

The Strengthening of Strategic Capital and Business Alliance with Jefferies

Sep 19th, 2025

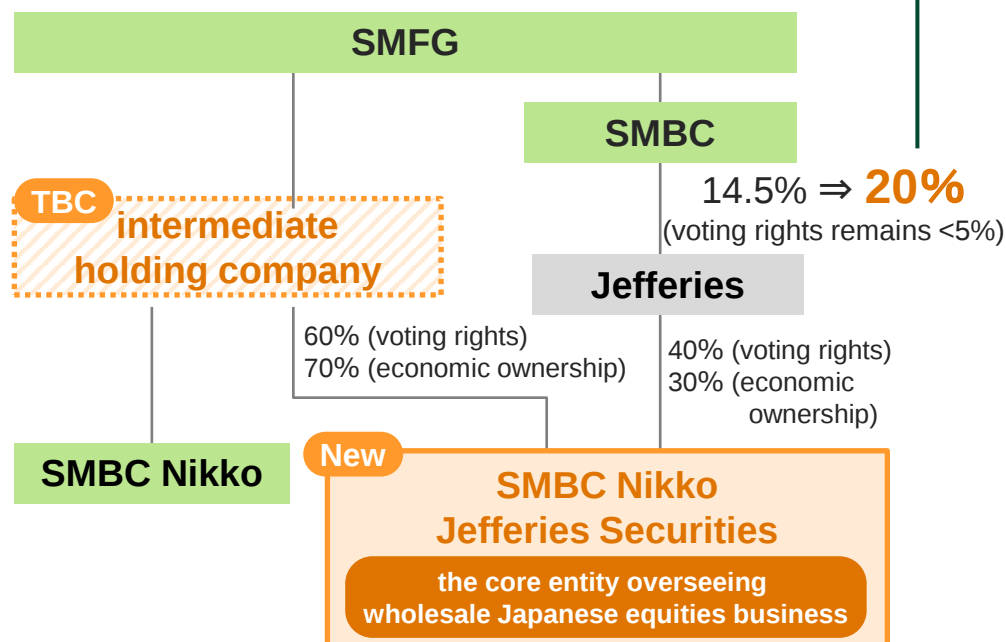


SUMITOMO MITSUI
FINANCIAL GROUP

1. Overview

1 Japanese Equities Joint Venture

- Establish SMBC Nikko Jefferies Securities, a joint venture, to oversee wholesale Japanese equities business^{*1}
- Consider establishing an intermediate holding company to ensure cohesive, group-wide management.



2 Strengthen the Capital Alliance

- Increase our economic ownership **up to 20%**
(voting rights remains <5%)
- Investment amount ^{*2}: **JPY 135 bn**
- CET 1 impact : (13) bps
- Profitability ^{*3}: **ROE c.13%** in the 3rd year
Profit contribution^{*3}: **JPY 50 bn** in the 5th year
(**JPY 10 bn** from Japanese equities businesses)

3 Enhance collaboration in EMEA

- Expand the joint coverage of fund sponsors
- Receive a share of the M&A and ECM fees

