

## 【NEWS RELEASE】

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Sumitomo Mitsui Financial Group

Establishment of Expense Budget for Creation of Social Values

TOKYO, May 17, 2024 - Sumitomo Mitsui Financial Group, Ltd. (President & Group CEO: Toru Nakashima, hereinafter the "SMBC Group"), has established a group-based expense budget from this fiscal year and will continue to invest management resources to create Social Value, which is declared in the current Mid-term Management Plan.

This year, the SMBC Group has set an expense budget of 10 billion yen for above activity, which is approximately 1% of the parent company's net income target of 1,060 billion yen for this fiscal year.

A percentage of profits from sustainable finance and others will be used for activities that create Social Values, including activities to help customers solve social issues, company-wide project such as the "University Sports Support Program" (\*1), CSR programs by employees, and so on.

As the SMBC Group, we will build a virtuous cycle of pursuing economic value and creating Social Value by continuously investing part of the earnings generated by the commitment toward the creation of Social Values.

Also, we have now established a "Social Value Creation Investment Fund" of 40 billion yen. This was originally set aside in April 2022 as a "Sustainability Investment Fund" (\*2) of 20 billion yen to invest mainly in areas that help customers decarbonize their businesses.

Moreover, the investment fields have been expanded to the five materialities which SMBC Group must proactively address: "Environment," "DE&I/Human Rights," "Poverty & Inequality," "Declining Birthrate & Aging Population" and "Japan's Regrowth".

By utilizing this investment fund, we will not only co-create and develop businesses with our customers who wish to create of Social Values, but also support the development of new technologies and industries through risk-taking.

\*1 University Sports Support Program

Please kindly refer to the news release dated May 8th, 2024 "Launch of the "University Sports Support Program" ([https://www.smbc.co.jp/news\\_e/pdf/e20240508\\_01.pdf](https://www.smbc.co.jp/news_e/pdf/e20240508_01.pdf))

\*2 "Sustainability Investment Framework"

Please kindly refer to the news release dated April 1st, 2022 "Enhancement of Initiatives for Sustainability" ([https://www.smfg.co.jp/news\\_e/pdf/e20220401\\_01.pdf](https://www.smfg.co.jp/news_e/pdf/e20220401_01.pdf))

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