

IMPACT REPORT 2025



Message from Group CEO

■ Aspirations for the Future through creating social value

We are now in the midst of an extraordinary historic inflection point. Geopolitical tensions, climate change accelerations, rapid technological advancements, and evolving social values are all reshaping the foundations of our business environment. In this era of profound change, the importance of pursuing the creation of social value has never been greater, nor has its significance been more deeply felt.

As a financial institution, our responsibilities have expanded and become even heavier. Finance is not merely a mechanism for the provision of capital; it is a catalytic force capable of addressing social issues and enhancing the sustainability of people's lives and business activities alike. Whether through tangible action such as providing transition finance to facilitate the journey toward a decarbonized society or leveraging digital technologies to promote financial inclusion, we are committed to deploying the full extent of our capabilities to contribute to the resolution of pressing social issues.

FY 2025 marks the final year of our current Medium-Term Management Plan, which positions "Create Social Value" as one of its core pillars. This moment serves as a critical juncture to reflect upon SMBC Group's initiatives and their outcomes. This Impact Report has been crafted to provide a quantitative and objective account of our progress and the impact of our efforts toward social value creation.

When we published our first Impact Report last year, we were heartened by the wealth of feedback and insights shared by our stakeholders. This underscored the growing focus on social value and impact across society. This year, we have sought to further broaden the scope of our impact visualization, incorporating valuable opinions we received, while expanding the breadth of our own initiatives. Our journey remains ongoing, and we are determined to refine and advance our efforts, guided by the continued counsel of our stakeholders.

The realization of "Fulfilled Growth" is the very future we aspire to create. Achieving this vision requires us to break free from conventional frameworks and persistently challenge ourselves to generate new value. I firmly believe that the courage to "Make a Breakthrough", exhibited by each and every employee of SMBC Group, coupled with our collective efforts to adapt to social shifts and collaborate with our stakeholders, will enable us to forge a path to the future we envision.

As Group CEO, I am fully committed to leading from the front, driving our endeavors to create social value, and bringing to life the aspiration of "Fulfilled Growth."

Sumitomo Mitsui Financial Group
Director President
and Group CEO
Toru Nakashima




CSuO × Global Advisor Dialogue~the Publication of Impact Report and the Road Ahead

Mr. Paul Polman, an SMBC Group Global Advisor, and Mr. Masayuki Takanashi, the Group Chief Sustainability Officer (CSuO) held a dialogue on the theme of “impact.”

Takanashi In Aug. 2024, We published our first Impact Report.

As we explored how to create social value, it naturally led us to reaffirm that enhancing our corporate value is also a major objective. With the yardsticks for evaluating companies evolving—and “impact” increasingly becoming part of that assessment—we concluded that we needed to present our initiatives and outcomes to stakeholders on an impact basis. That is why we decided to publish the Impact Report.

We also wanted to use the report to share our thoughts, build momentum for social value creation, and expanding the circle of initiatives.

We fully recognize that our first Impact Report was not perfect; nevertheless, I believe issuing it at that timing was meaningful.

Polman Good outcomes follow when you take a brave first step and learn along the way.

I applaud SMBC Group for moving early to publish the Impact Report.

When a company treats social issues as its own and acts to address them—then communicates this externally—it further enhances its corporate value. The more evidence we have that companies can generate positive impact, the more we can accelerate changes in corporate behavior. I am confident SMBC Group can be a driver of this transformation and establish these efforts as a source of competitive advantage and brand strength.

Takanashi Thank you.

Since we published the report last year, we have received feedback from many stakeholders. Some, like you, told us that “it takes courage to publish a report,” and overall the reaction has been positive.

At the same time, we received many suggestions for improvement. The most common was a request that we show impact generated through our core businesses. We ourselves see a challenge in the fact that we have largely presented impact derived from only specific part of business or services. We intend to keep improving—step by step—so that we can present a more holistic view of our impact.

We also need to demonstrate the linkage between the impact we create and our corporate value. This is not easy, but we must continue our efforts to demonstrate the relationship between the two.

Polman When I look back at Unilever's first impact report, I sometimes think, “How did we even publish that?” But without that first report, the current report would not exist. Many companies hesitate to take the first step, and in doing so they miss the opportunity to move forward. You learn by doing.

Among the advice from stakeholders, the connection between impact and corporate value is crucial. We should never charge ahead with good intentions in ways that damage the business. Conversely, as SMBC Group grows, the scope of its social value creation can expand.

Another important point is to be a strong storyteller. This is essential to build momentum and expand the circle of initiatives. People do not remember each project; you need to reach them with a compelling narrative.

I look forward to seeing SMBC Group's Impact Report become even better in light of the feedback you have received.



left
Paul Polman
2018–2024
Vice-Chair of the UN Global Compact
2009–2019
Chief Executive Officer, Unilever
Mar. 2023–
SMBC Group Global Advisor

right
Masayuki Takanashi
Executive Officer
Group CSuO

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- Circle of Initiatives for Social Value Creation



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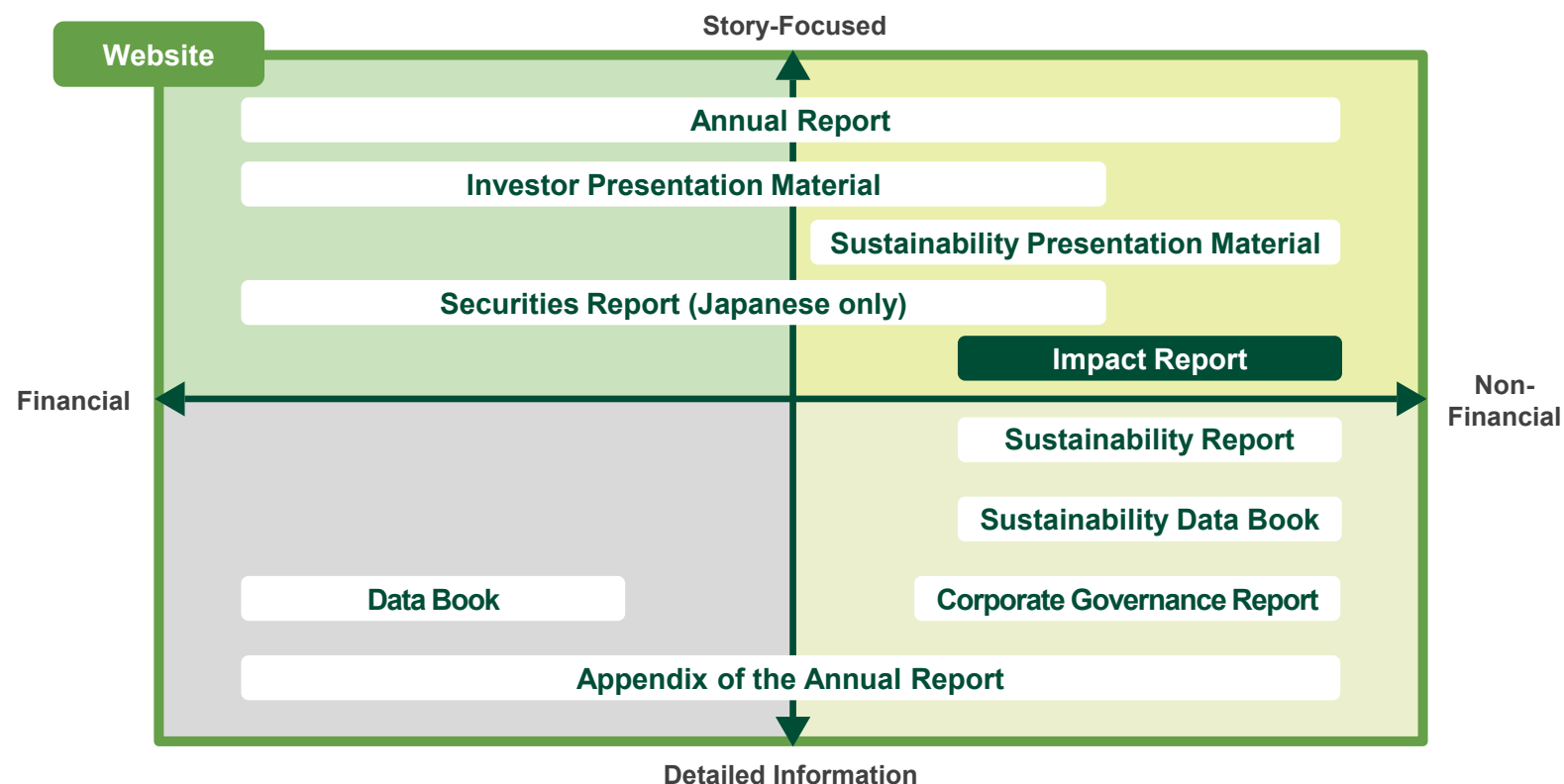
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- Logic Models of Priority Issues



SMBC Group Information Disclosure / Editorial Policy

SMBC Group Information Disclosure

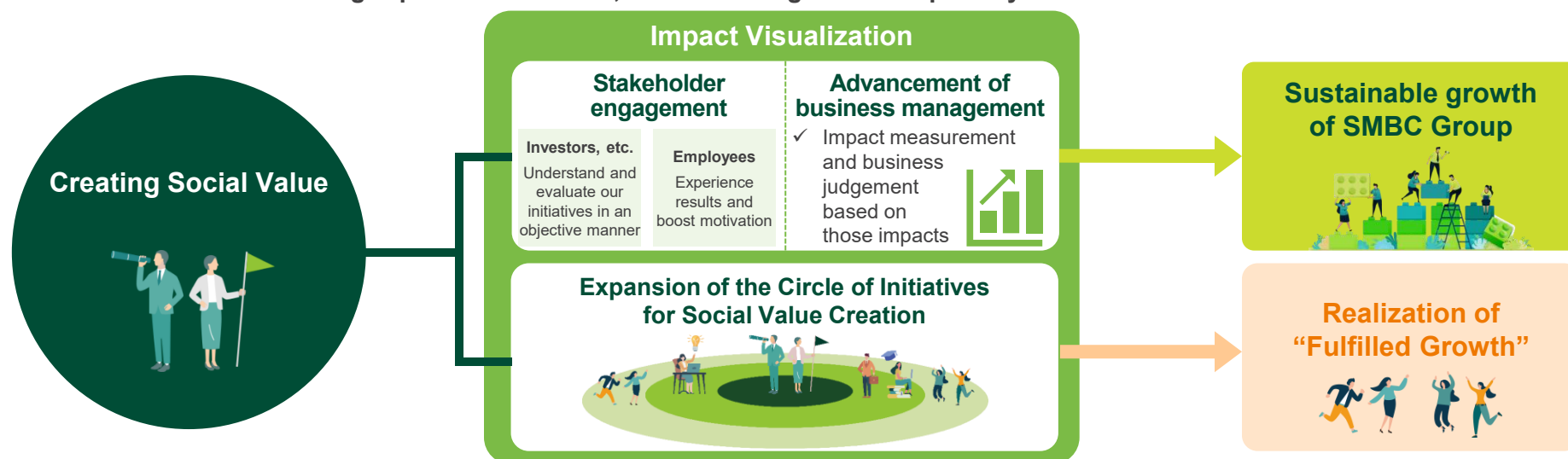


Editorial Policy

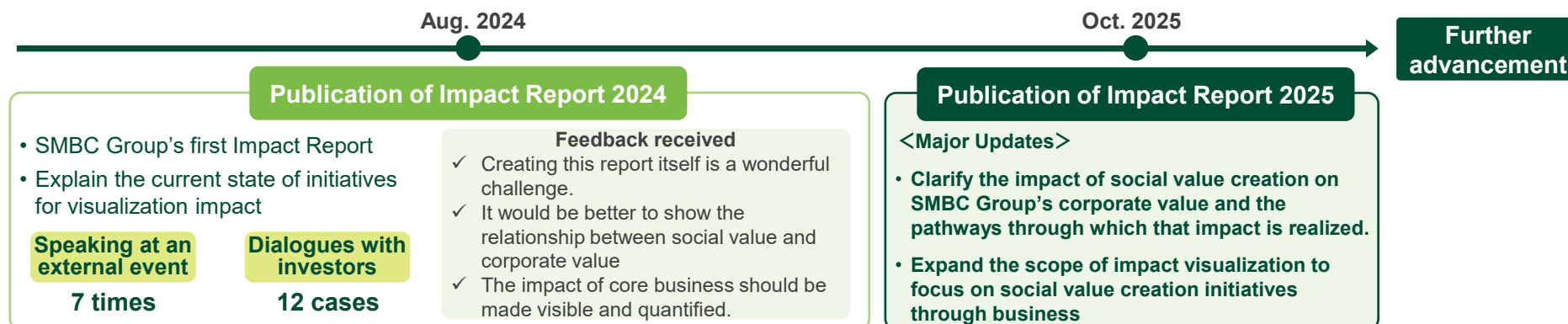
Impact Report 2025 summarizes SMBC Group's approach to creating social value and the specific initiatives we are pursuing. In editing this report, we have referred to international impact principles and frameworks and, where feasible, used logic models and impact indicators to present our initiatives and progress, aiming for impact-based disclosure.

Purpose of publishing Impact Report

As social value creation becomes increasingly important, a company's impact on society and environment is becoming "measures" for assessing corporate value, alongside its financial performance. Anticipating this shift, SMBC Group will quantify and objectively disclose the outcomes of our initiatives using impact-based metrics, communicating them transparently to stakeholders.



Initiatives for visualizing impact



Executive Summary

SMBC Group has been creating social value leveraging impact, with aim of achieving “Fulfilled Growth” and sustainable growth of SMBC Group.

Efforts for Social Value Creation and Impacts

Quantify and objectively disclose the outcomes using impact
(Expand the scope of impact visualization to focus on initiatives through business New)

Priority Issues	CSR	Business
Environment		Decarbonization of the real economy
DE&I / Human Rights	Pro Bono	Human capital management
Poverty & Inequality	Opportunities for education and trying new things Spaces for children	Financial inclusion
Declining Birthrate & Aging Population	Financial and economic education	Wealth building support Life shift services
Japan's Regrowth		Foster growth industries Support for Startups Regional revitalization

Expansion of financial Solutions using impact

Impact Investment

Positive Impact Finance

Impact IPO

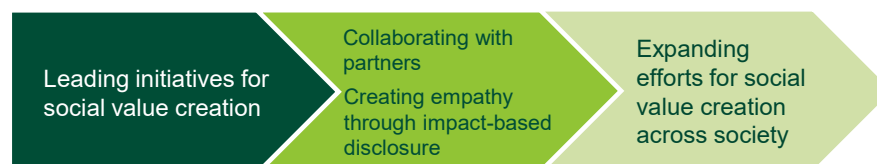
Sustainable growth for SMBC Group

Efforts for social value creation and its disclosure enhance SMBC Group's corporate value by driving bottom-line growth and increasing PER

Activity	Outcome	Impact on Corporate Value
Efforts for social value creation Disclosure of non-financial information	Creation of new business opportunities Enhance corporate branding Reduce volatility in business performance ⋮	Bottom-line growth + Encouragement for PER Anticipated growth rate Capital cost

Realization of “Fulfilled Growth”

By leading initiatives for social value creation and proactively communicating our results, we build momentum and empathy, expanding efforts across society



Key Figures

490 cases
Total of
2,501 people

of award applications/applicants
for social value creation initiatives (FY24)



JPY 34 tn

Amount of sustainable finance
(FY20-24)



46 cases

of transition finance
projects executed
(Cumulative since Transition
Finance Playbook released)



25 Mt-CO₂

Avoided emissions for
finance related to
renewable energy projects
(FY24)



JPY 185 bn

Investment and loans for
startups (FY23-24)



JPY 9.2 tn

Market capitalization of startups
we support (FY24)



JPY 5.16 bn

Total annual
training costs
(FY24)

74

Engagement score
(FY24)



11.1% decrease

Change in percentage of BTPN
Syariah customers in extreme
poverty three years after
starting to use services



**+1,400,000
people**

of financial and economic
education recipients
(FY20-24)



1,300

of proposals to
customers on human
capital management
(FY24)

JPY 19 tn

Assets under
management
(FY24)



**over 1,500
people**

of recipients of SMBC Group
Study Coupons



Social Value Creation and corporate value of SMBC Group

Social value creation is also a medium to long-term growth driver for SMBC Group. These initiatives directly enhance existing businesses and generate new business opportunities. They also strengthen our business foundation including our customer base and human capital, thereby fueling SMBC Group's growth and opening up further avenues for action. In this way, we are building a virtuous cycle.