4 Credit Facilities

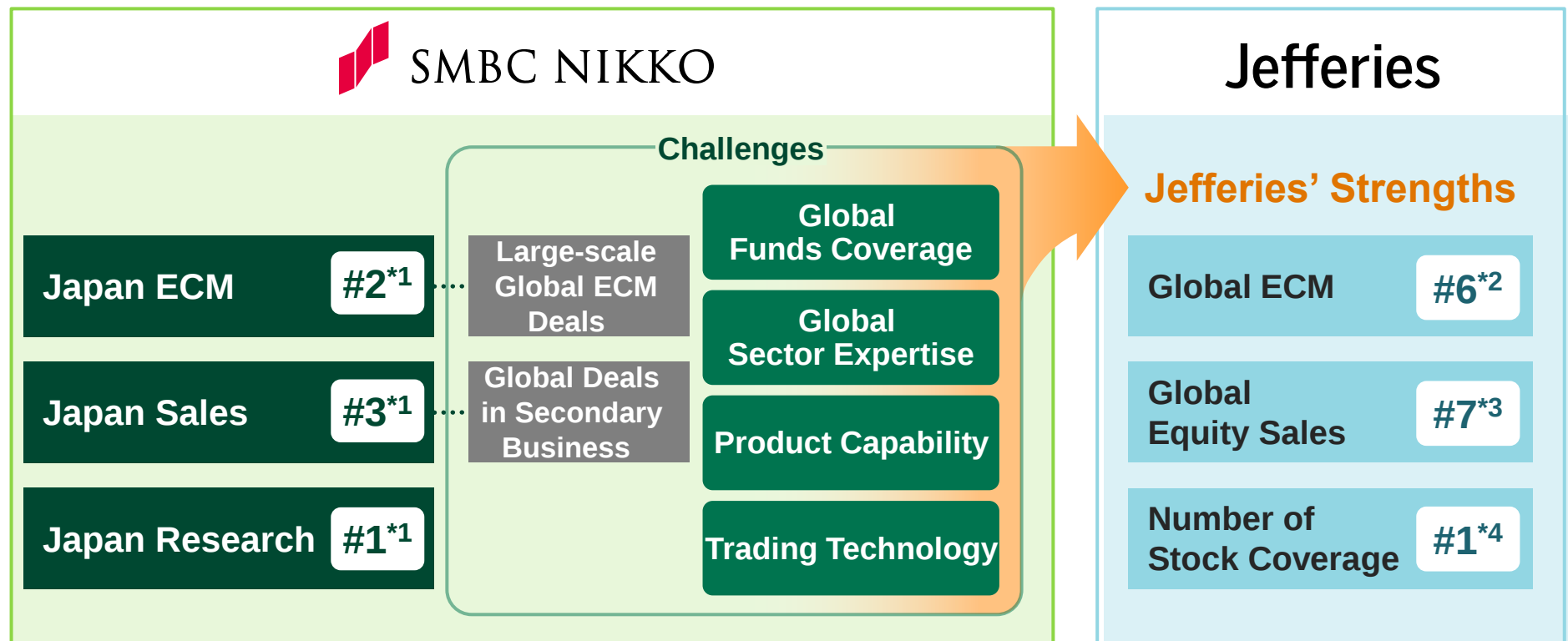
- Provide new credit facilities of USD 2.5 bn
- ✓ EMEA leveraged lending
- ✓ U.S. pre-IPO lending.

^{*1} SMBC Nikko's overseas wholesale Japanese equities business will be transferred to Jefferies

^{*2} Based on the current share price ^{*3} Incl. profits from existing alliance

2. SMBC Nikko's strengths and challenges

While SMBC Nikko has a solid domestic presence, it faces challenges on large-scale and global deals. Integrate the Japanese equities business and fully leverage the strengths of both firms.



Pursue a stronger domestic and global presence through Japanese equities business integration

*1 Source : Dealogic (Apr.23~Mar.25) *2 Source : Dealogic (as of Nov.24)

*3 Calculated by Jefferies based on a third-party market survey (as of Sep.24)

*4 Source : Starmine Stock coverage ranks (Sep.23~Aug.24)

3. Vision for Japanese Equities Joint Venture

We will dramatically enhance issuer and investor coverage across the global Japanese equities business by combining our respective strengths.

