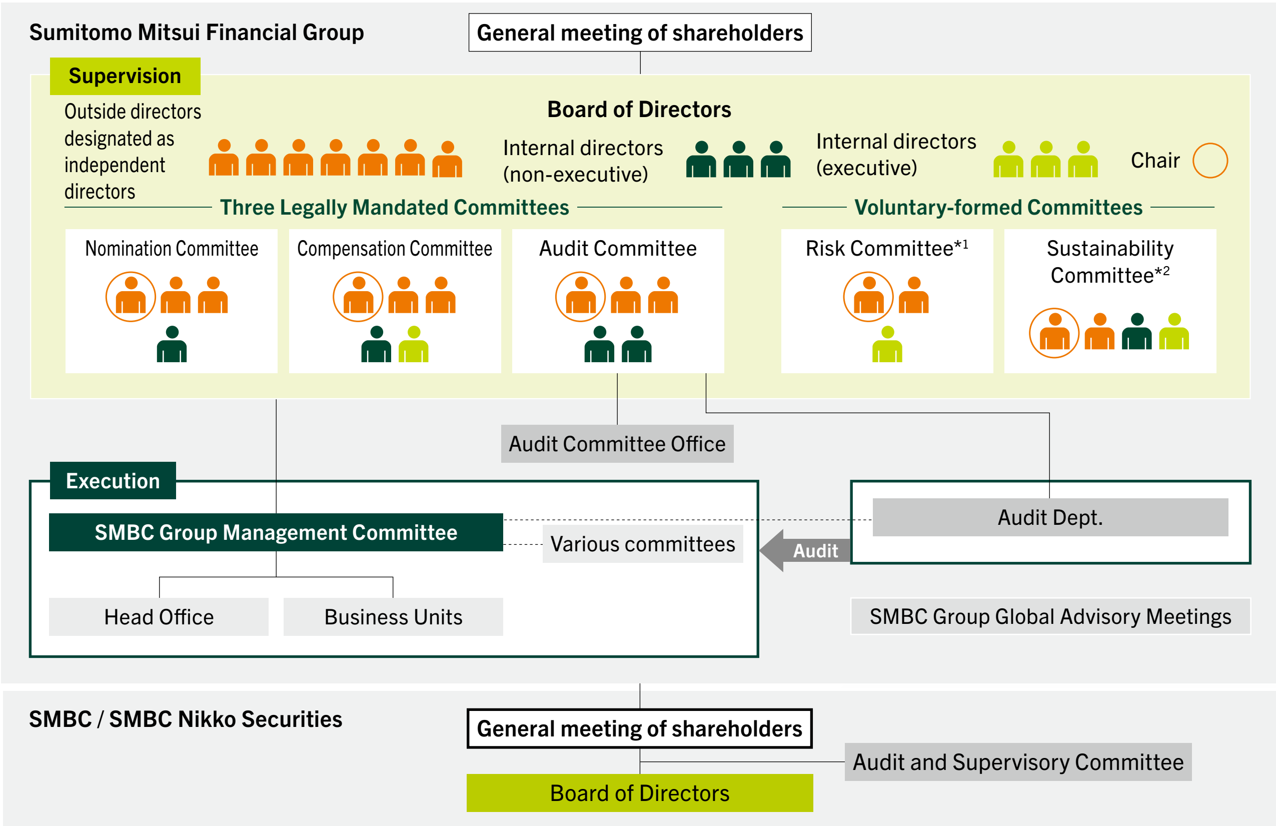
Corporate Infrastructure

Corporate Governance

Basic Approach

We position "Our Mission" as the universal philosophy underpinning the management of SMBC Group and as the foundation for all of our corporate activities.
To achieve the approach outlined in "Our Mission," we consider the strengthening and enhancement of corporate governance a top-priority issue as we pursue effective corporate governance.

As of June 30, 2026



*1 Hirohide Yamaguchi (Chairman of the Advisory Board of Nikko Research Center, former Deputy Governor of the Bank of Japan) and Tatsuo Yamasaki (Specially appointed professor of International University of Health and Welfare) serve as members of the Risk Committee in the capacity of external experts.

*2 Yukari Takamura (Professor, the University of Tokyo Institute for Future Initiatives), Tetsuyuki Kagaya (Professor, Graduate School of Business Administration, Hitotsubashi University), and Eiichiro Adachi (Fellow, Japan Research Institute) serve as members of the Sustainability Committee in the capacity of experts.

Sumitomo Mitsui Financial Group's Corporate Governance System

SMFG Group employs the Company with Three Committees structure. This structure was adopted in order to build a corporate governance system that is globally recognized and is aligned with international banking regulations and supervision requirements, as well as to achieve enhanced oversight of the exercise of duties by the Board of Directors and to expedite the exercise of duties. Core subsidiaries SMBC and SMBC Nikko Securities employ the Company with Audit and Supervisory Committee system described in the Companies Act.

Through the implementation of effective corporate governance systems, we aim to prevent corporate misconduct while also achieving ongoing growth and medium- to long-term improvements in corporate value. We realize that there is no perfect form for corporate governance structures. Accordingly, we will continue working toward the strengthening and enhancement of corporate governance in order to realize higher levels of effectiveness.

Corporate Governance

Role of the Board of Directors

The Board of Directors of the Company is primarily responsible for making decisions on basic management policies and other matters that are within its legally mandated scope of authority, as well as overseeing the exercise of duties of executive officers and directors. Authority for decisions on execution of work other than decisions legally required of the Board of Directors will, in principle, be delegated to executive officers. The purpose of this delegation is to enhance the oversight function of the Board of Directors and to expedite the exercise of duties.

The Board of Directors works toward the realization of "Our Mission" and the long-term growth of corporate value and the common interests of the shareholders. Any action that may impede those objectives will be addressed with impartial decisions and response measures.

The Board of Directors is also responsible for establishing an environment that supports appropriate risk taking by executive officers. It is developing systems for ensuring the appropriateness of SMBC Group's business operations pursuant to the Companies Act and other relevant legislation in order to maintain sound management. Another responsibility of the Board of Directors is exercising highly effective oversight of executive officers from an independent and objective standpoint. Accordingly, the Board of Directors endeavors to appropriately evaluate company performance and to reflect these evaluations in its assessment of executive officers.

Examples of matters discussed by the Board of Directors	
Formulation of the next Medium-Term Management Plan	Progress of the Medium-Term Management Plan and business plans
Global strategy/Inorganic strategy	Group-based global governance
Human resources initiatives (Human capital investment)	Digital transformation and innovation promotion
System strategy policy	Cybersecurity
Data governance	AI utilization and governance
Global compliance	Policy for equity holdings
Initiatives to create social value	Capital policy
Response to geopolitical risks/Response to trends in the financial markets	Business status of Group companies

Initiatives for Improving Corporate Governance

Year	Initiatives
2002	• Establishment of Sumitomo Mitsui Financial Group • Establishment of voluntary Nominating Committee, Compensation Committee, and Risk Management Committee as internal committees of the Board of Directors
2005	• Establishment of voluntary Audit Committee as an internal committee of the Board of Directors
2006	• Formulation of "Basic Policy on Internal Control Systems" through resolutions on internal control based on "Our Mission" and "Code of Conduct" in order to establish frameworks for ensuring appropriate operations
2010	• Listing of shares on the New York Stock Exchange to improve transparency of financial reporting, increase convenience for investors, and diversify fund procurement methods
2015	• Establishment of the "SMFG Corporate Governance Guideline" and disclosure • Increase in the number of outside directors to 5 and in the number of outside corporate auditors to 3
2016	• Commencement of evaluations of the effectiveness of the Board of Directors
2017	• Transition to a Company with Three Committees; increase in the number of outside directors to 7. Establishment of voluntary Risk Committee together with legally mandated Nomination Committee, Compensation Committee, and Audit Committee, and appointment of outside directors as chairmen of three legally mandated committees • Institution of new Group governance system through introduction of group-wide Business Units and Group CxO system
2019	• Transition to a Company with Audit and Supervisory Committee structure by core subsidiaries SMBC and SMBC Nikko Securities • Decrease in the number of directors from 17 to 15 and increase in the ratio of outside directors to 47%
2020	• Appointment of outside director as the chairman of the Risk Committee
2021	• Appointment of Group CSuO • Establishment of voluntary Sustainability Committee (chaired by an outside director)
2023	• Establishment of Group Business Management Department
2024	• Change making outside directors a majority on the Board of Directors

Corporate Governance

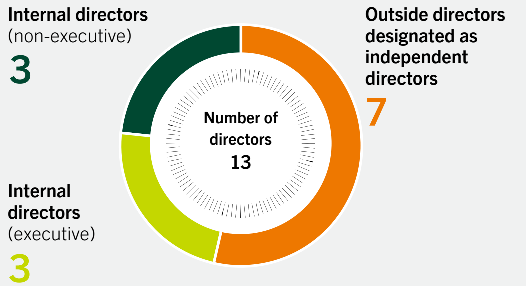
Composition of the Board of Directors

The Board of Directors is composed of directors of varied backgrounds and diverse expertise, experience, genders, and nationalities.

As of June 26, 2026, the Board of Directors is composed of 13 members. A majority of these, 7 directors, are outside directors. The chairman of the Board of Sumitomo Mitsui Financial Group, who does not have business execution responsibilities, serves as the chairman of the Board of Directors. This membership ensures an objective stance toward supervision of the exercise of duties by executive officers and directors.

Outside directors serve as chairmen and members of the Company's legally mandated and voluntarily established committees. When necessary, outside directors request reports on compliance, risk management, and other matters from relevant departments to promote appropriate coordination and supervision.

Composition of the Board of Directors



Women 30% **Foreign nationals** 15%

Skills Matrix of Directors

Directors have been selected for their knowledge and experience in corporate management, finance, global business, legal affairs/risk management, financial accounting, IT/DX, sustainability, and other areas, so that the Board of Directors can exercise sufficient supervisory functions as the board of a global financial group. They are also expected to contribute to the further development of SMBC Group.

	Appointed	Committees[*1]					Expected knowledge and experience in particular[*2]						
		Nomination Committee	Audit Committee	Compensation Committee	Risk Committee	Sustainability Committee	Corporate management	Finance	Global	Legal affairs/ Risk management	Financial accounting	IT/DX	Sustainability
Makoto Takashima	2025	○		○		○	✓	✓	✓	✓	✓	✓	✓
Toru Nakashima	2024			○		○	✓	✓	✓	✓	✓	✓	✓
Teiko Kudo	2021							✓	✓	✓			✓
Kazuyuki Anchi	2025				○			✓	✓	✓	✓	✓	✓
Takeshi Mikami	2026		○					✓		✓	✓		
Honami Matsugasaki	2025		○					✓	✓	✓			
Sonosuke Kadonaga	2024	○	◎				✓		✓	✓			
Jun Sawada	2025	◎		○			✓		✓			✓	✓
Yoriko Goto	2025		○			◎	✓	✓	✓	✓	✓		✓
Isao Teshirogi	2025			◎	○		✓		✓	✓			
Norimitsu Takashima	2025	○	○							✓			
Charles D. Lake II	2023				◎		✓	✓	✓	✓			
Jenifer Rogers	2023			○		○	✓	✓	✓	✓		✓	✓

**1 ◎ indicates the chair *2 The items listed in "Skills Matrix of Directors" are areas particularly expected of the relevant directors and do not represent the entirety of the knowledge and experience possessed by the directors.*

Sumitomo Mitsui Financial Group Directors

Makoto Takashima

Chairman of the Board

Toru Nakashima

Director President (Representative Executive Officer)
Group CEO

Teiko Kudo

Director Deputy President and Executive Officer (Representative Executive Officer)
Group CCO
Director and Deputy President of SMBC

Kazuyuki Anchi

Director Senior Managing Executive Officer
Group CFO, Group CSO
Director and Senior Managing Executive Officer of SMBC

Takeshi Mikami

Director

Honami Matsugasaki

Director

Sonosuke Kadonaga

Outside director
Representative of Intrinsics

Jun Sawada

Outside director
Chairman and Member of the Board of NTT, Inc.

Yoriko Goto

Outside director
Certified public accountant

Isao Teshirogi

Outside director
Representative Director, President, and CEO of Shionogi & Co., Ltd.

Norimitsu Takashima

Outside director
Attorney at law

Charles D. Lake II

Outside director
President of Aflac International, Inc.
Chairman and Representative Director of Aflac Life Insurance Japan Ltd.
Attorney at Law, admitted in Pennsylvania, the U.S.A.
Attorney at Law, admitted in Washington, D.C., the U.S.A.

Jenifer Rogers

Outside director
General Counsel International of Asurion Japan Holdings G.K.
Attorney at Law, admitted in New York, the U.S.A.

** The seven directors, Sonosuke Kadonaga, Jun Sawada, Yoriko Goto, Isao Teshirogi, Norimitsu Takashima, Charles D. Lake II, and Jenifer Rogers, are outside directors as stipulated in Article 2, Item 15 of the Companies Act.*

For career summaries, please refer to UNITED STATES SECURITIES AND EXCHANGE COMMISSION Washington, D.C. 20549 FORM20-F for the fiscal year ending March 31, 2026.

Evaluation of the Effectiveness of the Board of Directors

The "SMFG Corporate Governance Guideline" contains provisions on evaluating the effectiveness of the Board of Directors. In accordance with these provisions, the Board of Directors conducts annual analysis and evaluation to determine whether it is executing its duties in line with the guideline, and discloses the findings of these. For FY2025, a questionnaire survey was conducted for all directors focusing on the "Role of the Board of Directors," "Operation of the Board of Directors and Support Systems for Outside Directors," and "Composition of the Board of Directors," as described in the "Corporate Governance Code" and "SMFG Corporate Governance Guidelines." Opinions were subsequently heard from all seven Outside Directors at the Board of Directors meetings held in April and May 2026. Discussions were held at Board of Directors' meetings in June based on the findings of these interviews with internal directors, after which analyses and evaluations were carried out to determine whether the Board of Directors is executing its duties in line with the "SMFG Corporate Governance Guideline." Reviews by knowledgeable experts from developed nations are received at each stage of the evaluation process.