Social Value Creation in SMBC Group

- “Fulfilled Growth” that SMBC Group aims to achieve
- Circle of Initiatives for Social Value Creation

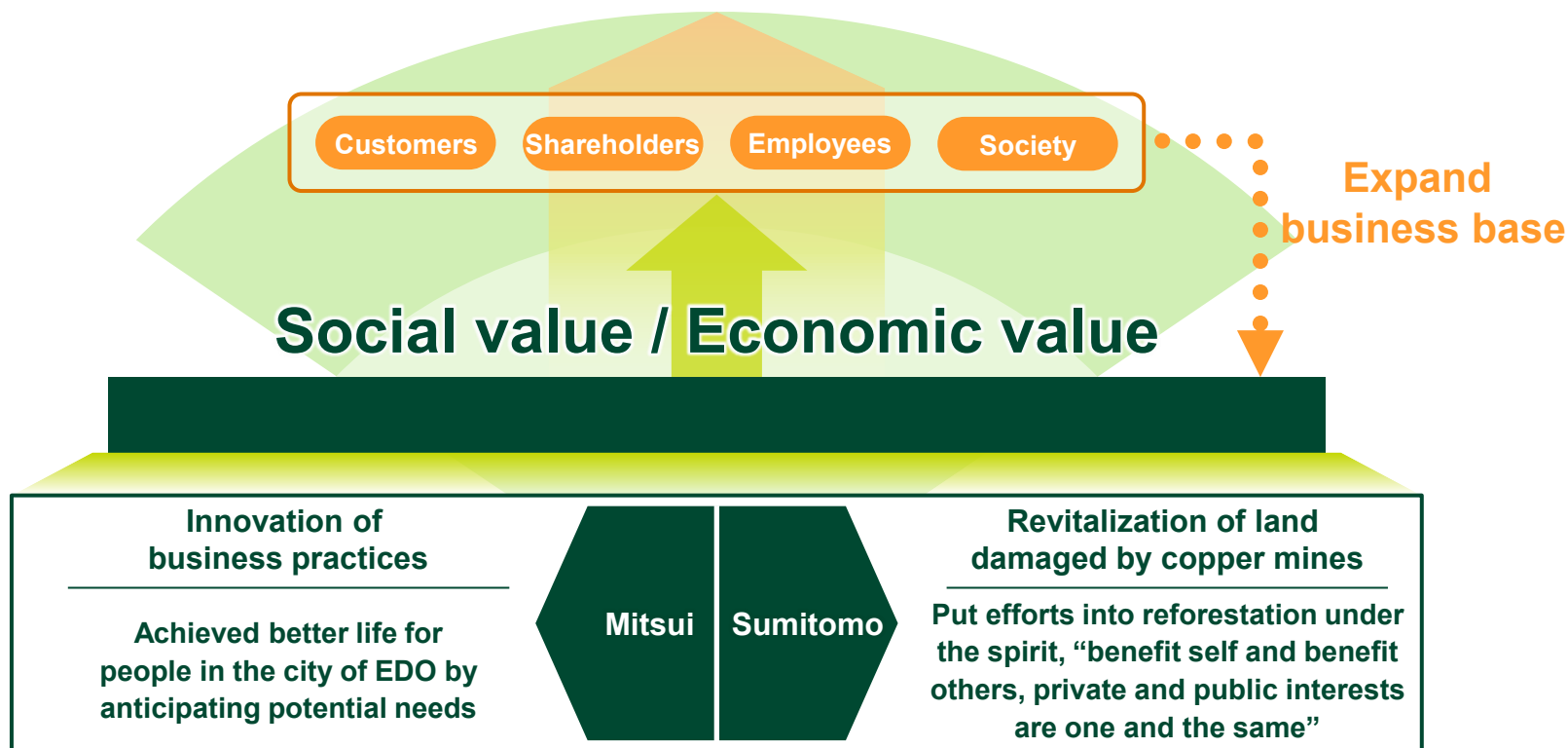


"Fulfilled Growth" that SMBC Group aims to achieve

SMBC Group aims for creating an era of "Fulfilled Growth" where people feel fulfilled as economic growth accompanies the resolution of social issues. By creating social value and pursuing economic value, we will contribute to both economic growth and the resolution of social issues to achieve "Fulfilled Growth."

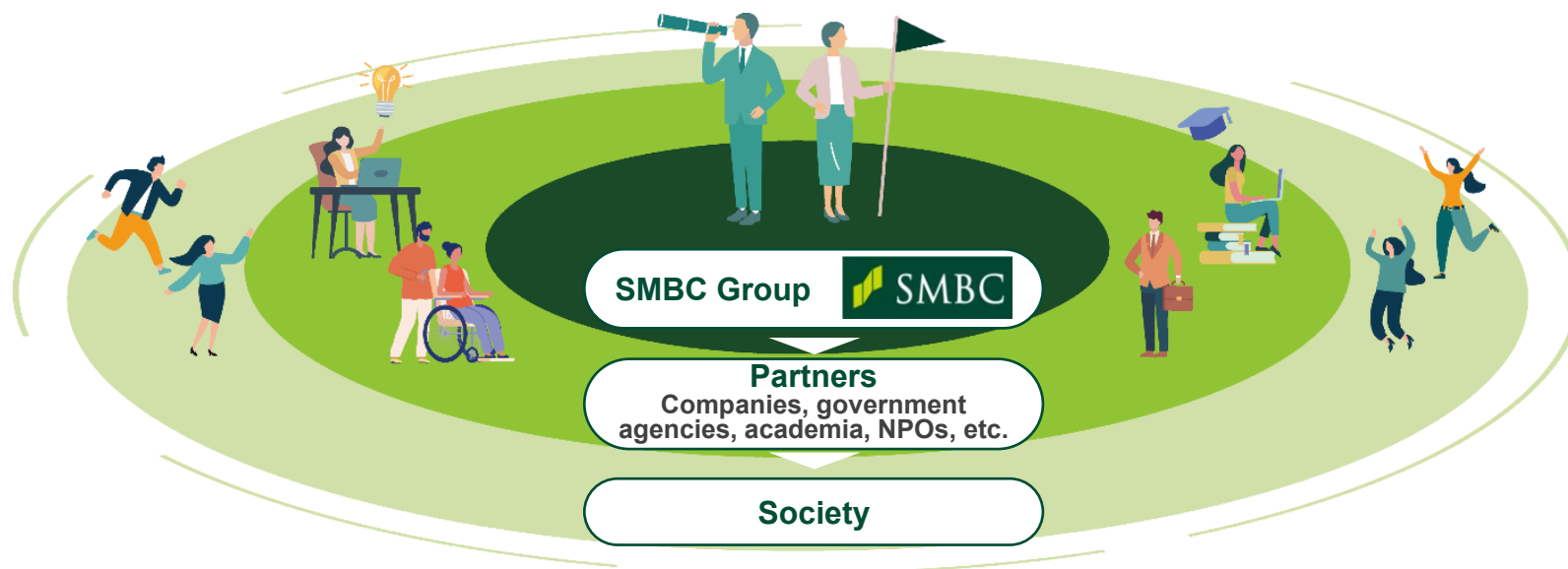
Era of "Fulfilled Growth"

An era where people feel fulfilled as economic growth accompanies the resolution of social issues



Circle of Initiatives for Social Value Creation

Resolving social issues and achieving “Fulfilled Growth” cannot be accomplished by SMBC Group alone. SMBC Group believes it is vital to build momentum for creating social value not only by leading initiatives but by communicating the outcomes of these initiatives through this report and elsewhere, and to expand the circle of initiatives to include customers and other stakeholders and eventually society as a whole in order to resolve social issues.



- SMBC Group leads initiatives for social value creation

- Collaborating with partners
- Creating empathy through impact-based disclosure

- Expanding efforts for social value creation across society

Circle of initiatives for Social Value Creation Full participation

Expanding the circle of initiatives for social value creation requires that each of our nearly 130,000 employees takes a proactive approach. It has been two years since “creating social value” was added to the basic policy of our medium-term management plan, during which understanding and initiatives among employees have grown. Increased support and opportunities to participate in initiatives for employees will be provided to further accelerate this movement.

Expand opportunities for participation

■ Shaka-kachi DAY

- One-day events are held for employees to consider social value creation themselves and take action.
- In FY2024, 257 locations in Japan and abroad planned and implemented initiatives to resolve social issues in partnership with customers and other members of the local community and took part in or provided support for social contribution activities.



Local business field trips for elementary school students



Beach cleanup tied up with foods supplier company

■ Shaka-kachi AWARD

- This award recognizes employee initiatives in creating social value.
- In FY2024, winners of the President's Award and Employee Choice Award were selected from approximately 2,500 applicants across 490 entries.

<Winner of the President's Award>

Marketing of Olive through industry-academic collaboration



Support employee initiatives

■ Support for initiatives

Materials and tools

- Discussion papers compiling 50 social issues, solution approach sheets compiling SMBC Group's proposals to issues, etc., to promote dialogue with and support for customers based on social issues.



Shaka-kachi Ambassadors

- Shaka-kachi (social value) Ambassadors have been established in corporate sales departments to promote the creation of social value.



SMBC Social Issues Resolution Promotion & Support Loan

- A product to support customer efforts to resolve social issues by analyzing the relationship between customer business and social issues, and creating an action plan.
- In FY2024, we provided JPY 110 billion in support to 19 companies.



■ Resource allocation

Expense budget : JPY 10bn

- Customer efforts for resolving social issues
- Employee social contribution activities, etc.

Investment fund : JPY 50bn

- Joint growth/development of business together with customers
- Development of new technology and industry training, etc.

Circle of initiatives for Social Value Creation Partners & Society

Expanding the circle of initiatives for social value creation requires not only that we take the lead ourselves but that we work with customers, and all other stakeholders.

We will continue to promote initiatives through collaboration with partners, and a system that allocates "money" to solve social issues.

Collaboration with partners

■ Industry-academia collaboration

- To date, we have signed collaboration agreement with three universities to engage in joint research, talent development, and social implementation, etc., through new industry-academia collaborations that contribute to creating social value.

Jun. 2024

Kyoto University
Platform for industry-academia collaboration
"SMBC Kyoto University Studio"

Collaborative research and social implementation on social issues

Aug. 2024

University of Tsukuba
Supporting for university's management transformation as a financial group

Expand collaboration model between universities and financial institutions throughout Japan

Apr. 2025

University of Tokyo
Returning to society and creating value of university's diverse assets

Mutual provision of financial and human resources

■ Business collaboration

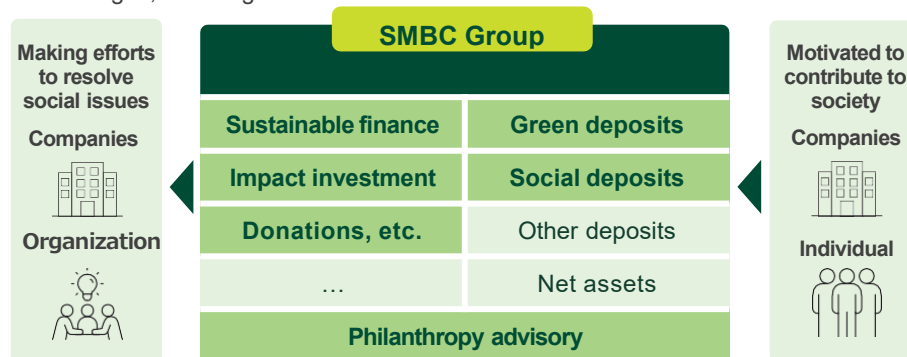
- We are working on collaboration with companies, including our customers. For example, at Sumitomo Mitsui Banking Corporation, we are collaborating with the CHITOSE Group, which leads the global bioeconomy, to promote the construction of a microalgae industry under the "MATSURI" project, building a value chain involving the industrial sector.



SUMITOMO MITSUI
BANKING CORPORATION

Fund allocation to solve social issues

- We are building a financial framework that connects customers who want to contribute to solving social issues with those who are actively working on these challenges, ensuring that funds are directed towards the resolution of social issues.



	Green deposits	Apply for renewable energy and other businesses	\$ 750 mn Total Deposits as of FY3/25
	Social deposits	Apply for resolving social issues of poverty and inequality, etc.	\$ 20 mn Total Deposits as of FY3/25
	Impact investment	Support companies addressing priority issues	3 cases See P.44
Philanthropy advisory		Services that aid social contributions through donations from affluent individuals. Support by the entire SMBC Group from strategy formulation to execution support and operation management	






Efforts for Social Value Creation and Impacts

- Environment
- DE&I / Human Rights
- Poverty & Inequality
- Declining Birthrate & Aging Population
- Japan's Regrowth



5 Priority Issues (Materiality)

In our efforts to create social value, SMBC Group has set 5 priority issues to focus on resolving, and for each of these, we have established output-based KPIs and are working on initiatives to achieve them.

SMBC Group's approach		KPI	FY3/25 Results
Environment 	<ul style="list-style-type: none"> Promoting environmental protection through an integrated approach to climate change, natural capital, and circular economy Contributing to the realization of a decarbonized society by facilitating the flow of funds to initiatives supporting the transition Continuing appropriate climate-related risk management from the perspectives of policies, portfolios, and individual companies/projects 	Sustainable finance JPY 50 tn (FY3/21-30)	JPY 34 tn (FY3/21-25)
DE&I / Human Rights 	<ul style="list-style-type: none"> Creating a workplace where diverse employees respect each other and can fully demonstrate their abilities and individuality Supporting the maximization of human capital not only for SMBC Group, but also for our customers As an industry hub, establishing a framework to respect the human rights of our stakeholders 	Engagement score Maintain at least 70	74
Poverty & Inequality 	<ul style="list-style-type: none"> Creating a society where people can thrive regardless of their backgrounds by providing opportunities for learning and challenges Contributing to the elimination of absolute poverty with a focus on micro finance, as a company promoting a multi-franchise strategy 	# of microfinance borrowers +800 k (FY3/26 vs. FY3/23)	-234 k
Declining Birthrate & Aging Population 	<ul style="list-style-type: none"> Eliminating the various anxieties about the era of 100-year life by providing a diverse range of products and services Building a base to enable access to highly convenient financial services regardless of age or region 	Assets under management JPY 21 tn (FY3/26)	JPY 19 tn
Japan's Regrowth 	<ul style="list-style-type: none"> Contributing to the development of Japan through resolving corporate issues and providing growth support as a proud Japanese megabank Promoting Japan's growth by taking on challenges beyond the boundaries of financial institutions, such as supporting new industries and the next generation 	Investment and loans for startups JPY 135 bn (FY3/24-26)	JPY 185 bn (FY3/24-25)

Environment Decarbonization of the real economy (1/2)

Climate change is becoming increasingly severe, and decarbonization remains an urgent priority. SMBC Group is advancing initiatives to maximize our contribution to decarbonizing the real economy.

Impact strategy – Pragmatic approaches toward decarbonization^{*1}

- SMBC Group is leveraging its financial intermediation function—often described as the lifeblood of the economy—to channel capital to projects that contribute to reductions in greenhouse gas (GHG) emissions over the short, medium, and long term, including the social implementation of new energies and technologies and support for our clients' transitions.
- To track progress, we measure indicators such as the amount of sustainable finance and the avoided emissions by renewable energy-related projects, and we are working to promote and scale these efforts.

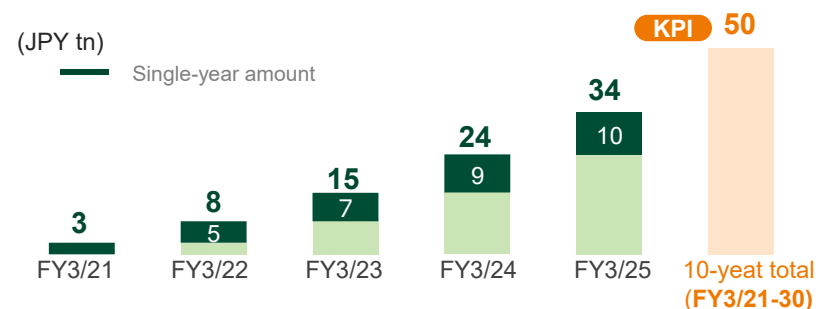
■ Relationship between impacts and business activities

Beneficiary	Business activities	Outcomes	Impacts
Environment	Risk-taking in new energies and new technologies	Social implementation of new energies and new technologies	Decarbonization of the real economy
	Finance	Advancing transition of companies and industries	
	Collaboration with stakeholders		

KPIs / Indicators

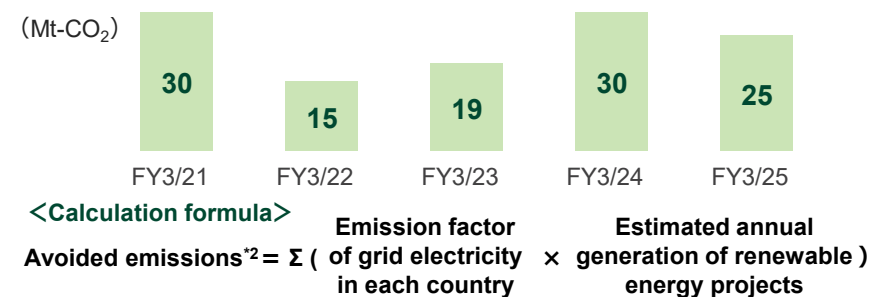
■ KPI : Amount of sustainable finance (cumulative)

- Steady progress towards the sustainable finance target of JPY 50 trillion.



■ Impact indicator : Avoided emissions

- We calculate the annual avoided emissions for finance related to renewable energy projects in which Sumitomo Mitsui Banking Corporation participated.



^{*1} For details of these initiatives, please refer to "Sustainability Report 2025" (https://www.smfg.co.jp/english/sustainability/report/pdf/sustainability_report_e_2025.pdf)

^{*2} Assuming that the electricity generated by these projects replaces electricity generated from fossil fuels, we calculate the CO₂ emission reduction using the CO₂ emission factor of the power sector in the region where the projects are located. For this calculation, the lending share has not been considered.

Environment Decarbonization of the real economy (2/2)

Global discussions to clarify the basic concept of “avoided emissions” and to standardize calculation methodologies are advancing rapidly. Taking into account these discussions in Japan and globally, SMBC Group will consider how best to utilize this metric.

What is “Avoided emissions” ?

- “Avoided emissions” is defined as the difference between estimated GHG emissions in a scenario where a GHG-reducing solution is available and those in a scenario where it is not.
- It is expected to enhance the evaluation of low-environmental-impact products and services and to promote the development of decarbonization technologies, so its awareness and use have been rising in recent years.

e.g.) product-level avoided emissions disclosures

Installation of a Home Delivery Communication Box at home (Panasonic)^{*1}

Installation of a
Home Delivery
Communication Box

Enhance
convenience
for recipients

Reduce
burden on
delivery
service
providers

Reduce CO₂
emissions
during
delivery

<Calculation formula>

$$\left(\begin{array}{l} \text{\# of Home Delivery} \\ \text{Communication} \\ \text{Boxes sold} \\ \text{per year} \end{array} \right) \times \left(\begin{array}{l} \text{Avoided emissions per} \\ \text{vehicle per redelivery} \\ \text{(0.46 kg/redelivery)} \end{array} \right) \times \left(\begin{array}{l} \text{Annual number} \\ \text{of redeliveries} \end{array} \right) \times \left(\begin{array}{l} \text{Period} \\ \text{(Designed lifetime of} \\ \text{the product)} \end{array} \right) - \left(\begin{array}{l} \text{CO}_2 \text{ emissions of} \\ \text{a Home Delivery} \\ \text{Communication Box} \end{array} \right)$$

The spread of heat pump space and water heater (DAIKIN)^{*2}

Combustion heating



100% fossil-fuel-based

Significant reduction
in CO₂ emissions

Heat pump heating



Leverage ambient atmospheric heat
with minimal electricity

<Calculation formula>

$$\left(\begin{array}{l} \text{Gas consumption} \\ \text{/ year per unit of} \\ \text{combustion space} \\ \text{and water heater} \end{array} \right) \times \left(\begin{array}{l} \text{Gas} \\ \text{emission} \\ \text{factor} \end{array} \right) - \left(\begin{array}{l} \text{Power consumption} \\ \text{/ year per unit of} \\ \text{heat pump space} \\ \text{and water heater} \end{array} \right) \times \left(\begin{array}{l} \text{Electricity} \\ \text{emission} \\ \text{factor} \end{array} \right) \times \left(\begin{array}{l} \text{Product lifespan} \\ \text{Units sold} \end{array} \right)$$

Issues as an indicator

- At present, there is no globally established standard for calculation methodologies; due to this ambiguity, concerns have been raised about the indicator's reliability.