Solutions for issuers

Capture large-scale and global ECM deals from Japanese large corporations

Integration of capabilities



Solutions for investors

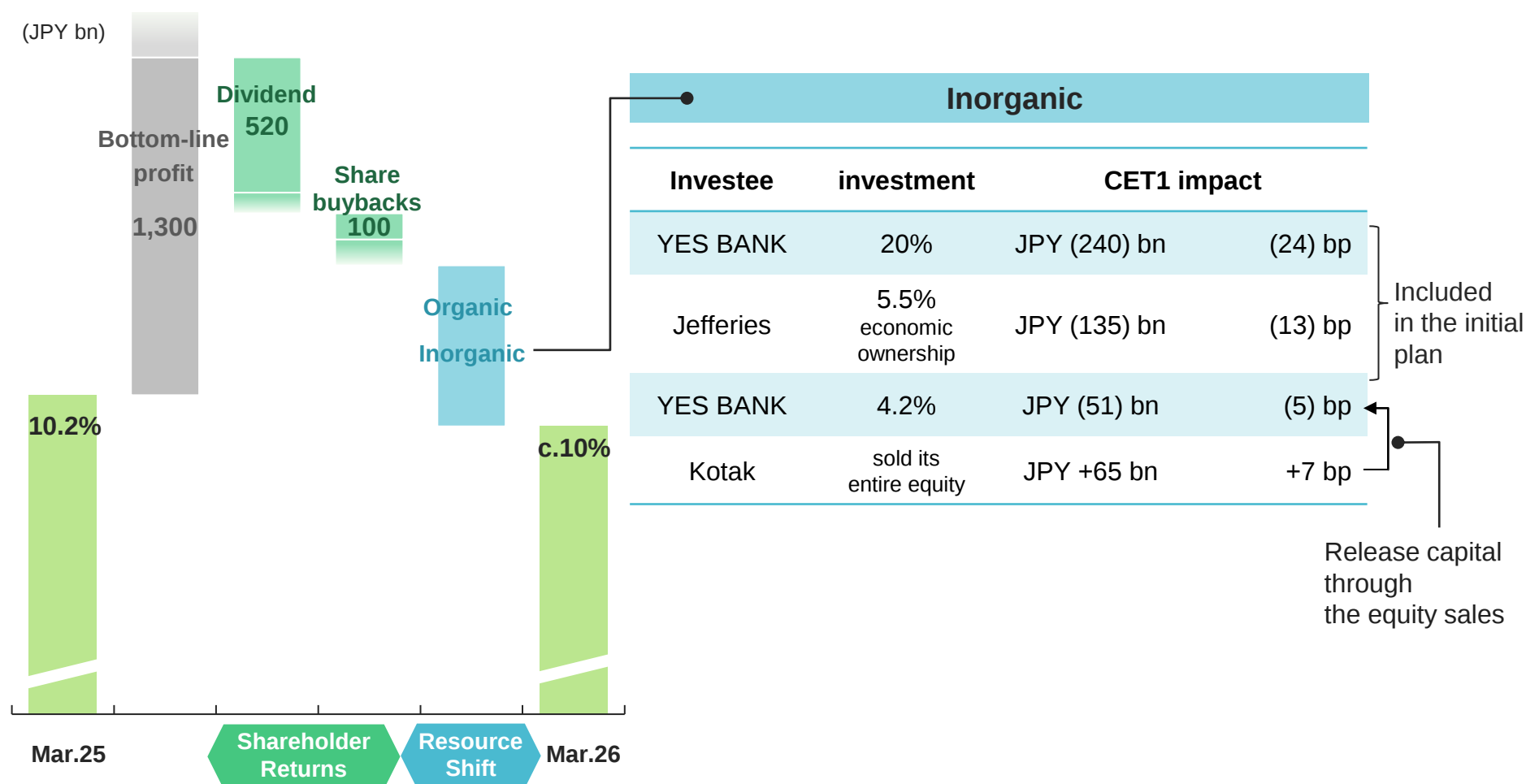
Enhance product capabilities for corporates and institutional investors (HF etc.)