Self-assessments incorporating the opinions of outside experts

Process	Implementation overview
Questionnaire	• All directors surveyed • Questions reviewed by external experts
Opinion-gathering interviews	• Outside directors expressed their opinions at Board of Directors meetings • Interviews with internal directors
Review of the results of evaluations	• Analysis and evaluation including reviews provided by outside experts
Discussion of the results of evaluations	• Discussions in Board of Directors meetings

Overview of Results of Evaluation of the Effectiveness of the Board of Directors

In FY2025, the Board of Directors was assessed to be sufficiently effective and to have improved its effectiveness, as a result of efforts to raise the level and effectiveness of deliberations at Board of Directors meetings following appropriate actions taken in response to the findings of the previous effectiveness evaluation. Based on the results of the latest effectiveness evaluation, along with diverse opinions by directors and recommendations by external experts gathered through the series of processes, the Board of Directors is working to further enhance its effectiveness by promoting mutual understanding between outside directors and internal officers and employees and by discussing fundamental issues aimed at enhancing corporate value.

FY2025 Initiatives and Evaluation of the Board of Directors; Priority Issues and Initiatives for FY2026

	FY2025 Initiatives and Evaluation	FY2026 Priority Issues and Initiatives Based on the FY2025 Evaluation
Role of the Board of Directors	• Sufficient deliberation was conducted at Board of Directors meetings and informal gatherings on important themes such as the formulation of the Medium-Term Management Plan, demonstrating appropriate oversight • Outside directors continued to demonstrate a high level of expertise, and the Board of Directors and each internal committee collaborated appropriately to create synergies	• Oversee the progress of the new Medium-Term Management Plan, while being mindful of environmental changes such as geopolitical risk, interest rate and price trends, and technological innovation including AI • Deliberate on the new Medium-Term Management Plan in a timely and appropriate manner, covering key themes such as resource allocation for major initiatives, the realization of benefits, IT transformation, and social value creation
Operation of the Board of Directors and Support Systems for Outside Directors	• Meeting operations were smooth and effective (agenda items, length of deliberations, etc. were appropriate) • Informal gatherings were fulfilling, contributing to information exchange and building trust relationships among officers • Necessary information was provided to enable the Board to fulfill its oversight function	• Continue to promote two-way communication between Outside Directors and internal officers • Establish opportunities for information provision and discussion to support the oversight of key initiatives in the Medium-Term Management Plan • Continuously explore ways to provide materials and explanations conducive to high-level strategic discussions
Composition of the Board of Directors	• With an appropriate number of members and diverse attributes, the Board of Directors maintained a well-balanced composition in which each member demonstrated their expertise • The ideal composition was continuously reviewed and examined, led by the Nomination Committee, in light of the role of the Board of Directors	• With a view toward the challenges and future direction of the SMBC Group, the Board of Directors will continue to examine the ideal composition of the Board of Directors, centered on the Nomination Committee

Corporate Governance

Activities of Internal Committees (FY2025)

	Main role	Number of meetings (average attendance rate)	Activities
Nomination Committee	**The Nomination Committee is responsible for determining the contents of proposals regarding the election and dismissal of directors to be submitted to the general meeting of shareholders. It deliberates on matters including top management succession and personnel matters concerning officers of major subsidiaries.**	**5 meetings** (100%)	• Deliberated on the profile of officers suited to supporting the management foundations of the Company and its subsidiaries, and the succession plan for top management • Continuously deliberated on and approved personnel proposals for the presidents of Group companies
Compensation Committee	**The Compensation Committee is responsible for setting policies for determining the compensation of directors, corporate executive officers and executive officers of the Company as well as individual remuneration for directors and corporate executive officers of the Company. It deliberates on policies for setting the compensation of the executive officers of major subsidiaries.**	**7 meetings** (100%)	• Deliberated on the revision to the executive compensation programs at the Company and SMBC in preparation for the launch of the new Medium-Term Management Plan in FY2026 • Deliberated on further expanding the eligibility for the Stock Compensation Plans for executives of SMBC Group companies to enhance the Group's competitiveness
Audit Committee	**The Audit Committee is responsible for auditing the execution of duties by directors and executive officers of the Company, preparing audit reports, and determining the content of proposals related to the accounting auditor to be submitted to the general meeting of shareholders**	**15 meetings** (100%)	• In accordance with audit policy, audited the execution of duties by directors and executive officers by attending key meetings, interviewing directors and executive officers, receiving reports from internal departments, and conducting site visits at each location • Reported the results of deliberations in the Audit Committee to the Board of Directors and issued recommendations and opinions to executive officers, etc. where necessary
Risk Committee	**The Risk Committee is responsible for deliberation on important matters relating to risk management, including environmental and risk awareness, operation of the Risk Appetite Framework, and implementation of risk management systems, and provides counsel to the Board of Directors on these matters**	**4 meetings** (100%)	• Taking into account changes in the domestic and international environment, the Risk Committee discussed the SMBC Group's top risks and, in connection with the formulation of the new Medium-Term Management Plan, deliberated on risk appetite and response policies in the event risks materialize, based on the results of stress testing • Deliberated on measures to strengthen early- warning monitoring, assuming financial crises triggered by non-bank institutions, and initiatives for prompt business recovery during crises
Sustainability Committee	**The Sustainability Committee is responsible for deliberating on the progress of measures to create social value, domestic and overseas conditions surrounding sustainability, and other important matters. It reports to and advises the Board of Directors**	**2 meetings** (100%)	• Reviewed the status of initiatives aimed at creating social value, and deliberated on measures for further expanding these initiatives as well as which direction we should head in for measuring and disclosing their impact • Deliberated on the need to revise SMBC Group strategies and tactics in light of changes in the external sustainability landscape, and on enhancing initiatives for the decarbonization of the real economy

Corporate Governance

Support Systems for Outside Directors

The Company recognizes that outside directors require an in-depth understanding of the Group's business operations and business activities. Accordingly, we continually endeavor to supply outside directors with the business activity information and insights that are necessary to supervise management while also providing them with the opportunities needed to fulfill their roles. In FY2025, the following initiatives were implemented.

Outside Directors Visit Kyoto and Osaka Locations

- Participation in various executive-side meetings, such as branch manager meetings of core subsidiaries, to promote understanding of business operations and activities. Also conducted site visits to Group companies in Japan. In addition, they exchanged opinions with officers at overseas bases and presidents of Group companies.
- Held informal gatherings between outside directors and relevant departments on specific themes, such as "Formulation of the Next Medium-Term Management Plan" and "Businesses of Group Companies"
- Explanatory sessions on Board of Directors' meeting agenda items prior to board meetings to assist in the understanding of items
- Conducted study sessions on "Capital Policy" and "Generative AI," inviting external experts as lecturers
- Timely and effective provision of information on the proceedings of internal meetings, etc. to outside directors
- Outside directors-only meetings

Outside Director Independence Standards

In order to be classified as independent, an outside director of the Company must not fall under, or have recently fallen under, any of the following categories:

❶ **Major business partner**	• An entity that has the Company or SMBC as a major business partner, or an executive director, officer, or other person engaged in the execution of the business of such an entity • An entity that is a major business partner of the Company or SMBC, or an executive director, officer, or other person engaged in the execution of the business of such an entity
❷ **Specialist**	• A legal expert, accounting expert, or consultant who has received money or other property from the Company or SMBC averaging over ¥10 million per year over the last three years, in addition to any compensation received as a director or corporate auditor • A member of a Juridical Person, etc. or other organization that provides specialist services, such as a law firm, accounting firm, or consulting firm, which has received large amounts of money or other property from the Company or SMBC
❸ **Donations**	• A person who has received donations or other payments from the Company or SMBC averaging more than ¥10 million per year or 2% of the recipient's annual revenue, whichever is greater, over the last three years, or an executive director, officer, or other person engaged in the execution of business of an entity which has received the same
❹ **Major shareholder**	• A major shareholder of the Company or an executive director, officer, or other person engaged in the execution of business of a major shareholder (including anyone who has been a major shareholder, or an executive director, officer, or other person engaged in the execution of business of a major shareholder, within the last three years)
❺ **Close relative**	• A close relative of any person (excluding non-material personnel) who falls under any of the following: (1) A person who falls under any of 1 through 4 above; or (2) A director, corporate auditor, executive officer, or other person engaged in the execution of business of the Company or a subsidiary thereof

See Reference 6 in "SMFG Corporate Governance Guideline" for details.
https://www.smfg.co.jp/english/aboutus/pdf/cg_guideline_e.pdf

Corporate Governance

Equity Holdings

Policy for Equity Holdings

(1) In principle, SMBC Group does not hold shares of other companies except in cases in which a rationale for holding shares is recognized. This policy exists to maintain SMBC Group's financial soundness, taking into consideration the standards of globally operating financial institutions and our proactive response to global regulation.

(2) We deem cases in which shareholding will contribute to the enhancement of SMBC Group's corporate value over the medium to long term to be cases in which a rationale for holding shares is recognized. We determine this through comprehensive consideration based on (a) profitability, through an appropriate assessment and understanding of relevant factors including associated risks and the costs and returns of the holding; (b) the objectives for holding, such as maintaining and strengthening business relationships, capital and business alliances, and restructuring support; and (c) other relevant factors.

(3) We examine rationale for holding shares on a regular basis. We continue to hold shares when a rationale for holding is recognized, and sell shares, with consideration of factors including market impact and the financial strategy of the issuer, when a rationale for holding is no longer recognized.

Plan for Reduction of Equity Holdings

SMBC Group continuously makes efforts to reduce price fluctuation risks from the point of view of maintaining a foundation that can sufficiently demonstrate its financial intermediary function even in a stressful environment in which the prices of equities drastically fall.

Since we achieved the initial plan to reduce ¥200 billion* over three years from March 2023, 1.5 years ahead of schedule, in Nov 2024, we announced a plan to reduce our equity holdings by ¥600 billion* over a five-year period starting from March 31, 2024. In the FY 2024, we reduced ¥185 billion, and in FY 2025, we reduced ¥124 billion.

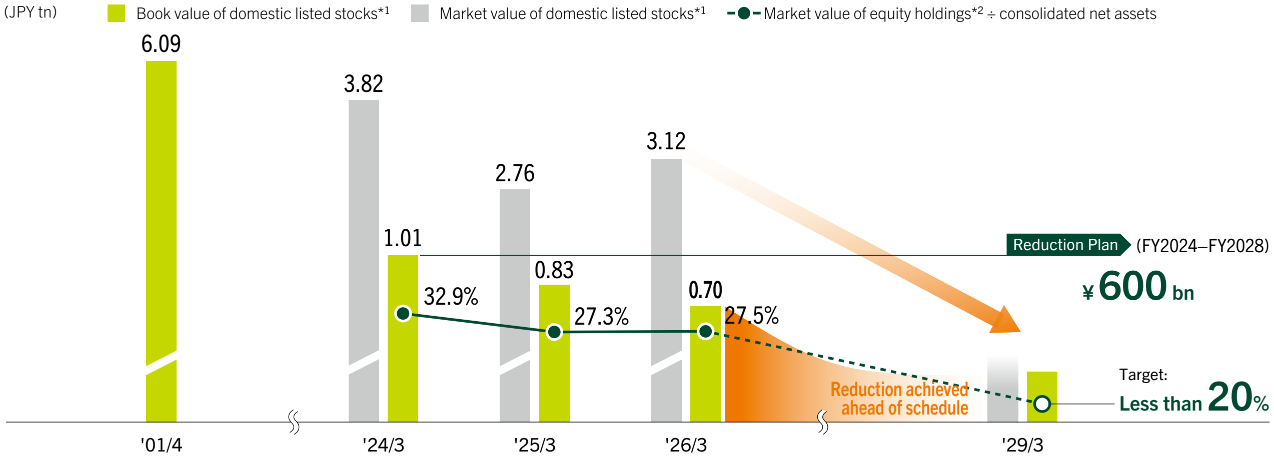
With this plan, we will have achieved a cumulative reduction of over 90% since the establishment of SMBC. Although the recent rise in stock prices has made it difficult to reduce the proportion of the market value balance to our consolidated net assets, we will also make conscious efforts to reduce the market value balance going forward, and aim to be on track to reduce the proportion of the market value of equity holdings to less than 20% of our consolidated net assets during the period of this Medium-Term Management Plan (from FY2026 to FY2028).

** The book value of Japanese listed equities held by SMBC Group*

State of reduction

Reduction Amount	**¥309 billion**
FY2024	**¥185 billion**
FY2025	**¥124 billion**
Consent of sales	**¥69 billion**

Plan for Reduction of Equity Holdings



**1 Excluding investments after the end of March 2020 for business alliance purposes*
**2 Including balance of deemed held shares*

See our website for more information on equity holdings.
https://www.smfg.co.jp/english/company/organization/governance/structure/hold.html

Corporate Governance

Compensation Program

To facilitate the fulfillment of Our Group Mission and the realization of Our Group Vision, we established an executive compensation program for Directors, Corporate Executive Officers and Executive Officers (the "Executives") and introduced Stock Compensation Plans as a part of the Program, for the purpose of:

1. Strengthening the linkage between SMBC Group's short-, medium- and long-term performance and executive compensation, thereby providing Executives with appropriate incentives to improve performance; and
2. Further aligning the interests of Executives with those of shareholders by increasing the proportion of stock-based compensation and encouraging share ownership by Executives.