Validity

Proprietary calculation methods are often used, and companies are not always able to sufficiently substantiate the validity of their contributions or the assumptions used in the calculation

Risk of double counting

Double counting may arise when multiple companies in the value chain each report the avoided emissions for the same product or service.

Assessment & comparability

The evaluation criteria have not yet been established, and both the understanding among evaluators (including investors) and the availability of data from the assessed companies remain insufficient.

“Finance needs to go where the emissions are”

- This phrase—used by Mark Carney, the current prime minister of Canada and the former governor of the Bank of England—means “lend where the (GHG) emissions are.”
- To achieve global net zero, it is essential to advance decarbonization in sectors that use large amounts of energy in their production processes and are difficult to abate with existing technologies.
- Rather than immediately withdrawing financing (divesting) from such customers, SMBC Group will maintain active engagement, carefully identify the decarbonization pathways that reflect sectoral and regional characteristics, and provide robust support for medium- to long-term transitions and technological innovation, thereby contributing to the decarbonization of the real economy.

*1 Created by SMBC Group based on Panasonic Group “Sustainability Data Book 2025”

*2 Created by SMBC Group based on DAIKIN INDUSTRIES, LTD. “Sustainability Report 2025”

[Column] Case study on avoided emissions of financing

We are also conducting trial calculations of avoided emissions for lending and investment transactions other than renewable energy-related projects. In some cases, the avoided emissions vary depending on which elements of the project are included in scope, so we feel it is challenging to use avoided emissions as an indicator.

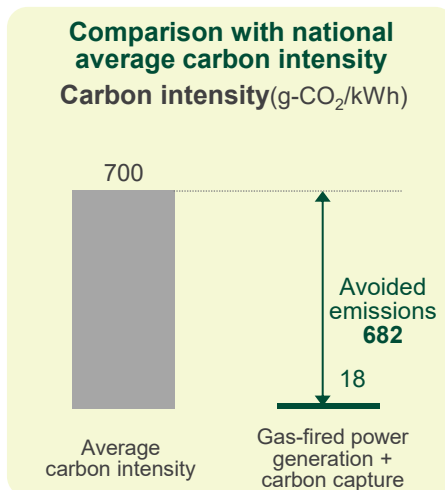
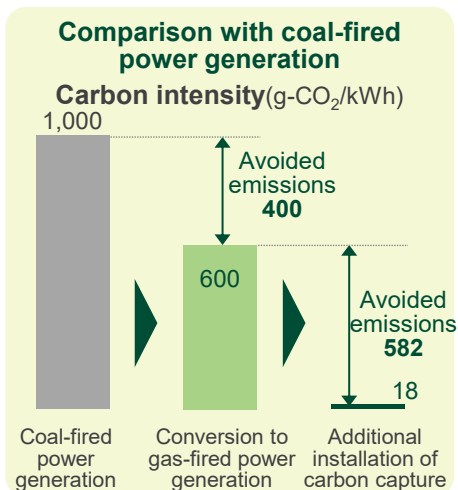
Case1 Gas-fired power generation with CCS*

Support for gas-fired power generation equipped with carbon capture
(conversion of existing coal-fired power plant to gas)

National average carbon intensity 700g-CO ₂ /kWh	Carbon intensity of coal-fired power generation 1,000g-CO ₂ /kWh	Carbon intensity of gas-fired power generation 600g-CO ₂ /kWh	Carbon capture capacity 97%
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Simplified estimate of avoided emissions

Depending on the chosen focus,
multiple avoided emissions estimates may be derived



* Carbon dioxide Capture and Storage

Case2 SAF (Sustainable Aviation Fuel)

Support for SAF production project using used cooking oil as feedstock

Annual SAF production volume Approx.440,000KI	Emission factor for conventional jet fuel 89kg-CO ₂ e/GJ	Calorific factor per unit of jet fuel 36GJ/KI	GHG emissions of SAF relative to conventional jet fuel 15%
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Simplified estimate of avoided emissions

A broad set of input data is required for the calculation

Annual avoided emissions of this project

Approximately **1.22 million** t-CO₂

(= approx.440,000KI×36GJ/KI×89kg-CO₂e/GJ× (100%-15%))

Calculation of avoided emissions by SAF requires verification of the feedstocks and production pathways, as well as whether the manufacturing process involves CO₂ uptake and/or emissions.



【Column】 Circular economy / Natural capital

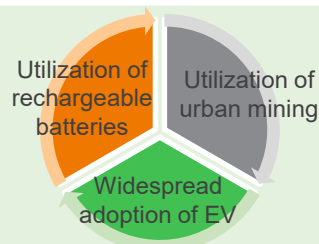
SMBC Group leverages its strengths to create new edges in the areas of circular economy and natural capital, and promotes the conservation of the environment by the integrated approach to climate change, natural capital, and circular economy.

Realization of circular economy

- Maximizing consulting, financing, and leasing functions to contribute to building value chains for high-demand recycled materials and promoting collaboration between upstream (arterial) and downstream (venous) industries.

EV Battery Smart Use Council

- Launched by The Japan Research Institute (JRI) in Oct. 2024 to realize an EV-battery circular economy at scale
- Supporting EV user companies and promoting regulation and standardization



Conservation and restoration of natural capital

- In the area of natural capital, we support our customers' efforts toward nature-positive while simultaneously strengthening SMBC Group's own initiatives.

Financial institutions alliance FANPS

- Established by four institutions—MS&AD Insurance Group Holdings, Inc., Development Bank of Japan Inc. (DBJ), The Norinchukin Bank, and SMBC Group—to promote and support companies' transition toward nature-positive.

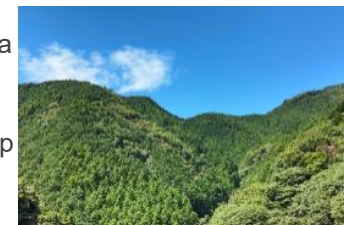
Event speaking /
information sharing

Solution catalogue

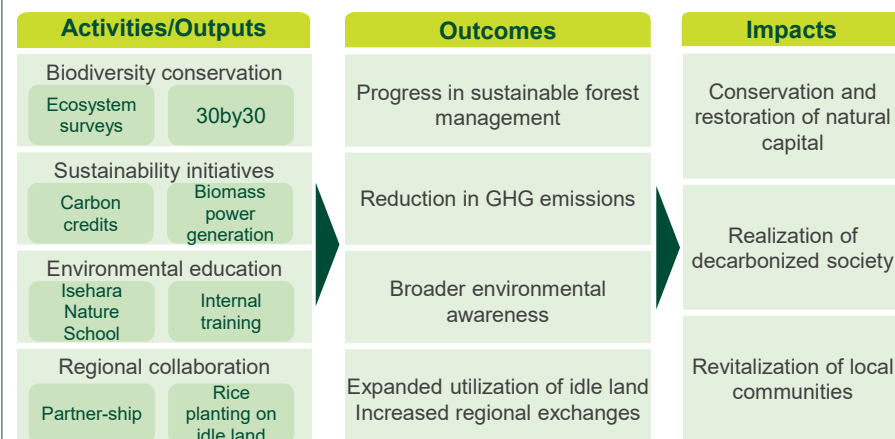
Dialogue with
corporates

SMBC's Forest

- In Hinata District, Isehara City, Kanagawa Prefecture, Japan (Approx. 220 ha)
- Working with stakeholders, we are advancing a range of initiatives to develop model for sustainable forest use and management and to roll it out externally.



Logic model



DE&I /
Human Rights

Human capital management of SMBC Group (1/2)

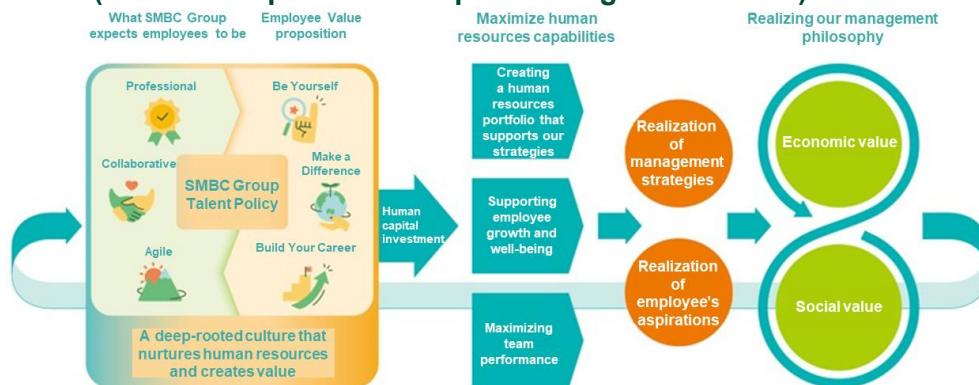
At SMBC Group, employees are a vital asset and the source of our competitiveness. Through human capital management, maximizing each employee's capabilities, we will maximize our human resource capabilities to achieve the creation of social value and pursuit of economic value set forth in our management strategy.

Impact Strategy

– Maximizing human resource capabilities
based on SMBC Group Talent Policy

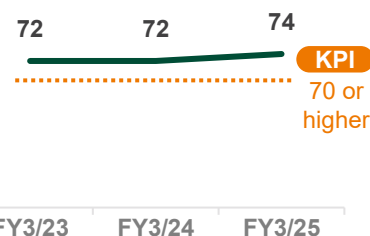
- To ensure that SMBC Group becomes indispensable to our customers and society, it is of utmost importance that each and every employee continues to take on challenges and achieve personal growth.
- By advancing human capital management that supports our employees' growth and encourages them to take on challenges, and by maximizing our human resource capabilities, we will expand both the creation of social value and pursuit of economic value.
- We established the "SMBC Group Talent Policy" (Talent Policy) as our basic policy of human capital management, and promoting a wide range of initiatives.
- In the Talent Policy, we made it clear "what SMBC Group expects employees to be" and "employee value proposition," aiming to create a workplace and teams where diverse and professional employees continue to take on challenges and feel fulfillment in their work, and to maintain an enduring relationship of mutual choice between SMBC Group and our employees.

Relationship between impacts and business activities (SMBC Group's human capital management model)



KPIs / Indicators

■ KPI : Engagement score (impact indicator)



- Under the current Medium-Term Management Plan, we have set a target of maintaining an employee engagement score of 70 or higher, and we are currently sustaining performance at a high level.
- We will continue to track results using a consistent methodology and apply the insights to improve our HR initiatives.

■ Impact indicator : Talent policy scores

- In FY2025, in addition to engagement score, we newly introduced the "Talent Policy Score" as an index to quantitatively evaluate the level of implementation of the Talent Policy. This index visualizes the positive cycle between "What SMBC Group expects employees to be" and "Employee Value Proposition" in the Talent Policy, calculated by combining the results of various items from engagement surveys.
- Consistent with engagement score, these scores use a benchmark of 70 or higher; our current level exceeds that benchmark.
- We will continue to monitor these scores and leverage the results to further advance human capital management, supporting SMBC Group's sustainable growth.

FY2025 Talent Policy Score

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

DE&I /
Human Rights

Human capital management of SMBC Group (2/2)

To maximize our human resource capabilities, we promote a wide range of initiatives based on three pillars,: "Creating a talent portfolio that supports our strategy," "supporting employee growth and well-being," and "maximizing team performance."

Initiatives for maximizing human resource capabilities*1

① Creating a talent
portfolio that supports
our strategySecuring professional talent and agile talent
deployment in focus area

- ✓ Expansion of human resources in focus areas
- ✓ Subject matter expert certification
- ✓ Enhancing human resources acquisition

② Supporting employee
growth and well-being

Enabling each employee to thrive authentically

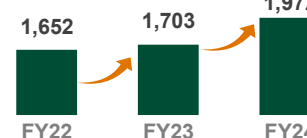
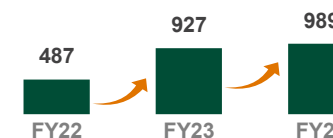
- ✓ System for supporting self-directed career development
- ✓ Development program focused on specialization
- ✓ Promoting health and proactivity management

③ Maximizing team
performanceFostering a corporate culture that respects
diverse values and drives results through
collaboration

- ✓ Enhancement of diversity at decision making levels
- ✓ Promoting work-life balance support
- ✓ Organizational culture that improves performance

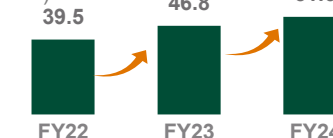
Progress of human capital management

① Creating a talent portfolio that supports our strategy

of subject matter experts
(persons) across the group# of mid-career hires
(persons)

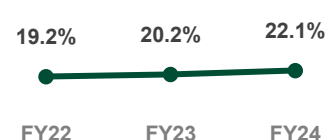
② Supporting employee growth and well-being

Rate of use of paid leave

Total annual training costs
(billion)

③ Maximizing team performance

Ratio of female managers*2

Ratio of mid-career hires
to total managers

*1 For details of these initiatives, please refer to "Sustainability Report 2025"
https://www.smfg.co.jp/english/sustainability/report/pdf/sustainability_report_e_2025.pdf

*2 Aggregation based on the Japan's Act on the Promotion of Women's Active Engagement in Professional Life

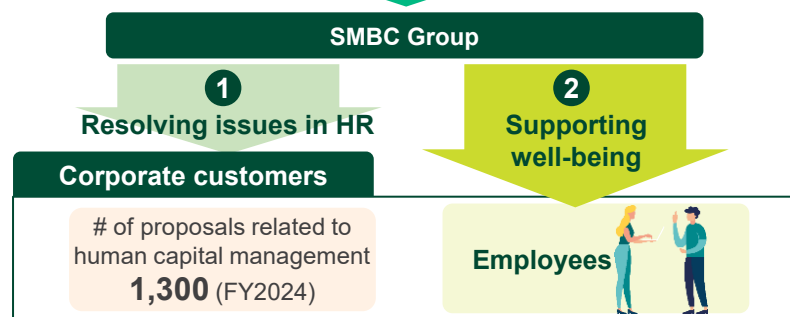
DE&I /
Human Rights

Supporting customers' human capital management

As the importance of human capital management grows as a business growth strategy, SMBC Group continues to support customers' initiatives proactively

SMBC Group's support

The rising importance of human capital management



1 Resolving issues in HR

- We provide a wide range of solutions by leveraging the Group's resources and collaborating with partner companies to address our customers' diverse human resource needs.

Current situation analysis	• HR Diagnostics (a web tool to visualize the status of HR initiatives)
HR strategies	• HR system consulting, recruitment, and initiatives to enhance employee engagement, etc.

2 Supporting well-being

- To realize employees' financial well-being, we offer financial services that support long-term asset building (e.g., corporate DC / iDeCo) and Olive a highly convenient solution that also helps also household budgeting, and provide financial and economic education.

Collaboration with partner companies : EUPHORIA

- EUPHORIA supports companies in enhancing productivity by providing "ONE TAP SPORTS for Biz," a program that leverages sports-science insights to address workplace health and productivity management challenges.

<Social issues>

Shrinking labor force
(Declining birthrate)

Declining productivity
(Chronic health issues such as sleep deprivation)

Workplace accidents
(e.g., heatstroke)

ONE TAP SPORTS for Biz

Helping prevent declines in efficiency and maintain employee health through sports-science-based employee condition monitoring and improvement programs

Improving sleep quality

Heatstroke prevention

Alleviating neck and lower back pain

Logic model

Activities	Outputs	Outcomes		Impacts	
Offering "ONE TAP SPORTS for Biz"	Using programs by companies and employees	Improved employee sleep quality indicator : improvement rate	Reduced presenteeism ^{*2}	Higher productivity	Enhanced industrial sustainability
		Relief of lower back pain and neck stiffness indicator : improvement rate			
		Fewer heatstroke among industrial athletes ^{*1} indicator : improvement rate	Reduced absenteeism ^{*3}	Fewer workplace accidents	Improved worker well-being

*1 Employees in physically demanding roles

*2 Reduced on-the-job productivity due to health or other issues despite being physically present at work.

*3 Time away from work due to physical and mental illness

[Column] Impact of Pro Bono

Pro bono, derived from the Latin "Pro Bono Publico" meaning "for the public good," refers to initiatives that support non-profit organizations, etc. by leveraging employees' skills and experience gained through professional work. It contributes to solving a wide range of social issues through support for various organizations.

SMBC Group Pro Bono Project

- SMBC Group's pro bono efforts began with Sumitomo Mitsui Banking Corporation in FY2011 and have expanded to include various group companies. With SMBC Nikko Securities introducing the use of part of work hours for this purpose, aiming to further contribute to solving social issues, the initiative has grown. From FY2023, it operates as a unified group-wide project.

