OFFERING CIRCULAR DATED 7 JUNE 2016

SUMITOMO MITSUI FINANCIAL GROUP, INC.

(incorporated with limited liability in Japan)

€1,500,000,000 1.546 per cent Senior Notes due 2026
Issue Price: 100 per cent

The €1,500,000,000 1.546 per cent Senior Notes due 2026 (the "Notes") will be issued by Sumitomo Mitsui Financial Group, Inc. (the "Issuer" or "SMFG").

The Notes will bear interest commencing 15 June 2016, at an annual rate of 1.546 per cent, payable annually in arrear on 15 June of each year, beginning on 15 June 2017.

Application has been made to list the Notes on the Luxembourg Stock Exchange and for such Notes to be admitted to trading on the Euro MTF Market (the "Market"). References in this Offering Circular (the "Offering Circular") to the Notes being "listed" (and all related references) shall mean that the Notes have been listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Market. The Luxembourg Stock Exchange's Euro MTF market is not a regulated market for the purposes of Article 4.1(14) of Directive 2004/39/EC of the European Parliament and the Council on markets in financial instruments.

The Notes will constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer ranking *pari passu* and without any preference among themselves. The Notes will mature on 15 June 2026 (the "Maturity Date") at their nominal amounts. The Notes will not be redeemable prior to the Maturity Date, except as set forth under the terms and conditions of the Notes (the "Conditions").

This Offering Circular does not constitute an offer of, or the solicitation of an offer to buy or subscribe for, the Notes in any jurisdiction in which such offer or solicitation is unlawful. The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act") and, subject to certain exceptions, may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S of the Securities Act ("Regulation S")).

The Notes will be represented by a global certificate (the "Global Certificate"), which will be deposited with a common safekeeper on behalf of Euroclear Bank S.A./N.V. ("Euroclear") and Clearstream Banking, S.A. ("Clearstream, Luxembourg") on or about 15 June 2016 (the "Issue Date"). The Global Certificate will be exchangeable for definitive certificates in the limited circumstances set out therein.

The Notes are expected to be rated A1 by Moody's Japan K.K. and A- by Standard & Poor's Global Ratings. A security rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating agency.

See "Risk Factors" set forth herein and "Item 3‑Key Information‑Risk Factors" of the Issuer's annual report on Form 20-F for the fiscal year ended 31 March 2015 filed with the U.S. Securities and Exchange Commission (the "SEC") and incorporated by reference herein for a discussion of certain factors that should be considered in connection with an investment in the Notes.

Joint Lead Managers and Joint Bookrunners

Goldman Sachs International **SMBC Nikko**

Barclays **BNP PARIBAS** **Deutsche Bank** **HSBC**

The Issuer having made all reasonable enquiries confirms that this Offering Circular, together with the information incorporated by reference herein, contains all information with respect to the Issuer as well as its subsidiaries and affiliates taken as a whole (the "Group") and the Notes that is material in the context of the issue and offering of the Notes, the statements contained in it relating to the Issuer and the Group are in every material particular true and accurate and not misleading, the opinions and intentions expressed in this Offering Circular with regard to the Issuer and the Group are honestly held, have been reached after considering all relevant circumstances and are based on reasonable assumptions, there are no other facts in relation to the Issuer, the Group or the Notes the omission of which would, in the context of the issue and offering of the Notes, make any statement in this Offering Circular misleading in any material respect and all reasonable enquiries have been made by the Issuer to ascertain such facts and to verify the accuracy of all such information and statements.

This Offering Circular has been prepared on the basis that any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "Relevant Member State") will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of Notes. Accordingly any person making or intending to make an offer in that Relevant Member State of Notes which are the subject of an offering contemplated in this Offering Circular may only do so in circumstances in which no obligation arises for the Issuer or any of Goldman Sachs International, SMBC Nikko Capital Markets Limited, Barclays Bank PLC, BNP Paribas, Deutsche Bank AG, London Branch or HSBC Bank Plc (the "Joint Lead Managers") to publish a prospectus pursuant to Article 3 of the Prospectus Directive in relation to such offer. Neither the Issuer nor the Joint Lead Managers have authorised, nor do they authorise, the making of any offer of Notes in circumstances in which an obligation arises for the Issuer or the Joint Lead Managers to publish a prospectus. The expression "Prospectus Directive" means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU), and includes any relevant implementing measure in the Relevant Member State.

This Offering Circular does not constitute a prospectus for the purposes of EU Directive 2003/71/EC, as amended.

This Offering Circular is to be read in conjunction with all the documents which are incorporated herein by reference (see "Documents Incorporated by Reference").

In connection with the issue and offering of the Notes, no person has been authorised to give any information or to make any representation other than those contained in this Offering Circular and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or any of the Joint Lead Managers. Neither the delivery of this Offering Circular nor any sale made in connection herewith shall, under any circumstances, create any implication that the information herein is correct as of any time subsequent to its date.

To the fullest extent permitted by law, none of the Joint Lead Managers accept any responsibility for the contents of this Offering Circular or for any other statement, made or purported to be made by a Joint Lead Manager or on its behalf in connection with the Issuer or the issue and offering of the Notes. Each Joint Lead Manager accordingly disclaims all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this Offering Circular or any such statement.

Neither this Offering Circular nor any other information supplied in connection with the offering of the Notes (i) is intended to provide the basis of any credit or other evaluation or (ii) should be considered as a recommendation by the Issuer or any of the Joint Lead Managers that any recipient of this Offering Circular should purchase any Notes. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer.

No action has been or will be taken to permit a public offering of the Notes in any jurisdiction where action would be required for that purpose. The distribution of this Offering Circular and the offer or sale of Notes may be restricted by law in certain jurisdictions. Persons into whose possession this Offering Circular or any Notes come are required by the Issuer, the Joint Lead Managers to inform themselves about, and observe, any such restrictions. Furthermore, this Offering Circular does not constitute, and may not be used for the purposes of an offer, invitation or solicitation by anyone in any jurisdiction or in any circumstances in which such offer, invitation or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation.

The Notes have not been and will not be registered under the Securities Act. Subject to certain exceptions, the Notes may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S). For a description of restrictions in certain other jurisdictions, including the United States, Japan, the European Economic Area, and the United Kingdom, on offers and sales of Notes and on distribution of this Offering Circular, see "Subscription and Sale".

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act. No.25 of 1948, as amended) (the "FIEA"), and are subject to the Special Taxation Measures Act of Japan (Act. No. 26 of 1957, as amended) (the "Special Taxation Measures Act"). The Notes may not be offered or sold in Japan or to any person resident in Japan or to others for re-offering or re-sale, directly or indirectly in Japan, or to a person resident in Japan, for Japanese securities law purposes (including any corporation or other entity organised under the laws of Japan), except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and governmental guidelines of Japan. In addition, the Notes are not, as part of the distribution by the Joint Lead Managers under the Subscription Agreement (as defined in "Subscription and Sale") at any time, to be directly or indirectly offered or sold to, or for the benefit of, any person other than a beneficial owner that is, (i) for Japanese tax purposes, neither an individual resident of Japan or a Japanese corporation, nor an individual non-resident of Japan or a non-Japanese corporation that in either case is a person having a special relationship with the Issuer as described in Article 6, Paragraph (4) of the Special Taxation Measures Act (a "specially-related person of the Issuer") or (ii) a Japanese financial institution, designated in Article 6, Paragraph (9) of the Special Taxation Measures Act.

BY SUBSCRIBING FOR THE NOTES, AN INVESTOR WILL BE DEEMED TO HAVE REPRESENTED IT IS A PERSON WHO FALLS INTO THE CATEGORY OF (i) OR (ii) ABOVE.

Interest payments on the Notes generally will be subject to Japanese withholding tax unless it is established that such Notes are held by or for the account of a beneficial owner that is (i) for Japanese tax purposes, neither an individual resident of Japan or a Japanese corporation, nor an individual non-resident of Japan or a non-Japanese corporation that in either case is a specially-related person of the Issuer, (ii) a Japanese financial institution designated in Article 6, Paragraph (9) of the Special Taxation Measures Act which complies with the requirement for tax exemption under that paragraph or (iii) a public corporation, a financial institution or a financial instruments business operator described in Article 3-3, Paragraph (6) of the Special Taxation Measures Act which complies with the requirement for tax exemption under that paragraph.

Interest payments on the Notes to an individual resident of Japan, to a Japanese corporation (except as described in the preceding paragraph), or to an individual non-resident of Japan or a non-Japanese corporation that in either case is a specially-related person of the Issuer will be subject to deduction in respect of Japanese income tax at a rate of 15.315% of the amount of such interest.

In connection with the issue of the Notes, Goldman Sachs International (the "Stabilising Manager") (or any person acting on behalf of the Stabilising Manager) may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail for a limited period after the Issue Date. However, there may be no obligation on the Stabilising Manager (or any person acting on its behalf) to do this. Such stabilising, if commenced, may be discontinued at any time, but it must end no later than the earlier of 30 days after the Issue Date of the Notes and 60 days after the date of allotment of the Notes. Any stabilisation action or over-allotment

must be conducted by the Stabilising Manager (or any person acting on its behalf) in accordance with all applicable laws and rules.

PRESENTATION OF FINANCIAL INFORMATION

The Issuer's audited annual consolidated financial statements and unaudited interim consolidated financial statements incorporated by reference herein have been prepared in accordance with International Financial Reporting Standards ("IFRS") and IAS 34 "Interim Financial Reporting" ("IAS 34") each as issued by the International Accounting Standards Board, respectively.

The Issuer's consolidated financial statements as of and for the fiscal year ended 31 March 2016 incorporated by reference herein have not yet been audited. Such financial statements were prepared in accordance with accounting principles generally accepted in Japan ("Japanese GAAP") and are not directly comparable with the Issuer's audited and unaudited consolidated financial statements of prior periods incorporated by reference herein, which are prepared in accordance with IFRS and IAS 34. Potential investors should consult their own professional advisers for an understanding of the differences between Japanese GAAP and IFRS/IAS 34 and how those differences might affect the financial information contained or incorporated by reference in this document. In addition, there can be no assurance that such unaudited consolidated financial information will accord in all respects with the audited consolidated financial statements for the period. The audited consolidated financial statements of the Issuer as of and for the fiscal year ended 31 March 2016 prepared in accordance with the Japanese GAAP and IFRS are expected to be published by June and July 2016, respectively.

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THE OFFERING

The following overview is qualified in its entirety by, the remainder of this Offering Circular.

Issuer:	Sumitomo Mitsui Financial Group, Inc.
Notes Offered:	€1,500,000,000 1.546 per cent Senior Notes due 2026
Joint Lead Managers:	Goldman Sachs International SMBC Nikko Capital Markets Limited Barclays Bank PLC BNP Paribas Deutsche Bank AG, London Branch HSBC Bank Plc
Fiscal Agent and Paying Agent:	Sumitomo Mitsui Finance Dublin Limited
Registrar:	The Bank of New York Mellon (Luxembourg) S.A.
Maturity:	15 June 2026
Issue Price:	100 per cent of the aggregate nominal amount
Issue Date:	15 June 2016
Form of the Notes:	The Notes will be issued in registered form and will be represented by a Global Certificate to be held under the New Safekeeping Structure.
Clearing System:	Euroclear and Clearstream, Luxembourg.
Initial Delivery of Notes:	On or before the Issue Date, the Global Certificate representing the Notes will be delivered to Euroclear acting as common safekeeper for Euroclear and Clearstream, Luxembourg (the "Common Safekeeper"), and registered in the name of a nominee thereof. Depositing the Global Certificate with the Common Safekeeper does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the European Central Bank being satisfied that Eurosystem eligibility criteria have been met.
Interest:	The Notes will bear interest commencing 15 June 2016 at the rate of 1.546 per cent per annum, payable annually in arrear on 15 June of each year, beginning on 15 June 2017.
Redemption:	Redemption at par
Denomination:	€100,000, and in integral multiples of €1,000 in excess thereof.
Taxation:	The Issuer will make all payments of principal and interest without withholding for any taxes of whatever nature imposed by Japan, or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law, in which case, subject to certain exceptions,

	the Issuer will pay such additional amounts as will result in the receipt by the holder of such amounts as would have been received by it had no withholding or deduction been required, in accordance with the provisions described in "Terms and Conditions of the Notes – Condition 7. Taxation".
Negative Pledge:	None
Status of the Notes:	The Notes will constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and will at all times rank *pari passu* without any preference among themselves. See "Terms and Conditions of the Notes– Condition 3. Status". The Notes are expected to be subject to potential losses in the event of the Issuer's liquidation following the application of the orderly resolution powers under the Deposit Insurance Act of Japan (the "Deposit Insurance Act"). See "Risk Factors–Risks related to the Notes–The Notes will be subject to loss absorption if the Issuer becomes subject to orderly resolution measures under the Deposit Insurance Act and Japanese insolvency laws. As a result, the value of the Notes could be materially adversely affected, and holders of the Notes may lose all or a portion of their investment".
Events of Default and Limitation of Enforcement Rights:	The following will be events of default with respect to the Notes: • default is made for a period of more than 15 days in the payment of principal or more than 30 days in the payment of interest due in respect of the Notes; • default is made by the Issuer in the performance or observance of any other covenant, term or agreement of the Issuer under the Notes and such default is continuing for the period of 90 days after the date on which written notice of such default, requiring the Issuer to remedy the same, shall first have been given to the Issuer by any Noteholder; or • certain events of bankruptcy, insolvency, reorganisation or liquidation under bankruptcy, civil rehabilitation, reorganisation or insolvency law of Japan shall have occurred with respect to the Issuer or an effective resolution shall have been passed by the Issuer for its winding up or dissolution. See "Terms and Conditions of the Notes – Condition 9. Events of Default". The Conditions will specify that each Noteholder acknowledges, consents and agrees (a) for a period of 30 days from and including the date upon which the Prime Minister of Japan (the "Prime Minister") confirms that any of the measures set forth in Article 126-2, Paragraph 1, Item 2 ("Specified Item 2 Measures") of the Deposit Insurance Act

	should be applied to the Issuer, not to initiate any action to attach any assets, the attachment of which has been prohibited by designation of the Prime Minister pursuant to Article 126-16 of the Deposit Insurance Act (or any successor provision thereto) and (b) to any transfer of the Issuer's assets (including shares of the Issuer's subsidiaries) or liabilities, or any portions thereof, with permission of a Japanese court in accordance with Article 126-13 of the Deposit Insurance Act (or any successor provision thereto), including any such transfer made pursuant to the authority of the Deposit Insurance Corporation to represent and manage and dispose of the Issuer's assets under Article 126-5 of the Deposit Insurance Act (or any successor provision thereto), and that any such transfer shall not constitute an event of default or breach of the Conditions.
Redemption for Taxation Reasons:	Subject to prior confirmation of the Financial Services Agency of Japan (the "FSA") (if such confirmation is required under applicable Japanese laws or regulations then in effect), the Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' notice of redemption to the Noteholders (which notice shall be irrevocable), at their nominal amount (together with interest accrued to the date fixed for redemption), if (i) the Issuer has been or will become obliged to pay Additional Amounts (as defined in the Conditions) as a result of any change in, or amendment to, the laws or regulations of Japan or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on after 7 June 2016 and (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it. See "Terms and Conditions of the Notes – Condition 5. Redemption and Purchase".
Listing:	Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the Luxembourg Stock Exchange's Euro MTF Market with effect from the Issue Date.
Governing Law:	English law
Selling Restrictions:	The United States, the European Economic Area, the United Kingdom and Japan The Issuer is Category 2 for the purposes of Regulation S under the Securities Act.
Common Code:	142602253
ISIN:	XS1426022536

DOCUMENTS INCORPORATED BY REFERENCE

The following documents shall be incorporated in, and form part of, this Offering Circular:

(a) the Issuer's annual report on Form 20-F for the fiscal year ended 31 March 2015 filed with the SEC on 22 July 2015 ("Form 20-F") (other than the section entitled "Item 9. The Offer and Listing" on pages 131 to 134 thereof);

(b) the Issuer's report on Form 6-K furnished to the SEC on 21 January 2016, which includes the Issuer's unaudited interim consolidated financial statements prepared in accordance with IAS 34 for the six-month period ended 30 September 2015;

(c) the English translation of the Issuer's news release entitled "Enhancement of Group Management Structure" published on 12 May 2016; and

(d) the English translation of the Issuer's consolidated financial results (*kessan tanshin*) for the fiscal year ended 31 March 2016 prepared in accordance with the rules of the Tokyo Stock Exchange Inc. and published on 13 May 2016 (other than the section entitled "3. Earnings forecast on a consolidated basis (for the fiscal year ending 31 March 2017)" on page 1 thereof), including the Issuer's unaudited consolidated financial statements for the fiscal year ended 31 March 2016 prepared in accordance with Japanese GAAP, together with the Issuer's supplementary information related thereto (other than the section entitled "19. Earnings targets and dividends forecast for FY3/2017" on page 17 thereof).