Executive Compensation Structure

In principle, executive compensation consists of base salary, bonuses and stock compensation. The performance-linked portion, which fluctuates with the business environment and performance, accounts for approximately 40% to 60% of total compensation, depending on corporate title. The structure and levels of executive compensation are determined by the Compensation Committee based on third-party executive compensation surveys, economic and social trends, and the operating environment.

FY2025 Results for Performance-Linked Compensation Indicators

Annual Performance-Linked Compensation

FY2025 Results: Bonus (Cash and Stock Compensation)

Performance Indicator		Weight	Actual performance	Performance evaluation coefficient
SMFG consolidated net business profit	Annual growth/ Target achievement	50%	64.4%	130%*1
SMFG net income attributable to owners of the parent	Annual growth/ Target achievement	50%	62.9%	
Sustainability Indicators		**Weight**	**Evaluation results**	
Progress of KPIs		±10%	+3.0%	
Results of major external ratings				

*1 *When calculating the final performance evaluation coefficient, the sum of actual performance and evaluation results is rounded down to the nearest whole number.*

Medium-Term Performance-Linked Compensation

Stock Compensation Plan I

Evaluation Indicators		Weight	Actual performance	Performance evaluation coefficient
Financial Indicators	ROCET1	20%	30.0%	124%*3
	Base expense	20%	19.8%	
	SMFG consolidated gross profit	15%	22.5%	
	SMFG net income attributable to owners of the parent	15%	21.5%	
Share-related Indicator	TSR (Total Shareholder Return)	15%	9.0%	
Non-financial Indicator	Social value creation	15%	17.5%	
Adjustment factors	Initiatives in new business areas, compliance, customer-orientated initiatives, and risk management	±5%	+4.0%*2	

*2 *Regarding initiatives in new business areas, the provision of Trunk and further expansion of Group business centered on Olive were evaluated.*

*3 *The final performance evaluation coefficient is determined by summing the actual performance and the evaluation results and rounding down to the nearest whole number.*

Annual Performance-Linked Compensation

In FY2025, cash and stock compensation were paid as annual performance-linked compensation. Two performance indicators were adopted: "SMFG net income attributable to owners of parent," representing the final outcome of SMBC Group management, and "SMFG consolidated net business profit," indicating SMBC Group's profitability. These served to enhance the linkage between performance and executive compensation, ensuring that the compensation program functioned as an appropriate performance incentive. In addition, the Compensation Committee determined the evaluation of sustainability indicators based on the results of major external sustainability ratings, among other factors.

Medium-Term Performance-Linked Compensation

Compensation under Stock Compensation Plan I is paid as medium-term performance-linked compensation. As evaluation indicators linked to the Medium-Term Management Plan covering the period from FY2023 to FY2025, in addition to financial indicators such as ROCET1 and Base expense, we have adopted TSR as a share indicator and Social value creation as a non-financial indicator. Adjustment factors, including initiatives in new business areas, compliance, customer-oriented initiatives, and risk management, are also considered in determining medium-term performance-linked compensation.

Corporate Governance

Revision of the Executive Compensation Program in FY2026

To encourage bold efforts to drive transformation and realize Our new Vision, we revised the Executive Compensation Program.

Key revision points

1. **Linking the Medium-Term Management Plan and Executive Compensation**
   Reviewed the evaluation indicators for Stock Compensation Plan I (Medium-Term Performance-Linked Compensation) to align with the Medium-Term Management Plan. We adopted ROTE as a financial indicator, emphasizing profitability. Furthermore, by increasing the evaluation weight of non-financial indicator and share-related indicator, we strengthened the linkage of executive compensation to social value creation and the enhancement of shareholder value.
2. **Enhancing the Effectiveness of Annual Performance-Linked Compensation**
   Clarified the respective roles of bonuses and stock compensation, changing the compensation structure to one linked to both short-term and medium- to long-term achievements.
3. **Promoting Alignment of Interests with Shareholders**
   To promote shared interests with shareholders, strengthen awareness of the need to enhance medium- to long-term corporate value, and further enhance the oversight function of the Board of Directors, we introduced non-performance-linked stock compensation for Outside Directors and Audit Committee members.

Ensuring Sound Business Operations

To curb excessive risk-taking and ensure prudence as a financial institution (initiatives for maintaining soundness), we have introduced mechanisms allowing for malus (reduction/forfeiture during the restriction period) and clawback (return after the restriction is lifted) for certain stock compensation programs and bonuses subject to deferred payment, should events such as material amendments to the financial statements or material damage to the reputation of SMBC Group.

Executive Compensation Structure (FY2026)

Cash compensation | Stock compensation (restricted stock) | Variable compensation | Non-performance-linked compensation

SMFG's Executives (excluding Outside Directors and Audit Committee Members)

Stock compensation ratio: 25–45%

Performance-linked ratio: 40–60%

Compensation Components	Payment Standards (Range of Variation) and Performance Indicators	Timing of compensation determination
Base salary	**Fixed compensation**	-
Bonus	**Compensation determined based on SMBC Group's annual performance, etc. (0%–150%)** Standard levels × SMBC Group's annual performance, performance of the executive, etc.	Once a year
Stock Compensation Plan I	**Compensation determined based on SMBC Group's medium-term performance, etc. (0%–150%)** "Standard levels" × "SMBC Group's medium-term performance, etc." In the case that the CET1 ratio*4 falls below a designated level at the end of each fiscal year, no compensation under Stock Compensation Plan I will be paid for the relevant fiscal year (knock-out provision).	At the end of the Medium-Term Management Plan
Stock Compensation Plan III	**Non-performance-linked compensation (granted upon promotion)**	-

Bonus indicators:

Financial Indicators*1		Weight
SMFG consolidated net business profit	Annual growth/ Target achievement	50%
SMFG net income attributable to owners of parent	Annual growth/ Target achievement	50%

Non-financial Indicator	Weight
Results of external sustainability ratings	±5%

Stock Compensation Plan I indicators:

Evaluation Indicators		Weight
Financial Indicators	ROTE	30%
	SMFG consolidated gross profit	30%
Share-Related Indicator	TSR (Total shareholder return)*2	20%
Non-financial Indicator	Initiatives related to Social Value Creation and Employees*3	20%
Adjustment Factors	Build Next Core Compliance, customer-oriented initiatives, risk management, etc.	±10%

Ensuring prudence as a financial institution: Deferred bonuses, remuneration under Stock Compensation Plans I and III are subject to malus and clawback provisions.

Outside Directors and Audit Committee Members

Compensation Components	Payment Standards	Timing of compensation determination
Base salary	**Fixed compensation**	-
Stock Compensation Plan II	**Non-performance-linked compensation**	-

*1 If the Compensation Committee recognizes special circumstances not sufficiently reflected in the financial indicators, it may reflect them in the evaluation within a range of ±5% through its deliberation, to ensure appropriate compensation aligned with the business environment.
*2 The Compensation Committee calculates the performance achievement level through a relative evaluation of TSR during the period of the Medium-Term Management Plan.
*3 The Compensation Committee will determine the evaluation with respect to "Initiatives related to Social Value Creation and Employees" based on the status of initiatives and the achievement of KPIs related to the materialities for Social Value Creation (Green Planet, Thriving People, and Fulfilled Growth) and Employees (Talent Policy Scores, calculated by combining the results of each item in the employee engagement survey).
*4 Post-Basel III reforms basis, excluding net unrealized gains (losses) on other securities.

Message from Group CHRO

Message From

Chief Human Resources Officer

Connect. Support. Co-create.

Takashi Kobayashi

Senior Managing Executive Officer
Group CHRO

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.

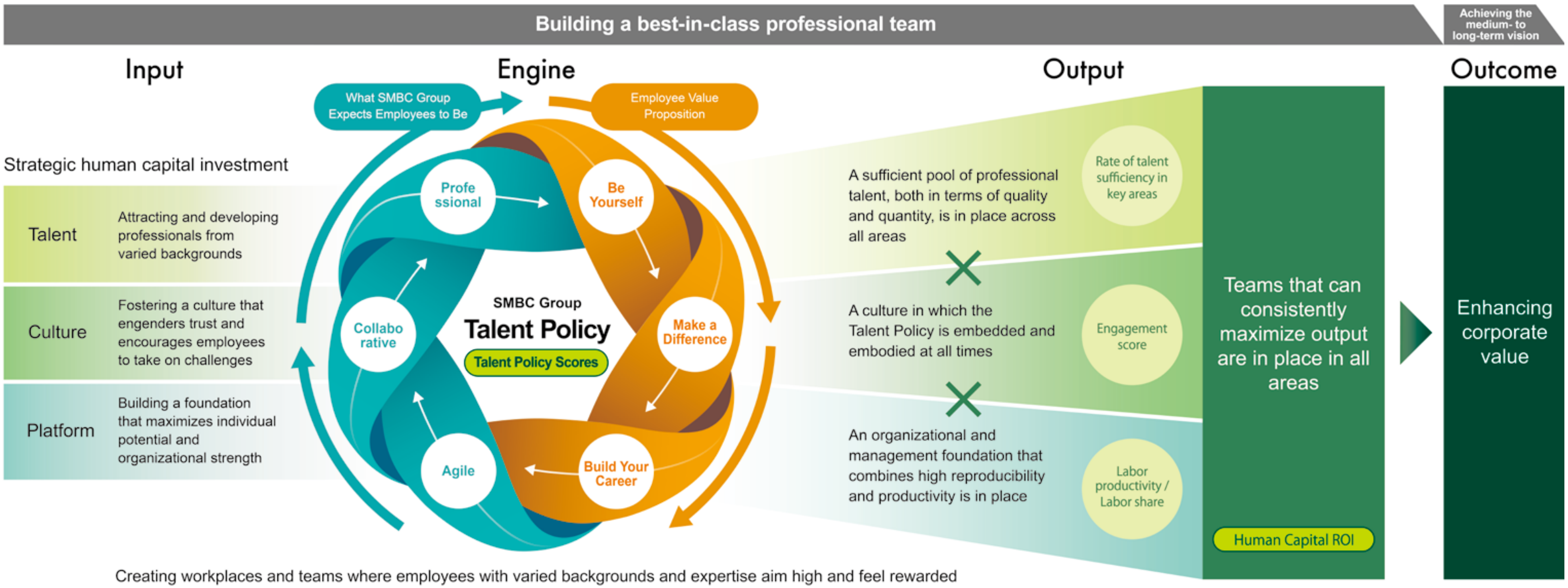
SMBC Group Talent Policy and New Human Capital Management Model

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

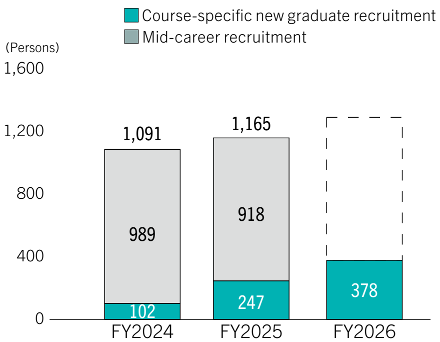
For Key strategic area, we will enhance recruitment, development, and placement by visualizing not only the “quantity” of necessary talent but also the “quality,” such as skills and experience. Furthermore, we will strategically allocate resources generated through streamlining headquarters functions 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

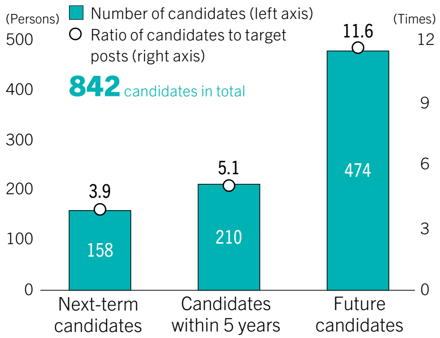
We are strengthening and diversifying our talent acquisition efforts in alignment with our business strategy. We have expanded open-track recruitment of new graduates, providing access to a broad range of career opportunities; recruitment of new graduates by business units, enabling candidates to build 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

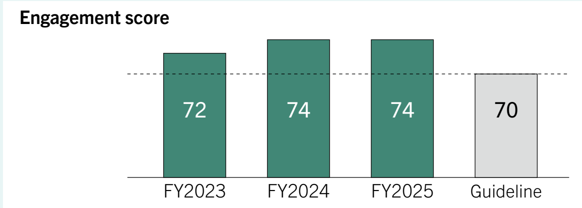
Priority **02**

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

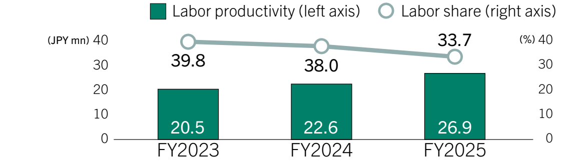
An organizational and management foundation that combines high reproducibility and productivity is in place.

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

Message from Group CRO

Natsuhiro Samejima

Senior Managing Executive Officer
Group CRO

See page 74 for more information on our risk management initiatives.

Message From

Chief Risk Officer

SMBC Group is advancing initiatives to further accelerate growth under its new vision established in FY2026. Meanwhile, the risks surrounding the Group are becoming increasingly diverse and complex, including escalating global geopolitical tensions, environmental changes accompanying the normalization of domestic monetary policy, inflation concerns and financial instability in various countries, and the threat of cyberattacks.

Based on this risk awareness, the risk management division is working on four priorities to firmly support SMBC Group's challenges.

First is the realization of risk-sensitive and highly resilient operations. In an environment of high uncertainty, having a framework capable of responding flexibly and appropriately to various risks is crucial. Through enhancing stress testing and early-warning monitoring, we will capture risk changes in a timely manner, leading to rapid impact analysis and agile review of business operations. We will also work on improving the effectiveness of our crisis response framework.

Second is the development of a risk management platform that supports business portfolio transformation. In line with our business strategies, such as expanding business in Asia and capital markets and strengthening asset-light businesses, we will enhance risk management and promote sound risk-taking through risk visualization and appropriate control.