FY24 Supported Organizations

- Certified NPO Teach For Japan
- Certified NPO Kamonohashi project
- General Incorporated Association Choifuru
- NPO Fair Start Support
- NPO Bridge for Smile
- NPO Chance For All
- NPO Everyone's Code
- NPO eboard
- Social Welfare Corporation "Kodomo no Ie"
- After care Consultation Office Yuzuriha
- NPO Social Change Agency
- NPO Ryouiku World

■ Logic model^{*1}

Activities	Outputs	Outcomes		Impacts
Pro Bono Project	Employee participation Indicators : # of participants 65 people(FY24)	Supported organizations	Strengthening the organizational foundation	Realization of Social Issue resolution
	Supported Organizations Indicators : # of organizations 11 (FY24)		Promotion of Social Issue Solution	
		SMBC	Enhancement of Employees' Skill	Maximize human resources capabilities
			Improvement of Employees' Engagement	

* Prepared by SMBC Group based on the report of Social Value Japan, a non - profit organization

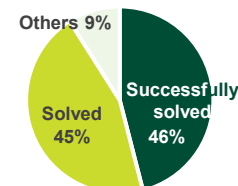
The Impact of Pro Bono

- Designated by SMBC, NPO Social Value Japan conducted a social impact assessment of the Pro Bono Work Project in FY24

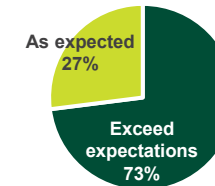
■ Impact on Supported Organization

- The support and problem-solving provided through the pro bono project were analyzed based on surveys and interviews.

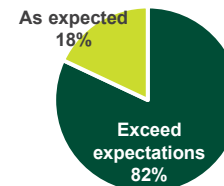
Degree of achievement



Satisfaction with problem resolution



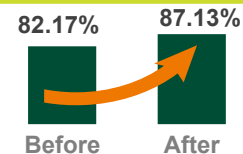
Satisfaction with outcomes



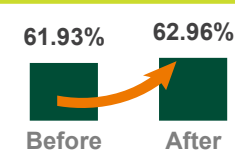
■ Impact on SMBC Group Employees

- The changes in employees' awareness and engagement resulting from participation in pro bono activities were analyzed based on a participant survey (n=43). Free responses also included positive feedback, such as "I gained confidence by realizing that the coordination and project management skills I had developed at work could be applied externally,"

Professional



Job satisfaction



Poverty &
Inequality

SMBC Group Study Coupon (1/2)

SMBC Group, in partnership with Public Interest Incorporated Association Chance for Children (CFC), has launched CHANCE!, a program to expand educational opportunities for children, and provides “SMBC Group Study Coupons” which children can use for cram schools, lessons, and other activities. In addition to financial support, we also dispatch personnel for this project and engage in planning and management.

Impact Strategy – Providing education and experiences to children

- Due to parents' economic circumstances, children may lose opportunities for education and experience, and as a result, those children may also fall into poverty in the future, creating a negative cycle across generations.
- SMBC Group is working with NPOs and business corporations to provide educational and challenge opportunities for children to break this cycle.
- From September 2024, we started to support for local governments working to eliminate educational disparities has begun.
- As the first step, in cooperation with Kamakura City, Kanagawa Prefecture, we have been providing coupons to elementary and junior high school students in eligible households within the city, which can be used for a variety of learning.

■ Relationship between impacts and business activities

(details on the next page)

Beneficiary	Business activities	Outcomes	Impacts
Study Coupon Users	Providing Study Coupon	Improving learning quality, motivation, and academic performance	A society where every child is included through diverse learning opportunities, irrespective of socioeconomic background or individual traits.
	Promoting participation of education providers	Clarifying outlook on future pathways	

KPIs / Indicators

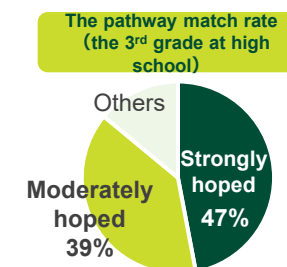
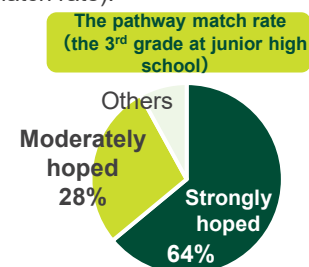
■ Output Indicators : the number of Study Coupon Users

- To date, we have provided coupons to over 1,500 children through this initiative.



■ Impact Indicators : Making proactive choices about future paths and widening opportunities

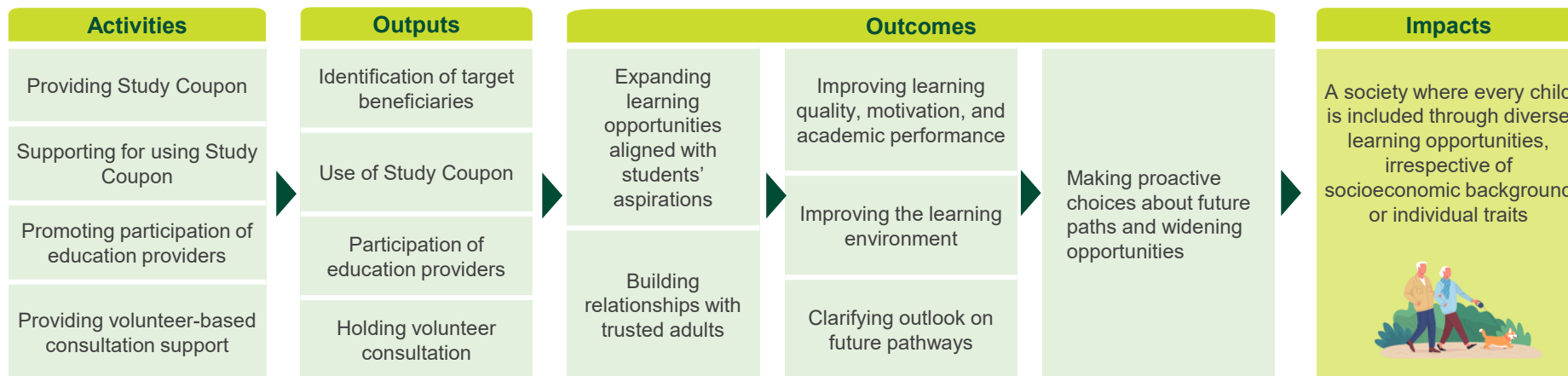
- We believe that the use of Study Coupons improves the quality of learning, motivation, and academic performance; as children gain confidence, their anxiety about future pathways is alleviated, leading to broader options and more self-directed choices about their future.
- We assess our progress with reference to metrics including the extent to which students' actual education/career paths align with their desired paths (pathway match rate).



Poverty &
Inequality

SMBC Group Study Coupon (2/2)

Logic model of SMBC Group Study Coupon



Voices from users of SMBC Group Study Coupon

A letter from the user of SMBC Group Study Coupon

Thank you very much for approving our participation. Since my husband's passing, our youngest child had been unable to attend a cram school like the older siblings. We managed to continue only a minimum set of subjects through distance learning. When I told him that he had been approved for assistance, he asked me to increase the number of subjects. It seems he had been holding back in their studies out of consideration for our family's finances. Thanks to your support, the scope of his study has broadened. In memory of his father, who passed away prematurely, he says he wants to become a doctor. We will make the most of this assistance.

Voices from children

Being able to attend a cram school before the entrance exams let me prepare for subjects I was a bit worried about and strengthen the ones I'm good at.

Voices from guardian

- Because of the recent surge in prices, we've been cutting back on expenses like food, but we were able to send our child to a cram school without worrying about the cost of education.
- Having the coupon gave me peace of mind as a parent.



Poverty &
Inequality

Atelier Banrai (1/2)

At “Atelier Banrai – ITABASHI,” which was set up in an idle bank branch, we provide a safe, welcoming space that supports children’s learning and experiences—hosting hands-on programs by companies and organizations, offering a collection of about 4,000 books, and opening the space to the community for children’s cafeterias.

Impact Strategy – Creating safe and enjoyable spaces for children

- Due to changes in family structure associated with the declining birthrate and aging population, and the weakening of community ties, opportunities for children to interact and learn together are decreasing. Especially for upper-grade students, it is becoming difficult to find places to spend time in the community after school or during long vacations. To address such social issues, we opened “Atelier Banrai-ITABASHI-” in an idle bank branch.
- We provide safe welcoming spaces for children outside the home and school, and host programs with a wide range of companies and organizations on themes such as money/financial literacy, food, music, programming, and science. We also hold community children’s cafeterias (kodomo shokudo) in collaboration with local adults and municipalities.

Relationship between impacts and business activities (details on the next page)

Beneficiary	Business activities	Outcomes	Impacts
Children	Operation of Children’s Safe Spaces	Sense of acceptance and belonging	A society where every child can take on challenges toward a better society and the person they aspire to be.
Program Partners	Providing Programs	Companies understand the importance of safe spaces and experiences.	

KPIs / Indicators

Impact Indicators : Changes in children’s self-esteem and autonomy, etc.

- Leveraging the expertise of After School NPO (the supervising organization for this facility), we developed a logic model for impact creation by Atelier Banrai.
- Going forward, to evaluate the impact of this facility, we will measure changes in children’s self-esteem and sense of agency. We also plan to conduct stakeholder-specific impact assessments for program partner companies, the local community, and the SMBC Group.

Implementation of experiential programs by partner companies

- At Atelier Banrai, as one of the experiential programs offered by corporate partners, Kagome Co., Ltd. delivered the “Two Kinds of Shokuiku—A Food-Education Experience that Begins with Plant Education” program. In this program, each child took responsibility for growing Koamachan® mini tomatoes, harvesting them, and then eating what they grew.
- We received comments from participating children such as, “I learned how tomatoes grow,” and “I want to try growing other plants as well.”

Comment from the program instructor: Satoshi Yoshida, Kagome Co., Ltd.

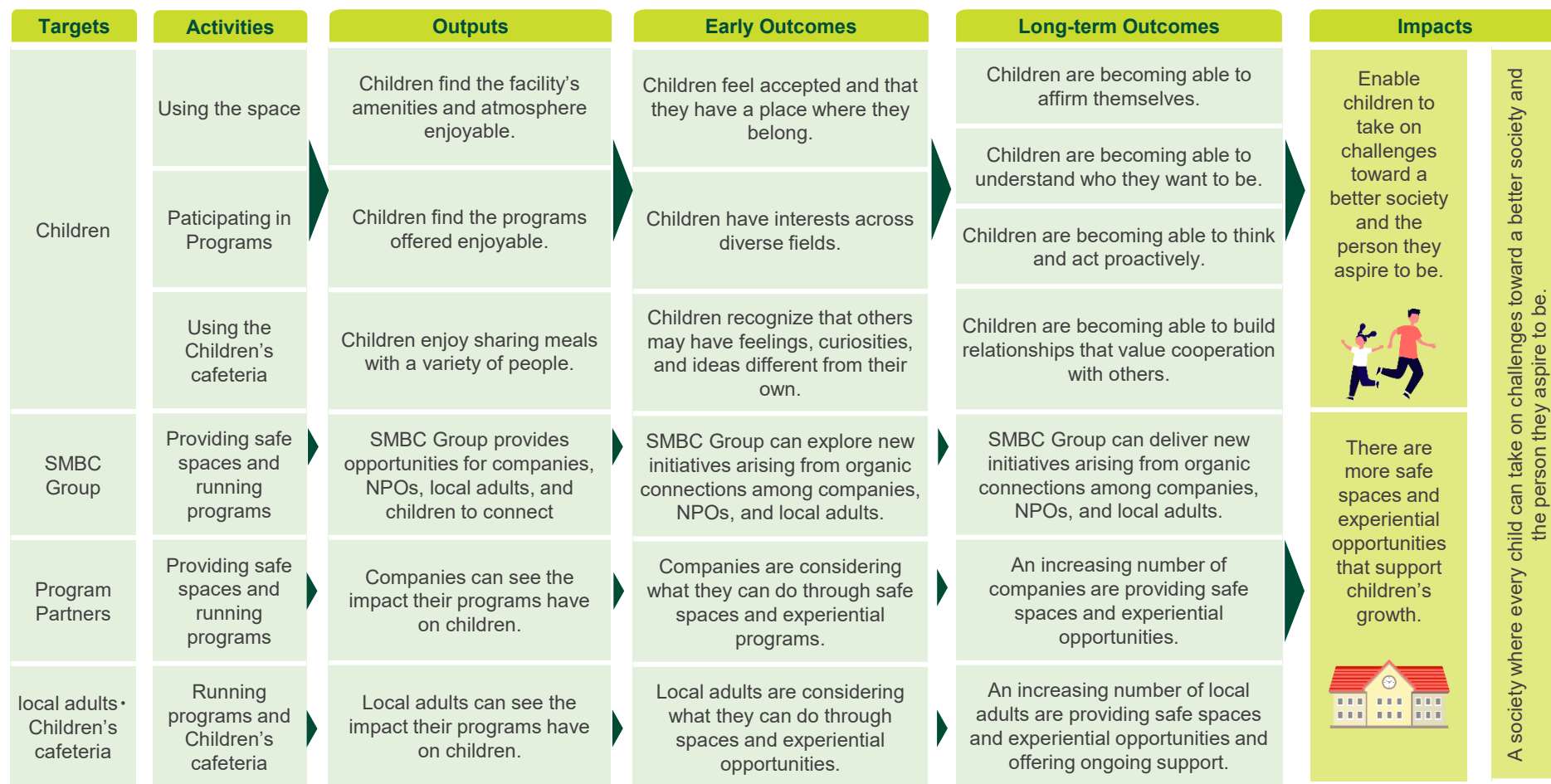
The series of experiences—personally tending vegetables, harvesting them, and eating them—helps children get to know, learn about, and feel a connection to vegetables, and we believe it fosters their rich sensibilities and hearts. We hope they will understand the importance of vegetables and grow up bright and healthy, both in body and mind.



Poverty &
Inequality

Atelier Banrai (2/2)

Logic model of Atelier Banrai



Poverty &
Inequality

Financial Inclusion in Asia (1/3)

SMBC Group contributes to reducing poverty and inequality by promoting financial inclusion—such as microfinance—through its investee companies in Asian countries.

Impact Strategy – financial and non-financial initiatives

- In many emerging economies, when people face emergencies and micro-entrepreneurs need additional investment, a lack of access to formal financial services forces them to rely on high-cost—often predatory—alternatives, leaving them trapped in cycles of poverty.
- Within the SMBC Group, BTPN Syariah and SMFG India Credit Company (hereafter “SMICC”) support access to financial services through microfinance and related offerings.
- On the non-financial side, we also provide, free of charge, financial literacy, vocational training, entrepreneurship support, and health and welfare services to promote social independence.

■ Relationship between impacts and business activities

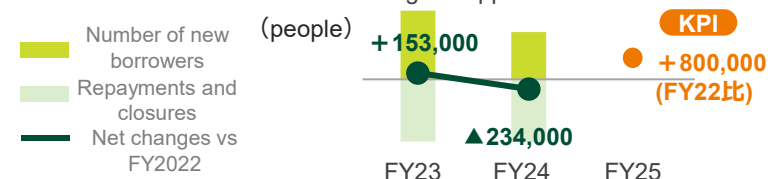
(details on the next page)

Beneficiary	Business activities	Outcomes	Impacts
People without access to financial services	Financial services	Increased access to financial services	Stable income
	Non-financial service	Increased knowledge for social independence	Improve quality of life

KPIs / Indicators

■ KPI : The number of microfinance clients

- Our goal is to achieve a +800,000 increase from FY2022 in the number of microfinance clients. However, as of the end of FY2024, the count was down by 234,000, reflecting the impact of credit contraction, mainly because existing clients paid off their loans.
- Meanwhile, the number of new microfinance clients over FY2023–FY2024 (two years) reached approximately 2.8 million. In FY2025, we will remain attentive to our customers' needs and continue working to support their socioeconomic self-reliance.



Over-indebtedness problem

- While microfinance promotes greater access to financial services for low-income populations, lending can overheat, creating a risk that borrowers fall into over-indebtedness. In some cases, a single borrower may take out loans from multiple institutions and slip into a debt spiral of obtaining new credit to repay existing obligations. In India, for example, regulators tightened lending rules with the aim of normalizing an overheated market.
- As the SMBC Group, we have no intention of pursuing KPI attainment at the expense of responsible lending by overextending credit to our customers. Going forward, taking market conditions and regulatory developments into account, we will continue to provide services that genuinely benefit our customers.

Poverty &
Inequality

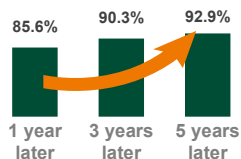
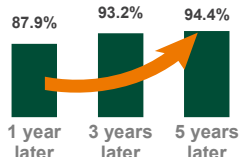
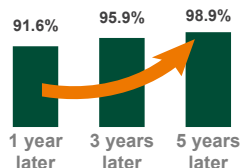
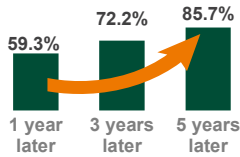
Financial Inclusion in Asia (2/3)

BTPN Syariah Initiatives

- BTPN Syariah emerged as a spin-off from Bank BTPN's Sharia division and has been operating as Indonesia's 12th Sharia commercial bank* since 2014. It is committed to promoting financial inclusion by offering a range of services to its customers.
- BTPN Syariah measures changes in clients' living conditions and poverty status, using this data as a benchmark for evaluating the impact of its initiatives and for strategic planning.

■ Changes in the Living Environment*2

Child Enrollment Rates

Ownership Rates:
Refrigerator or freezerOwnership Rates:
Modern Cooking FacilityOwnership Rates:
Motorcycle or motorized boat

■ Improvement of Poverty

- BTPN Syariah, in collaboration with the Institute of Population Studies at the University of Indonesia, also measures the comprehensive impact on its customers. Results show 11.1% reduction in the proportion of customers living in extreme poverty over three years after they started using the service.

Voice from clients

By not only receiving a loan but also learning financial basics—such as how to save money—the everyday-goods shop I run was able to grow from one to three locations. Thanks to this expansion, I was able to go on the pilgrimage I had long dreamed of. In addition, by sharing information with peers in our community, we have strengthened our repayment discipline and helped each other's businesses grow. We are sincerely grateful to BTPN Syariah for supporting our lives and helping us realize our dreams.