Such documents shall be incorporated in, and form part of, this Offering Circular, save that any statement contained in a document which is incorporated by reference herein shall be modified or superseded for the purpose of this Offering Circular to the extent that a statement contained or incorporated by reference herein modifies or supersedes such earlier statement (whether expressly, implicitly or otherwise). Any statement so modified or superseded shall not, except as so modified or superseded, constitute part of this Offering Circular.

Copies of documents incorporated by reference in this Offering Circular may be obtained (without charge) from the website of the Luxembourg Stock Exchange (www.bourse.lu).

RISK FACTORS

Investing in the Notes involves risks. Prospective investors should consider carefully the risks relating to the Notes described below, as well as the other information presented in, or incorporated by reference into, this Offering Circular, before deciding whether to invest in the Notes. If any of these risks actually occurs, the Issuer's business, financial condition and results of operations could suffer, and the trading price and liquidity of the Notes offered could decline, in which case the holder may lose all or part of its investment. The following does not describe all the risks of an investment in the Notes. Prospective investors should consult their own financial and legal advisers about risks associated with investment in the Notes and the suitability of investing in the Notes in light of their particular circumstances.

This Offering Circular also contains forward-looking statements that involve risks and uncertainties. The Issuer's actual results could differ materially from those anticipated in these forward-looking statements as a result of various factors, including the risks described below, elsewhere in this Offering Circular and in "Item 3. Key Information—Risk Factors" of its annual report on Form 20-F for the fiscal year ended 31 March 2015 incorporated by reference herein.

Risks Related to the Issuer's Business

Future declines of securities prices on Japanese stock markets or other global markets could cause the Issuer to experience impairment losses and unrealised losses on the Issuer's equity securities portfolio, which could negatively affect its financial condition, results of operations and regulatory capital position.

The reported value of the Issuer's available-for-sale equity instruments accounted for 3.1% of its total assets at 30 September 2015, approximately 87.5% of which were Japanese equity securities. This value depends mainly on prices of the instruments in the stock market.

A listed equity security is impaired primarily based on its market price. If the Issuer concludes that a particular security is impaired, it calculates the impairment loss based on the market price of that security at the end of the relevant period. Declines in the Japanese stock markets or other global markets could result in further losses from impairment of the securities in the Issuer's equity securities portfolio or sales of these securities, adversely affecting its results of operations and financial condition.

The Issuer's regulatory capital position and that of Sumitomo Mitsui Banking Corporation (the "Bank" or "SMBC") depend in part on the fair value of its equity securities portfolio. Substantial declines in the Japanese stock markets or other global markets would negatively affect its capital position and that of the Bank, and limit the Bank's ability to make distributions to the Issuer.

The Issuer may further reduce its holdings of equity securities in order to reduce financial risks. Any disposal by the Issuer of equity holdings of its customers' shares could adversely affect its relationships with those customers.

Changes in the levels or volatility of market rates or prices could adversely affect the Issuer's financial condition and results of operations.

The Issuer engages in trading and investing activities dealing with various kinds of financial instruments such as bonds, equities, currencies, derivatives and funds. The Issuer's financial condition and results of operations could be adversely affected by actual changes or volatility in interest rates, foreign exchange rates and market prices of other investment securities. For example, the Issuer has substantial investments in debt securities. In particular, Japanese government bonds or JGBs represent a significant part of its fixed income portfolio. At 30 September 2015, the Issuer had approximately ¥10 trillion of JGBs classified as available-for-sale financial assets, which accounted for approximately 5.5% of its total assets. Increases in interest rates could substantially decrease the value of the Issuer's fixed income portfolio, and any unexpected changes in yield

curves could adversely affect the value of its bond and interest rate derivative positions, resulting in lower-than-expected revenues from trading and investment activities. Market volatility may also result in significant unrealised losses or impairment losses on such instruments. Furthermore, the downgrading of investment securities by credit rating agencies may also cause declines in the value of the Issuer's securities portfolio.

Adverse economic conditions and deterioration of the financial conditions of the Issuer's customers could increase its credit costs.

The Issuer's non-performing loans ("NPLs") and credit costs for corporate and individual customers may increase significantly if:

- domestic or global economic conditions worsen or do not improve;
- its customers do not repay their loans, due to reasons including deterioration of their financial conditions; and
- the value of collateral declines.

The Issuer has substantial exposure to corporate customers in the following sectors: real estate and goods rental and leasing, manufacturing, wholesale and retail, transportation, communications and public enterprises, and services, including electric utilities, and to individual customers mainly through housing loans. The financial conditions of those customers may be subject to changes in the industry-specific economic conditions as well as general economic conditions. In addition, adverse region-specific economic conditions could worsen the customers' financial conditions or could decrease the value of the collateral provided to the Issuer in such regions. As a result, the Issuer may be required to record increases in its allowance for loan losses.

Moreover, for certain borrowers, the Issuer may choose to engage in debt-for-equity swaps or provide partial debt write-offs, additional financing or other forms of assistance as an alternative to exercising its full legal rights as a creditor if the Issuer believes that doing so may increase its ultimate recoverable amount of the loan. The Issuer may be required to, or choose to, provide new or additional financing to customers who may incur unexpected liabilities, have difficulty in the future in continuing operations, encounter difficulties or need to devote significant resources to repair their infrastructures, as a result of natural disasters or other calamities.

In addition, changes in laws or government policies may have an adverse impact on the rights of creditors. For example, the Government of Japan has provided or may provide in the future government guarantees and other government support measures in response to the financial crisis or other unexpected incidents such as the Great East Japan Earthquake of March 2011 and collateral events. Even if its current or future loans to borrowers have received or will receive any government support measures, it is unclear to what extent those loans will benefit, directly or indirectly, from the current or any future government guarantees or support measures.

In addition, the Issuer's NPLs may increase and there may be additional credit costs if the Issuer fails to accurately estimate the incurred losses in its loan portfolio. These estimates require difficult, subjective and complex judgments such as credit evaluation of its borrowers, valuation of collateral and forecasts of economic conditions.

The ratio of impaired loans and advances to the total loans and advances, both net of allowance for loan losses, were 0.9%, 1.0% and 1.3% at 30 September 2015 and 31 March 2015 and 2014, respectively.

A significant downgrade of the Issuer's credit ratings could have a negative effect.

At the date of this Offering Circular, SMFG has the long-term senior unsecured rating of A1 from Moody's Japan K.K., the issuer credit rating of A- from Standard & Poor's Ratings Japan K.K. and the foreign and

local currency issuer default ratings of A/F1 from Fitch Ratings Japan Limited. There can be no assurance that these ratings will be maintained.

A material downgrade of the Issuer's credit ratings may have various effects including, but not limited to, the following:

- the Issuer may have to accept less favourable terms in its transactions with counterparties, including capital raising activities, or may be unable to enter into certain transactions;
- foreign regulatory bodies may impose restrictions on the Issuer's overseas operations;
- existing agreements or transactions may be cancelled; and
- the Issuer may be required to provide additional collateral in connection with derivatives transactions.

Any of these or other effects of a downgrade of the Issuer's credit ratings could have a negative impact on the profitability of its treasury and other operations, and could adversely affect its regulatory capital position, liquidity position, financial condition and results of operations.

The Issuer is exposed to the industry specific risks of the consumer finance industry.

Changes in the legal environment have severely adversely affected the business performance of consumer lending and credit card companies. The Issuer has exposures to the risks specific to the consumer finance industry through its subsidiaries, including Cedyna Financial Corporation ("Cedyna") and SMBC Consumer Finance Co., Ltd. ("SMBC Consumer Finance").

Consumer lending and credit card companies had offered unsecured personal loans, which included loans with so-called "grey zone" interest in excess of the maximum rate prescribed by the Interest Rate Restriction Act of Japan (the "Interest Rate Restriction Act") (ranging from 15% to 20%) up to the 29.2% maximum rate permitted under the Act Regulating the Receipt of Contributions, Receipt of Deposits and Interest Rates of Japan. However, as a result of court decisions unfavourable to those companies, claims for refunds of amounts paid in excess of the applicable maximum allowed rate by the Interest Rate Restriction Act have increased substantially. Although Cedyna, SMBC Consumer Finance and other subsidiaries have each recorded a provision for claims for refunds of grey zone interest on loans, the Issuer may be required to recognise additional losses if such provisions are determined to be insufficient. The provision for interest repayment is calculated by estimating the future claims for the refund of grey zone interest, taking into account historical experience such as the number of customer claims for a refund, the amount of repayments and the characteristics of customers, and the length of the period during which claims are expected to be received in the future. The timing of the settlement of these claims is uncertain.

Amendments to laws regulating moneylenders, which were promulgated in 2006 and which became fully effective in June 2010, increased the authority of government regulators, prohibited grey zone interest and introduced an upper limit on aggregate credit extensions to an individual by moneylenders at one-third of the borrower's annual income. After the promulgation of such amendments, Cedyna, SMBC Consumer Finance and other companies engaged in related business reduced their interest rates on loans in preparation for the prohibition of grey zone interest. As a consequence, margins earned by those companies, as well as the amounts of loans extended, have decreased.

Risks Related to the Notes

The Notes will be structurally subordinated to indebtedness and other liabilities of the Issuer's subsidiaries, including Sumitomo Mitsui Banking Corporation.

As a holding company, the Issuer's assets consist primarily of equity in and loans to its subsidiaries, in particular SMBC, and the Issuer's ability to make payments on the Notes depends on its receipt of dividends, loan payments and other funds from such subsidiaries. If the Group subsidiaries' financial conditions

materially deteriorate or under certain other conditions, the Issuer may not be able to receive such funds from its subsidiaries due to legal restrictions, including under the Banking Act of Japan (the "Banking Act"), the Companies Act of Japan (the "Companies Act"), and the Deposit Insurance Act or as a result of contractual obligations applicable to such subsidiaries. Claims of holders of the Notes will be structurally subordinated to claims of creditors of the Issuer's subsidiaries. In addition, the Issuer's right to participate in any distribution of assets of any subsidiary (and thus the ability of holders of the Notes to benefit as its creditors from such distribution) in bankruptcy, corporate reorganisation, civil rehabilitation, liquidation or similar proceedings will be junior to creditors of that subsidiary, except to the extent that the Issuer may be recognised as a creditor of those subsidiaries in such proceedings. Claims of creditors of the Issuer's subsidiaries include substantial amounts of long-term debt, deposit liabilities of SMBC and other banking subsidiaries, short-term borrowings, obligations under derivative transactions, trade payables and lease obligations. As a result, holders of the Notes may receive less than full payment in the event of the Issuer's bankruptcy, corporate reorganisation, civil rehabilitation, liquidation or similar proceeding, even though the claims of creditors of its subsidiaries may be satisfied in full.

The Issuer expects to use the proceeds of the offering to extend a senior unsecured loan to SMBC. However, the Issuer may discharge or extinguish (in whole or in part) or restructure such loan or any other loans to or investments in SMBC or any of the Issuer's other subsidiaries at any time including, without limitation, to satisfy banking or other regulatory requirements, including loss absorption requirements, applicable to it in the future. For example, in April 2016, the FSA published an explanatory paper entitled "The FSA's Approach to Introduce the TLAC Framework" ("FSA's Approach"), which describes its approach for the introduction of the Total Loss-Absorbing Capacity ("TLAC") framework of the Financial Stability Board ("FSB") in Japan. Under the FSA's Approach, the FSA plans to require bank holding companies of global systemically important banks ("G-SIBs") in Japan, which includes the Issuer, to cause any material sub-groups that are designated as systemically important by the FSA to maintain a certain level of capital and debt recognised by the FSA as having loss-absorbing and recapitalisation capacity ("Internal TLAC"). The Issuer may restructure its loans to or investments in its material subsidiaries to meet such Internal TLAC requirements in the future. See "Recent Developments—Combined TLAC and Capital Buffer Requirements". A restructuring could include changes to the legal or regulatory form of the loan or investment, changes to its ranking as a claim in the bankruptcy, corporate reorganisation, civil rehabilitation, liquidation or similar proceeding of the subsidiary, changes to or addition of contractual loss absorbing mechanisms or any other changes or additions to its terms or features. Any such changes may affect the Issuer's status as creditor of such subsidiary, which could materially adversely affect the value of the Notes.

The Notes will be subject to loss absorption if the Issuer becomes subject to orderly resolution measures under the Deposit Insurance Act and Japanese insolvency laws. As a result, the value of the Notes could be materially adversely affected, and holders of the Notes may lose all or a portion of their investment.

In November 2015, the FSB published its final TLAC standards. The final TLAC standards define certain minimum requirements for instruments and liabilities so that if a G-SIB fails, it will have sufficient loss absorbing and recapitalisation capacity available in resolution. In addition, in April 2016, the FSA published the "FSA's Approach". For more information regarding the FSB's final TLAC standards and the FSA's Approach, see "Recent Developments—Combined TLAC and Capital Buffer Requirements". The Issuer intends for the Notes, due in part to their structural subordination, to qualify as TLAC when the regulations to introduce the TLAC requirements in Japan become effective. However, as of the date of this Offering Circular, TLAC requirements have not been finalised in Japan and the FSA's Approach is subject to change based on future international discussion. There is no assurance that such requirements as adopted in Japan will be the same as the FSB's final TLAC standards or that the Notes will qualify as TLAC under such requirements.