Third is the thorough implementation of disciplined, integrity-based risk-taking. By embedding the "Behavioral Guideline on Compliance and Risk" into daily operations and enhancing individual risk ownership, we will cultivate a risk culture that leads to sound judgment and actions, even amid environmental changes and business expansion.

Fourth is the digitalization of risk management operations through the use of AI. The required scope and expertise for risk management are broadening further with business expansion. Through proactive AI utilization and system development, we will improve quality and speed, advancing the construction of a more sophisticated and efficient risk management framework. Furthermore, to promote the use of AI within SMBC Group, we will also work on ensuring appropriate governance.

Going forward, as Group CRO, I will continue to work on building a robust and forward-looking risk management framework, enhance risk ownership among officers and employees, and support the sustainable growth of SMBC Group.

Risk Management

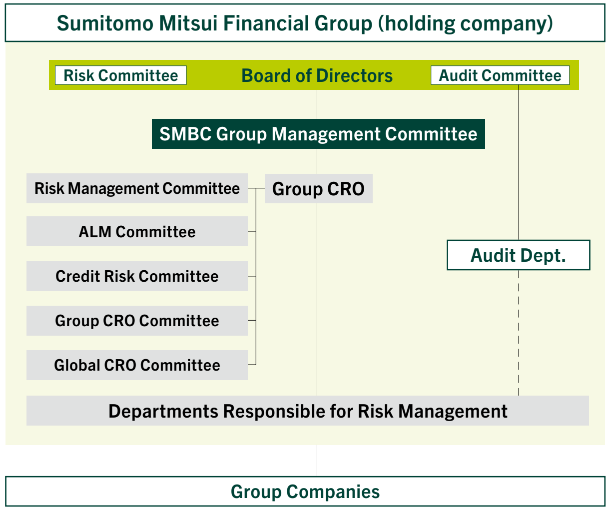
Basic Approach

SMBC Group has positioned strengthening of compliance and risk management as a key issue. It is devoted to improving its systems in these areas in order to become a truly outstanding global group.

Risk Management Systems

Based on the recognition of the importance of risk management, top management is actively involved in the risk management process, and systems are in place for verifying and monitoring the effectiveness and appropriateness of this process. Specifically, the group-wide basic policies for risk management and the risk appetites are determined by the Management Committee and authorized by the Board of Directors. After that, the status of risk management based on these policies and risk appetites is reported to the Board of Directors by the Group CRO.

SMBC Group's Risk Management Systems

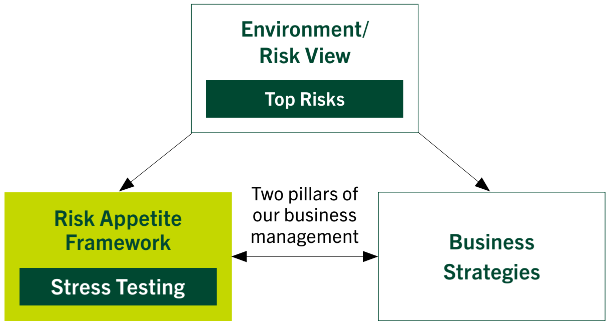


Risk Appetite Framework

SMBC Group has introduced a Risk Appetite Framework for controlling group-wide risks that clarifies the types and levels of risk that we are willing to take on or are prepared to tolerate in order to grow profits. It is one of two pillars of our business management alongside business strategies. In formulating business strategies and related matters, particularly significant management risks are identified as "top risks," and stress tests are conducted.

Furthermore, in preparation for natural disasters, cyberattacks, etc., we strive to build a resilient and agile risk management framework, including strengthening operational resilience—the ability to ensure business continuity and prompt recovery of critical operations.

Risk Appetite Framework Positioning

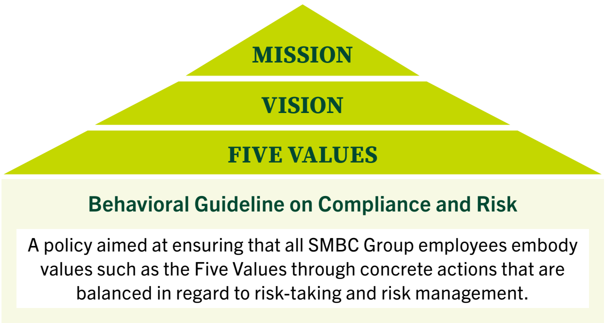


Risk Culture

As a basis for ensuring all employees carry out their duties appropriately from the perspectives of compliance and risk, SMBC Group has established the "Behavioral Guideline on Compliance and Risk," based on the Five Values.

To achieve sustainable improvement in corporate value, it is essential that each one of employees makes decisions with risk ownership and acts accordingly. We strive to foster a sound risk culture by conducting internal surveys to monitor employees' compliance awareness and risk sensitivity, as well as by communicating messages from top management to employees and providing internal training.

Behavioral Guideline on Compliance and Risk



Message from Group CCO

Message From
Chief Compliance Officer

In light of the recent heightened expectations from customers and society, the expansion and diversification of SMBC Group's business, and the increasing complexity of the global market environment and regulations, there is a stronger imperative than ever to build a compliance framework that keeps pace with the times, looks further ahead, and evolves autonomously and continuously.

As Group CCO, what I consider most important is embedding a compliance culture rooted in "Integrity," the starting point of the Five Values, which are shared across SMBC Group.

As the importance of principle-based discipline continues to grow within governance and compliance, corporate culture is playing an increasingly large role as the foundation supporting the effectiveness of governance and compliance. With adherence to laws and rules as a fundamental premise, I believe that having a basis for judgment enabling each officer and employee to choose the right action and embody "Integrity," even in situations where these are not explicitly codified, is the bedrock supporting the trust of customers and society.

In SMBC Group's new Medium-Term Management Plan, the Compliance Unit aims to support the advancement of the SMBC Group's businesses both by enabling business growth and by safeguarding the Group, while also serving as the foundation for protecting and enhancing the Group's corporate value and brand. Specifically, we will establish a proactive framework anticipating business changes and supporting business divisions in exercising their risk ownership. We will steadily strengthen an autonomous compliance framework that will serve as the foundation for the Vision of the new Medium-Term Management Plan: "Globally connected. Rooted in Japan. Your most trusted partner."

Going forward, as the Group CCO, I will continue to work persistently on enhancing the compliance framework across the entire SMBC Group.

See page 76 for more information on our compliance system.

Compliance

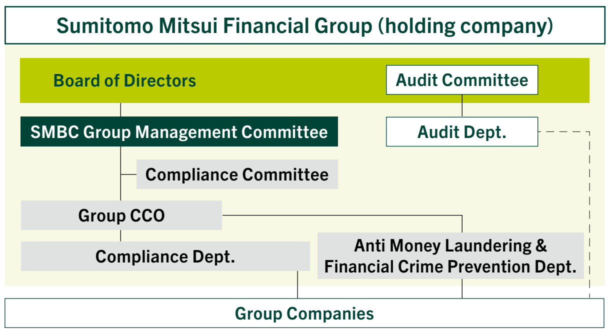
Basic Approach

As a diversified financial group, we position the strengthening of compliance and risk management as a priority issue in enabling SMBC Group to fulfill its public mission and social responsibilities. In our aim to become a truly outstanding global corporate group, we strive to continue ensuring their thorough implementation.

Compliance Management

SMBC Group seeks to maintain a compliance framework that provides appropriate instruction, guidance, and monitoring for compliance to ensure sound and proper business operations on a Group-wide and global basis. We have put measures in place for the prevention, early detection, and correction of misconduct. The Compliance Committee, chaired by the Group CCO, broadly reviews and deliberates on operations within SMBC Group. SMBC Group develops concrete implementation plans to achieve compliance, and develops appropriate compliance frameworks at each Group company. Additionally, at the Group level, we receive compliance-related consultations and reports from each Group company, while at the global level we centrally manage the compliance frameworks of overseas offices, and through providing counsel and guidance, we strive to ensure overall compliance within the Group and globally.

SMBC Groups Compliance Framework



Initiatives for Achieving Healthy Risk-Taking and Appropriate Risk Management

For companies to coexist with society and develop sustainably, it is crucial that they simultaneously engage in sound risk-taking (business promotion) and take appropriate risk management measures, including assurance of compliance. To translate an awareness of risk-taking and risk management as two sides of the same coin into concrete action, SMBC Group has established the "Behavioral Guideline on Compliance and Risk". Through practical application of these guiding principles by every employee, we aim to achieve sustainable business growth and contribute to the enhancement of both corporate and social value.

Anti-Money Laundering (AML), Countering the Financing of Terrorism (CFT) and Economic Sanctions

SMBC Group recognizes the importance of preventing money laundering and terrorist financing and adhering to economic sanctions regulations. Therefore, we undertake every effort to prevent the Group and its employees from engaging in, or being involved in, money laundering, etc., and from violating economic sanctions regulations. Toward this end, based on requirements and guidance from international organizations such as the United Nations and the FATF*1, Japanese laws and regulations, and regulations including those of the OFAC*2, we have established frameworks at each Group company to prevent money laundering, etc.

*1 *Financial Action Task Force*
*2 *Office of Foreign Assets Control (U.S. Department of the Treasury)*

Severing Ties to Anti-Social Forces

SMBC Group has established the "Basic Policy for Anti-Social Forces," and all Group companies have systems in place to ensure that the Group does not have any connection with anti-social forces. Specifically, the Group strives to ensure that no business transactions are made with anti-social forces, and states the exclusion of anti-social forces from any business relationship into contractual documents or terms and conditions. In the event that it is discovered after entering into a business or trading relationship that the counterparty belongs to or is affiliated with an anti-social force, we undertake appropriate remedial action by contacting outside professionals specializing in such matters.

See our website for more information on our compliance system.
https://www.smfg.co.jp/english/company/organization/compliance.html

Customer-Oriented Initiatives

Basic Approach

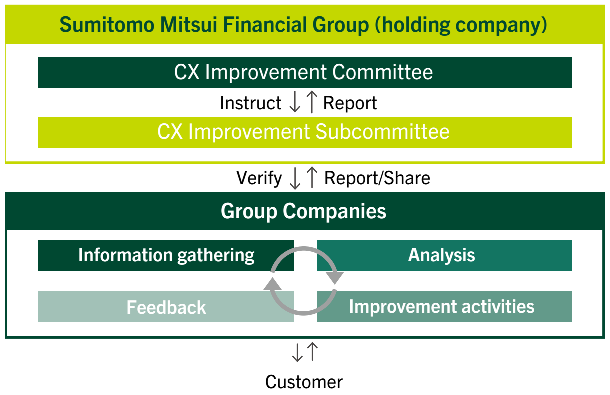
"We grow and prosper together with our customers, by providing services of greater value to them." Making this commitment a component of Our Mission, we work toward the enhancement of Customer Experience (CX) and quality through collaboration among Group companies.

Promotion Structure

We have established the CX Improvement Subcommittee and the CX Improvement Committee as bodies through which we advance initiatives, reinforce management systems, and promote Group coordination related to customer-oriented business operation.

The CX Improvement Subcommittee invites external experts as advisors and engages in exchanges of opinions for further entrenchment of customer orientation. The CX Improvement Committee, which has members of the Group Management Committee as its members, deliberates on measures based on reports from the CX Improvement Subcommittee.

Incorporation of Customer Feedback into Management



Declaration of Compliance with ISO 10002

SMBC, SMBC Nikko Securities, and SMBC Consumer Finance have declared their intent to comply with the ISO 10002 (JIS Q 10002) international standard with regard to their processes for incorporating customer feedback into management.

Initiatives to Improve Product and Service Quality

To provide products and services grounded in a customer-oriented approach, SMBC Group always confirms that a customer need for the products and services exists, and that adequate assessments and responses to potential risks are taken during the planning and development stages. We also carry out periodic quality reviews of existing services. The CX Improvement Subcommittee, composed of external experts and heads of relevant departments, reviews and discusses the efforts of Group companies to improve the quality of products and services.

Customer-Oriented Business Conduct

Based on the "Principles for Customer-Oriented Business Conduct" guidelines on fiduciary duties released by the Financial Services Agency, SMBC Group has formulated its "Basic Policy for Customer-Oriented Business Conduct*" and "Basic Policy for Customer-Oriented Business Conduct in the Retail Business Unit."

***Group companies subject to the basic policy:**
Sumitomo Mitsui Banking Corporation, SMBC Trust Bank Ltd., SMBC Nikko Securities Inc., Sumitomo Mitsui DS Asset Management Company, Limited

See our website for details on SMBC Group's "Basic Policy for Customer-Oriented Business Conduct" and SMBC Group Retail Business Unit's "Policy on Initiatives for Customer-Oriented Business Conduct."
https://www.smfg.co.jp/english/company/organization/cs.html

FY2025 Initiatives

We are focusing on further embedding a "Customer-Oriented" approach not only in Japan but also at our overseas locations, including investee companies under our Multi-Franchise Strategy. Starting in FY2025, we have begun sending representatives from our headquarters to visit local sites for discussions. We are advancing initiatives in each region to ensure that Customer-Oriented service and improvements to products and services based on customer feedback are practiced globally.

IT Governance

Basic Approach

Positioning IT as a pillar of management, we will vigorously advance the strengthening of IT project planning and system development frameworks through development efficiency and productivity improvement, and fundamental transformation to optimal system architecture, including cloud shift, thereby driving business strategy and enhancing our management base in a balanced manner. To further strengthen stable system operations, which is the fundamental premise for these efforts, we will relentlessly work on preventing system failures from occurring and enhancing early recovery capabilities when failures do occur, establishing a governance framework that meets global standards.