Impact of Modern Cooking Facility

- In many low- and middle-income countries, the use of firewood, charcoal, and coal on traditional stoves among low-income households gives rise to multiple challenges. Adopting modern/clean cooking solutions (clean cookstoves and fuels) helps address these issues and contributes to improving customers' quality of life.
 - ✓ **Health impacts:** Using "polluting fuels" such as firewood, charcoal, and coal on traditional stoves results in severe household air pollution.
 - ✓ **Lost opportunities for education, work, and income:** Women and children spend substantial time collecting firewood and tending fires, leading to missed schooling and income-earning opportunities.
 - ✓ **Forest degradation and climate effects:** In addition to the warming impact of greenhouse gas emissions from household energy use, unsustainable firewood and charcoal consumption contributes to forest degradation and associated CO2 emissions.

*1 "Sharia" generally refers to finance that complies with Islamic law and is governed by specific rules, including how interest is treated.

*2 Prepared by the SMBC Group based on the BTPN Syariah Sustainability Report (2024).

Poverty &
Inequality

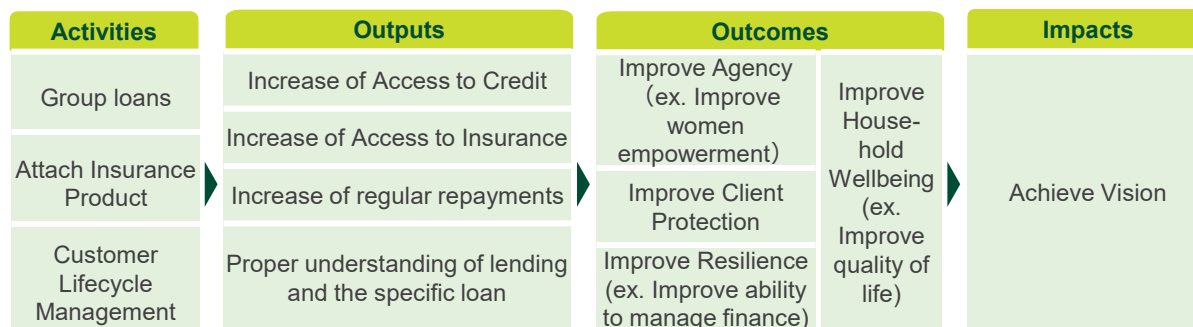
Financial Inclusion in Asia (3/3)

SMICC Initiatives

- SMICC launched Impact Measurement and Management (IMM) initiatives for its Rural Business (Solidarity Group Loan) segment and its subsidiary, SMHFC* which focuses on affordable home loan. They developed a logic model and will conduct Impact Measurement by Third party. Insights from this analysis will be leveraged to enhance strategic decision-making and operational effectiveness.

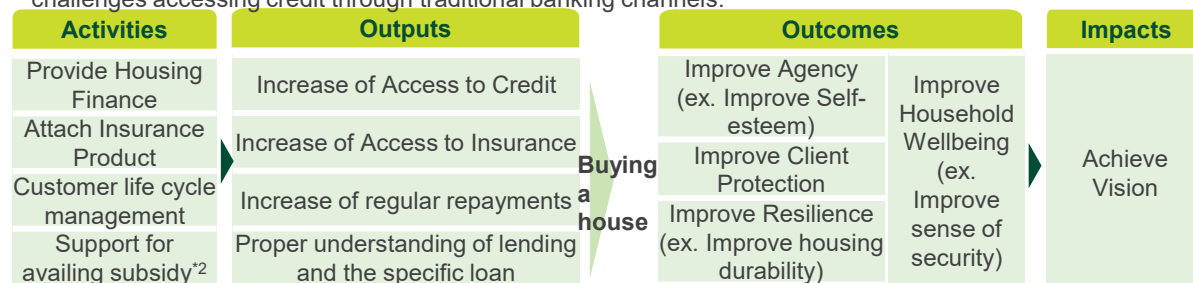
■ Logic model of Rural Business(Solidarity Group Loan)

- SMICC offers solidarity group loans. These are joint-liability loans used by groups of rural women who borrow together and mutually guarantee one another, supporting their dreams and financial independence.



■ Logic Model of Home Finance Business(Affordable Housing Loan)

- SMHFC offers mortgage solutions to individuals from the low- to middle-income segments, who often face challenges accessing credit through traditional banking channels.



■ Impact Indicators (excerpt)

Category	Indicators (excerpt)
Improve Agency	% of customers saying their confidence in themselves and abilities have improved
Improve Client Protection	% of customers saying they have experienced any harassment, unwanted pressure or been treated unfairly

SMICC Group's Vision

Contributing to local communities through a diverse range of financial services, underpinned by innovation and high ethical standard.

Importance of Homes in India



The phrase “roti, kapda, makaan”—symbolizing food, clothing, and shelter—captures the fundamental needs of life. Among these, owning a home holds particular significance in the context of marriage, often representing social status, stability, and long-term security.

*1 SMFG Grihashakti (SMFG India Home Finance Co. Ltd)

*2 The Indian government's affordable housing support measures include subsidies and tax benefits. SMHFC extends the support to its customer with subsidy application process

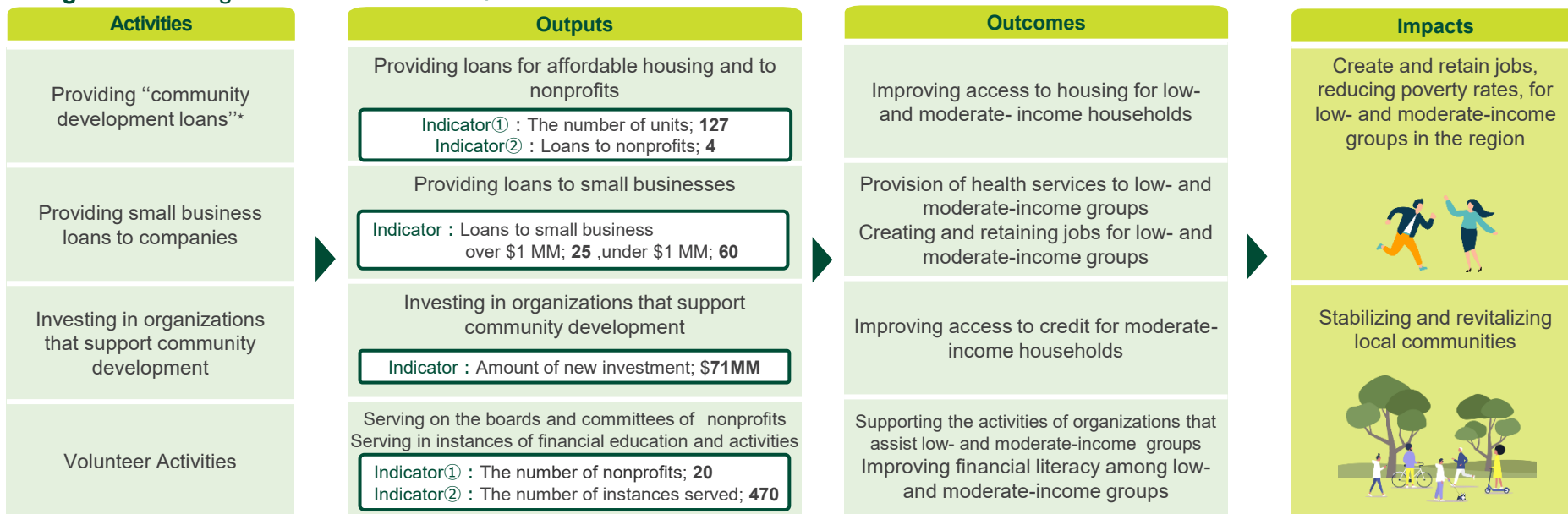
【Column】 Financial Inclusion Initiatives at SMBC MANUBANK

SMBC MANUBANK, a subsidiary of the U.S.-based SMBC Group, monitors and supports lending, investments, and services in Los Angeles and Orange Counties, in California that meet the criteria of affordable housing, community revitalization and stabilization, community services, or economic development.

What is SMBC MANUBANK?

- SMBC MANUBANK is a California-based, state-chartered, community-focused commercial bank and a wholly owned subsidiary of SMBC Americas Holdings, Inc. Formerly known as Manufacturers Bank, it rebranded in 2023. SMBC MANUBANK offers business products through the Commercial Banking Unit and consumer products through the Digital Banking Unit, Jenius Bank™, which launched in 2023.
- These activities demonstrate support of the Community Reinvestment Act (CRA), which is a US law enacted in 1977 to obligate banks to meet the credit needs of low- and moderate-income individuals and areas.

■ Logic Model (Figures as of end-FY2024)



* Affordable housing, small business, community services, or community revitalization

Declining Birthrate
& Aging Population

Wealth Building Support (1/2)

SMBC Group offers a comprehensive range of services across its group companies.

Impact Strategy – Supporting wealth building across the Group

- SMBC Group supports customers in building wealth to address concerns about funding life in retirement in the era of 100-year lifespans. We also strive to foster a society where everyone has strong financial literacy and can live with confidence, offering financial literacy education to people of all ages by drawing on the Group's expertise.

Wealth Building Support

Promoting NISA and investment products, as well as digital consultations tailored to customers' life stages

Integrated proposals
combining banking, trust,
and securities services.

Digitalization of Financial
Infrastructure

Through Olive, Providing a wide range of financial services regardless of regions



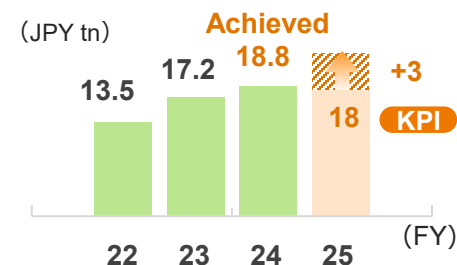
Relationship between impacts and business activities (details on the next page)

Beneficiary	Business activities	Outcomes	Impacts
Customers	Asset management consultation	Progress in asset transfer and asset management	Alleviation of people's financial anxieties
	Mortgage/Education loan	Establishment of saving and investment practices	
	Olive		

KPIs / Indicators

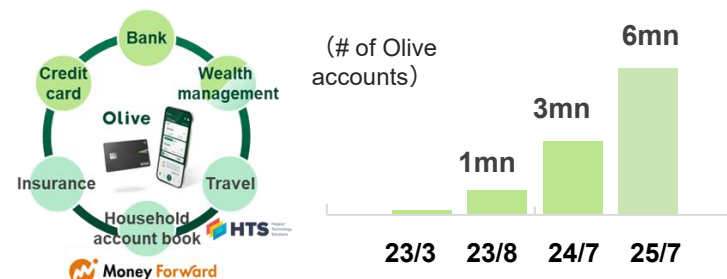
KPI : Assets under management* (FY3/26)

- Achieved our initial AUM target one year ahead and set higher goal for FY3/26.



Output Indicators : The number of Olive accounts

- The number of Olive accounts has exceeded 6 mn as of July 2025. We will collaborate with external partners to further enhance Olive's functionality.

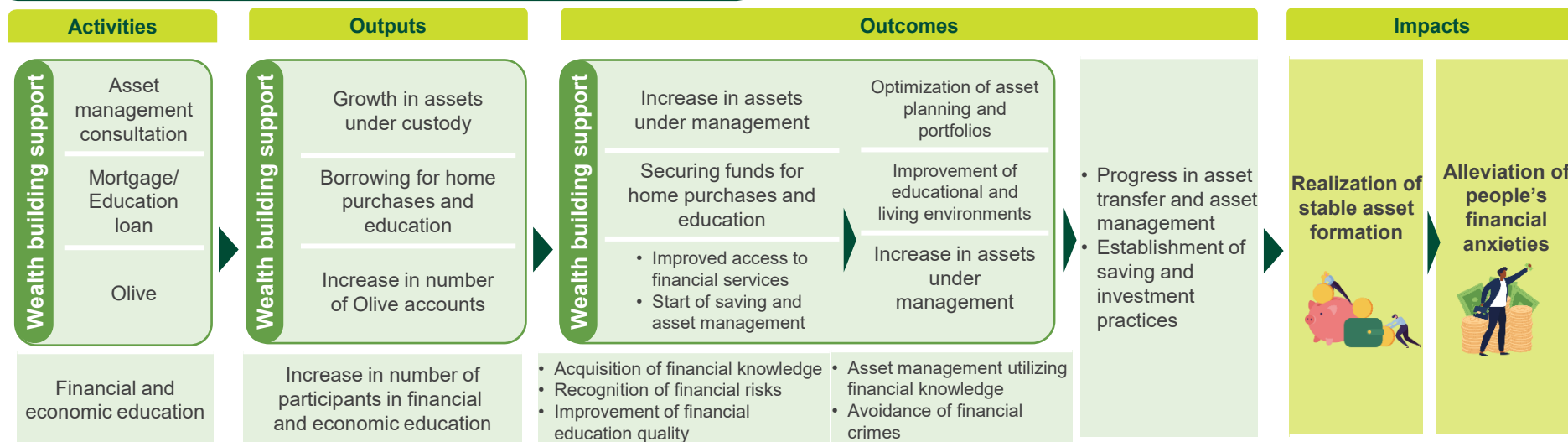


* Total managing assets (investment trusts, foreign deposits, etc.) of SMBC, SMBC Trust and SMBC Nikko

Declining Birthrate
& Aging Population

Wealth Building Support (2/2)

Logic Model of Wealth Building Support



Financial and economic education

- With concerns about increased financial troubles due to the lowering of the age of adulthood, the revision of curriculum guidelines making asset formation classes at high school mandatory, the government's promotion of Asset Management Nation, and the diversification of lifestyles, the necessity and importance of financial and economic education is increasing. SMBC Group provide financial and economic education to a wide range of generations, leveraging the knowledge and know-how possessed by each group comp.

Experiential program:
“Dream Planning”Online game learning
material “Quest of Finance”Kinzai Institute for Financial
Affairs Financial Literacy
Certification

(FY24)




# of passers:
Ca.. 47,000

Declining Birthrate & Aging Population Elder Program (1/2)

SMBC Group provides a variety of services that enhance “money,” “health,” and “purpose in life” for seniors in the era of 100-year lifespans - one of which is SMBC Elder Program.

Impact Strategy – Relieving anxieties in the era of 100-year lifespans

- In the era of 100-year lifespans, an increasing-number of people are facing concerns about financial security in retirement, maintaining health, and the lack of nearby support for elderly individuals living alone. SMBC Elder Program is a service in which concierges at Sumitomo Mitsui Banking Corporation support customers' lives, tailored to the increasing anxieties and concerns that come with age. We will continue to strengthen initiatives that transform customers' anxieties into peace of mind, and powerfully support them so they can enjoy their precious time ahead.

Examples of services offered by partner companies	Money 	Health 	Purpose in life 
	<ul style="list-style-type: none"> Consultation on charitable donation recipients 	<ul style="list-style-type: none"> Health consultation Caregiving consultations 	<ul style="list-style-type: none"> Housekeeping services Travel consultation and planning Food and dining-related services, etc.

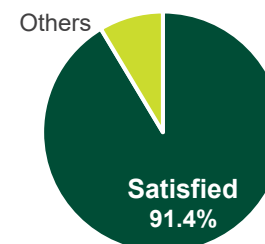
Relationship between impacts and business activities (details on the next page)

Beneficiary	Business activities	Outcomes	Impacts
SMBC Elder Program subscribers	Providing Elder Program	Relieving anxieties and concerns through consultations with the Elder Concierge.	Relieving anxieties in the era of 100-year lifespans
Their Family			
Society	Monthly Regular Consultations		Enriching the way we grow older in this country

KPIs / Indicators

Impact Indicators : Customer Satisfaction among SMBC Elder Program Members

- A survey administered during follow-up calls to SMBC Elder Program subscribers found that 91.4% answered “satisfied.” (Apr–Sep 2024; n=3,398)

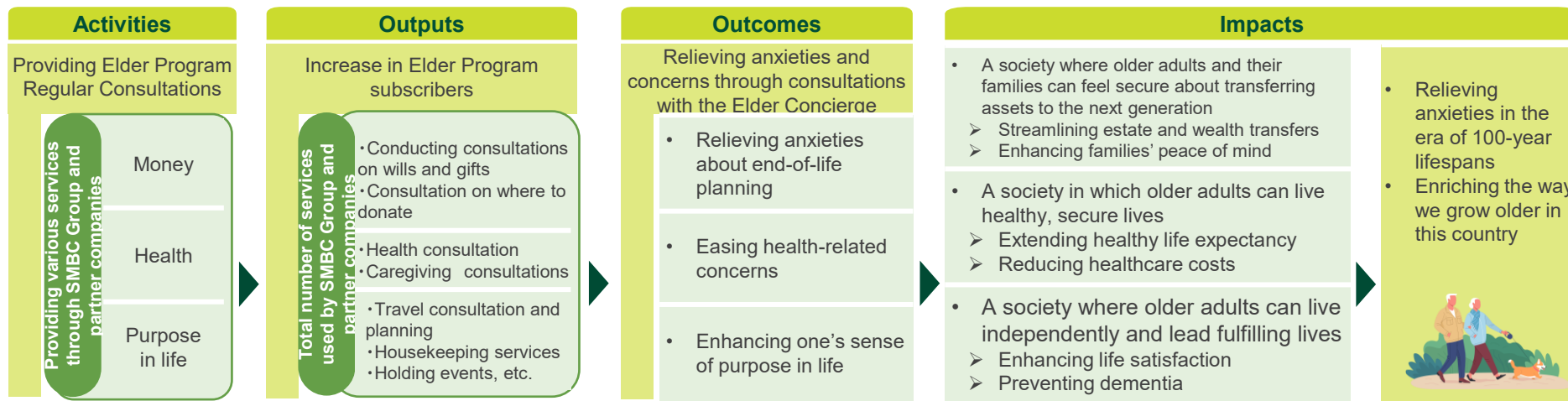


Reference: Related Indicators

The number of subscribers of Elder Program	About 20,000 people
The number of uses of partner companies' services (33 partner companies)	Over 10,000 in total (Apr-2021~Oct-2024)
The number of health consultation conducted	About 6,000 in total (Apr-2021~Oct 2024)
The Number of events held for subscribers	About 250 times a year

Declining Birthrate & Aging Population Elder Program (2/2)

Logic model of SMBC Elder Program



Voices from customers

Client Case Study: Achieving a Solo Trip with Concierge Support

Last month, the Elder Concierge Desk kindly connected me with Nippon Travel Agency, and last week I was finally able to visit Shimane Prefecture. After the second-anniversary memorial service for my wife, I wrote her a letter and posted it in the "Mailbox to Heaven" at YomotsuHirasaka. It was my first solo trip, and although I'm not comfortable with flying, I challenged myself and took a flight home. I now feel determined to keep taking on new challenges and live the rest of my life positively. This trip was the first step. I would love to ask for your help again. I truly had a wonderful journey—thank you very much. Together with the Elder Concierge, I also created a "bucket list" of things I want to do in life, and next I plan to watch a sumo tournament at Ryogoku Kokugikan.

