

Issuance of New Shares under the Stock Compensation Plans

Tokyo, July 5, 2024--- Sumitomo Mitsui Financial Group, Inc. (“SMFG”, President and Group CEO: Toru Nakashima) announced today the issuance of new shares, determined on the same day by the President and Group CEO, as delegated by the SMFG Board of Directors.

1. Details of the New Issuance of Shares

1) Payment Date	July 25, 2024
2) Class and number of shares to be issued	341,902 shares of SMFG common stock
3) Issue Price	11,245 yen per share
4) Total issue price	3,844,687,990 yen
5) Allottees etc.	Directors of SMFG: 4 persons 18,079 shares Corporate Executive Officers of SMFG:13 persons 18,902 shares Executive Officers of SMFG: 45 persons 42,820 shares Directors of SMFG’s subsidiaries: 23 persons 39,118 shares Executive Officers, etc of SMFG’s subsidiaries: 188 persons 222,983 shares
6) Other	Regarding the Issuance of New Shares, an Extraordinary Report in accordance with the Financial Instruments and Exchange Act has been filed.

2. Purposes and Reasons of the New Issuance of Shares

1) Background and Objectives

SMFG has introduced Stock Compensation Plans (the “Plans”) as a part of its executive compensation program, for the purpose of:

- a. Providing more appropriate incentives for executives, strengthening the linkage with SMBC Group’s short-, medium- and long-term performance, and
- b. Further aligning the interests of executives with those of shareholders, by increasing the weight of stock compensation and enhancing the shareholding of executives in SMFG.

2) Summary of Stock Compensation Plans

a. Summary of the Plans

Executives designated to be included in the Plans were Directors (excluding external Directors), Executive Officers, etc. of SMFG and Sumitomo Mitsui Banking Corporation (“SMBC”), and the President/CEO, etc. of the following 5 subsidiaries: SMBC Trust Bank Ltd., SMBC Nikko Securities Inc., Sumitomo Mitsui Card Company Ltd., SMBC Consumer Finance Co., Ltd. and The Japan Research Institute Limited.

The President and Group CEO of SMFG today determined the issuance of new shares as per the delegation from the SMFG Board of Directors, which has previously resolved and authorised him to determine the new issuance of shares of SMFG common stock for allotment under the Plans this Fiscal Year.

For further details on the Plans, please refer to the news releases “Introduction of New Stock Compensation Plans for Executives” published on July 10, 2017 and “Issuance of New Shares under the Stock Compensation Plans” published on July 17, 2018.

b. Summary of the Allotment Agreement and the Regulations

Under the Plans, SMFG and SMFG’s subsidiaries will award Executives with Stock Compensation I (medium-term performance incentives), SMFG and SMBC will award Stock Compensation II (annual performance share) and Stock Compensation III (promotion reward) and SMFG will enter into Allotment Agreements with the executives. The Allotment Agreements and the Regulations stipulate i) period during which disposals of the allotted shares are restricted in any manner, including the transfer of ownership or granting of security interest (the “Period”), ii) conditions for releasing transfer restrictions as determined by the SMFG Compensation Committee, such as performance conditions (the “Release Conditions”), and iii) conditions for SMFG retrieving all or part of the allotted shares at nil cost (the “Retrieval Conditions”), etc.

a) The Period

Plan I	From July 25, 2024 to July 24, 2026 (2 years)
Plan II	<ul style="list-style-type: none">● One third of the allotted shares (a fraction of less than one share to be rounded down); July 25, 2024 to July 24, 2025 (1 year)● One third of the allotted shares (a fraction of less than one share to be rounded down); July 25, 2024 to July 24, 2026 (2 years)● Remaining one third of the allotted shares; July 25, 2024 to July 24, 2027 (3 years)
Plan III	From July 25, 2024 to July 24, 2054 (30 years)

b) Release Conditions

Plan I	<ul style="list-style-type: none">● Upon expiry of the Period.● Number of shares to be released shall be determined based on the evaluation by the SMFG Compensation Committee, which shall review the 3-year progress of the Medium-term Management Plan starting from FY2023.● In the event the Executive leaves the position during the Period, the number of shares to be released shall be reduced according to his/her tenure and the restriction shall be released upon expiry of the Period. However, the restriction shall be released immediately in the event of the Executive's death.
Plan II	<ul style="list-style-type: none">● Upon expiry of the Period. However, the restriction shall be released immediately in the event of the Executive's death
Plan III	<ul style="list-style-type: none">● Upon expiry of the Period. However, the restriction shall be released immediately in case the Executive leaves the position during the Period.

c) Retrieval of the Allotted Shares at Nil Cost

SMFG shall automatically retrieve from the Executives all the allotted but unreleased shares without cost immediately after expiration of the Period. In addition, in case SMFG exercises malus provisions in accordance with the resolution of the Compensation Committee, it may retrieve such shares from the Executives at nil cost.

d) Control of Stocks

The Executives shall open dedicated accounts with SMBC Nikko Securities Inc. in a manner defined by SMFG in order to register and maintain records and shall retain the allotted restricted shares with such accounts until transfer restrictions are released.

e) Reorganizations, etc.

In case SMFG's General Meeting of Shareholders (or Board of Directors meeting, unless approval at the General Meeting of Shareholders is required) approves a merger agreement in which SMFG becomes a dissolving company, or other reorganization proposals which makes SMFG a wholly owned subsidiary, such as a share exchange agreement or share transfer plan, transfer restrictions shall be released for the number of shares reasonably calculated and resolved at the Compensation Committee immediately before the commencement of the Business Day before the day such reorganization becomes effective.

3. Basis of Calculation and Specific Details for the Payment Amount

The issue price is set at the closing price of 11,245 yen on July 4, 2024 which is the business day prior to the day of issuance/allotment decision by the President and Group CEO, for the shares of SMFG common stock on the Tokyo Stock Exchange. Since SMFG shares are floated on the Exchange and there is no reason not to rely on the most recent traded price, it is believed that this price should be appropriate without any arbitrariness, reflecting SMFG's financial standings and demand/supply of the market. Thus, SMFG has concluded that the issue price is not particularly favorable to the Executives being allotted the shares.

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