The Notes are expected to be subject to potential losses through the Issuer's liquidation pursuant to court-administered insolvency proceedings following the application of the orderly resolution powers under the Deposit Insurance Act. The Deposit Insurance Act, as amended in March 2014, provides the framework for resolving financial institutions, including financial holding companies, such as the Issuer, and operating banks. Such framework includes measures that may be applied to a financial institution prior to its failure, although there is no assurance that such measures would be applied in any given situation, and orderly resolution measures for financial institutions that have already failed or are likely to fail. Under the FSA's Approach, the FSA identifies Single Point of Entry ("SPE") resolution, in which resolution powers are applied to the top-level entity of a banking group by a single national resolution authority, as the preferred strategy for resolving G-SIBs in Japan. A possible model of a resolution of Japanese G-SIBs under the SPE resolution strategy described in the FSA's Approach is that, if the Prime Minister recognises that a financial institution's liabilities exceed or are likely to exceed its assets, or that it has suspended or is likely to suspend payment of its obligations, as a result of the financial institution's loans to, or investments in, its material subsidiaries that are designated as systemically important by the FSA becoming subject to loss absorption, and further recognises that the failure of such financial institution may cause significant disruption in the financial markets or other financial systems in Japan, following deliberation by Japan's Financial Crisis Response Council, the Prime Minister may confirm that Specified Item 2 Measures (*tokutei dai nigo sochi*), should be applied to such financial institution. Any such confirmation by the Prime Minister also triggers the point of non-viability clauses of Basel III Additional Tier 1 and Tier 2 instruments issued by the financial institution, causing such instruments to be written off or, if applicable, converted into equity. The failed financial institution shall also be placed under special supervision by, or if the Prime Minister so orders, under special control of, the Deposit Insurance Corporation of Japan (the "DIC") in which case, pursuant to Article 126-5 of the Deposit Insurance Act, the DIC would have broad authority to supervise or control the failed financial institution's business, assets and/or liabilities, including the transfer of its systemically important assets and liabilities (which in the case of its orderly resolution would include the shares of the Bank and its other material subsidiaries) to a bridge financial institution established as a subsidiary of the DIC or such other financial institution as the DIC may determine, the repayment of certain of its liabilities and ultimately the initiation of court-administered insolvency proceedings with respect to such financial institution, in each case in accordance with the Deposit Insurance Act and other relevant laws. See "Item 4. Information on the Company—4.B. Business Overview—Regulations in Japan—Regulations for Stabilizing the Financial System—Deposit Insurance System" in the Issuer's annual report on Form 20-F for the fiscal year ended 31 March 2015, which is incorporated herein by reference. In addition, to facilitate that transfer, the Prime Minister can designate certain assets that will be transferred to a bridge financial institution or to such other financial institution as part of the Issuer's orderly resolution to be subject to a prohibition on attachment pursuant to Article 126-16 of the Deposit Insurance Act.

To facilitate the Issuer's orderly resolution under the Deposit Insurance Act and Japanese insolvency proceedings, each holder acknowledges, consents and agrees (a) for a period of 30 days from and including the date upon which the Prime Minister confirms that Specified Item 2 Measures (*tokutei dai nigo sochi*) should be applied to the Issuer, not to initiate any action to attach any assets, the attachment of which has been prohibited by designation of the Prime Minister pursuant to Article 126-16 of the Deposit Insurance Act (or any successor provision thereto) and (b) to any transfer of the Issuer's assets (including shares of its subsidiaries) or liabilities, or any portions thereof, with permission of a Japanese court in accordance with Article 126-13 of the Deposit Insurance Act (or any successor provision thereto), including any such transfer made pursuant to the authority of the Deposit Insurance Corporation to represent and manage and dispose of the Issuer's assets under Article 126-5 of the Deposit Insurance Act (or any successor provision thereto). The above permission may be granted by a Japanese court in accordance with the Deposit Insurance Act if (i) the Issuer is under special supervision by, or under special control of, the DIC pursuant to the Deposit Insurance Act and (ii) the Issuer's liabilities exceed or are likely to exceed its assets, or the Issuer has suspended or are likely to suspend payment of its obligations.

If the Issuer becomes subject to orderly resolution procedures under the Deposit Insurance Act, there can be no assurance that the exercise of measures available to the Prime Minister, the DIC or the Japanese courts to prevent disruption to financial markets or other financial systems in Japan would not adversely affect the rights of holders of the Notes or the value of any holder's investment in the Notes. For example, if the shares of the Issuer's subsidiaries are transferred to a bridge financial institution or such other financial institution as determined by the DIC, the Issuer would only be entitled to receive consideration representing the fair value of such shares, which could be significantly less than the book value of such shares. As a result, the recovery value of the Issuer's residual assets in court-administered insolvency proceedings after the exercise of orderly resolution measures by the DIC may not be sufficient to fully satisfy its liabilities, including its obligations under the Notes. In addition, the value of assets subject to a prohibition of attachment may decline while such prohibition is in effect, and following such period, holders will be unable to attach any assets that have been transferred to a bridge financial institution or such other financial institution as part of the Issuer's orderly resolution.

The circumstances surrounding or triggering orderly resolution are unpredictable.

The occurrence of orderly resolution under the Deposit Insurance Act is inherently unpredictable and depends on a number of factors that may be beyond the Issuer's control. Under the current framework, the commencement of the orderly resolution process is dependent upon, among other things, a determination by the Prime Minister, following deliberation by Japan's Financial Crisis Response Council, regarding the Issuer's viability, or the viability of one or more of its subsidiaries, and the risk that such failure may cause significant disruption in the financial markets or other financial systems in Japan. Under the FSA's Approach, as a possible model of a resolution of Japanese G-SIBs under the SPE resolution strategy, the application of Specified Item 2 Measures (*tokutei dai nigo sochi*) to the Issuer may result from, among other things, a loan that the Issuer extended to, or an investment the Issuer made in, or any other Internal TLAC of, SMBC or any of the Issuer's other material subsidiaries that are designated as systemically important by the FSA, being subjected to loss absorption before the failure of such subsidiary, pursuant to the terms of such loan or investment or other Internal TLAC or in accordance with applicable Japanese laws or regulations then in effect. However, according to the FSA's Approach, the actual measures to be taken with respect to a Japanese G-SIB shall be determined by the relevant authorities on a case-by-case basis after taking into consideration its actual condition. In addition, the application of orderly resolution measures under the Deposit Insurance Act is untested and will be subject to interpretation and application by the relevant regulatory and supervisory authorities in Japan. Moreover, it is uncertain how the relevant authorities would determine that the Issuer's liabilities exceed or are likely to exceed its assets, or the Issuer has suspended or is likely to suspend payment of its obligations, which determination is required to commence an orderly resolution, and it is possible that particular circumstances that seem similar may result in different outcomes. The Issuer's creditors, including holders of the Notes, may encounter difficulty in challenging the application of orderly resolution measures to the Issuer.

It may be difficult to predict when, if at all, the Issuer may become subject to orderly resolution. Accordingly, the market value of the Notes may not necessarily be evaluated in a similar manner as other types of senior securities. Any indication that the Issuer is approaching circumstances that could result in it becoming subject to orderly resolution can be expected to have an adverse effect on the market price and liquidity of the Notes.

The Notes are unsecured obligations.

The Notes are unsecured obligations and repayment of the Notes may be compromised if:

- the Issuer enters into bankruptcy, corporate reorganisation, civil rehabilitation, liquidation or similar proceeding;
- the Issuer defaults in payment of any existing or future indebtedness; or
- any of the Issuer's existing or future indebtedness is accelerated.

If any of these events occurs then the Issuer's assets may be insufficient to pay amounts due on the Notes.

The Notes do not restrict the Issuer's ability or the ability of its subsidiaries to pledge, dispose or securitise its assets, pay dividends, incur indebtedness or issue or repurchase securities, and provide holders with limited protection in the event of a change in control and other actions the Issuer may take that could adversely impact the prospective investor's investment in the Notes.

The Notes do not contain any financial covenants or restrictions on the Issuer's ability, or the ability of its subsidiaries, to pledge assets to secure any indebtedness, securitise assets, pay dividends on its shares of common stock, incur or assume additional indebtedness or other liabilities or repurchase its outstanding securities. These or other actions by the Issuer could adversely affect its ability to pay amounts due on the Notes. In addition, the indenture and the Notes do not contain any covenants or other provisions that afford more than limited protection to holders of the Notes in the event of a change in control.

There is no prior market for the Notes and, if a market develops, it may not be liquid.

The Notes are new securities which may not be widely distributed and for which there is currently no active trading market. Although the Issuer has made an application to the Luxembourg Stock Exchange to list the Notes on the official list of the Luxembourg Stock Exchange and for such Notes to be admitted to trading on the Luxembourg Stock Exchange's Euro MTF Market, there can be no assurance that any liquid market for the Notes will ever develop or be maintained. The Joint Lead Managers have advised the Issuer that they currently intend to make a market in the Notes that they distribute. However, the Joint Lead Managers have no obligation to make a market in the Notes and they may stop at any time. Furthermore, there can be no assurance as to the liquidity of any market that may develop for the Notes or the prices at which a holder will be able to sell its Notes, if at all. Future trading prices of the Notes will depend on many factors, including:

- prevailing interest rates;
- the Issuer's financial condition and results of operations;
- the then-current ratings assigned to the Notes;
- the market for similar securities; and
- general economic conditions.

Any trading market that develops would be affected by many factors independent of and in addition to the foregoing, including the time remaining to the maturity of the Notes; the outstanding amount of the Notes; and the level, direction and volatility of market interest rates generally.

In addition, in the event that the Issuer's obligations in connection with maintaining the listing of the Notes on the Luxembourg Stock Exchange becomes unduly burdensome, the Issuer may be entitled to, and may decide to, delist the Notes from such securities exchange and seek an alternate listing for the Notes on another securities exchange.

The ratings of the Notes may change after issuance of the Notes, and those changes may have an adverse effect on the market prices and liquidity of the Notes.

The Notes are expected to receive a credit rating from one or more credit rating agencies. Such ratings are limited in scope, and do not address all material risks relating to an investment in the Notes, but reflect only the view of each rating agency at the time the rating is issued. There is no assurance that such credit ratings will remain in effect for any given period of time or that such ratings will not be lowered, suspended or withdrawn entirely by the rating agencies, if, in each rating agency's judgment, circumstances so warrant. Ratings may be affected by a number of factors which can change over time, including the credit rating agency's assessment of: the issuer's strategy and management's capability; the issuer's financial condition including in respect of capital, funding and liquidity; competitive and economic conditions in the issuer's key

markets; the level of political support for the industries in which the issuer operates; and legal and regulatory frameworks affecting the issuer's legal structure, business activities and the rights of its creditors. The credit rating agencies may also revise the ratings methodologies applicable to issuers within a particular industry, or political or economic region. If credit rating agencies perceive there to be adverse changes in the factors affecting an issuer's credit rating, including by virtue of changes to applicable ratings methodologies, the credit rating agencies may downgrade, suspend or withdraw the ratings assigned to an issuer and/or its securities.

In particular, Moody's, Standard & Poor's and Fitch each published revised methodologies applicable to bank ratings (including the Issuer) during 2015. Further revisions to ratings methodologies and actions on the Issuer's ratings or ratings of its subsidiaries (including but not limited to SMBC) by the credit rating agencies may occur in the future, which may result in downgrading of certain ratings.

A downgrade or potential downgrade in these ratings or the assignment of new ratings that are lower than existing ratings could reduce the number of potential investors in the Notes and adversely affect the prices and liquidity of the Notes. A security rating is not a recommendation to buy, sell or hold the Notes and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Foreign Account Tax Compliance Act

Provisions of U.S. tax law commonly referred to as the Foreign Account Tax Compliance Act ("FATCA") impose a 30% withholding tax on certain U.S. source payments made to a foreign financial institution (such as the Issuer, certain of the its subsidiaries or a financial intermediary through which an investor may hold Notes), unless the financial institution is a "participating foreign financial institution", or a PFFI, or otherwise exempt from FATCA. A PFFI is a foreign financial institution that has entered into an agreement with the U.S. Treasury Department (a "PFFI agreement"), pursuant to which it agrees to perform specified due diligence, reporting and withholding functions. Specifically, under its PFFI agreement, a PFFI is required to obtain and report to the U.S. Internal Revenue Service (the "IRS") certain information with respect to financial accounts held by U.S. persons or U.S.-owned foreign entities and to withhold 30% from "foreign passthru payments" (which term is not yet defined) that it makes to foreign financial institutions that are not PFFIs or otherwise exempt from FATCA and certain other persons who fail to provide requested information, if such payments are made on or after the later of 1 January 2019 and the date of publication of final Treasury regulations defining the term "foreign passthru payments". Generally, no such withholding would apply to any payments made on non-U.S. debt obligations that are issued before (and not materially modified after) the date that is six months after the date on which final regulations defining the term "foreign passthru payments" are published. On 11 June 2013, the United States and Japan entered into an intergovernmental agreement to facilitate the implementation of FATCA pursuant to which Japanese financial institutions (such as the Issuer and certain of its subsidiaries) are directed by the Japanese authorities to register with the IRS and fulfill obligations consistent with those required under a PFFI agreement. The Issuer has registered with the IRS to become a PFFI. The United States has also entered into intergovernmental agreements with other jurisdictions. These intergovernmental agreements (including the intergovernmental agreement with Japan) do not address how the United States and the relevant jurisdictions (including Japan) will address "foreign passthru payments" or whether withholding on such payments will be required by financial institutions that are subject to an intergovernmental agreement.

In the event that any amount of withholding is required from a payment on a Note under FATCA or any intergovernmental agreement entered into with respect thereto, or any law, regulation or guidance implementing FATCA or such intergovernmental agreement, no additional amounts will be payable by the Issuer and withheld amounts will be treated as paid for all purposes under the Notes.

TERMS AND CONDITIONS OF THE NOTES

The following Conditions, subject to completion and save for paragraphs in italics, will be endorsed on the Certificates evidencing the Notes.

The issue of the €1,500,000,000 1.546 per cent Senior Notes due 2026 (the "Notes") was authorised by resolution of the Board of Directors of Sumitomo Mitsui Financial Group, Inc. (the "Issuer") passed on 21 December 2015. A fiscal agency agreement dated 15 June 2016 (the "Fiscal Agency Agreement") has been entered into in relation to the Notes among the Issuer, Sumitomo Mitsui Finance Dublin Limited as fiscal agent and paying agent, and The Bank of New York Mellon (Luxembourg) S.A. as registrar and any further agents named in it. The fiscal agent, registrar and paying agents for the time being are referred to below, respectively, as the "Fiscal Agent", the "Registrar" and the "Paying Agents" (which expression shall include the Fiscal Agent). The Fiscal Agency Agreement includes the form of the certificates in respect of the Notes. The Notes have the benefit of a deed of covenant dated 15 June 2016 (the "Deed of Covenant") executed by the Issuer in relation to the Notes. Copies of the Fiscal Agency Agreement and the Deed of Covenant are available for inspection during normal business hours at the specified office of the Fiscal Agent. Noteholders (as defined below) are deemed to have notice of all the provisions of the Fiscal Agency Agreement applicable to them.

