

【NEWS RELEASE】

September 19 2025

Sumitomo Mitsui Financial Group, Inc.
Sumitomo Mitsui Banking Corporation
SMBC Nikko Securities Inc.

SMBC Group and Jefferies Announce the Strengthening of Strategic Capital and Business Alliance,
Centered on the Launch of Wholesale Japanese Equities Joint Venture

TOKYO, September 19, 2025 --- Sumitomo Mitsui Financial Group, Inc. (President & Group CEO: Toru Nakashima, hereinafter referred to as "SMBC Group"), its wholly owned subsidiary Sumitomo Mitsui Banking Corporation (President & CEO: Akihiro Fukutome, "SMBC") and SMBC Nikko Securities Inc. (President & CEO: Shuji Yoshioka, "SMBC Nikko"), and Jefferies Financial Group Inc. ("Jefferies") signed a memorandum of understanding to expand their global strategic alliance by establishing a joint venture in Japan to conduct their wholesale Japanese equities business. This joint venture will be the cornerstone of the wholesale Japanese equities business, encompassing equity capital markets ("ECM") within investment banking, equity sales and trading, and equity research across global markets. With a view to further deepening the strategic partnership, SMBC plans to increase its economic investment in Jefferies to up to 20.0% on an as converted and fully diluted basis. SMBC will continue to own less than 5% of a voting interest in Jefferies. The increased economic investment in Jefferies is subject to receipt of required regulatory approvals.

SMBC Group and Jefferies initially entered into a Strategic Alliance in 2021 to collaborate on future corporate and investment banking business opportunities. In 2023, the Global Strategic Alliance was expanded to enhance collaboration across M&A, equity and debt capital markets, with a particular focus on investment grade clients in the U.S. SMBC Group and Jefferies subsequently expanded the Global Strategic Alliance to the EMEA region and APAC region, as well as expanded the scope of Joint Coverage initiatives to larger global sponsors, pre-IPO companies, and sub-investment grade corporate clients.

In addition to integrating the Japanese equities business, SMBC Group and Jefferies will further strengthen the scope of their Global Strategic Alliance by agreeing to expand joint coverage of large sponsor clients in EMEA. In parallel, with a view to deepening the partnership, SMBC has agreed to extend an additional \$2.5 billion in credit facilities to Jefferies. This robust partnership initiative aims to enhance collaboration between the two firms, deliver expanded capabilities and services to meet the needs of their respective clients and enhance the exceptional services of the firms in a manner tailored to the needs of their respective clients.

1. Japanese Equities Joint Venture

The respective wholesale Japanese equities businesses in Japan of SMBC Nikko and Jefferies will be consolidated into a newly established joint venture, which will serve as the core entity overseeing operations to ensure a unified global approach, while SMBC Nikko's overseas wholesale Japanese equities business, including sales, will be transferred to and operated through Jefferies' regional bases. The joint venture will be named SMBC Nikko Jefferies Securities Inc. ("SMBC Nikko Jefferies Securities") and will be a consolidated subsidiary with a majority investment from SMBC Nikko. The integration will cover ECM operations, equity sales and trading, and equity research.

Through the integration of the wholesale Japanese equities business, SMBC Nikko will enhance its system infrastructure and research capabilities by leveraging Jefferies' strengths in its global network and deep sector expertise. This will enable SMBC Nikko to deliver higher value-added financial services to clients not only in Japan but also globally.

In addition, SMBC Group is considering the establishment of an intermediate holding company to ensure cohesive management of wholesale and retail businesses in Japan and globally, and SMBC Group's equity interest in SMBC Nikko and the Japanese joint venture would be held by such intermediate holding company. SMBC Nikko Jefferies Securities is targeted to launch its operations in January 2027 and is expected to consolidate Japan operations related to both Japan domestic and overseas institutional investors, while sales and related activities for the Japanese equities business conducted by SMBC Nikko's overseas group entities will be migrated to Jefferies' regional bases, with the joint venture serving as the core platform to jointly operate the Japanese equities business. In connection with these arrangements, we aim to ensure that Japanese equities order flow from Jefferies' global network is securely routed to SMBC Nikko Jefferies Securities, while providing meticulous services to Japanese institutional investors, to facilitate a seamless transition to the new secondary business framework. The establishment of SMBC Nikko Jefferies Securities is subject to receipt of applicable regulatory and other approvals or consents.

For ECM operations, SMBC Nikko Jefferies Securities will act as the underwriter starting in January 2027, while issuer relations will continue to be managed primarily by the coverage division within SMBC Nikko.