While our family's discussions on inheritance stalled due to our lack of knowledge and experience, the concierge provided careful, step-by-step support with the procedures, enabling us to establish a testamentary trust.

I had to be hospitalized on short notice, but the concierge took the time to listen and arranged a second opinion, which eased my anxiety.



Japan's Regrowth Support for startups (1/2)

SMBC Group provides broad-based financial and non-financial support to help startups—key players in achieving “Fulfilled Growth”—scale and succeed.

Impact Strategy – Multifaceted support for startups

- Startups not only serve as engines of economic growth that underpin Japan's Regrowth, but also leverage strong innovation to deliver diverse solutions and help address social issues.
- Looking ahead to Japan's future, as the growth of startups becomes ever more important, SMBC Group has offered a wide range of solutions beyond financing—such as fund investments, direct loans and investment, and IPO support—together with non-financial initiatives including collaboration support with large corporates.
- We also continue to design measures that remove structural barriers to startup growth, thereby contributing to the creation and strengthening of the startup ecosystem.

■ Relationship between impacts and business activities

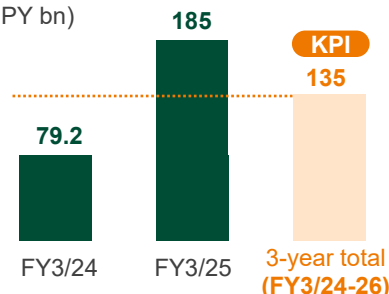
(details on the next page)

Beneficiary	Business activities	Outcomes	Impacts
Startups	Financial support (funding etc.)	Growth in the number and scale of startups	Achieving economic growth
Other companies	Non-financial support (co-creation support etc.)	Business expansion among other companies	Accelerating the resolution of social issues
Society			

KPIs / Indicators

■ KPI : Investment and loans for startups (cumulative)

(JPY bn)



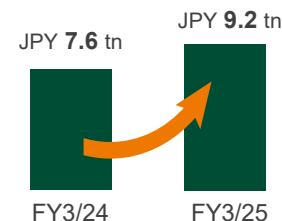
- We achieved our plan to deploy a cumulative JPY 135 billion over the 3 years of the current Medium-Term Management Plan ahead of schedule, in the first half of FY2024.
- In FY2025, the final year of the plan, we expect to substantially exceed the original targets.

Financing examples

- ✓ Kyoto Fusioneering Ltd. : Nuclear fusion power generation
- ✓ Orange Inc. : Manga translation by AI

■ Impact indicator : Market capitalization of startups we support

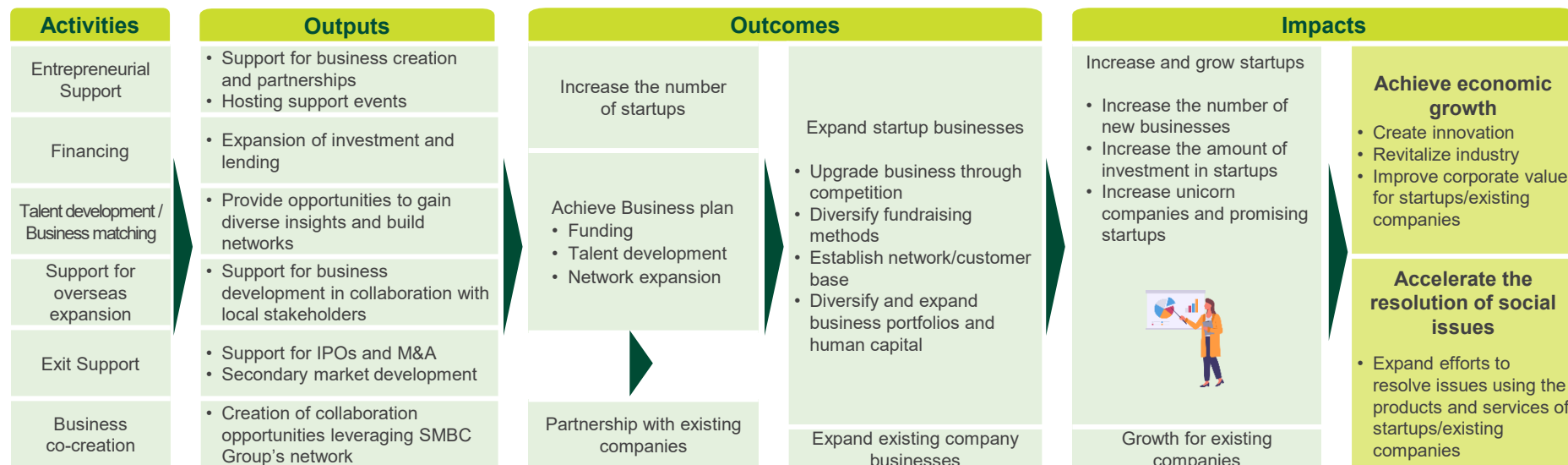
- Increases in the number of companies through venture creation support and enhancements in corporate value through growth support are reflected in the market capitalization of those startups.
- SMBC Group uses the total market capitalization of startups we support as an impact indicator and tracks changes to measure the progress of our initiatives.



Scope	<ul style="list-style-type: none"> Startups to which SMBC Group has provided loans and/or investment Startups invested in indirectly via funds etc. Startups we support at the founding stage through Mirai X (acceleration programs etc.)
Timing	As of fiscal year-end (March 31)
Methodology	Sum of the market capitalization of the scope; no attribution or weighting for SMBC Group's contribution.

Japan's Regrowth Support for startups (2/2)

Logic model of support for startups



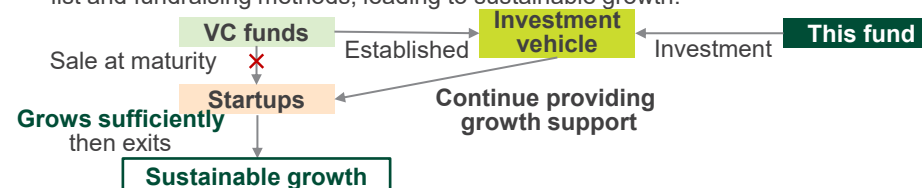
Examples of support

■ Startup Ecosystem Co-Creation Program

- Fund Project for Creating New Industries from Universities of the Japan Science and Technology Agency
- This aims to discover promising seeds and build a startup ecosystem where talent, knowledge, and funding circulate continuously
- Sumitomo Mitsui Banking Corporation participates as a co-implementor in the Support for National Networking of this program

■ Enhance liquidity of unlisted stocks (Establish a secondary fund)

- Increasing liquidity of unlisted stocks through the growth of secondary trading and M&A markets for unlisted stocks broadens choices for startups regarding when to list and fundraising methods, leading to sustainable growth.



Japan's Regrowth Regional revitalization

Regional vitality is essential for Japan's regrowth. SMBC Group works to revitalize local economies and ensure local sustainability, promoting regional growth.

Impact Strategy – Contributing as a comprehensive financial group

- In Japan, declining birthrates and an aging population, together with the concentration of people and functions in major metropolitan areas, have led many regions to face population decline and a shrinking local economy. For Japan's Regrowth, in addition to strengthening the competitiveness of urban areas, regional revitalization that lifts vitality across communities is indispensable
- Based on this view, SMBC Group has focused on regional revitalization in collaboration with a broad range of stakeholders, including local enterprises, regional financial institutions, and local governments.
- As a comprehensive financial group, beyond providing solutions to companies and local governments, we leverage our financing capacity, expertise, extensive customer base, and wide networks to deliver end-to-end support—from originating public-private partnership projects and mobilizing stakeholders to providing funding.

Relationship between impacts and business activities

Beneficiary	Business activities	Outcomes	Impacts
Local residents and society	Consulting	Expansion of local consumption	Regional economic revitalization
	Business matching	Increased employment	
	Financing	Increased migration	Ensure regional sustainability

Case studies

■ Kobe City : Waterfront Redevelopment

- SMBC Group is supporting the redevelopment of the Shinko Pier West Aria (central area of the Port of Kobe) as a core member and is working to revitalize the region through the development of a multi-purpose cultural complex and other initiatives.

Role of SMBC Group

Redevelopment concept design

Introducing companies, etc.

Financing for the project

Providing asset management services

Development of a multi-purpose cultural complex, including an immersive, theater-style aquarium



- SMBC Trust bank : Asset manager
- SMBC : Lender
- Cumulative visitors reached 2 million from its opening in Oct. 2021 through Jul. 2024

■ Sendai City : Decarbonization Leading Area* Project

- As a regular member of the "Sendai City Decarbonization Leading Area Project Partners," Sumitomo Mitsui Banking Corporation provides advisory services—such as business matching and financing—to advance decarbonization.

Theme		Decarbonizing 1.09 million residents' daily lives
Main initiatives	Jozenji-dori area (Working/Gathering)	<ul style="list-style-type: none"> • Office-building decarbonization retrofits • Biomass-based community development
	Izumi Park Town area (Living)	<ul style="list-style-type: none"> • Residential decarbonization retrofits • Advanced energy management for existing residential area
	Eastern coast area (Learning/Enjoying)	<ul style="list-style-type: none"> • EV car-sharing for enhanced mobility • Testbeds for disaster and environmental technologies
	All areas	<ul style="list-style-type: none"> • 100% renewable, local power plan • Transport decarbonization

* Areas taking early, locally tailored action toward carbon neutrality by 2025 (selected by the Ministry of the Environment)
Sendai City was selected in Round 4 (SMBC was a co-proposer)

【Column】stera transit

Sumitomo Mitsui Card's tap-to-ride service "stera transit" enhances the convenience of public transportation across Japan and contributes to regional economic revitalization.

What is "stera transit" ?

- "Stera transit" is a transit solution that leverages Sumitomo Mitsui Card's payments platform "stera" and contactless (tap-to-pay) transactions on international card networks.
- By enabling boarding with a contactless tap of a credit card or a smartphone provisioned with the card, it improves convenience for both passengers and transport operators.

Seamless, smooth boarding	Lower operator costs	Expanded use of transit data
<ul style="list-style-type: none"> • No IC cards or tickets needed 	<ul style="list-style-type: none"> • Fewer ticket machines and counters 	<ul style="list-style-type: none"> • Capture ridership/time/demographic/purpose data

■ Logic model

Activities	Outputs	Outcomes		Impacts
Operation and provision of stera transit	Increase use of stera transit	Improved consumer convenience	Expansion of cashless payments	Regional economic revitalization (Increase travel, tourism, and spending)
	Indicator : Deployed areas 42 prefectures	Lower installation and operating costs	Development of infrastructure for inbound tourism	
	Indicator : Deployed operators 184 companies	Expanded use of transit data	Spread demand across time and place	

Examples of impact delivered by stera transit

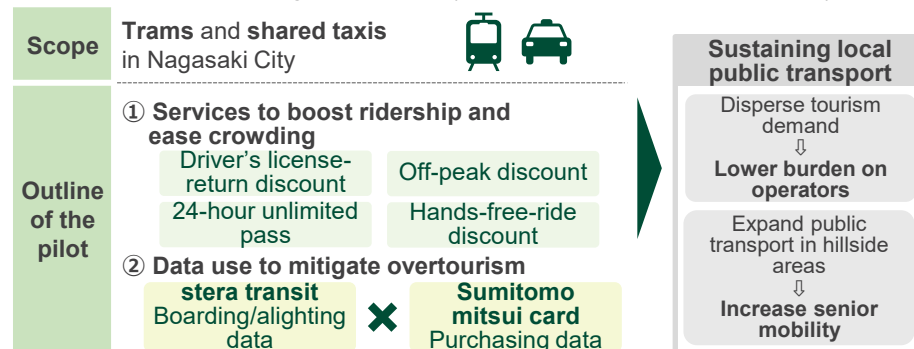
■ Mitigating transport congestion at Expo 2025 Osaka, Kansai

- To minimize congestion during Expo 2025, Osaka Prefecture is implementing "Expo TDM" (transportation demand management), with stera transit deployed as part of the program.

stera transit's contribution	(Ref.) Expo TDM initiatives
<ul style="list-style-type: none"> ✓ Measures to reduce Osaka Metro crowding toward the end of the Expo <ul style="list-style-type: none"> – Promotes off-peak travel via a tap-to-pay cashback campaign 	<ul style="list-style-type: none"> Reduce travel and delivery loads Avoid peak hours/periods Reroute trips and deliveries

■ Stera transit Nagasaki MaaS promotion project

- To address the city's issue of sustaining local public transport, we will conduct a pilot demonstration using stera transit. (planned start around autumn 2025)



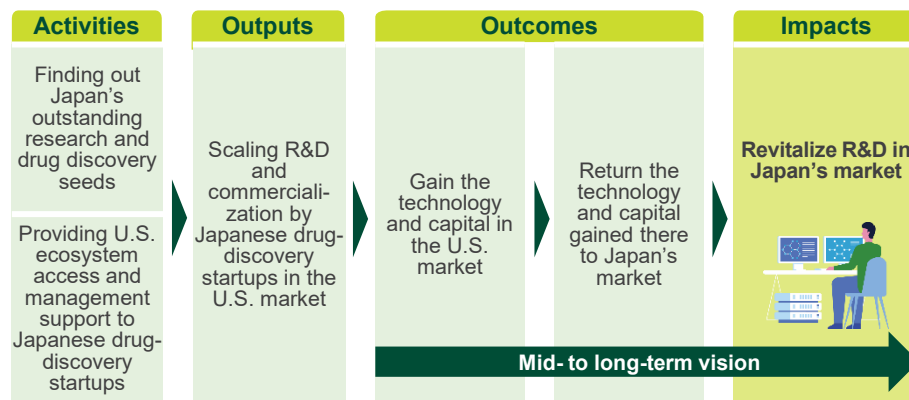
【Column】 Foster growth industries

Supporting the development of industry in our home market of Japan is fundamental to SMBC Group's mission. In particular, by supporting the industries that will drive Japan's next phase of growth, we aim to contribute to Japan's Regrowth.

Drug discovery – expand Japan's drug discovery ecosystem

- The drug discovery industry is positioned as a growth industry by the Japan government, and there are high expectations for academia-originated startups with new technologies and cutting-edge knowledge, especially in biopharmaceuticals.
- Aiming to expand Japan's drug discovery ecosystem, SMBC Group entered into an investment contract with AN Venture Partners I, LP, which has created global biotechnology companies based on Japan's outstanding research and drug discovery seeds.
- By leveraging the Fund's expertise and network, as well as SMBC Group's relationships with pharmaceutical companies and universities, we aim to create mechanism for Japanese startups to engage in R&D and commercialization in the large U.S. market and return the technology and capital gained there to Japan's market.

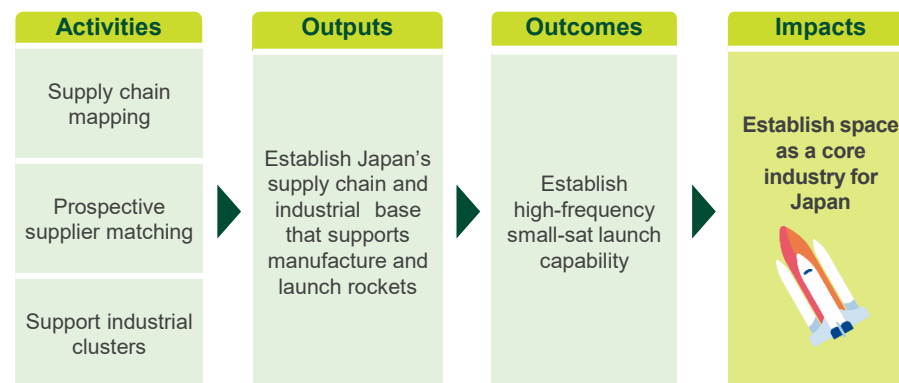
■ Logic model



Space – establish Japan's rocket manufacturing and launch capabilities

- The space industry, of which the market is expanding not only in the conventional business centered on public demand but also in the private sector, is attracting attention as a growth industry in the Japanese economy in the future.
- However, for rocket launches—the foundational infrastructure underpinning the broader space industry—Japan still depends on overseas private companies, since the number of private companies aiming to manufacture and launch rockets in Japan is still limited and the supply chain that supports manufacturing is also immature.
- To establish Japan's rocket manufacturing and launch capabilities, SMBC Group has invested in and entered a business alliance with Interstellar Technologies Inc. By jointly accelerating the establishment of supply chains and industrial clusters, we support the development of Japan's space industry as a core sector.

■ Logic model



【Column】 Creating impact by supporting our customers' business

SMBC Group creates diverse impact by supporting our customers' businesses.

Sustainable-linked supply chain finance* deal

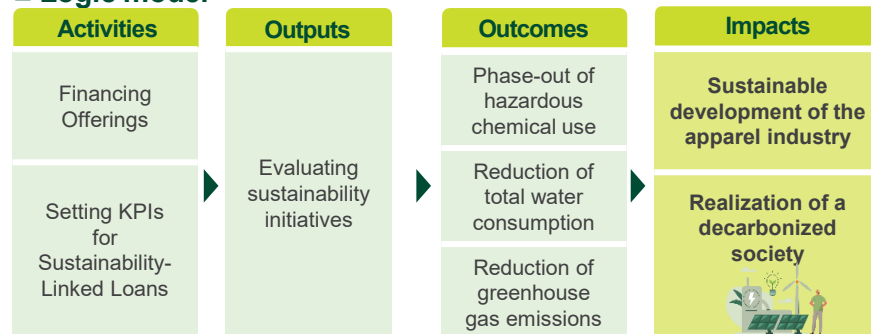


■ Social issues behind the problem・the significance of this project

Strengthening sustainability initiatives throughout the supply chain

- The apparel industry accounts for about 10% of the world's greenhouse gas emissions and is the second-largest industrial consumer of water.
 - Financing terms serve as incentives that promote suppliers' sustainability initiatives.