1 Form, Denomination and Title

(a) **Form and denomination:** The Notes are serially numbered and in fully registered form in the denomination of €100,000 and integral multiples of €1,000 in excess thereof and are not exchangeable for notes in bearer form. A certificate (each, a "Certificate") will be issued in respect of each holding of Notes. Each Certificate will be numbered serially with an identifying number which will be recorded on the relevant Certificate and in the register (the "Register") of holders (as defined below) of Notes to be kept by the Registrar in accordance with Condition 2(a) and the Fiscal Agency Agreement.

(b) **Title:** Title to the Notes passes only by transfer and registration of title in the Register. The holder of any Note will (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it, any writing on the Certificate representing it, or its theft or loss of, the Certificate issued in respect of it) and no person will be liable for so treating the holder. In these Conditions, "Noteholder" and "holder" mean the person in whose name the Note is registered.

Upon issue, the Notes will be represented by a Global Certificate deposited with a common safekeeper for Euroclear and Clearstream, Luxembourg.

These Conditions applicable to the Notes are modified by certain provisions contained in the Global Certificate. Except in the limited circumstances described in the Global Certificate, owners of interests in Notes represented by a Global Certificate will not be entitled to receive definitive certificates in respect of their individual holdings of Notes.

2 Transfer of Notes

(a) **The Register**: The Issuer will cause to be kept at the specified office of the Registrar, and in accordance with the terms of the Fiscal Agency Agreement, the Register on which shall be entered the names and addresses of the Noteholders and the particulars of the Notes held by them and of all transfers and redemptions of the Notes.

(b) **Transfers**: A Note may be transferred upon the surrender at the specified offices of the Registrar of the Certificate representing such Note, together with the form of transfer endorsed on such Certificate (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Issuer), duly completed and executed and any other evidence as the Registrar may reasonably require. No transfer of a Note will be valid unless and

until entered on the Register. Upon such transfer, a new Certificate will be issued to the transferee in respect of the Note so transferred. Where some only of the Notes in respect of which a Certificate is issued are transferred, a new Certificate in respect of the Notes not so transferred will be issued. No transfer may be made which would result in the nominal amount of Notes held by a holder and in respect of which a Certificate is to be issued being less than €100,000. All transfers of the Notes and entries on the Register will be made subject to the detailed regulations concerning transfer of the Notes scheduled to the Fiscal Agency Agreement. The regulations may be changed by the Issuer, with the prior written approval of the Registrar and the Fiscal Agent. A copy of the current regulations will be made available by the Registrar to any Noteholder upon request.

Transfers of interests in the Notes represented by a Global Certificate will be effected in accordance with the rules of the relevant clearing systems, as described in "Summary of provisions relating to the Notes while in Global Form".

(c) **Delivery of New Certificates**: Each new Certificate to be issued pursuant to Condition 2 (b) shall be available for delivery within three Transfer Business Days (as defined below) of receipt of the duly completed and signed form of transfer, and surrender of the original Certificate for exchange. Delivery of the new Certificate(s) shall be made at the specified office of the Registrar, or if so requested in the form of transfer, be mailed by uninsured post at the risk of the holder entitled to the new Certificate to such address so specified, unless such holder requests otherwise and pays in advance to the Registrar the costs of such other method of delivery and/or such insurance as it may specify.

In these Conditions, "Transfer Business Day" means a day, other than a Saturday or Sunday, on which banks are open for business in the place of the specified office of the Registrar.

(d) **Formalities Free of Charge**: Registration of a transfer and transfer of Notes and issue of Certificates in relation thereto shall be effected without charge by or on behalf of the Issuer or the Registrar, but upon (A) payment of any tax or other governmental charges that may be imposed in relation to it (or the giving of such indemnity as the Registrar may require); and (B) the Issuer and the Registrar being reasonably satisfied that the regulations concerning transfer of Notes having been satisfied.

(e) **No Registration of Transfer**: No Noteholder may require the transfer of a Note to be registered (A) during the period of 7 days ending on (and including) the due date for redemption pursuant to Condition 5(a), (B) after a notice of redemption has been given pursuant to Condition 5(b), or (C) during the period commencing on (and including) the seventh day prior to any Interest Record Date (as defined in Condition 6(a)) and ending on the immediately following Interest Payment Date (as defined in Condition 4).

3 Status

The Notes constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves. The payment obligations of the Issuer under the Notes shall, save for such exceptions as may be provided by applicable legislation, at all times rank at least equally with all other present and future unsecured and unsubordinated obligations of the Issuer.

The Notes are expected to be subject to potential losses in the event of the Issuer's liquidation following the application of the orderly resolution powers under the Deposit Insurance Act. See "Risk Factors–Risks Related to the Notes–The Notes will be subject to loss absorption if the Issuer becomes subject to orderly resolution measures under the Deposit Insurance Act and Japanese insolvency laws. As a result, the value of the Notes could be materially adversely affected, and holders of the Notes may lose all or a portion of their investment".

4 Interest

The Notes bear interest from and including 15 June 2016 at the rate of 1.546 per cent per annum, payable annually in arrear in the amount of €15.46 per Calculation Amount (as defined below) on 15 June in each year

commencing on 15 June 2017 (each an "Interest Payment Date"). Each Note will cease to bear interest from the due date for redemption unless, upon due surrender of the Certificate representing such Note, payment of principal is improperly withheld or refused. In such event, it shall continue to bear interest at such rate (both before and after judgment) until whichever is the earlier of (a) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant holder, and (b) the day 7 days after the Fiscal Agent has notified the Noteholders of its receipt of all sums due in respect of all the Notes up to that seventh day (except to the extent that there is failure in the subsequent payment to the relevant holders under these Conditions). If interest is required to be calculated for a period of less than a complete Interest Period (as defined below), the relevant day-count fraction will be the actual number of days in the relevant period, from and including the date from which interest begins to accrue to but excluding the date on which it falls due, divided by the number of days in the Interest Period in which the relevant period falls.

In these Conditions, the period beginning on and including 15 June 2016 and ending on but excluding the first Interest Payment Date and each successive period beginning on and including an Interest Payment Date and ending on but excluding the next succeeding Interest Payment Date is called an "Interest Period".

Interest in respect of any Note shall be calculated per €1,000 in nominal amount of the Notes (the "Calculation Amount"). The amount of interest payable per Calculation Amount for any period shall be equal to the product of 1.546 per cent, the Calculation Amount and the day-count fraction for the relevant period, rounding the resulting figure to the nearest cent (half a cent being rounded upwards).

5 Redemption and Purchase

(a) **Final redemption:** Unless previously redeemed, or purchased and cancelled, the Notes will be redeemed at their nominal amount on 15 June 2026. The Notes may not be redeemed at the option of the Issuer other than in accordance with these Conditions.

(b) **Redemption for taxation reasons**: Subject to prior confirmation of the Financial Services Agency of Japan (if such confirmation is required under applicable Japanese laws or regulations then in effect), the Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' notice of redemption to the Noteholders (which notice shall be irrevocable), at their nominal amount (together with interest accrued to the date fixed for redemption), if (i) the Issuer has been or will become obliged to pay Additional Amounts (as defined in Condition 7) as a result of any change in, or amendment to, the laws or regulations of Japan or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after 7 June 2016, and (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such Additional Amounts were a payment in respect of the Notes then due. Prior to the publication of any notice of redemption pursuant to this Condition 5(b), the Issuer shall deliver to the Fiscal Agent a certificate signed by an Authorised Officer (as defined in the Fiscal Agency Agreement) of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred and an opinion of tax counsel confirming such facts.

(c) **Notice of redemption:** All Notes in respect of which any notice of redemption is given under this Condition shall be redeemed on the date specified in such notice in accordance with this Condition.

(d) **Purchase:** The Issuer or any of its subsidiaries may at any time purchase any or all of the Notes in the open market or otherwise at any price, subject to prior confirmation of the Financial Services Agency of Japan (if such confirmation is required under applicable Japanese laws or regulations then in effect). Notes purchased by the Issuer or any subsidiary may be held or resold or, at the discretion of the Issuer, be cancelled. The Notes so purchased, while held by or on behalf of the Issuer or any such subsidiary,

shall not entitle the holder to vote at any meetings of the Noteholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Noteholders or for the purposes of Condition 12(a).

6 Payments

(a) **Method of payment:** Payment of principal and interest payable on redemption of the Notes will be made in Euro by transfer to the Registered Account (as defined below) of the Noteholder or by cheque drawn on a bank and mailed to the registered address of the Noteholder if it does not have a Registered Account. Payment of principal will only be made after surrender of the relevant Certificate at the specified office of the relevant Paying Agent.

Interest on Notes due on an Interest Payment Date will be paid on the due date for the payment of interest to the holder shown on the Register at the close of business on the business day prior to the due date for the payment of interest (the "Interest Record Date") by transfer to a Registered Account or cheque as stated above.

In these Conditions, "Registered Account" means a euro account maintained by the payee with a bank, details of which appear on the Register at the close of business on the sixth day before the due date of payment.

So long as the Notes are represented by the Global Certificate and such Notes are held on behalf of a clearing system, the requirement that the relevant Certificate shall be surrendered in order to receive payment shall not apply. Each payment will be made to, or to the order of, the person whose name is entered on the Register at the close of business on the Clearing System Business Day immediately prior to the date for payment, where "Clearing System Business Day" means Monday to Friday inclusive except 25 December and 1 January.

(b) **Payments subject to laws:** All payments are subject in all cases to (i) any applicable fiscal or other laws and regulations in the place of payment or other laws to which the Issuer agrees to be subject, but without prejudice to the provisions of Condition 7, and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the "Code") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 7) any law implementing an intergovernmental approach thereto. No commissions or expenses shall be charged to the Noteholders in respect of such payments.

(c) **Payments on business days:** If the due date for payment of any amount of principal or interest in respect of any Note is not a business day, then the holder thereof shall not be entitled to payment of the amount due until the next following business day and shall not be entitled to any further interest or other payment in respect of any such delay.

In these Conditions:

"business day" means a day on which commercial banks and foreign exchange markets are open for business in the city in which the specified office of the relevant Paying Agent is located and in Tokyo and London and which is a TARGET Business Day.

"TARGET Business Day" means a day on which the TARGET System is open for the settlement of payments in euro.

"TARGET System" means the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) system or any successor thereto.

(d) **Fiscal Agent, Paying Agents and Registrar:** The initial Fiscal Agent, Paying Agents and the Registrar and their initial specified offices are listed below. The Issuer reserves the right at any time to vary or

terminate the appointment of the Fiscal Agent, any Paying Agent and the Registrar and appoint additional or other Paying Agents, provided that it will maintain (i) a Fiscal Agent, (ii) a Registrar, and (iii) a Paying Agent having a specified office in a major European city. Notice of any change in the Fiscal Agent, the Paying Agents, the Registrar or their specified offices will promptly be given to the Noteholders.

7 Taxation

The Issuer will make all payments of principal and interest in respect of the Notes without withholding or deduction for or on account of any present or future taxes, duties, assessments or other governmental charges of whatever nature imposed or levied by or on behalf of Japan, or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In such event, the Issuer shall pay such additional amounts ("Additional Amounts") as will result in the receipt by the holder of such amounts as would have been received by it had no such withholding or deduction been required, except that no Additional Amounts shall be payable with respect to any of the Note where the Certificate in respect of the Note is presented for payment:

(a) **Other connection**: by or on behalf of a holder or beneficial owner of the Note who is treated for Japanese tax purposes as an individual non-resident of Japan or a non-Japanese corporation and is liable for such taxes in respect of such Note by reason of its (i) having some connection with Japan other than the mere holding of such Notes or (ii) being a specially-related person of the Issuer;

(b) **Provision of appropriate documentation**: by or on behalf of a holder or beneficial owner of the Note who would otherwise be exempt from any such withholding or deduction but fails to comply with any applicable requirement to provide Interest Recipient Information or to submit a Written Application for Tax Exemption to the relevant Paying Agent, or whose Interest Recipient Information is not duly communicated through the relevant Participant and the relevant international clearing organisation to such Paying Agent;

(c) **Receipt through a payment handling agent in Japan**: by or on behalf of a holder or beneficial owner of the Note who is treated for Japanese tax purposes as an individual resident of Japan or a Japanese corporation (except for a Designated Financial Institution that complies with the requirement to provide Interest Recipient Information or to submit a Written Application for Tax Exemption and an individual resident of Japan or a Japanese corporation that duly notifies (directly or through the relevant Participant or otherwise) the relevant Paying Agent of its status as not being subject to withholding or deduction by the Issuer by reason of receipt by such individual resident of Japan or Japanese corporation of interest on the Notes through a payment handling agent in Japan appointed by it); or

(d) **Presentation more than 30 days after the Relevant Date**: more than 30 days after the Relevant Date except to the extent that the holder thereof would have been entitled to such Additional Amounts on presenting the same for payment on the thirtieth such day.

For the purpose of this Condition 7, unless the context otherwise requires, the following defined terms shall have the meaning set out below:

"Designated Financial Institution" means a Japanese financial institution or a Japanese financial instruments business operator designated by the Cabinet Order pursuant to Article 6, Paragraph 9 of the Special Taxation Measures Act of Japan (Law No. 26 of 1957, as amended) (the "Special Taxation Measures Act");

"Participant" means a participant of an international clearing organisation or a financial intermediary; and

"specially-related person of the Issuer" means a person having a special relationship with the Issuer as prescribed in Article 6, Paragraph 4 of the Special Taxation Measures Act.

Where the Notes are held through a Participant, in order to receive payments free of withholding or deduction by the Issuer for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of Japan, or any authority thereof or therein having power to tax, if the relevant beneficial owner is an individual non-resident of Japan or a non-Japanese corporation (other than a specially-related person of the Issuer) or a Designated Financial Institution, each such beneficial owner shall, at the time of entrusting a Participant with the custody of the relevant Notes, provide certain information prescribed by the Special Taxation Measures Act to enable the Participant to establish that such beneficial owner is exempted from the requirement for such withholding or deduction by the Issuer (the "Interest Recipient Information"), and advise the Participant if the beneficial owner ceases to be so exempted (including the case in which a beneficial owner who is an individual non-resident of Japan or a non-Japanese corporation becomes a specially-related person of the Issuer).

Where the Notes are not held through a Participant, in order to receive payments free of such withholding or deduction by the Issuer, if the relevant holder is an individual non-resident of Japan or a non-Japanese corporation (other than a specially-related person of the Issuer) or a Designated Financial Institution, each such holder shall, prior to each time at which it receives interest, submit to the relevant Paying Agent a written application for tax exemption (*hikazei tekiyo shinkokusho*) (a "Written Application for Tax Exemption"), in a form obtainable from a Paying Agent stating, among other things, the name and address (and, if applicable, the Japanese individual or corporation ID number) of the holder, the title of the Notes, the relevant interest payment date, the amount of interest and the fact that the holder is qualified to submit the Written Application for Tax Exemption, together with documentary evidence regarding its identity and residence.

If (i) subsequent to making a payment on the Notes without withholding or deduction of Japanese taxes the Issuer is required to remit to the Japanese tax authority any amount in respect of Japanese taxes that should have been withheld or deducted from such payment (together with any interest and penalties) due to the failure of the beneficial owner to provide accurate Interest Recipient Information or to otherwise properly claim an exemption from Japanese taxes imposed with respect to such payment, and (ii) such beneficial owner would not have been entitled to receive Additional Amounts with respect to such payment had Japanese taxes been withheld from the payment when it was made, such beneficial owner (but not any subsequent beneficial owner of the Notes) shall be required to reimburse the Issuer, in Japanese yen, for the amount remitted by the Issuer to the Japanese tax authority.