Corporates : corporate equity derivatives

Institutional investors : synthetics prime brokerage

4. Capital Allocation

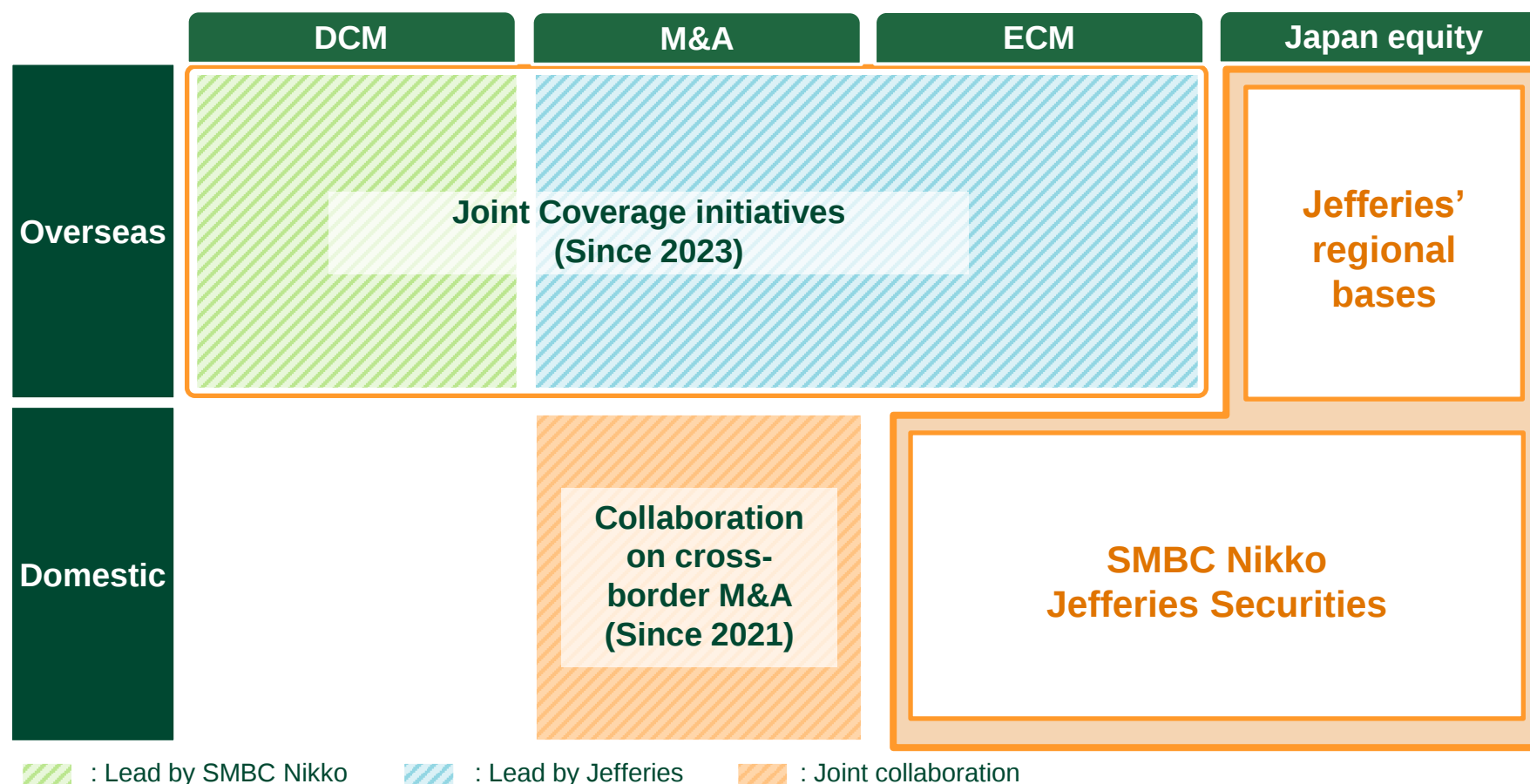
The CET1 ratio impact of the announced inorganic investments is included in our initial plan
 Expect to maintain the CET1 ratio at around 10% for FY3/26.



(Ref.) Alliance with Jefferies

Since the strategic alliance began in 2021, the scope of our collaboration has steadily expanded.
 Aim for further enhanced competitiveness by globally integrating wholesale Japanese equities businesses.