■ Logic model



Projects Aimed at Food Security

Customers engaged in the trade of agricultural produce and materials in Africa and the Indian Ocean region



A loan to finance the import of fertilizer from the Middle East

syndicated sustainability-linked loan : set KPIs, including "farmers' livelihoods,"

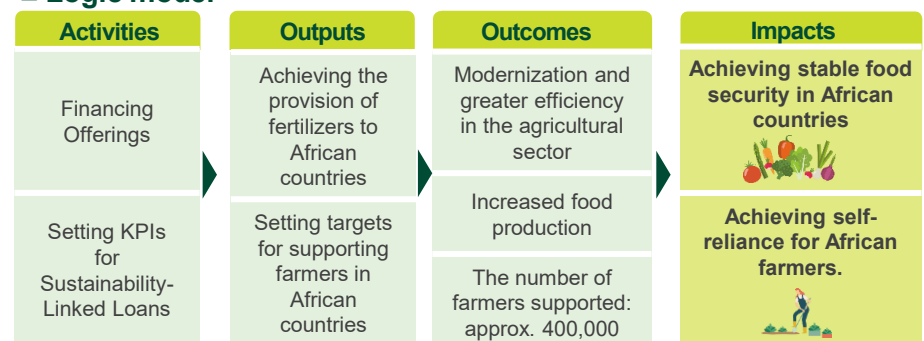


■ Social issues behind the problem・the significance of this project

Stabilization of food security in African countries

- In Central and West Africa, more than two-thirds of households are unable to secure enough food.
- Before the harvest season, approximately 52 million people will face severe food shortages.
 - Through our customers' businesses, we promote the modernization and greater efficiency of agriculture, contributing to increased food production.

■ Logic model



* A financing method where financial institutions purchase accounts receivable, accelerating and optimizing working capital across the supply chain, from manufacturing to sales. While financing terms (such as discount rates) are typically determined based on the buyer's creditworthiness, this case evaluates the supplier's performance in sustainability initiatives.

Utilization for Financial Solutions

- Utilization of Impact Assessment in Business
- Impact Investment



Utilization of Impact Assessment in Business

SMBC Group uses the new “metrics” of impact in its business to support customers business to create positive impacts or reduce negative impacts on society and the environment (e.g., Positive Impact Finance)

Impact Assessment in Financial Solutions

Positive Impact Finance (PIF)

A financing approach that combines engagement to identify and monitor the impact of funded companies, aiming to maximize their positive impact on society and mitigate negative effects



Impact IPO Support

Support of IPO for companies, including impact startups, that aim to achieve both business growth and the resolution of social issues

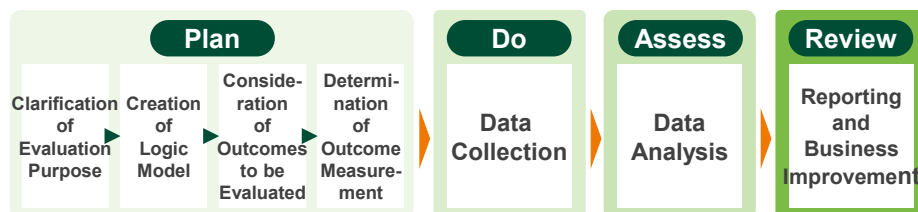


Impact investment

Investment approach intended to generate positive and measurable social and environmental impacts, in addition to investment returns



■ Evaluation Flow *

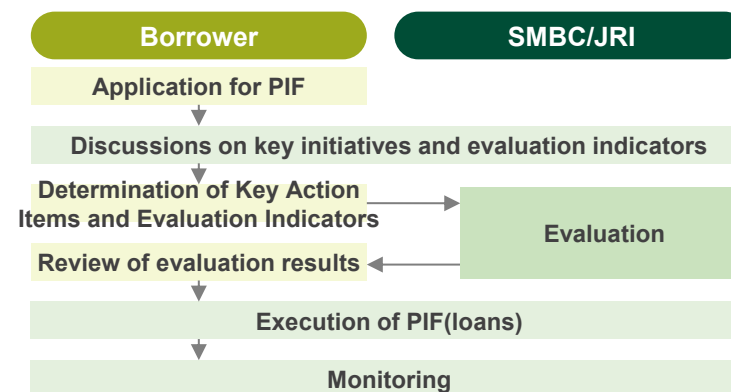


Positive Impact Finance



- In implementing PIF, SMBC collaborates with the Japan Research Institute (JRI), to assess the impact of the lenders' business activities.

■ Flow of SMBC's PIF Valuation



■ Examples of Key Initiatives and Evaluation Indicators

Key Initiatives	Evaluation Indicators
Reduce environmental burden associated with business activities	CO2 emission intensity per unit of sales
Expand sales of products and services that contribute to a healthy and secure society	Ratio to total sales, of products and services that contribute to social health and security
Promote sustainability of suppliers	Procurement ratio from suppliers who consider environment, labor, human rights, etc.

* Prepared by the SMBC Group from the GSG Domestic Advisory Committee Social Impact Assessment Working Group "Social Impact Assessment Tool Set Implementation Manual (Ver. 2.0)"

Impact investment (1/2)

Impact investment addresses social and environmental issues while pursuing financial returns.

From FY2024, SMBC Venture Capital launched impact investment to support startups tackling SMBC Group's priority issues.

SMBC Venture Capital's impact investing process

Sourcing

- Checklist to confirm intended impact aligns with SMBC Group's priority issues

Due diligence

- Financial/business DD plus impact DD
- Validate impact of business activities and measurability / management feasibility

Contracting

- Standard agreements plus an impact MoU (commitment to impact evaluation)

Ongoing management

- Regular impact assessments
- SMBC Group support to enhance impact

Expansion of the impact investment market in Japan

- According to GSG Impact Japan, Japan's impact investment and lending volume reached JPY 17.3 trillion in FY2024—up 50% vs FY2023—and is steadily expanding. (Global total in 2024: approx. JPY 235 trillion.)
- Momentum to promote impact investment continues, with further market growth expected.
 - The “Basic Policy on Economic and Fiscal Management and Reform 2025” explicitly promotes developing data and indicators for impact measurement and management.
 - GPIF's Fifth Medium-Term Plan references consideration of investments that incorporate impact.

Investment Case ① HAKKI GROUP



- They provide vehicle purchase loans to taxi drivers in Africa based on unique credit scoring that leverages sales data and transaction data from the M-PESA, a mobile money platform.

Negative cycle surrounding drivers



What HAKKI GROUP aims to achieve



Using
alternative-data
+
Unique model
of screening
+
Asset-building
support

Logic model* (Figures as of Jul. 2025)

Activities	Outputs	Outcomes			Impacts
Credit-scored auto loans	Gain access to funds to purchase a car	Own cars indicator : 63 owners	Increased disposable income	Better credit access	Mission Expand the possibilities/Add more people
			indicator : Increase amount of JPY 38,225/month	Expand future earning options	
			Improved self-efficacy	More experiences of effort rewarded	Vision A world where honest effort is fairly rewarded

* Created by SMBC Group based on HAKKI Group's Impact Report (<https://hakki-africa.com/impact-report-2025/>)

Impact investment (2/2)

Investment Case ② EUPHORIA



- They operate wellness business that leverages sports science and digital technology to solve corporate wellness issues, and sports platform business that provides children with high-quality sports opportunities.
(See p.22 for the wellness business.)

<Key services of sports platform business>

Services	Overviews	
Sgrum	Operations management app for sports classes and school clubs	Efficient team operations Data-driven performance optimization for athletes
ONE TAP SPORTS	Athlete/team conditioning and training management system	
SportsMate	Practice log app for students	

■ Logic model

Activities	Outputs	Outcomes		Impacts
Offering and expanding services related to sports	Increased use of services by athletes, teams and coaches	Improving the efficiency of sports classes	More opportunities to enjoy sports	Environment where all children—regardless of background—can realize their potential
		More evidence-based coaches unlocking children's potential	Improved youth performance indicator : % of parents reporting higher child self-efficacy	

Investment Case ③ enerbank



- They support efficient electricity and renewable-energy procurement for companies and local governments—centered on their power-auction platform “Eneoku”—contributing to a decarbonized society.

<Key services of enerbank>

Services	Overviews	Features
Eneoku	Auction-based power brokerage	Renewable type/mix selectable; efficient least-cost sourcing
Green Ticket	Environmental-value trading platform	Offering Green Power Certificates, Non-Fossil Certificates, J-Credits base on customer needs
Sorareco	Solar power generation installation support	Matching optimal providers to purpose/conditions
Enepark	Free concierge for corporates	End-to-end support for energy procurement and decarbonization

■ Logic model

Activities	Outputs	Outcomes		Impacts	
Offering broader services	Expansion of service introduction indicator : Municipalities indicator : Companies	Streamlined renewable procurement	Increase in renewable energy distribution volume indicator : Renewable power procured	GHG emissions reduced	Corporate/municipal decarbonization achieved
		Reduced tendering work indicator : Work hours (time)	indicator : Environmental certificates traded		
		Reduced procurement cost indicator : Reduction amount	indicator : Operational solar power generation capacity		

Conclusion

■ Editor's Note



Editor's Note

Last year, we published our first Impact Report—admittedly with some trepidation—and the response from our stakeholders was more positive than we had imagined. Many cheered us on and engaged in sincere, constructive dialogue to help us communicate better. We are truly glad we chose to publish the report even while our journey is still a work in progress.

In those dialogues, we received a wide range of views: that it would be desirable to present the impact of our overall corporate activities; that, even if full coverage is difficult, we should begin by disclosing impact from our core businesses and flagship initiatives; and that, in addition to quantifying impact, we should indicate how our results compare with our targets. This report does not address everything, but we believe it represents a step forward from last year.

However, we remain partway along the path. Our effort to visualize impact is still at the “start where we can” stage, and we have some distance to go before we can fully leverage impact to drive and upgrade our social value creation—and ultimately embed it in management. Many activities still lack defined impact indicators, and even for indicators we have already measured, we must examine whether more fundamental, decision-useful indicators exist. Challenges remain, but we will continue to iterate, learning together with our stakeholders.

In the midst of a chaotic period of major change, values centered solely on financial wealth are again expanding, and the race for economic growth is intensifying. Even so, we will continue to pursue “Fulfilled Growth,” which seeks not only economic wealth but also richness of heart.

We believe that visualizing impact can help us on this path, and we will continue to push forward with these efforts.