As used in these Conditions, "Relevant Date" in respect of any Note means the date on which payment in respect thereof first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date on which notice is duly given to the Noteholders in accordance with Condition 14 that such payment will be made, provided that payment is in fact made upon such presentation. References in these Conditions to "principal" and/or "interest" shall be deemed to include any Additional Amounts which may be payable under this Condition 7.

8 Prescription

Claims in respect of principal and interest shall be prescribed and become void unless made as required by Condition 6 within a period of 10 years in the case of principal and 5 years in the case of interest from the appropriate Relevant Date.

9 Events of Default and Limitation of Enforcement Rights

If any of the following events (an "Event of Default") occurs:

(a) **Non-Payment**: default is made for a period of more than 15 days in the payment of principal or more than 30 days in the payment of interest due in respect of the Notes; or

(b) **Breach of Other Obligations**: default is made by the Issuer in the performance or observance of any other covenant, term or agreement of the Issuer under the Notes and such default is continuing for the

period of 90 days after the date on which written notice of such default, requiring the Issuer to remedy the same, shall first have been given to the Issuer by any Noteholder; or

(c) **Insolvency**: Except for the purposes of or pursuant to a consolidation, amalgamation, merger or reconstruction under which the continuing corporation, or the corporation formed as a result thereof, effectively assumes the entire obligations of the Issuer in relation to the Notes:

(i) a decree or order by any court having jurisdiction shall have been issued adjudging the Issuer bankrupt or insolvent, or approving a petition seeking its reorganisation or liquidation under bankruptcy, civil rehabilitation, reorganisation or insolvency law of Japan, and such decree or order shall have continued undischarged and unstayed for a period of 90 days; or

(ii) a final and non-appealable order of a court of competent jurisdiction shall have been made for winding up or dissolution of the Issuer; or

(iii) the Issuer shall have initiated or consented to proceedings relating to itself under bankruptcy, civil rehabilitation, reorganisation or insolvency law of Japan; or

(iv) an effective resolution shall have been passed by the Issuer for its winding up or dissolution,

then any Noteholder for the time being may, by written notice given to the Fiscal Agent at its specified office, declare the nominal amount of, and all interest accrued on, the Notes held by the Noteholder to be immediately due and payable, whereupon the same shall become immediately due and payable, without presentment, demand, protest or other notice of any kind, all of which the Issuer hereby expressly waives, anything contained in these conditions to the contrary notwithstanding, unless prior to the time when the Fiscal Agent receives such notice all Events of Default provided for herein in respect of the Notes shall have been cured.

Notwithstanding any other provision of these Conditions, each Noteholder acknowledges, consents and agrees, whether or not notice of such event shall have been made by the Issuer:

(A) for a period of 30 days from and including the date upon which the Prime Minister of Japan (the "Prime Minister") confirms that Specified Item 2 Measures (*tokutei dai nigo sochi*) should be applied to the Issuer, not to initiate any action to attach any assets, the attachment of which has been prohibited by designation of the Prime Minister pursuant to Article 126-16 of the Deposit Insurance Act of Japan (the "Deposit Insurance Act") (or any successor provision thereto), and

(B) to any transfer of the Issuer's assets (including shares of the Issuer's subsidiaries) or liabilities, or any portions thereof, with permission of a Japanese court in accordance with Article 126-13 of the Deposit Insurance Act (or any successor provision thereto), including any such transfer made pursuant to the authority of the Deposit Insurance Corporation to represent and manage and dispose of the Issuer's assets under Article 126-5 of the Deposit Insurance Act (or any successor provision thereto), and that any such transfer shall not constitute an Event of Default or breach of these Conditions.

As soon as practicable after (A) the Prime Minister confirms that Specified Item 2 Measures (*tokutei dai nigo sochi*) should be applied to the Issuer and/or (B) a Japanese court publicly announces that it has granted permission to a transfer of the Issuer's assets (including shares of its subsidiaries) or liabilities, or any portions thereof, in accordance with Article 126-13 of the Deposit Insurance Act (or any successor provision thereto), the Issuer shall deliver a notice of such event to the Noteholders in accordance with Condition 14. Provided that, any failure or delay in the delivery of such notice by the Issuer shall not alter or delay the effect of the acknowledgement, consent and agreement of the Noteholders in this Condition 9.

These provisions are intended to facilitate the Issuer's orderly resolution under the Deposit Insurance Act and Japanese insolvency proceedings. See "Risk Factors – Risks Related to the Notes – The Notes will be subject to loss absorption if the Issuer becomes subject to orderly resolution measures under the Deposit

Insurance Act and Japanese insolvency laws. As a result, the value of the Notes could be materially adversely affected, and holders of the Notes may lose all or a portion of their investment".

10 No Right to Set Off by Holders

Subject to applicable law, each holder of the Notes, by acceptance of any interest in the Notes, agrees that it will not, and waives all rights to, exercise, claim or plead any right of set off or counterclaim in respect of any amount owed to it by the Issuer arising under, or in connection with, the Notes.

11 Replacement of Certificates

If any Certificate is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Registrar subject to all applicable laws and stock exchange or other relevant authority requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may require (provided that the requirement is reasonable in the light of prevailing market practice). Mutilated or defaced Certificates must be surrendered before replacements will be issued.

12 Meetings of Noteholders and Modification

(a) **Meetings of Noteholders:** The Fiscal Agency Agreement contains provisions for convening meetings of Noteholders to consider matters affecting their interests, including the sanctioning by an Extraordinary Resolution of a modification of any of these Conditions. Such a meeting may be convened by Noteholders holding not less than 10 per cent in nominal amount of the Notes for the time being outstanding and the Issuer is indemnified and/or secured and/or prefunded to its satisfaction against all costs and expenses. The quorum for any meeting convened to consider an Extraordinary Resolution will be one or more persons holding or representing not less than a clear majority in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Noteholders whatever the nominal amount of the Notes held or represented, unless the business of such meeting includes consideration of proposals, *inter alia*, (i) to modify the maturity of the Notes or the dates on which interest is payable in respect of the Notes, (ii) to reduce or cancel the nominal amount of, or interest on, the Notes, (iii) to change the currency of payment of the Notes, (iv) to amend, vary or terminate the Deed of Covenant in a manner which would materially and adversely affect the Noteholders or (iv) to modify the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass an Extraordinary Resolution, in which case the necessary quorum will be one or more persons holding or representing not less than 75 per cent, or at any adjourned meeting not less than a clear majority in nominal amount of the Notes for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on Noteholders (whether or not they were present at the meeting at which such resolution was passed).

The Fiscal Agency Agreement provides that a resolution in writing signed by or on behalf of the holders of not less than 75 per cent in nominal amount of the Notes for the time being outstanding shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Noteholders duly convened and held. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders.

(b) **Modification of Fiscal Agency Agreement:** The Issuer shall only permit, without the consent of the Noteholders, any modification of, or any waiver or authorisation of any breach or proposed breach of or any failure to comply with, the Fiscal Agency Agreement, if to do so could not reasonably be expected to be prejudicial to the interests of the Noteholders or if necessary to comply with mandatory provisions of the law.

13 Further Issues

The Issuer may from time to time without the consent of the Noteholders create and issue further securities either having the same terms and conditions as the Notes in all respects (or in all respects except for the first

payment of interest on them) and so that such further issue shall be consolidated and form a single series with the Notes or upon such terms as the Issuer may determine at the time of their issue. References in these Conditions to the Notes include (unless the context requires otherwise) any other securities issued pursuant to this Condition and forming a single series with the Notes.

14 Notices

Notices to Noteholders will be valid if mailed to them at their respective addresses in the Register and shall be deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the date of mailing. So long as the Notes are listed on the Luxembourg Stock Exchange and the rules of the Luxembourg Stock Exchange so require, notices shall also be published either on the website of the Luxembourg Stock Exchange (www.bourse.lu) or in a leading newspaper having general circulation in Luxembourg (which is expected to be the Luxembourger Wort). Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the date of the first publication.

15 Currency Indemnity

Euro is the sole currency of account and payment for all sums payable by the Issuer under or in connection with the Notes, including damages. Any amount received or recovered in a currency other than euro (whether as a result of, or of the enforcement of, a judgment or order of a court of any jurisdiction, in the insolvency, winding-up or dissolution of the Issuer or otherwise) by any Noteholder in respect of any sum expressed to be due to it from the Issuer shall only constitute a discharge to the Issuer to the extent of the euro amount which the recipient is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so). If that euro amount is less than the euro amount expressed to be due to the recipient under any Note, the Issuer shall indemnify it against any loss sustained by it as a result. In any event, the Issuer shall indemnify the recipient against the cost of making any such purchase. For the purposes of this Condition, it will be sufficient for the Noteholder to demonstrate that it would have suffered a loss had an actual purchase been made. These indemnities constitute a separate and independent obligation from the Issuer's other obligations, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by any Noteholder and shall continue in full force and effect despite any other judgment, order, claim or proof for a liquidated amount in respect of any sum due under any Note or any other judgment or order.

16 Contracts (Rights of Third Parties) Act 1999

No person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 1999.

17 Governing Law and Jurisdiction

(a) **Governing Law:** The Fiscal Agency Agreement, the Deed of Covenant, the Notes and any non-contractual obligations arising out of or in connection with them are governed by and shall be construed in accordance with English law.

(b) **Jurisdiction:** The courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with the Notes and accordingly any legal action or proceedings arising out of or in connection with the Notes ("Proceedings") may be brought in such courts. The Issuer irrevocably submits to the jurisdiction of such courts and waives any objection to Proceedings in such courts whether on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum. This Condition is for the benefit of each of the Noteholders and shall not limit the right of any of them to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).

(c) **Service of Process:** The Issuer irrevocably appoints Sumitomo Mitsui Banking Corporation Europe Limited whose office is presently located at 99 Queen Victoria Street, London EC4V 4EH, United Kingdom, as its agent in England to receive, for it and on its behalf, service of process in any Proceedings in England. Such service shall be deemed completed on delivery to such process agent (whether or not it is forwarded to and received by the Issuer). If for any reason such process agent ceases to be able to act as such or no longer has an address in London, the Issuer irrevocably agrees to appoint a substitute process agent and shall immediately notify Noteholders of such appointment in accordance with Condition 14. Nothing shall affect the right to serve process in any manner permitted by law.

SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM

Initial Issue of Certificates

The Global Certificate will be delivered on or prior to the Issue Date to the Common Safekeeper. Depositing the Global Certificate with the Common Safekeeper does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue, or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.

Upon the registration of the Global Certificate in the name of any nominee for Euroclear and Clearstream, Luxembourg and delivery of the Global Certificate to the Common Safekeeper, Euroclear or Clearstream, Luxembourg will credit each subscriber with a nominal amount of Notes equal to the nominal amount thereof for which it has subscribed and paid.

Relationship of Accountholders with Clearing Systems

Each of the persons shown in the records of Euroclear, Clearstream, Luxembourg or any other clearing system ("Alternative Clearing System") as the holder of a Note represented by a Global Certificate must look solely to Euroclear, Clearstream, Luxembourg or any such Alternative Clearing System (as the case may be) for his share of each payment made by the Issuer to the holder of the Global Certificate and in relation to all other rights arising under the Global Certificate, subject to and in accordance with the respective rules and procedures of Euroclear, Clearstream, Luxembourg, or such Alternative Clearing System (as the case may be). Such persons shall have no claim directly against the Issuer in respect of payments due on the Notes for so long as the Notes are represented by the Global Certificate and such obligations of the Issuer will be discharged by payment to the holder of the Global Certificate in respect of each amount so paid.

Exchange

The following will apply in respect of transfers of Notes held in Euroclear or Clearstream, Luxembourg or an Alternative Clearing System. These provisions will not prevent the trading of interests in the Notes within a clearing system whilst they are held on behalf of such clearing system, but will limit the circumstances in which the Notes may be withdrawn from the relevant clearing system.

Transfers of the holding of Notes represented by the Global Certificate pursuant to Condition 2(b) may only be made in part:

(i) if the relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so; or

(ii) if principal in respect of Notes is not paid when due; or

(iii) with the consent of the Issuer,

provided that, in the case of the first transfer of part of a holding pursuant to paragraph (i) or (ii) above, the registered holder has given the Registrar not less than 30 days' notice at its specified office of the registered holder's intention to effect such transfer.

Amendment to Conditions

The Global Certificate contains provisions that apply to the Notes that it represents, some of which modify the effect of the terms and conditions of the Notes set out in this Offering Circular. The following is a summary of certain of those provisions:

1. Payments

All payments in respect of Notes represented by a Global Certificate will be made to, or to the order of, the person whose name is entered on the Register at the close of business on the record date which shall be on the Clearing System Business Day immediately prior to the date for payment, where "Clearing System Business Day" means Monday to Friday inclusive except 25 December and 1 January.

2. Meetings

For the purposes of any meeting of Noteholders, the holder of the Notes represented by the Global Certificate shall (unless the Global Certificate represents only one Note) be treated as two persons for the purposes of any quorum requirements of a meeting of Noteholders.

3. Events of Default

If principal in respect of any Note is not paid when due, the holder of a Note represented by the Global Certificate may elect for direct enforcement rights against the Issuer under the terms of the Deed of Covenant to come into effect in respect of a nominal amount of Notes up to the aggregate nominal amount in respect of which such failure to pay has occurred in favour of the persons entitled to such payment as accountholders with a clearing system. Following any such acquisition of direct rights, the Global Certificate and the corresponding entry in the Register kept by the Registrar will become void as to the specified portion. However, no such election may be made in respect of Notes represented by the Global Certificate unless the transfer of the whole or a part of the holding of Notes represented by the Global Certificate shall have been improperly withheld or refused.

4. Notices

So long as the Notes are represented by a Global Certificate and such Notes are held on behalf of a clearing system, notices to Noteholders shall be given by delivery of the relevant notice to the relevant clearing system for communication by it to entitled accountholders in substitution for mailing and publication required by the Conditions, except that so long as the Notes are listed on the Luxembourg Stock Exchange and the rules of the Luxembourg Stock Exchange so require, notices shall also be published either on the website of the Luxembourg Stock Exchange (www.bourse.lu) or in a leading newspaper having general circulation in Luxembourg (which is expected to be the Luxembourger Wort).