Relentless Efforts in Strengthening Resilience to Support Stable IT Systems Operation

While maintaining stable IT systems operation, we will promote the advancement of further system failure countermeasures to mitigate risks associated with the transition to next-generation IT infrastructure, such as AI utilization and cloud shift. Specifically, in addition to visualizing the operational status of the entire system including the cloud and establishing a framework for immediately detecting system failures, we will advance the development of an environment utilizing multi-regional backup capabilities in the cloud. We will also continuously work on strengthening the disaster recovery environment for critical systems to prepare for potential disasters. Simultaneously, by automating system development and operational processes and using AI to detect early warning signs of system failures, we aim to shorten the time required for root cause investigation and restoration when failures occur. We will also continuously work on enhancing early recovery capabilities through the strengthening of contingency plans for both business and systems.

Enhancing the Governance Framework to Support Fundamental IT Transformation

To support the rapid promotion of cloud shift, AI utilization, and data utilization, we will accelerate the development of IT infrastructure. Specifically, we will build a secure multi-cloud environment and a data utilization platform, which is a prerequisite for global data utilization, while also accelerating the development of an API environment. To develop business divisions' development capabilities, we will enhance the rules to be followed in system development, develop guidelines, strengthen development support frameworks, and transition to a system risk management framework that addresses both on-premise and cloud environments. Simultaneously, we will move away from the centralized global application of standards based on conventional domestic criteria, and enhance our governance framework to one based on both a globally common baseline and standards tailored to regional characteristics.

Going forward, to respond swiftly and appropriately to the rapidly changing social and business environments and promote IT transformation, we will construct a global top-tier system risk management framework through agile reviews of our governance framework, taking into account trends in advanced technologies such as AI and quantum technology.

Cloud Adoption Ratio		AI and Cloud engineer	
FY2025	FY2028	FY2025	FY2028
8%	50%	300 Persons	1,000 Persons
Modernization of legacy systems		Enhancing in-house capabilities and accelerating development	

FY2025 Initiatives

To strengthen our ability to respond to system failures, we enhanced contingency plans for both business and systems, primarily for critical systems, and conducted company-wide system failure drills. Furthermore, we steadily addressed new risks arising from changes in the domestic and international environment, such as geopolitical risks, and worked on enhancing our system risk management framework to support the expansion of our digital business.

Cybersecurity

Basic Approach

Amid accelerating digitalization and a changing environment for financial services, the posed by cyber threats is growing increasingly serious.
To provide safer, more secure services to customers and achieve a society that is resistant to cyber threats, SMBC Group will further strengthen its cybersecurity.

Cybersecurity Management System

Viewing cybersecurity risks as one of the top risks faced by our management, we continuously engage in cybersecurity initiatives led by management under our "Declaration of Cybersecurity Management." We manage cybersecurity risks within the framework of company-wide risk management. The Cybersecurity Management leads the formulation of related basic policies based on the external environment, business strategy, and other factors.

These matters are regularly discussed by the Management Committee, and oversight is exercised through discussions by internal committees such as the Board of Directors, Risk Committee, and Audit Committee.

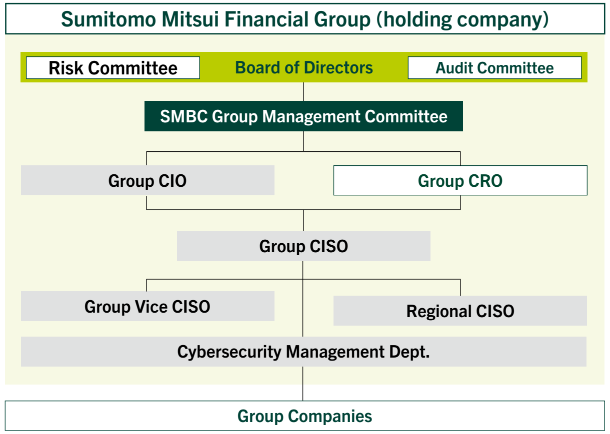
To clarify the role of promoting effective cybersecurity measures, we have established the position of Group CISO under the Group CIO and CRO. As the party responsible for general oversight of cybersecurity, the Group CISO engages in supervision and guidance for the development of Group and global system and the promotion of measures at sites from a professional perspective. Additionally, under the leadership of the Group CISO, we have appointed Group Vice CISOs and Regional CISOs, and have established a cybersecurity management structure encompassing over 850*[1] professional staff on a Group and global basis.

*1 As of March 31, 2026

System for Responding to Cyber Incidents

We have established a CSIRT*[2] in preparation for cyber incidents. The CSIRT actively collects information on attack vectors and on vulnerabilities within and outside the Group, and coordinates with national authorities and bodies such as U.S.-based FS-ISAC*[3] and Financials ISAC Japan. We have also established a SOC*[4], a dedicated organization for network monitoring and analysis, under a 24-hour, 365-day full-time monitoring system. Additionally, through close collaboration with SOCs established in Europe, the U.S., and Asia, we will further strengthen security surveillance on a Group and global basis.

SMBC Group's Cybersecurity Management System



*2 Computer Security Incident Response Team
*3 Financial Services - Information Sharing and Analysis Center
*4 Security Operation Center

See our website for more information on cybersecurity.
https://www.smfg.co.jp/english/company/organization/cybersecurity.html

Preparing for New Threats

Recognizing advanced AI as a threat, we launched a specialized team to respond swiftly to rapid situational changes. By conducting thorough information gathering and fact-finding, we will identify challenges and implement necessary countermeasures promptly.

FY2025 Initiatives

We developed group-wide, common management standards and promoted the strengthening of company-wide governance. In response to threat trends, in addition to defending against external attacks, we also strengthened defenses operating under the assumption of internal threats. We worked to balance the utilization of new technologies with security.

Message from Group CAE

Message From

Chief Audit Executive

The business environment surrounding SMBC Group, globally, is becoming increasingly complex and uncertain, against the backdrop of ongoing geopolitical tensions and rapid technological innovation such as AI. In addition, SMBC Group is advancing the development of new business models, such as the promotion of Olive and Trunk and the strengthening of global CIB and S&T, as well as expanding business across the Group and regions across the globe. The new Medium-Term Management Plan positions the execution of these growth strategies and the establishment of a management foundation befitting a global top-tier financial group to support them, as one of the key management issues.

Under these circumstances, the role required by the Internal Audit Unit entails continuous review and further enhancement. Based on the mission of "contributing to the sustainable improvement of SMBC Group's corporate value through high-quality audit activities," the Internal Audit Unit aims to be a "Trusted Advisor," providing objective assurance* and forward-looking insights and advice from a position independent from management and other departments. Towards that end, the Internal Audit Unit will deepen dialogue and information sharing with auditees, and utilize AI and data analysis to accurately detect signs of changing risks, providing audit activities that offer forward-looking insights for management and operational departments to take their next steps. We will also actively work to secure and develop diverse talent base with a high degree of expertise, and sharing best practices across the Group globally to improve audit quality.

By steadily accumulating these efforts, as Group CAE, I will devote my utmost efforts so that the Internal Audit Unit becomes a truly trusted partner for stakeholders, contributing to a management foundation in line with global standards and the sustainable improvement of corporate value.

** Objective assessment of the operations and processes of auditee departments from an independent standpoint*

Internal Audit

Basic Approach

To contribute to the continuous enhancement of SMBC Group's corporate value, SMBC Group's Internal Audit Unit, as the Third Line, assesses the effectiveness of internal controls from a position independent of (i) the First Line, comprising Head office functions and business units that own and manage risks, and (ii) the Second Line, comprising the functions that support and challenge the First Line from the perspectives of compliance, risk management, and other relevant areas.

Purpose of Internal Audit

The purpose of internal audit at SMBC Group is to enhance and preserve the Group's value by providing objective assurance, advice, insight, and foresight to management and the Board of Directors from a position independent of the First and Second Lines.

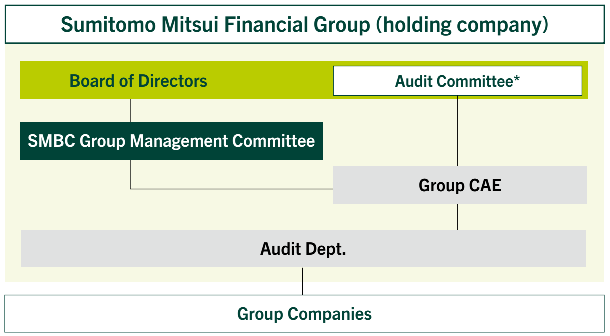
Internal Audit Framework

SMBC Group's Internal Audit Unit is established independently of the First and Second Lines. The Group CAE oversees internal audit activities across the Group.

The Company's Internal Audit Department conducts internal audits of the Company and its Group companies, in accordance with the "Group Internal Audit Charter" and the basic internal audit policy and plan approved by the Board of Directors and the Audit Committee. In addition, by continuously monitoring the internal audit activities of Group companies, we assess the appropriateness and effectiveness of the Group's internal control framework.

Major audit results are periodically reported to the Board of Directors, the Audit Committee, and the Group Management Committee.

Internal Audit Framework



The Audit Committee has the right to consent to personnel changes involving the Group CAE.

Basic Policy

Under the slogan "One Team, New Audit," SMBC Group's basic policy for internal audit under the new Medium-Term Management Plan is to conduct agile and advanced audits to support the Group's growth and contribute to establishing a management foundation that meets global standards. Through risk-based auditing aligned with SMBC Group's strategy and the utilization of AI and data analytics, we will conduct root cause analyses of audit findings, synthesize those findings, and provide objective assurance, advice, insight, and foresight.

Global meeting held under the slogan "One Team, New Audit," with internal auditors invited from overseas.

Becoming a Trusted Advisor

To become a Trusted Advisor to the First and Second Lines, management, the Board of Directors, regulatory authorities, and other stakeholders, we are advancing initiatives to enhance our audit activities and audit foundation across the following four themes.

Agent of Change

Together with the First and Second Lines, we are advancing initiatives to establish a more effective Three Lines structure. Specifically, we are globally deploying the Management Self-Identified Issues (MSII) framework that enables auditee departments to proactively report challenges and improvement measures they have identified to the Internal Audit Unit.

We are also focusing on building frameworks for sharing risk awareness with the First and Second Lines, and developing methods for analyzing root causes underlying multiple audit observations and issues. Through these initiatives, we not only provide timely and appropriate recommendations to the First and Second Lines, but also aim to deliver forward-looking insights and advice to management and the Board of Directors.

Forward Looking Audit

To deepen our understanding of auditee departments' day-to-day operations and to identify risk events in a timely manner, we actively conduct off-site monitoring (collection of risk information and interviews, etc.) and incorporate these findings into our audit activities. AI and data analytics are utilized to collect and analyze risk information, providing assessment of current conditions and the identification of emerging risk trends. These value-added information support decision-making by the First and Second Lines, management, and the Board of Directors.

We will also further promote the global utilization of AI and data analysis toward achieving greater audit efficiency and improving audit quality. By leveraging AI for activities such as preparing audit plans and reports, and analyzing documents provided by auditee departments, we will streamline verification processes, allowing auditors to focus more on higher-value-added tasks.

Better Audit Framework

SMBC Group not only complies with the standards of the Institute of Internal Auditors (IIA), an international internal audit organization, but also actively adopts advanced practices from financial institutions in Japan and overseas.

We are working to standardize audit procedures and systems and enhance quality assessment. Furthermore, to address issues common across regions, we have established cross-Group specialist teams within the Internal Audit Unit. By sharing information on expanding businesses and the risks and issues arising from them as needed, we aim to further improve the quality of the entire Internal Audit Unit.

Through these initiatives, we are advancing the global enhancement of our audit framework to consistently practice high-quality audits across the entire SMBC Group.

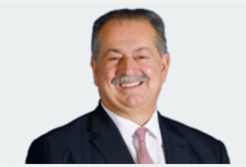
Growth of Auditors

To respond to the increasing diversity and complexity of its business, SMBC Group is working to enhance the expertise of its auditors. Specifically, we are focusing on enriching our training programs to deepen business understanding and specialized knowledge of each business area subject to audit, as well as related skills such as communication and problem-solving abilities. We also actively encourage auditors to obtain international qualifications such as Certified Internal Auditor (CIA) and Certified Information Systems Auditor (CISA). Furthermore, through recruiting experienced professionals with audit knowledge and expertise, and global personnel exchanges within SMBC Group, we are advancing auditor skill improvement and securing specialist personnel.

External Advisors

SMBC Group Global Advisors

SMBC Group appoints experts in politics, economics, and global business as SMBC Group Global Advisors who serve as an advisory body to the Group Management Committee, and regularly holds SMBC Group Global Advisory Meetings. We receive recommendations and counsel from SMBC Group Global Advisors based on global corporate management perspectives, along with exchanges of information on changes in global trends, regional political and economic situations, financial business trends, and other topics. In FY2025, under the theme "Business Implications for SMBC Group's Next Medium-Term Management Plan," we discussed SMBC Group's medium- to long-term business opportunities and the future direction of our growth strategy, considering recent changes in the global environment.



Andrew N. Liveris

2017–2018
Executive Chairman, DowDuPont Inc.
2004–2017
Chairman and CEO,
The Dow Chemical Company

Cesar V. Purisima

2010–2016
Secretary of Finance of the Republic of the Philippines
2004–2005
Secretary of Trade and Industry of the Republic of the Philippines

Joseph Yam

2017–Present
Member of the Executive Council, Hong Kong SAR
1993–2009
Chief Executive of the Hong Kong Monetary Authority

Paul Polman

2018–2024
Vice-Chair of the UN Global Compact
2009–2019
Chief Executive Officer, Unilever

Randal Quarles

2017–2021
Vice Chair of the U.S. Federal Reserve
2006–2013
Partner, Carlyle Group

SMBC Group Technology Advisors

The SMBC Group Technology Advisory Committee meets regularly to raise the level of IT-related initiatives.