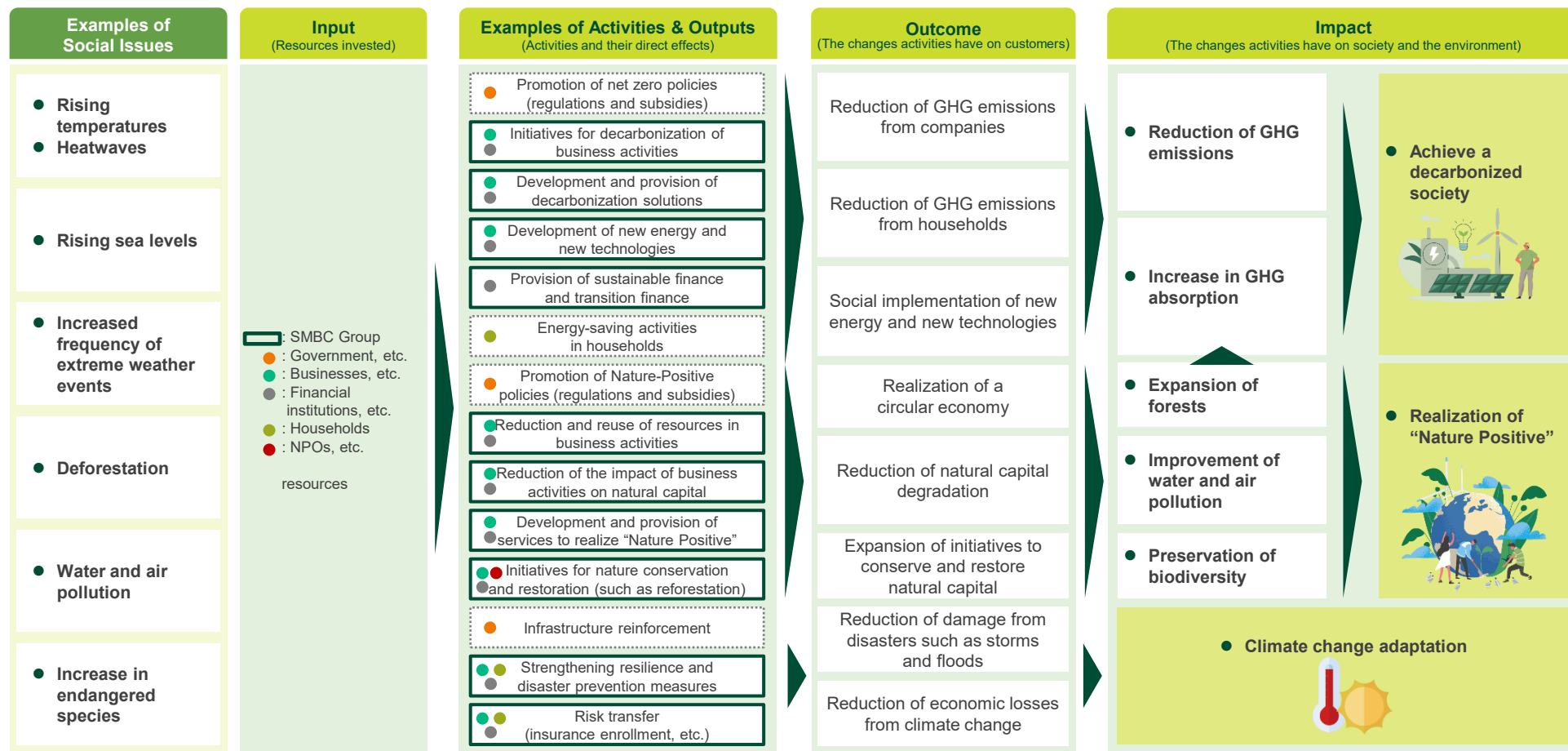


Appendix

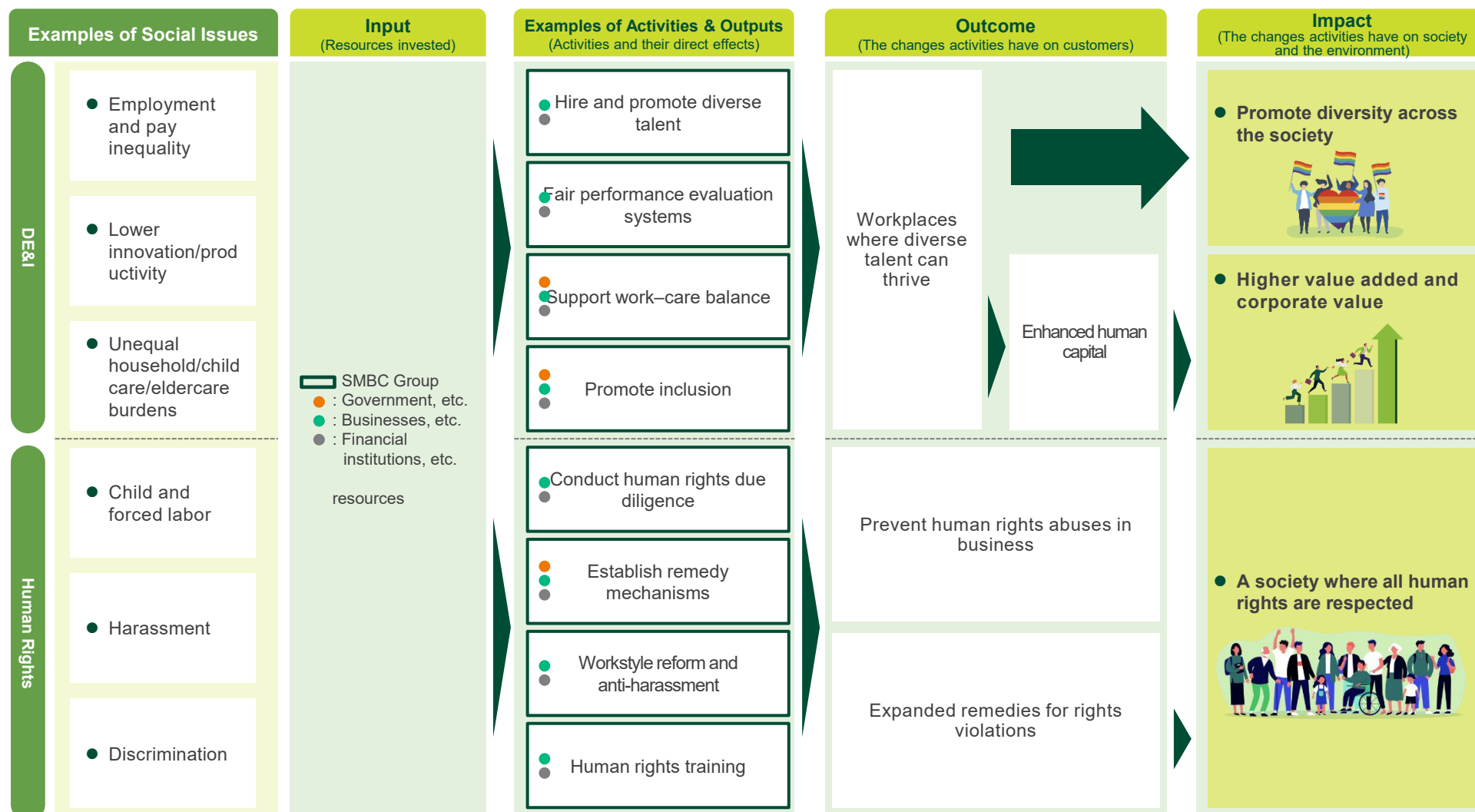
■ Logic Models of Priority Issues



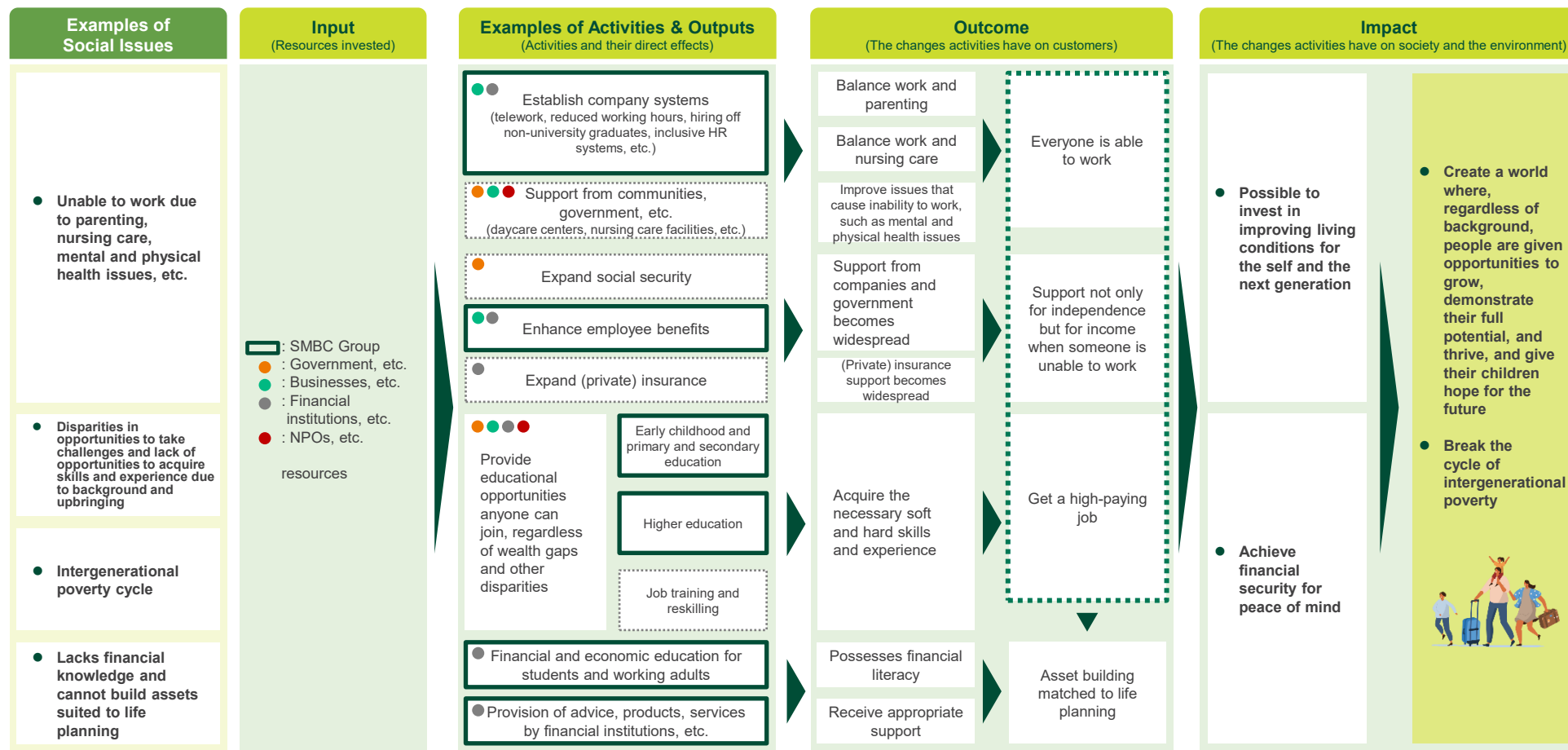
Environment



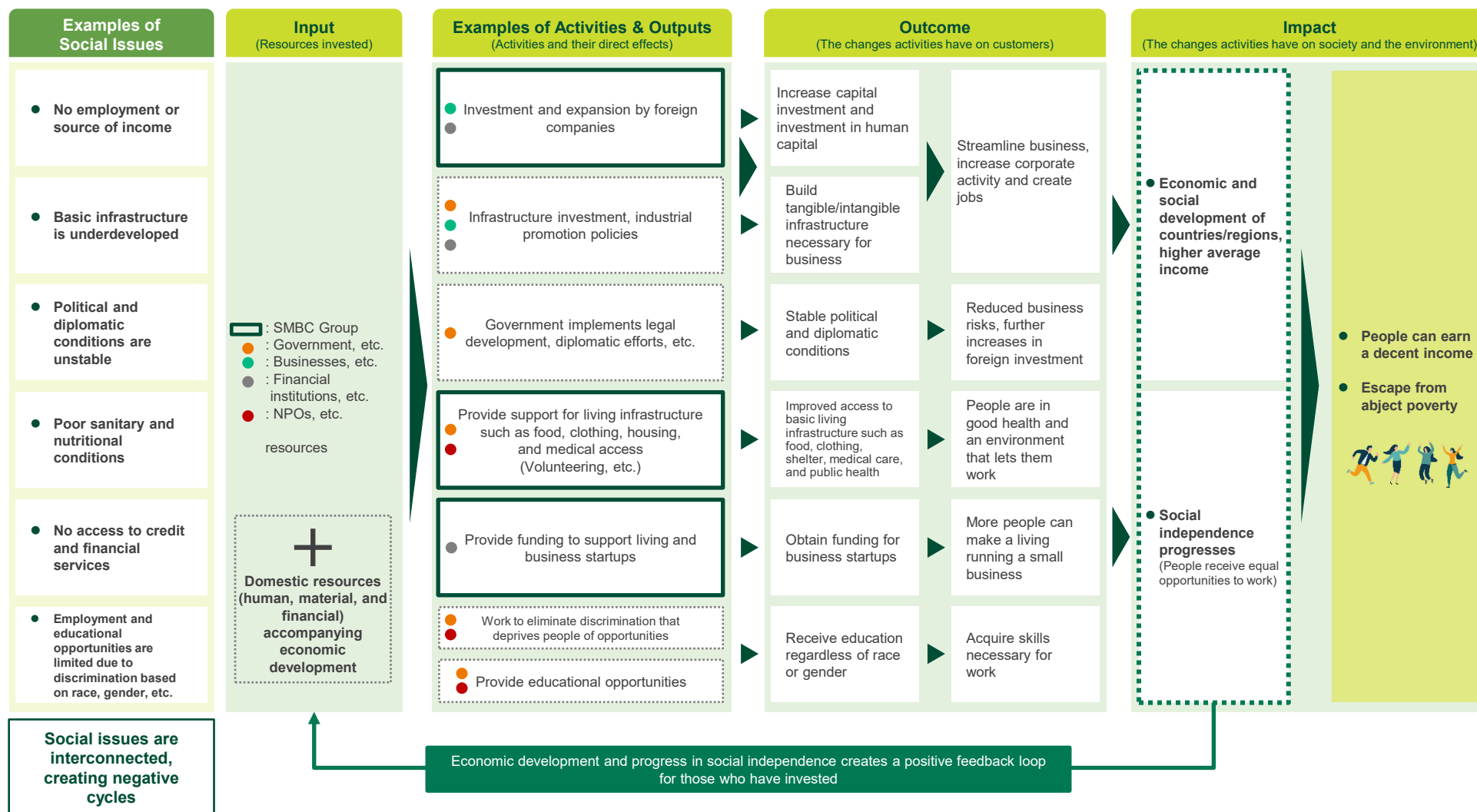
DE&I / Human Rights



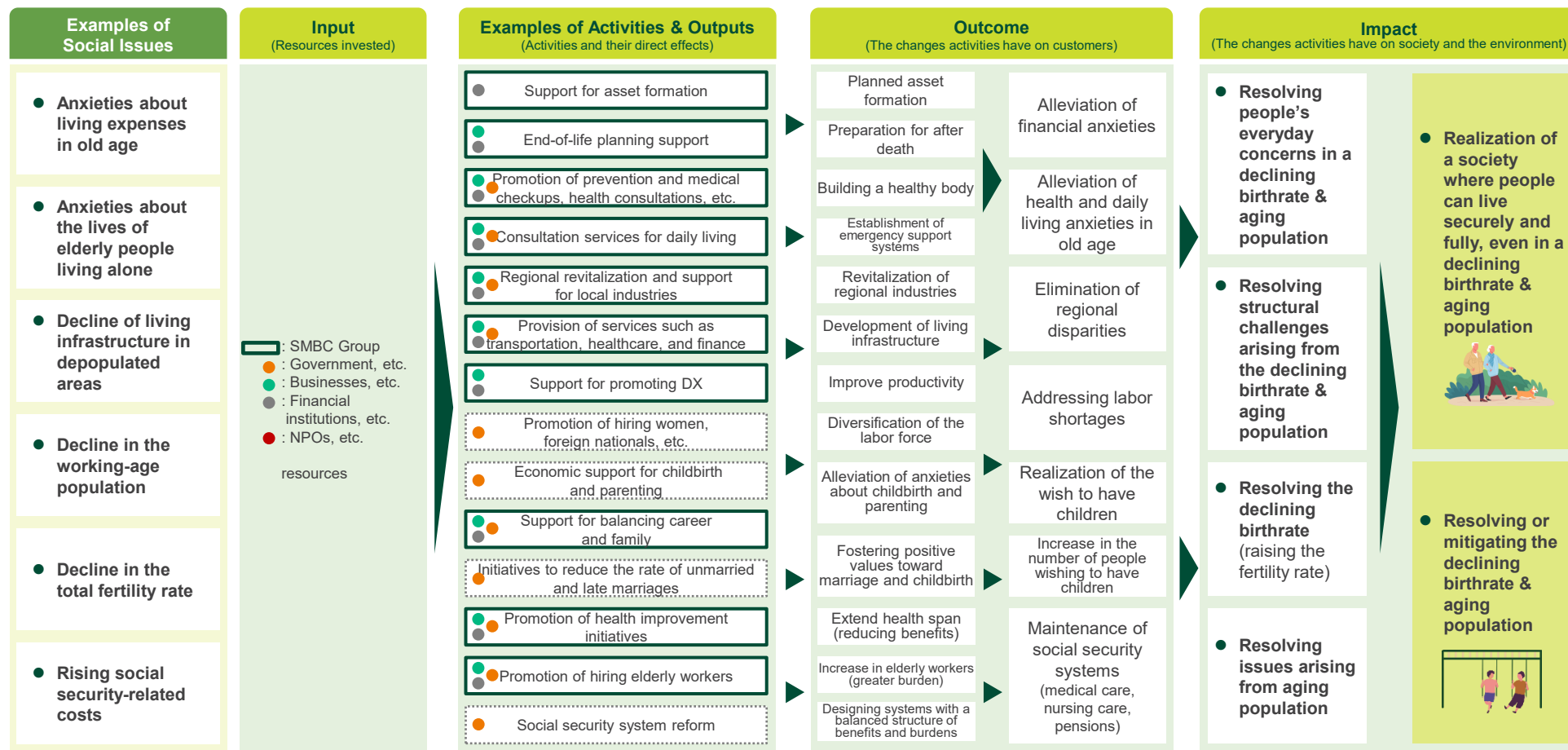
Poverty & Inequality (Japan)



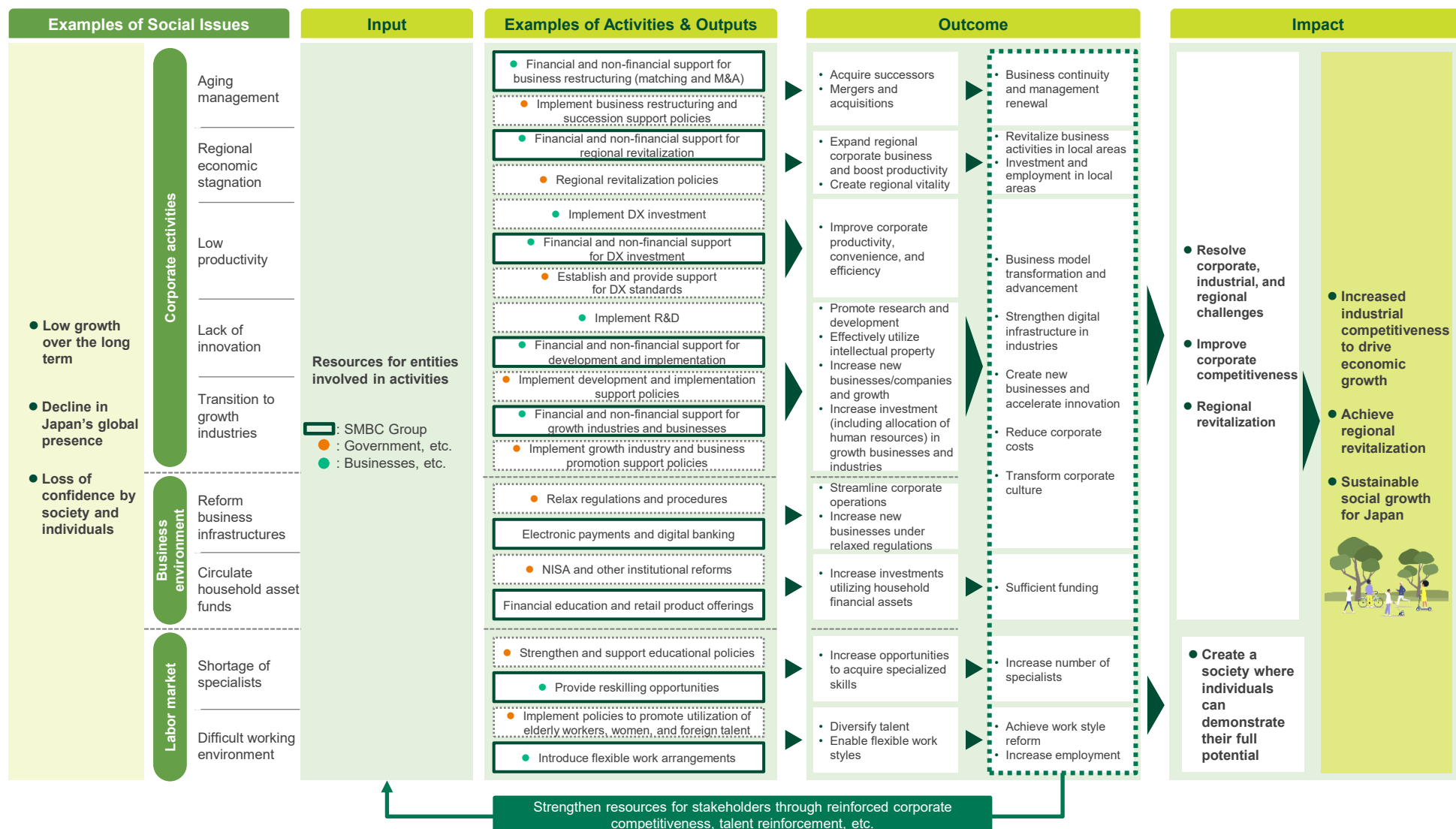
Poverty & Inequality (Global)



Declining Birthrate & Aging Population



Japan's Regrowth



Highlights

Efforts for Social Value Creation in SMBC Group

Environment

P.16

Efforts Towards
Achieving Net Zero

Support for
Customer's Transition

Impact

Contribution to
GHG Reduction

Conservation and
Restoration of
Natural Capital

Contribute to
Circular Economy

DE&I / Human Rights

P.20

Human Capital
Management

Impact

Enhancement of Job
Satisfaction

Support Customers in
Human Capital
Management

Impact

Enhancement of
Management Capability

Initiatives in
Respecting Human
Rights

Assist Customers in
Respecting Human
Rights

Poverty & Inequality

P.24

Provide Education and
Opportunities to Break
Negative Cycles

Impact

Changes in children's self-
esteem and autonomy

Engage in "Poverty
Eradication
Projects"

Financial Inclusion
through Microfinance,
etc.

Accelerate Social
Independence Support in
Emerging Asian Countries

Impact

Realization of Customers'
Social Independence

Declining Birthrate & Aging Population

P.32

Asset Formation
Support Tailored
to Customer Needs

Impact

Relieving anxieties in the
era of 100-year lifespans

Address the Diverse
Needs of the Elderly

Impact

Enriching the way we
grow older

Efficient
Infrastructure
Provision Using
Digital Technology

Contribute to the
Enhancement of
Financial Literacy

Impact

Enhancement of
Financial Literacy

Japan's Regrowth

P.36

Support Customers'
Business Model
Transformation for
Companies

Create Innovation and
Foster New Industries

Impact

Economic growth/
resolution social issues

Enhance Efficiency
through Financial Digital
Services

Impact

Enhancement of
Customers' Productivity

Revitalize Regional
Economies

Impact

Revitalization of
regional economy



Disclaimer

This document contains selected information regarding our approach to certain environmental, social, and governance (“ESG”) matters as of the date referenced. The information is not comprehensive or necessarily representative of all of the Company’s activities relating to such matters. The information is subject to change without notice, and we do not undertake to update such information. The information may be derived from sources whose quality and methodologies cannot be independently verified. Sustainability, social value, and similar terms used herein refer to our internal definitions therefor, and not to any criteria defined in the laws or regulations of any jurisdiction. The information is provided on a voluntary basis, and is not prepared for the purpose of compliance with any mandatory financial or regulatory reporting standard herein. Any reference herein to a significant or material event does not necessarily mean that the event rises to the level of materiality requiring mandatory disclosures under law, including under U.S. federal securities law. Our ability to attain any aspirations, goals, and targets discussed herein is subject to various conditions which may be outside our control. This document is not intended to create, and may not be relied upon as the basis of, any legal relationship, rights, or obligations between the Company and any person.

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