Electronic Consent and Written Resolution

While any Global Certificate is registered in the name of any nominee for a clearing system, then:

(a) approval of a resolution proposed by the Issuer given by way of electronic consents communicated through the electronic communications systems of the relevant clearing system(s) in accordance with their operating rules and procedures by or on behalf of the holders of not less than 75% in nominal amount of the Notes outstanding (an "Electronic Consent" as defined in the Fiscal Agency Agreement) shall, for all purposes (including matters that would otherwise require an Extraordinary Resolution to be passed at a meeting for which the Special Quorum was satisfied), take effect as an Extraordinary Resolution (as defined in the Fiscal Agency Agreement) passed at a meeting of Noteholders duly convened and held, and shall be binding on all Noteholders whether or not they participated in such Electronic Consent; and

(b) where Electronic Consent is not being sought, for the purpose of determining whether a Written Resolution (as defined in the Fiscal Agency Agreement) has been validly passed, the Issuer shall be entitled to rely on consent or instructions given in writing directly to the Issuer (i) by accountholders in the clearing system with entitlements to such Global Certificate or, (ii) where the accountholders hold any such entitlement on behalf of another person, on written consent from or written instruction by the

person for whom such entitlement is ultimately beneficially held, whether such beneficiary holds directly with the accountholder or via one or more intermediaries. For the purpose of establishing the entitlement to give any such consent or instruction, the Issuer shall be entitled to rely on any certificate or other document issued by, in the case of (i) above, Euroclear or Clearstream, Luxembourg or any other relevant alternative clearing system and, in the case of (ii) above, the relevant clearing system and the accountholder identified by the relevant clearing system for the purposes of (ii) above. Any resolution passed in such manner shall be binding on all Noteholders, even if the relevant consent or instruction proves to be defective. Any such certificate or other document shall be conclusive and binding for all purposes. Any such certificate or other document may comprise any form of statement or print out of electronic records provided by the relevant clearing system (including Euroclear's EUCLID or Clearstream, Luxembourg's CreationOnline system) in accordance with its usual procedures and in which the accountholder of a particular principal or nominal amount of the Notes is clearly identified together with the amount of such holding. The Issuer shall not be liable to any person by reason of having accepted as valid or not having rejected any certificate or other document to such effect purporting to be issued by any such person and subsequently found to be forged or not authentic.

USE OF PROCEEDS

The net proceeds of the issue of the Notes will be used by the Issuer for extending a senior unsecured loan to the Bank. The Bank intends to use the proceeds of the loan for general corporate purposes.

SUMITOMO MITSUI FINANCIAL GROUP, INC.

The Issuer is a joint stock company incorporated in December 2002 with limited liability under the laws of Japan. The Issuer is a holding company that directly owns 100% of the issued and outstanding shares of SMBC, one of the largest commercial banks in Japan. The Issuer is one of the three largest banking groups in Japan, with an established presence across all of the consumer and corporate banking sectors. Its subsidiaries also include Sumitomo Mitsui Finance and Leasing Company, Limited, in the leasing business, SMBC Nikko Securities Inc. and SMBC Friend Securities Co., Ltd. in the securities business, and Sumitomo Mitsui Card Company, Limited, Cedyna and SMBC Consumer Finance in the consumer finance business.

For further information, see “Item 4. Information on the Company” in the Issuer’s most recent annual report on Form 20-F incorporated by reference in this Offering Circular.

CAPITALISATION AND INDEBTEDNESS

The following table sets forth the consolidated capitalisation and indebtedness of the Issuer as of 30 September 2015, based on numbers extracted from the Issuer's unaudited consolidated balance sheet prepared in accordance with IAS 34, as of the same date:

	As of 30 September 2015
	(Millions of yen)
Indebtedness[(1)]	
Borrowings	
Short-term borrowings	¥4,290,523
Long-term borrowings:	
Unsubordinated	5,567,987
Subordinated	314,194
Liabilities associated with securitisation transactions	1,058,809
Lease obligations	107,976
Total indebtedness	11,339,489
Debt securities in issue	
Commercial paper	4,782,717
Bonds[(4)]	4,661,130
Subordinated bonds	1,995,968
Total debt securities in issue	11,439,815
Total indebtedness	22,779,304
Equity:	
Capital stock	2,337,896
Common stock: Authorised – 3,000,000,000 shares Issued – 1,414,055,625 shares[(2)]	
Preferred stock: Authorised – 564,000 shares Issued – none	
Capital surplus	863,216
Retained earnings	3,889,763
Other reserves	2,272,304
Treasury stock	(175,345)
Equity attributable to shareholders of the Issuer	9,187,834
Non-controlling interests	1,686,226
Equity attributable to other equity instruments holders	299,895
Total equity	11,173,955
Total capitalisation and indebtedness	¥33,953,259

Notes:

(1) Figures for indebtedness do not include contingent liabilities.

(2) This includes 46,826,326 shares held in treasury by the Issuer or by its subsidiaries. All issued and outstanding shares of common stock are fully paid.

(3) 26% of the Issuer's indebtedness was secured as of 30 September 2015.

(4) Since 1 October 2015, the Issuer and its consolidated subsidiaries have issued new series of bonds, and have redeemed or repurchased certain outstanding series of bonds. The following is a partial list of the new issuances:

- on 19 January 2016, the Bank issued bonds in the aggregate principal amount of U.S.$1,250,000,000, including its U.S.$750,000,000 2.05% Senior Notes due 2019 and U.S.$500,000,000 Senior Floating Rate Notes due 2019; and
- on 9 March 2016, the Issuer issued bonds in the aggregate principal amount of U.S.$4,000,000,000, including its U.S.$1,750,000,000 2.934% Senior Notes due 2021, U.S.$1,500,000,000 3.784% Senior Notes due 2026 and U.S.$750,000,000 Senior Floating Rate Notes due 2021.

(5) Except as disclosed above, there has been no material change in the consolidated capitalisation and indebtedness or contingent liabilities or guarantees of the Issuer since 30 September 2015.

SELECTED FINANCIAL AND OTHER INFORMATION (IFRS/IAS 34)

The following tables set forth the consolidated financial information of the Issuer as of and for each of the years ended 31 March 2014 and 2015, which is derived from the Issuer's audited annual consolidated financial statements as of and for the same periods, prepared in accordance with IFRS, and the interim consolidated financial information as of 30 September 2015, and for the six months ended 30 September 2014 and 2015, which is derived from the Issuer's unaudited interim consolidated financial statements as of and for the same periods, prepared in accordance with IAS 34:

	Fiscal year ended 31 March		Six months ended 30 September	
	2014[(1)]	2015	2014[(1)]	2015
	(Billions of yen, except per share data)			
Consolidated income statement data:				
Interest income	¥1,714	¥1,783	¥875	¥920
Interest expense	321	371	175	209
Net interest income	1,394	1,412	701	711
Fee and commission income	1,003	1,003	477	509
Fee and commission expense	128	129	69	71
Net fee and commission income	875	874	408	438
Net trading income	135	128	76	163
Net income from financial assets at fair value through profit or loss	59	23	16	(0)
Net investment income	332	371	202	218
Other income	430	526	158	209
Total operating income	3,224	3,332	1,559	1,739
Impairment charges (reversals) on financial assets	(14)	90	21	67
Net operating income	3,239	3,242	1,538	1,672
General and administrative expenses	1,523	1,622	791	840
Other expenses	429	506	134	163
Operating expenses	1,952	2,128	925	1,003
Share of post-tax profit of associates and joint ventures	19	18	12	17
Profit before tax	1,306	1,133	626	686
Income tax expense	414	410	179	190
Net profit	¥892	¥723	¥447	¥496
Profit attributable to:				
Shareholders of Sumitomo Mitsui Financial Group, Inc.	¥766	¥614	¥391	¥444
Non-controlling interests	126	109	56	52
Earnings per share:				
Basic	¥560.97	¥449.13	¥285.77	¥325.07

	Fiscal year ended 31 March		Six months ended 30 September	
	2014[(1)]	2015	2014[(1)]	2015
	(Billions of yen, except per share data)			
Diluted	560.68	448.86	285.61	324.86
Weighted average number of common shares in issue (in thousands of shares)	1,366,186	1,367,258	1,367,267	1,367,235
Dividends per share in respect of each fiscal year:				
Common stock	¥125	¥125	—	—

Note:

(1) Comparative information has been restated to reflect the adoption of IFRIC Interpretation 21 "Levies". For more information, see Note 2 "Summary of Significant Accounting Policies—New and Amended Accounting Standards Adopted by the SMFG Group" to the consolidated financial statements included in the Issuer's annual report on Form 20-F for the fiscal year ended 31 March 2015, incorporated by reference in this Offering Circular.

	As of 31 March		As of 30 September
	2014[(1)]	2015	2015
	(Billions of yen)		
Consolidated statement of financial position data:			
Total assets	¥158,631	¥179,181	¥182,305
Loans and advances	81,245	86,972	88,407
Total liabilities	149,216	168,161	171,131
Deposits	108,370	115,834	118,320
Borrowings	8,463	11,217	11,339
Total equity	9,415	11,021	11,174
Capital stock	2,338	2,338	2,338

Note:

(1) Comparative information has been restated to reflect the adoption of IFRIC Interpretation 21 "Levies". For more information, see Note 2 "Summary of Significant Accounting Policies—New and Amended Accounting Standards Adopted by the SMFG Group" to the consolidated financial statements included in the Issuer's annual report on Form 20-F for the fiscal year ended 31 March 2015 incorporated by reference in this Offering Circular.

SELECTED FINANCIAL AND OTHER INFORMATION (JAPANESE GAAP)

The following tables set forth the supplemental consolidated financial information of the Issuer as of and for each of the years ended 31 March 2014 and 2015, which is derived from the Issuer's audited annual consolidated financial statements as of and for the same periods, prepared in accordance with Japanese GAAP, and the supplemental consolidated financial information of the Issuer as of and for the year ended 31 March 2016, which is derived from the Issuer's unaudited annual consolidated financial statements as of and for the same period, prepared in accordance with Japanese GAAP:

Supplemental Consolidated Information for SMFG

	Fiscal year ended 31 March		Fiscal year ended 31 March 2016[1]
	2014	2015	
		(Billions of yen)	
Consolidated income statement information:			
Consolidated gross profit	¥2,898	¥2,980	¥2,904
Net interest income	1,484	1,505	1,423
Trust fees	2	3	4
Net fees and commissions	985	997	1,004
Net trading income	212	195	225
Net other operating income	215	281	248
General and administrative expenses	(1,570)	(1,659)	(1,725)
Equity in gains (losses) of affiliates	10	(11)	(36)
Consolidated net business profit[2]	1,339	1,310	1,143
Total credit cost	49	(8)	(103)
Gains (losses) on stocks	89	67	69
Other income (expenses)	(45)	(48)	(124)
Ordinary profit	1,432	1,321	985
Extraordinary gains (losses)	(10)	(12)	(5)
Income before income taxes[3]	1,423	1,309	980
Income taxes	(459)	(441)	(225)
Profit attributable to non-controlling interests[3]	(129)	(114)	(108)
Profit attributable to owners of parent[3]	¥835	¥754	¥647

Notes:

(1) Figures for the fiscal year ended 31 March 2016 have been derived from the March 2016 Unaudited Results and are subject to finalisation. See "Presentation of Financial Information".

(2) The definition of "Consolidated net business profit" was changed as of 1 April 2014. The figures for the year ended 31 March 2014 have been adjusted according to the new definition.

(3) The presentation of net income was revised as of 1 April 2015 in accordance with the provision set forth in Paragraph 39 of Accounting Standard for Consolidated Financial Statements (ASBJ Statement No. 22, issued on 13 September 2013) and related rules.

	As of 31 March		As of 31 March 2016[1]
	2014	2015	
	(Billions of yen, except ratios)		
Consolidated balance sheet information:			
Total assets	¥161,534	¥183,443	¥186,586
Loans and bills discounted	68,228	73,068	75,066
Reserve for possible loan losses[2]	(748)	(671)	(625)
Securities	27,153	29,634	25,264
Deposits (including negotiable certificates of deposit)	108,045	114,874	124,919
Net assets	9,005	10,696	10,448
NPL ratio[3]	1.74%	1.39%	1.15%
Loan-to-deposit ratio	63.1%	63.6%	60.1%

Notes:

(1) Figures for the fiscal year ended 31 March 2016 have been derived from the March 2016 Unaudited Results and are subject to finalisation. See "Presentation of Financial Information".

(2) "Reserve for possible loan losses" includes a general reserve, a specific reserve and a reserve for specific overseas countries. "Loan Losses" includes losses derived not only from loans but also from other claims to borrowers, including commitments to extend credit, guarantees and standby letters of credit.

(3) Non-performing loan ratio, or NPL ratio, equals the aggregate amount of outstanding loans and credit-type assets classified as NPLs under the Financial Reconstruction Act divided by the aggregate amount of all loans and credit-type assets subject to disclosure under the Financial Reconstruction Act.

Supplemental Non-Consolidated Information for the Bank

The following tables set forth the supplemental non-consolidated financial information of the Bank as of and for each of the years ended 31 March 2014 and 2015, which is derived from the Bank's audited annual non-consolidated financial statements as of and for the same periods, prepared in accordance with Japanese GAAP, and the supplemental non-consolidated financial information as of and for the year ended 31 March 2016, which is derived from the Bank's unaudited annual non-consolidated financial statements as of and for the same period, prepared in accordance with Japanese GAAP:

	Fiscal year ended 31 March		Fiscal year ended 31 March 2016[1]
	2014	2015	
	(Billions of yen, except percentages)		
Non-consolidated income statement information:			
Gross banking profit[2]	¥1,558	¥1,634	¥1,534
Net interest income	1,065	1,121	1,024
Trust fees	2	2	3
Net fees and commissions	357	350	359
Net trading income (losses)	37	13	67

	Fiscal year ended 31 March		Fiscal year ended 31 March 2016[1]
	2014	2015	
	(Billions of yen, except percentages)		
Net other operating income (expenses)	97	148	83
Net gains (losses) on bonds	1	48	54
Expenses[3]	(746)	(791)	(805)
Personnel expenses	(283)	(313)	(323)
Non-personnel expenses	(425)	(436)	(436)
Taxes	(37)	(43)	(47)
Banking profit (before provision for general reserve for possible loan losses)[4]	812	843	729
Total credit cost[5]	124	80	3
Net gains (losses) on stocks	106	53	35
Other non-recurring gains (losses)	(90)	(20)	(19)
Ordinary profit	953	956	748
Net income	605	643	609
Non-consolidated other financial information:			
Interest rate earned on domestic loan and bills discounted	1.41%	1.32%	1.24%
Interest rate paid on domestic deposits, etc.	0.04%	0.03%	0.03%
Interest spread[6]	1.37%	1.29%	1.21%
Overhead ratio[7]	47.9%	48.4%	52.5%

Notes:

(1) Figures for the fiscal year ended 31 March 2016 have been derived from the March 2016 Unaudited Results and are subject to finalisation. See "Presentation of Financial Information".

(2) Gross banking profit (*gyoumu arariеki*) is the sum of net interest income, trust fees, net fees and commissions, net trading income (losses) and net other operating income (expenses). The Banking Act requires Japanese banks to disclose gross banking profit on a non-consolidated basis.

(3) Expenses do not include non-recurring losses (such as credit costs and losses on stocks).

(4) Banking profit (before provision for general reserve for possible loan losses) (*gyoumu jun-eki*), a commonly used indicator of the profitability of banking operations among Japanese banks, is calculated as follows: net interest income + trust fees + net fees and commissions + net trading income (losses) + net other operating income (expenses) – general and administrative expenses on a non-consolidated basis.

(5) Total credit cost = Provision for reserve for possible loan losses + Write-off of loans + Losses on sales of delinquent loans – Gains on reversal of reserve for possible loan losses – Recoveries of written-off claims.

(6) Interest spread is the difference between the rate of the interest earned on average interest-earning assets and the rate of interest paid on average interest-bearing liabilities.