We appoint CTO-level representatives from information system-related companies as SMBC Group Technology Advisors, and receive counsel and advice regarding IT-related outlooks and directions for SMBC Group. In FY2025, under the theme "Next-Generation AI," discussions addressed the current state of technology and future outlooks based on recent social trends.

Shigetoshi Sameshima

Vice President and Executive Officer, CTO, GM of the Research & Development Group
Hitachi, Ltd.

Akio Yamada

Corporate Executive Vice President, CAIO
NEC Corporation

Tsuyoshi Fukuda

Executive Officer, Head of Research and Development, Director, IBM Research - Tokyo
IBM Japan, Ltd.

Seishi Okamoto

Corporate Executive Officer, EVP
Head of Fujitsu Research Fujitsu Limited

Kenzaburo Tamaru

Director
National Technology Officer
Microsoft Japan Co., Ltd.

Group Structure

**SMBC Group is a global financial group that develops operations in a wide range of fields, including banking, leasing, securities, credit cards, and consumer finance.
Serving as the holding company, Sumitomo Mitsui Financial Group has established four Business Units to draft and implement Group-wide strategies for each customer segment.
At the head office, we have clarified the managers responsible for each type of management and planning task under the Group CxO system, and are taking steps to share management resources and optimize the allocation of resources on a Group-wide basis.**

		Business Units			
		Retail	Wholesale	Global	Global Markets
Banking	SMBC	●	●	●	●
	SMBC Trust Bank	●	●	●	
Leasing	SMFL		●	●	
Securities	SMBC Nikko Securities	●	●	●	●
Credit Cards and Consumer Finance	Sumitomo Mitsui Card Company	●	●	●	
	SMBC Consumer Finance	●		●	
Other Business	Japan Research Institute				
	Sumitomo Mitsui DS Asset Management				

Head Office (Group CxO System)

CFO Chief Financial Officer **Financial**	**CSO** Chief Strategy Officer **Strategy Planning**	**CRO** Chief Risk Officer **Risk Management**	**CCO** Chief Compliance Officer **Compliance**	**CHRO** Chief Human Resources Officer **Human Resources**	**CIO** Chief Information Officer **IT**
CISO Chief Information Security Officer **Cybersecurity**	**CDAO** Chief Data and Analytics Officer **Data Management**	**CDIO** Chief Digital Innovation Officer **Digital Strategy**	**CSuO** Chief Sustainability Officer **Sustainability**	**CAE** Chief Audit Executive **Audit**	

05

Social Value Creation

Message from Group CSuO

Masayuki Takanashi
Executive Officer
Group CSuO

Message From Chief Sustainability Officer

In the previous Medium-Term Management Plan, SMBC Group positioned "Create Social Value" as one of the pillars of its management. Aiming to contribute to the realization of "Fulfilled Growth," where economic growth solves social issues and people feel happiness, we have developed various initiatives globally.

Over these three years, awareness, empathy, and action among employees have steadily expanded, and some initiatives have garnered attention from external stakeholders. Using "Shaka-kachi" (a term combining the Japanese words for 'social value') as our rallying cry, I have a strong sense that the creation of social value is beginning to take root in the awareness and actions of each employee not only in Japan but around the world.

Looking globally, due to fluctuations in the international order and progress in decoupling, societal views on sustainability and the pace of corporate efforts are not necessarily aligned. On the other hand, social issues such as climate change and Poverty and Inequality are, if anything, continuing to expand and become more serious.

Right now, our commitment to social value creation is being questioned anew. In this environment, we, SMBC Group, as a global financial institution leading Japan, want to sincerely confront the various challenges surrounding the world and, through the creation of impact aimed at realizing a better society, respond to the improvement of medium- to long-term corporate value and the expectations of diverse stakeholders.

In further advancing our initiatives for social value creation in the new Medium-Term Management Plan, we established the "SMBC Group Statement on Social Value Creation" to demonstrate our determination, as a front-runner, to strive to pass on a society filled with happiness and well-being to future generations. Concurrently, we revised our materiality into three themes: "Green Planet," "Thriving People," and "Fulfilled Growth." We will continue to further strengthen our initiatives leveraging the strengths and distinctiveness of SMBC Group.

Under "Green Planet," we will pass on a green and planet to future generations through an integrated approach to climate change, natural capital, and circular economy. With "Thriving People," we create a society where everyone can pursue their aspirations, by breaking the cycle of Poverty and Inequality and through education, opportunities for challenge, and respect for human rights. And under "Fulfilled Growth," we will deliver growth that brings fulfillment from Japan to the world through the creation of new industries, structural transformation of existing industries, and the building of social infrastructure and digital foundations.

Furthermore, we will clarify the impact SMBC Group creates in each materiality area and challenge ourselves to set and disclose impact-based goals, demonstrating the three-year objectives and progress toward them.

Resolving social issues is not something we can achieve alone. It is necessary for diverse actors—individuals, companies, universities, governments, etc.—to collaborate beyond their boundaries and work together. SMBC Group, as a nexus connecting with customers in diverse regions and industries worldwide, will support customers and businesses tackling social issues.

And as a "front-runner in social value creation," we will connect the world through the power of finance and lead problem-solving, thereby accelerating a virtuous cycle of creating social value together with our customers and passing on a society filled with happiness and well-being to future generations.

Materiality and Impact Indicators

Realizing a society filled with happiness and well-being — Through all our Group's businesses, we are firmly committed to creating social value by addressing social issues and looking beyond them to the future, creating social value.
We have embedded this strong commitment into our three new materiality themes: "Green Planet," "Thriving People," and "Fulfilled Growth."
Generally, materiality is defined as key issues to be addressed by a company. However, as a company aiming to be a front-runner in social value creation through the power of finance, we have depicted the form of society we aim for—the state beyond problem-solving—as our materiality. This connects to more proactive and positive practice by each and every employee.
Together with the newly established impact-based quantitative targets, the entire SMBC Group will work as one to address these issues.

<table>
<tr><th rowspan="2">Materiality
Lower row: Goal</th><th rowspan="2">Focus Areas</th><th colspan="3">Impact Indicators</th><th rowspan="2">Direction of Initiatives</th></tr>
<tr><th colspan="2">Targets of the New Medium-Term Management Plan</th><th>Concept of Indicators</th></tr>
<tr><td rowspan="3">Green Planet
passing on a green planet to future generations</td><td>Climate Change</td><td colspan="2" rowspan="3">Contributing to CO_2 Reduction
1.5 times
(compared to the previous Medium-Term Management Plan)</td><td rowspan="3">• CO_2 reductions achieved through transition finance, new energy, technology projects, and others supported by SMBC Group</td><td rowspan="3">• Take an integrated approach to climate change, natural capital, and circular economy
• Support the transition toward decarbonization of the real economy</td></tr>
<tr><td>Natural Capital</td></tr>
<tr><td>Circular Economy</td></tr>
<tr><td rowspan="3">Thriving People
creating a society where everyone can pursue their aspirations</td><td>Poverty & Inequality</td><td colspan="2" rowspan="3">Creating Opportunities for the Future
10 million people (cumulative total from FY2023)</td><td rowspan="3">• Total number of beneficiaries reached through financial literacy programs and microfinance support across Asia</td><td rowspan="3">• Provide opportunities and support for social and economic self-reliance to break the cycle of Poverty and Inequality
• Empower the next generation by providing access to education and opportunities to take on new challenges
• Establish and strengthen frameworks for respecting human rights across the entire supply chain</td></tr>
<tr><td>Education</td></tr>
<tr><td>Human Rights</td></tr>
<tr><td rowspan="3">Fulfilled Growth
delivering growth that brings fulfillment from Japan to the world</td><td>Industrial Revitalization</td><td rowspan="3">Shaping Fulfilled Growth</td><td>Growth of Key Industries
+10% or more (FY2026–FY2028)</td><td>• Revenue growth rate of Japan's strategic and emerging industries, such as semiconductor manufacturing and space development</td><td rowspan="3">• Create new industries and support structural transformation of existing industries
• Contribute to reducing people's everyday anxieties through both financial and non-financial solutions
• Build digital infrastructure that supports economic growth and people's livelihoods</td></tr>
<tr><td>Declining Birthrate & Aging Population</td><td>Future Financial Well-being
7% or more (FY2028)</td><td>• Share of asset-building products targeted at people in their 20s and 30s in Japan</td></tr>
<tr><td>Digital</td><td>Cashless Leadership
25% or more (FY2028)</td><td>• Share of payments via SMCC solutions in Japan</td></tr>
</table>

Green Planet — Passing on a Green Planet to Future Generations —

We will work as a unified Group to address "Climate Change," "Conservation and Restoration of Natural Capital," and "Realization of a Circular Economy," passing on a green planet to future generations.

Addressing Climate Change

While the stances of countries and regions regarding climate change measures vary, the fact that it remains a critical social issue is unchanged.

Through appropriate risk-taking and management and diligent dialogue, we will contribute maximally to the decarbonization of the real economy.

● Decarbonization of the Real Economy

We aim to achieve net zero across our entire investment and loan portfolio by 2050. Particularly for high-emission sectors where alternative means of decarbonization are limited, we are utilizing our "Transition Finance Playbook" and accumulating financing track records through diligent engagement.

We will also supply risk money to accelerate the development and social implementation of new energies and technologies such as hydrogen, ammonia, and CCUS*1.

*1 Carbon dioxide Capture, Utilization and Storage

● Appropriate Management of Climate-Related Risks

We position climate change as a top risk and have built a comprehensive risk management framework from the perspectives of policy, portfolio, and individual company/project. Especially for sectors with high GHG emissions, we have set medium-term reduction targets and strengthened management.

We also conduct environmental and social due diligence, utilizing it for enhancing credit decisions and engagement with customers.

Conservation and Restoration of Natural Capital

Toward the realization of Nature Positive, in addition to supporting customer initiatives, we are also advancing SMBC Group's own environmental conservation efforts. For example, through the "SMBC's Forests" program, we contribute to forest conservation and regeneration, global warming prevention, and biodiversity maintenance. Furthermore, the "Forest GX Consortium," which we established with The University of Tokyo, is working on joint research and social implementation aimed at establishing a socio-economic model oriented towards environmental regeneration.

Everyone's CO_2 Reduction (Minna De Genkotsu) Project

To encourage consumers to take decarbonization action in their daily lives, we collaborate with local governments, retailers, and manufacturers on educational activities for elementary school students, various events, and promotions for environmentally friendly products. Through this project, the circle of "CO_2 Reduction Supporters" who learn, take action, and cooperate is expanding.

Realization of a Circular Economy

To sustainably utilize the Earth's limited resources, we are promoting the expansion of a "Circular Economy" through finance.

Focusing on EV batteries, plastics, and textiles, we combine financial support, support for use/collection/recycling through methods like leasing, and co-creation support to promote the social implementation and diffusion of circular models as a unified Group.

Thriving People — Creating a Society Where Everyone Can Pursue Their Aspirations —

We will support people's challenges through various initiatives toward the realization of a society filled with happiness and well-being.

Addressing Poverty & Inequality

We will work to break the cycle of Poverty and Inequality both domestically and internationally from both financial and non-financial perspectives.

- **Financial Inclusion in Emerging Countries**

In Asian countries, we provide microfinance, vocational training for social self-reliance, and entrepreneurship support.

We also support the development of digital infrastructure in emerging countries through the issuance of the world's first Digital Inclusion Bond.

- **Nurturing Children's Futures Through Diverse Experiences**

In cooperation with Chance for Children, a public interest incorporated association, we have provided the "SMBC Group Study Coupon," usable for tutoring and extracurricular lessons, to over 1,500 children cumulatively. Furthermore, at "Atelier Banrai-ITABASHI-", established in a former bank branch, various companies and organizations have conducted educational programs, attended by over 1,300 children cumulatively.

Providing Educational and Challenge Opportunities

In addition to providing financial literacy education to a wide range of generations, we provide continuous support to student athletes excelling in both academics and sports, and to researchers tackling unique studies.

- **Providing Financial Literacy Education and Social Experience**

Toward realizing a society where everyone can acquire correct financial knowledge and live with peace of mind, we offer financial literacy education leveraging the knowledge of Group companies to a wide range of generations.

Furthermore, in Japan Research Institute's "Children's Social Experience Program Shikumi-na®," children learn the basics of social mechanisms, such as the flow of money, experientially through videos and role-playing.

- **Support for Student Athletes and Researchers**

In the "Shaka-kachi BOON BOON PROJECT," we support university student athletes' activities in collaboration with project partners and companies, supporting their growth for future success in society.

In the "Shaka-kachi RISE PROJECT," we provide researchers with financial aid and support for the commercialization of their research, leading to the resolution of social issues and the creation of innovation.

New Chichibunomiya Rugby Stadium SMBC Olive SQUARE

SMBC Group has signed on as the top partner for the New Chichibunomiya Rugby Stadium, scheduled to open in 2030. The facility's secondary name will be "SMBC Olive SQUARE." In addition to allowing visitors to experience SMBC Group's advanced features through cashless payments and other means, the stadium will not be limited to sports and entertainment but will also serve as a venue for various demonstration tests and cross-industry exchanges, leading to the creation of new business.

Enhancing the Human Rights Respect Framework

Considering the ever-changing global situation, we continuously review our corporate activities and responses to human rights. In FY2025, we expanded the scope of the remedy framework through the "Engagement and Remedy Platform" of the Japan Center for Engagement and Remedy on Business and Human Rights (JaCER) to the Group level. We are also strengthening our response to human rights risks not only within our own company but also in transactions with external contractors.

Fulfilled Growth — Delivering Growth that Brings Fulfillment from Japan to the World —

With innovative and forward-looking approaches, we strive for "Fulfilled Growth," where economic development contributes to solving global and social issues.

Initiatives for Industrial Revitalization

We will strongly promote the creation of new industries and the structural transformation of existing industries.