Expand the scope of collaboration with Jefferies



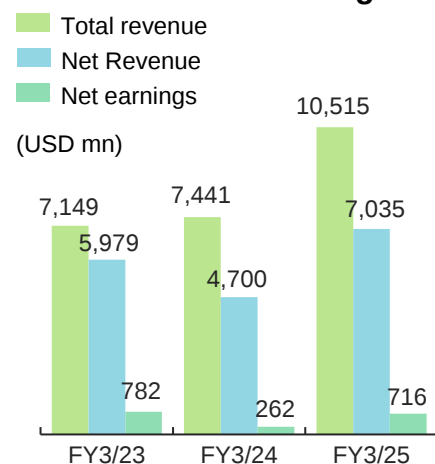
(Ref.) Overview of Jefferies

Basic information

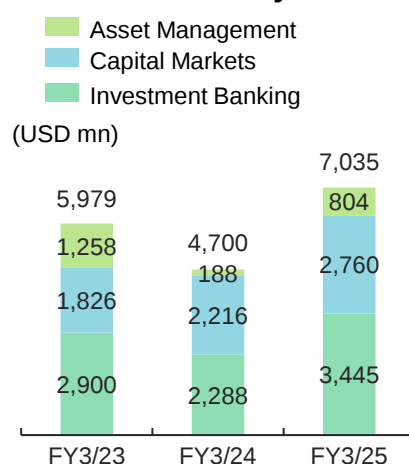
Name	Jefferies Financial Group Inc.
Listing	NYSE (Market cap: JPY 2 tn ^{*1})
Rating	BBB (S&P Global)
Establishment	1962
Representative	Joseph Steinberg (Chairman) Richard Handler (CEO) Brian Friedman (President)
# of Employees	7,671 (as of May.25)

Financial Summary

Consolidated Earnings



Net Revenue by source



Strengths

M&A Advisory

- ✓ Leading top-tier global M&A franchise
- ✓ 190+ companies sold in FY3/25

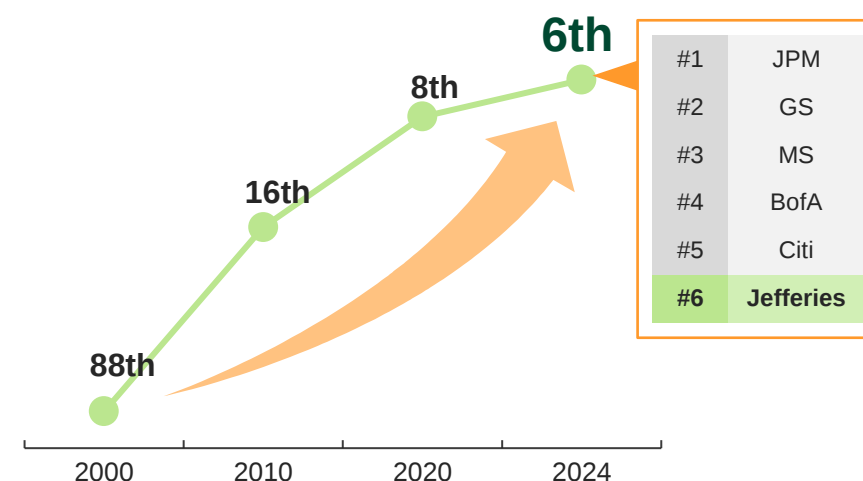
Equity Capital Markets

- ✓ Leading player for IPO in U.S.
- ✓ More than 1,280 ECM deals raising over \$415 bn over the last 5 years

Leveraged Finance

- ✓ Largest financial sponsor coverage universe and leader in U.S. leveraged finance

Fee share ranking of Jefferies in investment banking^{*2}



^{*1} The exchange rate is USD/JPY=147

^{*2} Based on date from Dealogic. Total of M&A, ECM, Leveraged Finance



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In many cases but not all, these statements contain words such as “anticipate,” “believe,” “estimate,” “expect,” “intend,” “may,” “plan,” “probability,” “risk,” “project,” “should,” “seek,” “target,” “will” and similar expressions. Such statements are not guarantees of future performance and involve risks and uncertainties, and actual results may differ from those expressed in or implied by such forward-looking statements or sustainability statements contained or deemed to be contained herein. The risks and uncertainties which may affect future performance or results include: deterioration of Japanese and global economic conditions and financial markets; declines in the value of the Company’s securities portfolio; incurrence of significant credit-related costs; the Company’s ability to successfully implement its business strategy through its subsidiaries, affiliates and alliance partners; and exposure to new risks as the Company expands the scope of its business. Given these and other risks and uncertainties, you should not place undue reliance on forward-looking statements or sustainability statements, which speak only as of the date of this document. The Company undertakes no obligation to update or revise any forward-looking statements or sustainability statements. The sustainability initiatives of the Company described in the “sustainability statements” are based on policies and practices that seek to promote and responsive to its risk management and other investment and objectives. Each decision will be made subject to local legal requirements.

Please refer to the Company’s most recent disclosure documents such as its annual report on Form 20-F and other documents submitted to the U.S. Securities and Exchange Commission, as well as its earnings press releases, for a more detailed description of the risks and uncertainties that may affect its financial conditions, its operating results, and investors’ decisions.