(7) Overhead ratio is the Bank's expenses divided by gross banking profit.

	As of 31 March		As of 31 March
	2014	2015	2016[1]
	(Billions of yen, except percentages)		
Non-consolidated balance sheet information:			
Total assets	¥135,966	¥154,724	¥153,641
Loans and bills discounted	63,371	68,274	69,277
Classified by type of loan:			
Loans to individuals and small- and medium-sized enterprises, etc.[2]	33,091	33,499	33,861
Consumer loans	14,722	14,347	14,148
Housing loans	13,841	13,438	13,207
Classified by location:			
Domestic offices (excluding offshore banking accounts)	48,191	49,347	50,072
Overseas offices and offshore banking accounts	15,179	18,928	19,204
Deposits (including negotiable certificates of deposit)	98,158	105,360	113,268
Loan-to-deposit ratio	64.6%	64.8%	61.2%
Non-consolidated credit quality information:			
NPLs[3]	¥881	¥769	¥623
NPL ratio[4]	1.21%	0.97%	0.78%
Reserve ratio to unsecured assets[5]	67.83%	67.10%	68.62%

Notes:

(1) Figures for the fiscal year ended 31 March 2016 have been derived from the March 2016 Unaudited Results and are subject to finalisation. See "Presentation of Financial Information".

(2) Loans to individuals, and small- and medium-sized enterprises, etc. represent a portion of all loans and bills discounted and include consumer loans. Housing loans are a subset of consumer loans.

(3) Loans, acceptances and guarantees, suspense payments and other credit-type assets are included in NPLs based on the Act on Emergency Measures for Revitalisation of the Financial Functions of Japan (the "Financial Reconstruction Act").

(4) NPL ratio equals the aggregate amount of outstanding loans and credit-type assets classified as NPLs under the Financial Reconstruction Act divided by the aggregate amount of all loans and credit-type assets subject to disclosure under the Financial Reconstruction Act.

(5) Reserve ratio to unsecured assets equals the sum of the specific reserve and the general reserve for substandard loans divided by the aggregate amount of unsecured loans classified as NPLs under the Financial Reconstruction Act.

Capital Ratios

Set forth below is a table of the risk-weighted capital ratios of SMFG as of 31 March 2014, 2015 and 2016 on a consolidated basis, based on the Basel III rules.

	As of 31 March		
	2014	**2015**	**2016[(1)]**
	(Billions of yen, except percentages)		
Consolidated:			
Total risk-weighted capital ratio (consolidated)	15.51%	16.58%	17.02%
Tier 1 risk-weighted capital ratio (consolidated)	12.19%	12.89%	13.68%
Common Equity Tier 1 risk-weighted capital ratio (consolidated)	10.63%	11.30%	11.81%
Total capital (Common Equity Tier 1 capital + Additional Tier 1 capital + Tier 2 capital)	¥9,561.4	¥10,965.9	¥11,235.9
Tier 1 capital (Common Equity Tier 1 capital + Additional Tier 1 capital)	7,514.3	8,528.6	9,031.7
Common Equity Tier 1 capital	6,550.8	7,476.5	7,796.5
Risk-weighted assets	61,623.3	66,136.8	66,011.6
The amount of minimum capital requirements	4,929.9	5,290.9	5,280.9

Note:

(1) Figures as of 31 March 2016 have been calculated on a preliminary basis.

The Issuer estimates that its Common Equity Tier 1 risk-weighted capital ratio was 12.0% and 11.9% as of 31 March 2015 and 2016, respectively, based on the definition applicable as of 31 March 2019, on a fully-loaded basis.

RECENT DEVELOPMENTS

Combined TLAC and Capital Buffer Requirements

In November 2015, as part of its agenda to address risks arising from G-SIBs, the FSB published its final TLAC standards. The final TLAC standards define certain minimum requirements for instruments and liabilities so that if a G-SIB fails, it will have sufficient loss-absorbing and recapitalisation capacity available to ensure that it can be resolved in an orderly manner which minimises potential impact on financial stability, maintains the continuity of critical functions and avoids exposing public funds to loss. In addition, in April 2016, the FSA published the FSA's Approach, which describes the FSA's approach for the introduction of TLAC requirements in Japan, although it remains subject to change based on future international discussions. According to the FSA's Approach, the preferred resolution strategy for G-SIBs in Japan is SPE resolution, in which resolution powers are applied to the top-level entity of a banking group by a single national resolution authority, although the actual measures to be taken will be determined on a case-by-case basis considering the actual condition of the relevant Japanese G-SIB in crisis. To implement this SPE resolution strategy effectively, the FSA plans to require bank holding companies of Japanese G-SIBs, which will be the resolution entities, to (i) meet the minimum external TLAC requirements provided under the FSB's TLAC standard (being at least 16% of their risk-weighted assets ("RWA") starting from 31 March 2019 and at least 18% of their RWA starting from 31 March 2022 as well as at least 6% of their Basel III leverage ratio denominator starting from 31 March 2019 and at least 6.75% starting from 31 March 2022), and (ii) cause their material subsidiaries that are designated as systemically important by the FSA, including but not limited to certain material sub-groups as provided in the FSB's TLAC standard, to maintain a certain level of capital and debt recognised by the FSA as internal TLAC, in order that losses incurred at the material sub-group will be absorbed by the bank holding company through such internal TLAC with the involvement of the FSA. In addition, according to the FSA's Approach, Japanese G-SIBs are expected to be allowed to count the Japan's deposit insurance fund reserves in an amount equivalent to 2.5% of their RWA from 31 March 2019 and 3.5% of their RWA from 31 March 2022 as external TLAC.

For a possible model of a resolution of Japanese G-SIBs, see "Risk Factors—Risks Related to the Notes—The Notes will be subject to loss absorption if the Issuer becomes subject to orderly resolution measures under the Deposit Insurance Act and Japanese insolvency laws. As a result, the value of the Notes could be materially adversely affected, and holders of the Notes may lose all or a portion of their investment".

Combining the proposed thresholds described in the FSA's Approach and the FSB's framework as well as the thresholds for capital buffers under Basel III rules, anticipated minimum TLAC requirements and capital buffer requirements (excluding the countercyclical buffer) as implemented in Japan and applicable to the Issuer are effectively:

- at least 17% of the relevant resolution group's RWA starting from 31 March 2019; and
- at least 18% of RWA starting from 31 March 2022,

in each case, after taking into account:

(i) minimum TLAC requirement of at least 16% of RWA starting from 31 March 2019 and at least 18% of RWA starting from 31 March 2022;

(ii) an additional 1% of RWA for the G-SIB capital surcharge (based on its status as a bucket 1 G-SIB) which will be fully implemented from 31 March 2019;

(iii) an additional 2.5% of RWA for the capital conservation buffer which will be fully implemented from 31 March 2019; and

(iv) an expected treatment of 2.5% of RWA starting from 31 March 2019 and 3.5% of RWA starting from 31 March 2022 as TLAC, resulting from the Issuer's access to Japan's deposit insurance fund reserves.

The above does not reflect the Basel III countercyclical buffer requirement, which is calculated based on the weighted average of the buffer requirement in effect in each of the jurisdictions to which the relevant G-SIB has credit exposure. Under Basel III, the countercyclical buffer requirement will be fully implemented from 2019. The leverage ratio-based minimum TLAC requirement does not require application of any capital buffers.

Interest Rate Risk in the Banking Book

In April 2016, the Basel Committee on Banking Supervision ("BCBS") issued standards for interest rate risk in the banking book ("IRRBB") which adopts an enhanced Pillar 2 approach for IRRBB. The standards revise the BCBS's guidance set out in 2004 Principles for the management and supervision of interest rate risk, which lays out the BCBS's expectations for banks' identification, measurement, monitoring and control of IRRBB as well as its supervision, to reflect changes in market and supervisory practices since it was first published in 2004. The revised standards are expected to be implemented by 2018.

Monetary Policy Developments

On 29 January 2016, the Bank of Japan ("BOJ") announced it would implement a negative interest rate policy, applying a rate of negative 0.1% to certain excess reserves that financial institutions, such as the Bank, hold at the BOJ beginning on 16 February 2016. The BOJ has adopted a three-tier system in which the outstanding balance of each financial institution's current account at the BOJ is divided into three tiers, to which a positive interest rate, a zero interest rate and a negative interest rate will be applied, respectively. The adoption or expansion of the BOJ's negative interest rate policy may negatively impact domestic interest spread and interest income for Japanese banks and also may have unforeseen side effects on the functioning of Japan's financial markets.

JAPANESE TAXATION

The following is a general description of certain aspects of Japanese taxation applicable to the Notes. It does not purport to be a comprehensive description of the tax aspects of the Notes. Prospective purchasers should note that, although the general tax information on Japanese taxation is described hereunder for convenience, the statements below are general in nature and not exhaustive.

Prospective purchasers are advised to consult their own legal, tax, accountancy or other professional advisers in order to ascertain their particular circumstances regarding taxation. The statements below are based on current tax laws and regulations in Japan and current income tax treaties executed by Japan all as in effect on the date of this Offering Circular and all of which are subject to change or differing interpretations (possibly with retroactive effect). Neither such statements nor any other statements in this document are to be regarded as advice on the tax position of any beneficial owner of the Notes or any person purchasing, selling or otherwise dealing in the Notes or any tax implication arising from the purchase, sale or other dealings in respect of the Notes.

The Notes

The Notes do not fall under the concept of so-called "taxable linked bonds" as described in Article 6, Paragraph (4) of the Special Taxation Measures Act, being, bonds of which the amount of interest is to be calculated by reference to certain indexes (as prescribed by the Cabinet Order under the Special Taxation Measures Act) relating to the Issuer of the Notes or a specially-related person of the Issuer.

Representation by Investor upon Distribution

By subscribing to the Notes, an investor will be deemed to have represented that it is a beneficial owner that is, (i) for Japanese tax purposes, neither an individual resident of Japan or a Japanese corporation, nor an individual non-resident of Japan or a non-Japanese corporation that in either case is a specially-related person of the Issuer or (ii) a Designated Financial Institution, as defined below. The Notes are not as part of the distribution by the Joint Lead Managers under the Subscription Agreement at any time to be directly or indirectly offered or sold in Japan or to, or for the benefit of, any person other than (i) or (ii) above, except as specifically permitted under the Special Taxation Measures Act.

Interest Payments on Notes and Redemption Gain

The following description of Japanese taxation (limited to national taxes) applies exclusively to interest on the Notes and the redemption gain, meaning any difference between the acquisition price of the interest-bearing notes of the holder and the amount which the holder receives upon redemption of such interest-bearing notes (the "Redemption Gain"), where such Notes are issued by the Issuer outside Japan and payable outside Japan. In addition, the following description assumes that only global notes are issued for the Notes, and no definitive notes and coupons that are independently traded are issued, in which case different tax consequences may apply. It is not intended to be exhaustive and prospective purchasers are recommended to consult their tax advisers as to their exact tax position.

1. Non-resident Investors

If the recipient of interest on the Notes or of the Redemption Gain with respect to interest-bearing Notes is an individual non-resident of Japan or a non-Japanese corporation for Japanese tax purposes, as described below, the Japanese tax consequences on such individual non-resident of Japan or non-Japanese corporation are significantly different depending upon whether such individual non-resident of Japan or non-Japanese corporation is a specially-related person of the Issuer. Most importantly, if such individual non-resident of Japan or non-Japanese corporation is a specially-related person of the Issuer, income tax at the rate of 15.315% of the amount of such interest will be withheld by the Issuer under Japanese tax law.

1.1. Interest

(1) If the recipient of interest on the Notes is an individual non-resident of Japan or a non-Japanese corporation having no permanent establishment within Japan or having a permanent establishment within Japan but where the receipt of the interest on the Notes is not attributable to the business of such individual non-resident of Japan or non-Japanese corporation carried on within Japan through such permanent establishment, no Japanese income tax or corporate tax is payable with respect to such interest whether by way of withholding or otherwise, if such recipient complies with certain requirements, *inter alia*:

(i) if the relevant notes are held through certain participants in an international clearing organisation such as Euroclear and Clearstream, Luxembourg or certain financial intermediaries prescribed by the Special Taxation Measures Act and the Cabinet Order (and together with the Special Taxation Measures Act and the ministerial ordinance and other regulations thereunder, the "Law") (each such participant or financial intermediary, a "Participant"), the requirement to provide, at the time of entrusting a Participant with the custody of the relevant notes, certain information prescribed by the Law to enable the Participant to establish that the recipient is exempt from the requirement for Japanese tax to be withheld or deducted (the "Interest Recipient Information"), and to advise the Participant if such individual non-resident of Japan or non-Japanese corporation ceases to be so exempted (including the case where it became a specially-related person of the Issuer); and

(ii) if the relevant notes are not held by a Participant, the requirement to submit to the relevant paying agent a written application for tax exemption (*hikazei tekiyo shinkokusho*) (the "Written Application for Tax Exemption"), together with certain documentary evidence.

Failure to comply with such requirements described above (including the case where the Interest Recipient Information is not duly communicated as required under the Law) will result in the withholding by the Issuer of income tax at the rate of 15.315% of the amount of such interest.

(2) If the recipient of interest on the Notes is an individual non-resident of Japan or a non-Japanese corporation having a permanent establishment within Japan and the receipt of interest is attributable to the business of such individual non-resident of Japan or non-Japanese corporation carried on within Japan through such permanent establishment, such interest will not be subject to a 15.315% withholding tax by the Issuer of the Notes, if the recipient provides the Interest Recipient Information or submits the Written Application for Tax Exemption as set out in paragraph 1.1(1). Failure to do so will result in the withholding by Issuer of income tax at the rate of 15.315% of the amount of such interest. The amount of such interest will be aggregated with the recipient's other Japanese source income and will be subject to regular income tax or corporate tax, as appropriate.

(3) Notwithstanding paragraphs 1.1(1) and (2), if an individual non-resident of Japan or a non-Japanese corporation mentioned above is a person who has a special relationship with the Issuer (that is, in general terms, a person who directly or indirectly controls or is directly or indirectly controlled by, or is under direct or indirect common control with, the Issuer) within the meaning prescribed by the Cabinet Order under Article 6, Paragraph (4) of the Special Taxation Measures Act (such person is referred to as a

"specially-related person of the Issuer") as of the beginning of the fiscal year of the Issuer in which the relevant interest payment date falls, the exemption from Japanese withholding tax on interest mentioned above will not apply, and income tax at the rate of 15.315% of the amount of such interest will be withheld by the Issuer. If such individual non-resident of Japan or non-Japanese corporation has a permanent establishment within Japan, regular income tax or corporate tax, as appropriate, collected otherwise by way of withholding, could apply to such interest under Japanese tax law.

(4) If an individual non-resident of Japan or a non-Japanese corporation (regardless of whether it is a specially-related person of the Issuer) is subject to Japanese withholding tax with respect to interest on the Notes under Japanese tax law, a reduced rate of withholding tax or exemption from such withholding tax may be available under the relevant income tax treaty between Japan and the country of tax residence of such individual non-resident of Japan or non-Japanese corporation. As of the date of this prospectus supplement, Japan has income tax treaties, conventions or agreements whereby the above-mentioned withholding tax rate is reduced, generally to 10% with, inter alia, Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Ireland, Italy, Luxembourg, the Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Switzerland and the United States of America. Under the tax treaties between Japan and the United Kingdom or Sweden, interest paid to qualified United Kingdom or Swedish residents is generally exempt from Japanese withholding tax. Japan and the United States of America or Germany have also signed an amendment to the existing tax treaty generally exempting interest from Japanese withholding tax; however, this amendment has not yet entered into force.