● Support for Creating New Industries

In September 2025, SMBC invested in a startup in the U.S. developing commercial fusion reactors. This investment marks the first time for SMBC to invest in a startup in this field.

Leveraging the investee company's technology and knowledge, we will support the early commercialization and industrialization of fusion power generation in Japan.

● Promoting Structural Transformation of Existing Industries

To contribute to Japan's food security and the sustainable growth of the food and agricultural industry, we established the "Next-Generation Agribusiness Council." We will support agricultural corporations in solving challenges such as fundraising, securing management talent, and farmland consolidation, transforming agriculture into a growth industry.

Addressing the Declining Birthrate & Aging Population

We will help address concerns arising from the declining birthrate and aging population from both financial and non-financial aspects.

● Financial Support

In the era of 100-year lifespans, we will provide integrated support from our banking, securities, and trust businesses for asset building and management tailored to life stages. In particular, for young people in their 20s and 30s, we will support asset building through the provision of deposits and accumulation products.

We have also begun building "Mirai Tasuku," a cross-industry platform for unifying procedures, to reduce the procedural burden involved in inheritance.

● Non-Financial Support

We are also focusing on providing life support services to support our customers and their families in living healthy and fulfilling lives every day. In the "SMBC Elder Program," from banking services to various lifestyle services provided by partner companies, an SMBC concierge will stay close to our customers to help them realize a secure and enriched life.

Digital Innovation

Advanced digital financial infrastructure creates a strong foundation for economic growth and more convenient lives.

● Digital Financial Infrastructure for Individuals and Corporations

Olive provides individual customers with account, payment, and financial functions on a single platform, transforming financial transactions into something more familiar.

Trunk is a digital comprehensive financial service for SMEs and newly established corporations, offering speed, convenience, efficiency in accounting tasks, and other advanced features unique to digital.

● Contactless Transit Payment Services Supporting Mobility

"Stera transit," a service provided by Sumitomo Mitsui Card Company, enables contactless transit rides on public transportation using credit card functionality, while also contributing to cost reduction and utilization data analysis for transportation operators. It also contributes to expanding travel and tourism for overseas visitors, leading to the revitalization of regional economies.

INTERVIEW **Employees Taking on the Challenge of Social Value Creation**

Transforming Space into "Social Infrastructure": Building Japan's Space Industry Supply Chain

Takeda: Amid growing demand for space-based services, such as satellite broadband communications and applications in disaster prevention and security, Japan faces the challenge of opportunity loss due to its reliance on overseas launch providers. In July 2025, SMBC invested in Interstellar Technologies Inc. and entered into a business alliance to help build out the supply chain. Believing in the significance of taking risks even in areas of high uncertainty, we proceeded with the investment. Underlying this was not only the desire to support the development of the space industry but also the wish to connect SMEs possessing excellent technologies but facing a lack of successors, to growth areas such as the space industry.

Group Head
Startup Promotion Group
SMBC

Yuki Takeda

Sato: We began looking into this field from the perspective of what SMBC Group should do to nurture the space business as a future core industry and help realize a more prosperous society. This was SMBC's first investment in a space-related startup. We held repeated discussions with relevant departments about the significance and risks of a project that could not be assessed simply by extending conventional thinking, evaluated both the project's potential risks and its social value from multiple angles. Pursuing a new line of business means taking on new risks. While carefully assessing the risks accompanying new challenges, we will value having a "defensive" approach that underpins our "offensive" approach and work on creating social value through nurturing the space industry.

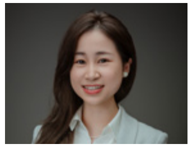
Director
Sustainability
Development Dept.
SMBC

Hiroto Sato

See the website below for details.
https://www.smfg.co.jp/english/sustainability/social_value/interview/2508.html

Providing Fair Financing Opportunities to Rural China's Communities Facing a "Barrier to Credit"

Wei: In rural China, there remains a challenge that farmers, women, and small business operators still have difficulty accessing formal financial services. With a strong sense of mission to solve this problem, we collaborated with a local company dedicated to addressing it. Using the "joint trust" method, we created a new financial product backed by the client's loan receivables from rural areas, establishing a mechanism to raise funds from institutional investors and others.



Investment Banking Dept.
Sumitomo Mitsui Banking
Corporation (China) Limited

Wei Liwen

Zhang: Risk prediction and management were extremely complex because it was a new product and the underlying assets included a wide variety of loans. By collaborating with various stakeholders to find solutions, we were able to deliver approximately 600 million yuan to rural areas. Although this amount is modest relative to our overall bond portfolio, it represented a "journey from 0 to 1" for us and signified a full-scale expansion of investment into China's agricultural sector.

Investment Banking Dept.
Sumitomo Mitsui Banking
Corporation (China) Limited

Zhang Qiongwen

Chang: I believe the true value of finance lies not just in providing funds but in combining data, technology, as well as insights in trust and risk management, to build mechanisms that contribute to customer growth and enhance social value.

Investment Banking Dept.
Sumitomo Mitsui Banking
Corporation (China) Limited

Chang Pengsiqi

See the website below for details.
https://www.smfg.co.jp/english/sustainability/social_value/interview/2505.html

Financial Review

Consolidated Performance Summary

(JPY bn)

	FY2016	FY2017	FY2018	FY2019*1	FY2020	FY2021	FY2022	FY2023	FY2024	**FY2025**
Consolidated gross profit	2,920.7	2,981.1	2,846.2	2,768.6	2,806.2	2,945.5	3,170.2	3,738.8	4,126.7	**4,844.7**
Net interest income	1,358.6	1,390.2	1,331.4	1,306.9	1,335.2	1,528.0	1,717.8	1,880.7	2,338.2	**2,719.6**
Net fees and commissions + Trust fees	1,017.1	1,070.5	1,064.6	1,088.1	1,098.9	1,205.5	1,225.7	1,490.2	1,568.9	**1,832.3**
Net trading income + Net other operating income	545.0	520.3	450.2	373.6	372.1	212.0	226.7	367.9	219.6	**292.8**
General and administrative expenses	1,812.4	1,816.2	1,715.1	1,739.6	1,747.1	1,821.1	1,949.2	2,250.6	2,402.0	**2,651.5**
Overhead ratio	62.1%	60.9%	60.3%	62.8%	62.3%	61.8%	61.5%	60.2%	58.2%	**54.7%**
Equity in gains (losses) of affiliates	24.6	39.0	61.1	56.1	25.0	28.5	55.5	72.0	(5.5)	**137.7**
Consolidated net business profit	1,132.9	1,203.8	1,192.3	1,085.0	1,084.0	1,152.9	1,276.4	1,560.2	1,719.3	**2,330.9**
Total credit cost (gains)	164.4	94.2	110.3	170.6	360.5	274.4	210.2	274.0	344.5	**388.4**
Gains (losses) on stock	55.0	118.9	116.3	80.5	92.6	209.1	155.9	249.8	509.8	**446.1**
Other income (expenses)	(17.6)	(64.5)	(63.1)	(62.8)	(105.0)	(46.9)	(61.2)	(69.9)	(165.1)	**(85.2)**
Ordinary profit	1,005.9	1,164.1	1,135.3	932.1	711.0	1,040.6	1,160.9	1,466.1	1,719.5	**2,303.4**
Extraordinary gains (losses)	(26.6)	(55.3)	(11.7)	(43.4)	(38.8)	(111.0)	(62.5)	(123.8)	(19.5)	**(51.6)**
Income taxes	171.0	270.5	331.4	167.7	156.3	214.5	282.1	373.7	513.1	**666.9**
Profit attributable to non-controlling interests	101.8	104.0	65.5	17.1	3.1	8.4	10.5	5.7	8.9	**1.8**
Profit attributable to owners of parent	706.5	734.4	726.7	703.9	512.8	706.6	805.8	962.9	1,178.0	**1,583.0**

**1 Changed accounting treatment for installment sales transactions from FY2020 retrospective adjustments applied for FY2019*

Financial Review

Consolidated Balance Sheet Summary

(JPY bn)

	March 2017	March 2018	March 2019	March 2020*1	March 2021	March 2022	March 2023	March 2024	March 2025	**March 2026**
Total assets	197,791.6	199,049.1	203,659.1	219,863.5	242,584.3	257,704.6	270,428.6	295,236.7	306,282.0	**328,511.1**
Loans and bills discounted	80,237.3	72,945.9	77,979.2	82,517.6	85,132.7	90,834.1	98,404.1	107,013.9	111,136.2	**117,629.2**
Securities	24,631.8	25,712.7	24,338.0	27,128.8	36,549.0	38,538.7	33,213.2	37,142.8	40,761.0	**39,974.1**
Total liabilities	186,557.3	187,436.2	192,207.5	209,078.6	230,685.3	245,507.3	257,637.5	280,436.7	291,440.5	**312,578.0**
Deposits	117,830.2	116,477.5	122,325.0	127,042.2	142,026.2	148,585.5	158,770.3	164,839.4	171,498.7	**185,674.2**
Negotiable certificates of deposit	11,880.9	11,220.3	11,165.5	10,180.4	12,570.6	13,069.8	13,025.6	14,672.3	17,175.4	**15,667.1**
Total net assets	11,234.3	11,612.9	11,451.6	10,784.9	11,899.0	12,197.3	12,791.1	14,800.0	14,841.5	**15,933.1**
Shareholders' equity	8,119.1	8,637.0	9,054.4	9,354.3	9,513.4	9,938.6	10,308.4	10,630.0	11,209.0	**11,752.0**
Retained earnings	5,036.8	5,552.6	5,992.2	6,336.3	6,492.6	6,916.5	7,423.6	7,843.5	8,290.2	**8,871.1**
Accumulated other comprehensive income	1,612.5	1,753.4	1,713.9	1,365.7	2,313.1	2,159.6	2,372.1	4,030.1	3,494.4	**4,033.4**
Non-controlling interests	1,499.3	1,219.6	678.5	62.9	70.8	97.6	109.5	138.9	137.3	**147.1**

Financial Indicators

	March 2017	March 2018	March 2019	March 2020*1	March 2021	March 2022	March 2023	March 2024	March 2025	**March 2026**
Total capital ratio (BIS guidelines)	16.93%	19.36%	20.76%	18.75%	18.61%	16.56%	15.98%	15.29%	15.18%	**15.69%**
Tier 1 capital ratio (BIS guidelines)	14.07%	16.69%	18.19%	16.63%	16.96%	15.46%	14.94%	14.33%	14.23%	**14.49%**
Common equity Tier 1 capital ratio (BIS guidelines)	12.17%	14.50%	16.37%	15.55%	16.00%	14.45%	14.02%	12.91%	12.44%	**12.41%**
Dividend per share (Yen)*2	50	57	60	63	63	70	80	90	122	**157**
Dividend payout ratio	29.9%	32.7%	34.6%	37.0%	50.8%	40.7%	40.4%	37.1%	40.3%	**38.0%**
ROE (on a stockholders' equity basis)	9.1%	8.8%	8.2%	7.6%	5.4%	7.3%	8.0%	9.2%	10.8%	**13.8%**
ROE (based on the Tokyo Stock Exchange standard)	7.6%	7.3%	6.9%	6.6%	4.5%	5.9%	6.5%	7.0%	8.0%	**10.4%**

Market Data

	March 2017	March 2018	March 2019	March 2020*1	March 2021	March 2022	March 2023	March 2024	March 2025	**March 2026**
Nikkei Stock Average (Yen)	18,909	21,454	21,206	18,917	29,179	27,821	28,041	40,369	35,618	**51,064**
Foreign exchange rate (USD/JPY)	112.19	106.25	111.00	108.81	110.71	122.41	133.54	151.33	149.53	**159.90**

**1 SMFG changed accounting treatment for installment sales transactions in FY2020; figures for FY2019 have been restated to reflect this change*
**2 Implemented a 3-for-1 stock split for common stocks on October 1, 2024. The amounts were adjusted, assuming the stock split had been implemented in prior fiscal years.*

Financial Review

Consolidated Income Analysis Summary

Consolidated gross profit increased by ¥717.9 billion year-on-year to ¥4,844.7 billion due to an increase in net interest income in Japan, driven by an increase in loan balances and the tailwind of rising interest rates, as well as an increase in fee income resulting from capturing active corporate actions and strong performance in asset management, payment business and consumer finance businesses.

General and administrative expenses increased by ¥249.6 billion year-on-year to ¥2,651.5 billion due to factors such as the impact of inflation, depreciation of yen, and an increase in revenue linked expenses. On the other hand, the overhead ratio significantly improved, declining by 3.5% year-on-year, due to appropriate cost controls including cost reduction measures and top-line growth.

Equity in gains (losses) of affiliates rose by ¥143.2 billion year-on-year to ¥137.7 billion. This was primarily due to the absence of the goodwill impairment loss recorded in FY2024 for VPBank and FE Credit.

Credit cost increased by ¥43.9 billion year-on-year to ¥388.4 billion due to the recording of forward-looking provisions for the deteriorating Middle East situation, and the disposal of non-performing loans at OTO/SOF.

Gains (losses) on stock decreased by ¥63.8 billion year-on-year to ¥446.1 billion due to the absence of gains on sales of equity holdings in major unrealized gain stocks from the previous year and losses from the sale of Bank of East Asia shares, while the gain on the sale of Kotak shares had a positive effect.

In addition, while losses were recorded due to the reorganization of U.S. banking subsidiaries and allowance for dormant deposits, profit attributable to owners of parent increased by ¥405.0 billion year-on-year to ¥1,583.0 billion.

Thus, as a result of continued strong core business performance, particularly in Japan, under a favorable business environment, we took measures to enhance future profitability and still achieved new record highs for the third consecutive year for consolidated gross profit, consolidated net business profit, and profit attributable to owners of parent.