Under the current income tax treaty between Japan and the United States of America, certain limited categories of qualified United States residents receiving interest on the Notes may, subject to compliance with certain procedural requirements under Japanese law, be fully exempt from Japanese withholding tax for interest on the Notes. Under the income tax treaties with France, Australia, the Netherlands and Switzerland, similar exemptions to those provided in the current income tax treaty between Japan and the United States of America will be available (provided that no exemption will apply to pension funds in the case of Australia). In order to enjoy such reduced rate of, or exemption from, Japanese withholding tax under any applicable income tax treaty, individual non-residents of Japan or non-Japanese corporations which are entitled, under any applicable income tax treaty, to a reduced rate of, or exemption from, Japanese withholding tax on payment of interest by the Issuer of the Notes are required to submit an Application Form for Income Tax Convention regarding Relief from Japanese Income Tax and Special Income Tax for Reconstruction on Interest (as well as any other required forms and documents) in advance through the Issuer to the relevant tax authority before payment of interest.

(5) Under the Law, if an individual non-resident of Japan or a non-Japanese corporation that is a beneficial owner of the Notes becomes a specially-related person of the Issuer, or an individual non-resident of Japan or a non-Japanese corporation that is a specially-related person of the Issuer becomes a beneficial owner of the Notes, and, if such notes are held through a Participant, then such individual non-resident of Japan or non-Japanese corporation should notify the Participant of such change in status by the immediately following interest payment date of the Notes. As described in

paragraph 1.1(3) above, as the status of such individual non-resident of Japan or non-Japanese corporation as a specially-related person of the Issuer for Japanese withholding tax purposes is determined based on the status as of the beginning of the fiscal year of the Issuer in which the relevant interest payment date falls, such individual non-resident of Japan or non-Japanese corporation should, by such notification, identify and advise the Participant of the specific interest payment date on which Japanese withholding tax starts to apply with respect to such individual non-resident of Japan or non-Japanese corporation as being a specially-related person of the Issuer.

1.2. Redemption Gain

(1) If the recipient of the Redemption Gain is an individual non-resident of Japan or a non-Japanese corporation having no permanent establishment within Japan or having a permanent establishment within Japan but the receipt of such Redemption Gain is not attributable to the business of such individual non-resident of Japan or non-Japanese corporation carried on within Japan through such permanent establishment, no income tax or corporate tax is payable by way of withholding or otherwise with respect to such Redemption Gain.

(2) If the recipient of the Redemption Gain is an individual non-resident of Japan or a non-Japanese corporation having a permanent establishment within Japan and the receipt of such Redemption Gain is attributable to the business of such individual non-resident of Japan or non-Japanese corporation carried on within Japan through such permanent establishment, such Redemption Gain will not be subject to any withholding tax but will be subject to regular income tax or corporate tax, as appropriate.

(3) Notwithstanding paragraphs 1.2(1) and (2), if an individual non-resident of Japan or a non-Japanese corporation mentioned above is a specially-related person of the Issuer as of the beginning of the fiscal year of the Issuer in which such individual non-resident of Japan or non-Japanese corporation acquired such notes, the Redemption Gain will not be subject to withholding tax but will be subject to regular income tax or corporate tax, as appropriate, under Japanese tax law, regardless of whether such individual non-resident of Japan or non-Japanese corporation has a permanent establishment within Japan; provided that an exemption may be available under the relevant income tax treaty.

2. Resident Investors

If the recipient of interest on the Notes is an individual resident of Japan or a Japanese corporation for Japanese tax purposes, as described below, regardless of whether such recipient is a specially-related person of the Issuer, in addition to any applicable local tax, income tax will be withheld at the rate of 15.315% of the amount of such interest, if such interest is paid to an individual resident of Japan or a Japanese corporation (except for (i) a Designated Financial Institution (as defined below) which complies with the requirement for tax exemption under Article 6, Paragraph (9) of the Special Taxation Measures Act, or (ii) a Public Corporation, etc., (as defined below), or a Specified Financial Institution (as defined below), to which such interest is paid through the Japanese Custodian (as defined below), in compliance with the requirement for tax exemption under Article 3-3, Paragraph (6) of the Special Taxation Measures Act.) In addition to the withholding tax consequences upon resident investors as explained in this section 2, resident investors should consult their own tax advisors regarding income tax or corporate tax consequences other than by way of withholding, bearing in mind, especially for

individual residents of Japan, the change to the taxation regime of bonds which took effect on 1 January 2016.

2.1. Interest

(1) If an individual resident of Japan or a Japanese corporation (other than a Specified Financial Institution (as defined below), or a Public Corporation, etc., (as defined below), who complies with the requirement as referred to in paragraph 2.1(2)) receives payments of interest on the Notes through certain Japanese payment handling agents as defined in Article 2-2, Paragraph 2 of the Cabinet Order (each a "Japanese Payment Handling Agent"), income tax at the rate of 15.315% of the amount of such interest will be withheld by the Japanese Payment Handling Agent rather than by the Issuer. As the Issuer is not in a position to know in advance the recipient's status, the recipient of interest falling within this category should inform the Issuer through a Paying Agent of its status in a timely manner. Failure to so inform may result in double withholding.

(2) If the recipient of interest on the Notes is a Japanese public corporation or a Japanese public-interest corporation designated by the relevant law (a "Public Corporation, etc."), or a Japanese bank, a Japanese insurance company, a Japanese financial instruments business operator or other Japanese financial institution falling under certain categories prescribed by the relevant Cabinet Order under Article 3-3, Paragraph (6) of the Special Taxation Measures Act (each, a "Specified Financial Institution"), that keeps its Notes deposited with, and receives the interest through, a Japanese Payment Handling Agent with custody of the Notes (the "Japanese Custodian"), and such recipient submits through such Japanese Custodian to the competent tax authority the report prescribed by the Law, no withholding tax is levied on such interest. However, since the Issuer is not in a position to know in advance the recipient's such tax exemption status, the recipient of interest falling within this category should inform the Issuer through a Paying Agent of its status in a timely manner. Failure to so notify the Issuer may result in the withholding by the Issuer of a 15.315% income tax.

(3) If an individual resident of Japan or a Japanese corporation (except for a Designated Financial Institution (as defined below), which complies with the requirements described in paragraph 2.1(4)) receives interest on the Notes not through a Japanese Payment Handling Agent, income tax at the rate of 15.315% of the amount of such interest will be withheld by Issuer.

(4) If a Japanese bank, Japanese insurance company, Japanese financial instruments business operator or other Japanese financial institution falling under certain categories prescribed by the Cabinet Order under Article 6, Paragraph (9) of the Special Taxation Measures Act (each, a "Designated Financial Institution") receives interest on the Notes not through a Japanese Payment Handling Agent and such recipient complies with the requirement, inter alia, to provide the Interest Recipient Information or to submit the Written Application for Tax Exemption as referred to in paragraph 1.1(1), no withholding tax will be imposed.

2.2. Redemption Gain

If the recipient of the Redemption Gain is an individual resident of Japan or a Japanese corporation, such Redemption Gain will not be subject to any withholding tax.

3. Special Additional Tax for Reconstruction from the Earthquake

Due to the imposition of a special additional withholding tax of 0.315% (or 2.1% of 15%) to secure funds for reconstruction from the earthquake of 11 March 2011, the withholding tax rate has been effectively increased to 15.315% during the period beginning on 1 January 2013 and ending on 31 December 2037. There is also certain special additional tax imposed upon regular income tax due other than by way of withholding for individual non-residents of Japan, as referred to in the foregoing descriptions, for the period mentioned above.

Capital Gains, Stamp Tax and Other Similar Taxes, Inheritance and Gift Taxes

Gains derived from the sale of Notes outside Japan by an individual non-resident of Japan or a non-Japanese corporation having no permanent establishment within Japan are, in general, not subject to Japanese income tax or corporate tax.

No stamp, issue, registration or similar taxes or duties will, under current Japanese law, be payable in Japan by Noteholders in connection with the issue of the Notes, nor will such taxes be payable by Noteholders in connection with their transfer if such transfer takes place outside Japan.

Japanese inheritance tax or gift tax at progressive rates may be payable by an individual, wherever resident, who has acquired Notes from another individual as legatee, heir or donee.

SUBSCRIPTION AND SALE

Subscription Agreement

Pursuant to the subscription agreement dated 7 June 2016 (the "Subscription Agreement") entered into by the Issuer and Goldman Sachs International, SMBC Nikko Capital Markets Limited, Barclays Bank PLC, BNP Paribas, Deutsche Bank AG, London Branch and HSBC Bank Plc (together, the "Joint Lead Managers"), subject to the conditions contained therein, the Joint Lead Managers have jointly and severally agreed to subscribe for the aggregate nominal amount of the Notes as indicated in the table below at the issue price of 100 per cent of the nominal amount of the Notes.

Joint Lead Managers	**Nominal Amount of the Notes to be Subscribed**
Goldman Sachs International	€375,000,000
SMBC Nikko Capital Markets Limited	360,000,000
Barclays Bank PLC	315,000,000
BNP Paribas	150,000,000
Deutsche Bank AG, London Branch	150,000,000
HSBC Bank Plc	150,000,000
Total	€1,500,000,000

The Issuer will pay the Joint Lead Managers commissions as agreed between them in respect of the Notes subscribed by them. The Issuer has agreed to reimburse the Joint Lead Managers for certain of its expenses incurred in connection with the offering of the Notes. The Issuer has also agreed to indemnify the Joint Lead Managers against certain liabilities in connection with the offer and sale of the Notes. The Subscription Agreement entitles the Joint Lead Managers to be released and discharged from their obligations thereunder in the event that the conditions precedent are not satisfied by the Issue Date.

Selling Restrictions

United States

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S under the Securities Act or pursuant to an exemption from the registration requirements of the Securities Act. Each Joint Lead Manager has represented that it has offered and sold the Notes, and agreed that it will offer and sell the Notes (i) as part of their distribution at any time and (ii) otherwise until 40 days after the later of the commencement of the offering and the Closing Date, only in accordance with Rule 903 of Regulation S under the Securities Act. Accordingly, neither it, its affiliates, nor any persons acting on its or their behalf have engaged or will engage in any directed selling efforts with respect to the Notes, and it and they have complied and will comply with the offering restrictions requirement of Regulation S. Each Joint Lead Manager has agreed that, at or prior to confirmation of sale of Notes, it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases Notes from it during the distribution compliance period a confirmation or notice to substantially the following effect:

> "The Securities covered hereby have not been registered under the U.S. Securities Act of 1933 (the "Securities Act") and may not be offered and sold within the United States or to, or for the account or benefit of, U.S. persons (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering and the Closing Date, except in either case in accordance

with Regulation S under the Securities Act. Terms used above have the meanings given to them by Regulation S".

Terms used in this paragraph have the meanings given to them by Regulation S.

Public Offer Selling Restriction under the Prospectus Directive

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "Relevant Member State"), each Joint Lead Manager has represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State it has not made and will not make an offer of Notes which are the subject of the offering contemplated by the Prospectus to the public in that Relevant Member State other than:

(a) to any legal entity which is a qualified investor as defined in the Prospectus Directive;

(b) to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive; or

(c) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes shall require the Issuer or any Manager to publish a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an "offer of Notes to the public" in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression "Prospectus Directive" means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU), and includes any relevant implementing measure in the Relevant Member State.

United Kingdom

Each Joint Lead Manager has represented, warranted and undertaken that:

(a) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to such Notes in, from or otherwise involving the United Kingdom; and

(b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of such Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer.

Japan

The Notes have not been and will not be registered under the FIEA, and are subject to the Special Taxation Measures Act. The Notes (i) have not, directly or indirectly, been offered or sold and will not, directly or indirectly, be offered or sold, in Japan or to any person resident in Japan for Japanese securities law purposes (including any corporation or other entity organised under the laws of Japan) or to others for reoffering or resale, directly or indirectly, in Japan or to, or for the benefit of, any person resident in Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and governmental guidelines of Japan; and (ii) have not, directly or indirectly, been offered or sold and will not, as part of the distribution by the Joint Lead Managers under the Subscription Agreement at any time, directly or indirectly, be offered to, or for the benefit of, any person other than a beneficial owner that is, (a) for Japanese tax purposes, neither (x) an individual resident of Japan or a Japanese corporation, nor (y) an individual non-resident of Japan or a non-Japanese corporation that in either case is a person having a special relationship with the Issuer as described in Article 6, Paragraph (4) of the

Special Taxation Measures Act or (b) a Japanese financial institution, designated in Article 6, Paragraph (9) of the Special Taxation Measures Act.

Where Notes are to be subscribed by a Joint Lead Manager that is also a party having a special relationship with the Issuer as described in Article 6, Paragraph 4 of the Special Taxation Measures Act, such Joint Lead Manager has confirmed that Notes that are subscribed by such Joint Lead Manager will, as part of the initial distribution, be subscribed for resale in an offering contemplated by the Subscription Agreement.

General

No action has been taken in any jurisdiction that would permit a public offering of any of the Notes, or possession or distribution of this Offering Circular or any other offering material, in any country or jurisdiction where action for that purpose is required.

GENERAL INFORMATION

(1) The Board of Directors' meeting of the Issuer duly passed a resolution on 21 December 2015 approving the issue of the Notes.

(2) Application has been made for the admission of the Notes to listing on the Official List of the Luxembourg Stock Exchange and to trading on the Euro MTF Market.

(3) Except as disclosed herein, there has been no significant change in the financial or trading position of the Issuer or the Group and no material adverse change in the financial position or prospects of the Issuer or the Group since 30 September 2015.

(4) Neither the Issuer nor any other member of the Group is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) in the 12 months preceding the date of this Offering Circular which may have or have in such period had a significant effect on the financial position or profitability of the Group.

(5) The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The Common Code is 142602253 and the International Securities Identification Number (ISIN) is XS1426022536 for the Notes.

(6) KPMG AZSA LLC, independent registered public accounting firm, has audited the consolidated financial statements prepared in accordance with IFRS of the Issuer as of and for the years ended 31 March 2014 and 2015.

(7) The Issuer publishes consolidated annual financial statements and interim financial statements. The consolidated annual and interim financial statements published by the Issuer will be made available on the Issuer's website (http://www.smfg.co.jp/english/). For the avoidance of doubt, the Issuer's website referred to in this paragraph shall not be considered to be incorporated by reference into this Offering Circular.

(8) So long as any Notes remain listed on the Luxembourg Stock Exchange, the following documents will be available, during usual business hours on any weekday (Saturdays and public holidays excepted), at the office of the Paying Agent in Ireland and the registered office of the Issuer:

(i) the Articles of Incorporation and the Regulations of the Board of Directors of the Issuer;

(ii) the Fiscal Agency Agreement (as amended or supplemented from time to time) (which includes the form of the Global Certificate); and

(iii) the Deed of Covenant (as amended or supplemented from time to time).

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