(JPY bn)

	FY2025	YoY
Consolidated gross profit	4,844.7	+717.9
General and administrative expenses	2,651.5	+249.6
Equity in gains (losses) of affiliates	137.7	+143.2
Consolidated net business profit	2,330.9	+611.6
Total credit cost (gains)	388.4	+43.9
Gains (losses) on stock	446.1	(63.8)
Ordinary profit	2,303.4	+583.9
Profit attributable to owners of parent	1,583.0	+405.0

Performance of Major Group Companies

(Left: FY2025 performance; Right: Year-on-year comparison) (JPY bn)

	SMBC		SMBC Trust	
Gross profit	2,677.9	+421.3	80.7	+8.5
Expenses	1,186.0	+113.9	45.7	+3.1
Net business profit	1,491.9	+307.5	35.1	+5.5
Net income	1,411.7	+343.1	26.4	+4.1

	SMBC Nikko*1		SMCC*2	
Gross profit	586.4	+51.0	884.4	+66.0
Expenses	470.7	+23.8	627.0	+58.1
Net business profit	115.7	+27.2	262.9	+80.1
Net income	128.3	+55.0	105.7	+170.0

	SMDA 50%		SMFL*3 50%	
Gross profit	51.6	+7.8	411.2	+105.3
Expenses	35.4	+1.9	179.2	+38.9
Net business profit	16.3	+6.0	240.9	+63.2
Net income	5.8	+2.1	120.1	(13.8)

Ratio of Ownership by SMFG

**1 Internal management basis, including profits from SMBC Nikko America and SMBC Capital Markets*
**2 Includes figures from SMBC Consumer Finance*
**3 Figures are on a managerial accounting basis*

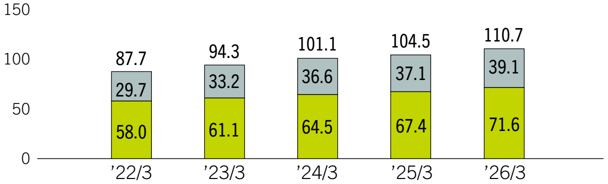
Financial Review

Consolidated Balance Sheet Summary

Loans and Bills Discounted (SMBC, non-consolidated)

In Japan, the balance of loans and bills discounted increased by ¥6.2 trillion year-on-year to ¥110.7 trillion, primarily due to continued strong funding demand driven by active corporate actions.

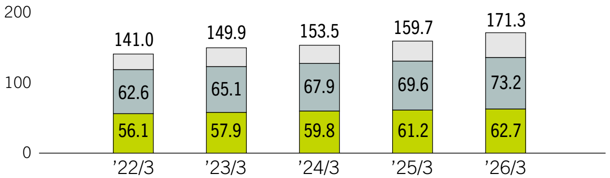
Balance of Loans



Deposits (SMBC, non-consolidated)

In Japan, against an environment where the rate of deposit growth across the entire market is decelerating, by promoting deposit acquisition measures centering on Olive for individuals and capturing appropriate investment needs and implementing flexible interest rate management for corporations, balances for both individual and corporate deposits increased. As a result, the balance of deposits increased by ¥11.6 trillion from the end of the previous fiscal year to ¥171.3 trillion.

Balance of Deposits



Domestic Loan-to-Deposit Spread (SMBC, non-consolidated)

The domestic loan-to-deposit spread, calculated by subtracting the yield on deposits, etc. from the yield on loans, rose by 0.18% year-on-year to 1.14%. This was primarily due to the rise in domestic policy interest rates.

Domestic Loan-to-Deposit Spread (%)

	FY2025					FY2024
	1Q	2Q	3Q	4Q	Yearly average	Yearly average
Interest earned on loans and bills discounted	1.26	1.30	1.34	1.47	1.34	1.02
Interest paid on deposits, etc.	0.18	0.19	0.19	0.26	0.20	0.06
Loan-to-deposit spread	1.08	1.11	1.15	1.21	1.14	0.96

Securities

The balance of other securities at the end of the period decreased by ¥4,974.5 billion from the end of the previous fiscal year to ¥34,802.3 billion, mainly due to a decrease in short-term Japanese government bonds held for collateral purposes. Net unrealized gains (losses) on other securities increased by ¥414.2 billion from the end of the previous fiscal year to ¥3,220.2 billion, primarily due to rising stock prices.

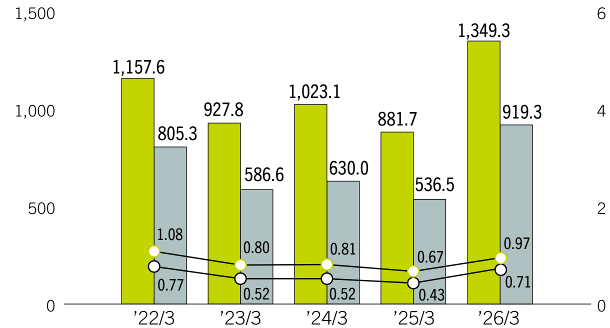
Unrealized Gains (Losses) on Other Securities (JPY bn)

	Balance		Net unrealized gains (losses)	
	March 2026	YoY	March 2026	YoY
Domestic stocks	3,503.3	+458.1	2,497.2	+536.3
Domestic bonds	7,556.7	(6,336.8)	(271.2)	(126.4)
Other income (expenses)	23,742.3	+904.2	994.3	+4.3
Total	34,802.3	(4,974.5)	3,220.2	+414.2

Non-Performing Loans (NPLs) Based on the Banking Act and the Reconstruction Act

Balances of NPLs based on the Banking Act and the Reconstruction Act increased by ¥467.6 billion from the end of the previous fiscal year to ¥1,349.3 billion primarily due to deterioration of overseas large borrowers. The NPL ratio also rose by 0.30% from the end of the previous fiscal year to 0.97%.

NPLs Based on the Banking Act and the Reconstruction Act, and NPL Ratio



Financial Review

Capital

Capital
Common Equity Tier 1 capital increased by ¥958.9 billion from the end of the previous fiscal year to ¥12,544.0 billion. This was primarily due to profit accumulation and an increase in net unrealized gains (losses) on other securities related to equity holdings, driven by a rise in stock prices. Tier 1 capital and total capital increased from the end of the previous fiscal year to ¥14,655.9 billion and ¥15,865.9 billion, respectively, due to factors such as the issuance of perpetual subordinated bonds.

Risk-Weighted Assets
Risk-Weighted Assets increased by ¥7,961.1 billion from the end of the previous fiscal year to ¥101,078.2 billion primarily due to an increase in domestic loan balances and the impact of foreign exchange rates due to depreciation of yen leading to an increase in credit Risk-Weighted Assets.

Capital Ratio
As shown in the table on the right, the Common equity Tier 1 capital ratio, which represents the most important form of core capital, stood at 12.41%, while the total capital ratio was 15.69%. Both ratios remain at adequate levels.

Leverage Ratio
Total exposure increased mainly due to an increase in the balance of derivative transactions and repurchase agreements. However, as Tier 1 capital also increased, the leverage ratio stands at 5.00%, satisfying the required level.

External TLAC Ratio
In addition to increasing our own equity capital, SMBC Group strives to increase external TLAC capital by procuring external TLAC bonds from overseas corporate bond markets. The external TLAC ratio was 23.86% on a Risk-Weighted Asset basis and 9.51% on a total exposure basis, meeting mandated levels for both.

Consolidated Capital Ratio (BIS Guidelines)
(JPY bn)

	March 2026	March 2025	YoY
Common equity Tier 1 capital	12,544.0	**11,585.1**	+958.9
Additional Tier 1 capital	2,111.9	**1,673.7**	+438.2
Tier 1 capital	14,655.9	**13,258.8**	+1,397.1
Tier 2 capital	1,210.1	**885.3**	+324.8
Total capital	15,865.9	**14,144.1**	+1,721.8
Risk-Weighted Assets	101,078.2	**93,117.1**	+7,961.1

Common equity Tier 1 capital ratio	12.41%	**12.44%**	(0.03%)
Tier 1 ratio	14.49%	**14.23%**	+0.26%
Total capital ratio	15.69%	**15.18%**	+0.51%

Leverage Ratio

Leverage ratio	5.00%	**5.01%**	(0.01%)

External TLAC Ratio

Risk-Weighted Assets basis	23.86%	**23.61%**	0.25%
Leverage exposure basis	9.51%	**9.60%**	(0.09%)

Total Exposure

Total exposure*	292,746.5	**264,426.2**	+28,320.3

** Excludes deposits with the Bank of Japan*

Sustainability Information

External sustainability ratings

Acquired Top Gold Rating in PRIDE index evaluation for LGBTQ-related initiatives
work with Pride

Certified as a company exercising superior health and productivity management
METI, Nippon Kenko Kaigi

Evaluated as a company in enhancement of productivity and sustainable growth through workstyle reform
Nikkei

Certified as a listed company excelling in support for dual-income households and co-parenting
Ministry of Economy, Trade and Industry / Tokyo Stock Exchange

Certified as a company engaged in supporting child rearing at an even higher level*1
Ministry of Health, Labour and Welfare

Certified as a company having excellent initiatives to promote active participation by women*2
Ministry of Health, Labour and Welfare

Certified as a company actively involved in conducting sports activities in order to promote the health of employees*3
Japan Sports Agency

Endorsement of Initiatives in Japan and Overseas

As a global corporate citizen fully aware of the social impact of financial institutions, SMBC Group endorses the following initiatives in Japan and overseas (the action guidelines for corporate activities and principles).

Signatory of:

Incorporation into ESG Indices

SMBC Group is widely included in the constituents of major global ESG indices (as of the end of June 2026).

GPIF Selected Indices

2026 CONSTITUENT MSCI JAPAN *4
EMPOWERING WOMEN INDEX (WIN)

S&P/JPX Carbon Efficient Index

2026 CONSTITUENT MSCI NIHONKABU *4
ESG SELECT LEADERS INDEX

FTSE JPX Blossom Japan Index

FTSE JPX Blossom Japan Sector Relative Index

FTSE4Good

2026 CONSTITUENT MSCI JAPAN *4
ESG SELECT LEADERS INDEX

*1 Five major Group companies acquired this certification
*2 Seven major Group companies acquired this certification (two companies acquired Level 3 certification and five companies acquired Level 2 certification)
*3 Four major Group companies acquired this certification
*4 The inclusion of Sumitomo Mitsui Financial Group, Inc in any MSCI Index, and the use of MSCI logos, trademarks, service marks or index names herein, do not constitute a sponsorship, endorsement or promotion of Sumitomo Mitsui Financial Group, Inc by MSCI or any of its affiliates. The MSCI Indexes are the exclusive property of MSCI. MSCI and the MSCI Index names and logos are trademarks or service marks of MSCI or its affiliates.

Together with Shareholders and Investors

Close Communication

Consistent with the principle premise of fair disclosure, we strive to provide timely and appropriate disclosure of our business strategy, financial performance, etc., through investor briefings and individual meetings.

We actively reflect the feedback obtained through engagement with institutional investors and analysts in our business strategy and information disclosure. In the "Award for Excellence in Corporate Disclosure" in the banking category, presented by the Securities Analysts Association of Japan, we received 1st place in the banking sector for the second consecutive year from 2024, marking our sixth time receiving this award.

Dialogue Track Record (FY2025)

General Meeting of Shareholders	1,246 participants*1
Briefings for institutional investors and analysts	Held 15 times
Individual meetings with institutional investors and analysts	Conducted 702 times
Of which, conducted by officers	Conducted 146 times
Of which, with overseas investors	Conducted 476 times
Of which, SR meetings	Conducted 16 times
Securities firm-sponsored conferences	Participated in 6 times
Briefings for individual investors	Held 2 times

**1 Includes 761 viewers via live internet streaming*

More Accessible and Attractive to Long-Term Shareholders

To further broaden understanding of SMBC Group's long-term growth strategy and foster long-term relationships with investors who support that strategy, we have decided to implement a stock split and introduce a shareholder benefit program for shareholders who use Olive.

Stock Split

To create an environment that is easier for everyone to invest in, we will lower the investment unit of our common stock effective October 1, 2026, with a record date of September 30, 2026.

Split Ratio

1 for 2

Shareholder Benefits

We aim not only to enhance the appeal of holding our shares over the long term but also to give shareholders a closer sense of our business through the use of Olive, the comprehensive financial service provided by SMBC Group.

1 "V POINT" Rewards

Number of Shares Held*2	Continuous Holding Period	Awarded Point
100 Shares or more	1 Year or more	**5,000pt**
1,000 Shares or more	5 Years or more	**30,000pt**

2 Bonus Interest on Time Deposits

3-Month Yen Time Deposit

+1.0% Per annum

(After tax: +0.79685% per annum)

3 Invitations to Sponsored Events, etc.

**2 Number of shares as of the initial reference date, September 30, 2026. Figures for FY2027 onward reflect the share split effective October 1, 2026.*

Please see our website*3 for details on shareholder benefits →

**3 Japanese only*

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 of the Company described in the “sustainability statements” are based on policies and practices that seek to promote and responsive to its risk management and other investment and 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.

Scope of Report
Period: FY2025 (April 2025 to March 2026)
Some subsequent information is also included.
Organizations covered:
Sumitomo Mitsui Financial Group and its subsidiaries and affiliates
Published:
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SMBC

“SMBC” has been designated as the corporate group’s master brand. All Group companies use the SMBC logo and promote the SMBC brand in order to enhance the brand power of the entire SMBC Group.

Rising Mark
The Rising Mark is the upward cur ving strip seen beside the letters “SMBC.” This mark indicates our desire for the Group to grow together with our customers, shareholders, and society by providing high-value-added, cutting-edge, and revolutionary services.

Corporate Colors
The fresh green color (color of young grass) of the Rising Mark symbolizes youthfulness, intellect, and gentleness while the traditional green (deep, dark green) background presents tradition, reliability, and stability.

SMBC