Additionally, following the launch of the wholesale Japanese equities joint venture, SMBC Group and Jefferies plan to discuss potential further collaboration—leveraging both firms' strengths—across the majority of the Japan domestic wholesale securities operations, including coverage.

2. Expanding SMBC's Equity Ownership in Jefferies

SMBC intends to increase its economic ownership of Jefferies to up to 20% (on an as-converted and fully-diluted basis) by purchasing shares in the open market and then exchanging those common shares for either non-voting common shares or non-voting preferred shares that will be mandatorily convertible into non-voting common shares. SMBC will continue to own less than 5% of a voting interest in Jefferies. The increased investment is subject to receipt of applicable regulatory and other approvals or consents.

3. Joint Sponsor Coverage in EMEA

SMBC Group and Jefferies will expand their joint coverage of larger sponsors in EMEA and to offer the investment and corporate banking capabilities of both Jefferies and SMBC Group to such large sponsor clients.

4. New and Enhanced Credit Facilities

SMBC has agreed to extend a total of \$2.5 billion in new credit facilities to support Jefferies and to advance collaboration in key areas, including structured finance such as EMEA leveraged lending and U.S. pre-IPO lending.

As a key component of the new credit facilities, SMBC has agreed to provide revolving credit commitments for pre-IPO companies. This newly agreed, substantial \$2.5 billion financing package aims to enhance our commitment to deepening our partnership, enhances our capabilities across these focus areas, and enables us to further deliver exceptional services to our clients.

Overview of SMBC Nikko Jefferies Securities Inc.

Company Name	SMBC Nikko Jefferies Securities Inc.
Equity Ratio	SMBC Nikko : Jefferies = 60% : 40% (voting rights) SMBC Nikko : Jefferies = 70% : 30% (economic ownership)
Board of Directors	The Board will be constituted by 5 members, with SMBC Nikko appointing three members and Jefferies appointing two members.
Key Executives	SMBC Nikko nominates Chief Executive Officer who also serves as the Representative Director, and Jefferies nominates Executive Vice President.

Overview of Jefferies Financial Group Inc.

Company Name	Jefferies Financial Group Inc. (NYSE : JEF)
Headquarter	New York, United States.
Year of Establishment	1968
Business	Investment banking and capital markets, sales and trading, research, wealth management services, asset management and merchant banking
Total assets (as of the end of November 2024)	USD 64.4 billion
Gross profit (FY2024)	USD 7 billion
Net income (FY2024)	USD 669 million

The Strengthening of Strategic Capital and Business Alliance with Jefferies

Sep 19th, 2025

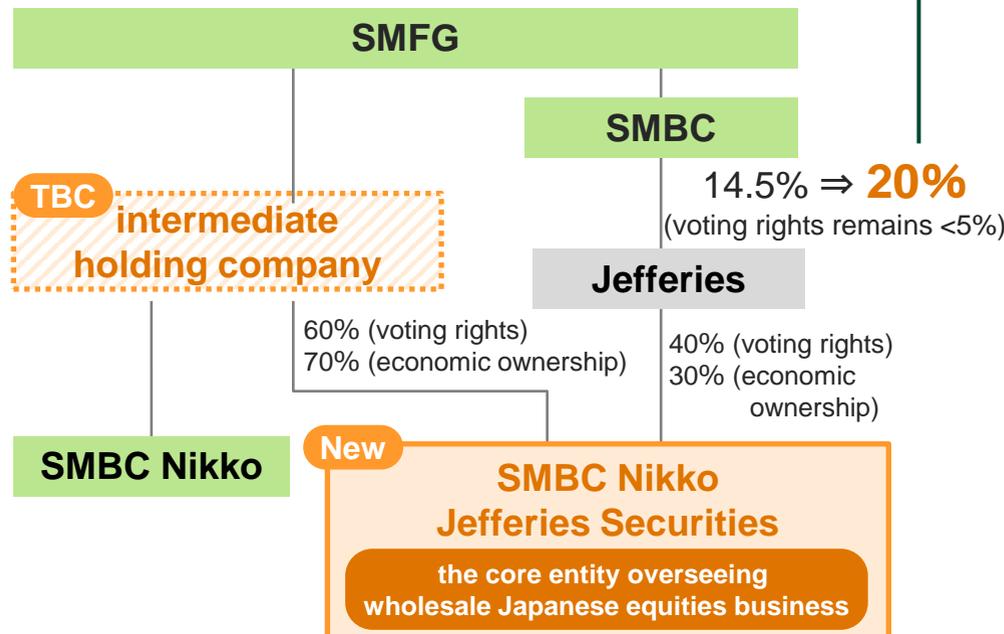


SUMITOMO MITSUI
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1. Overview

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 Strength 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

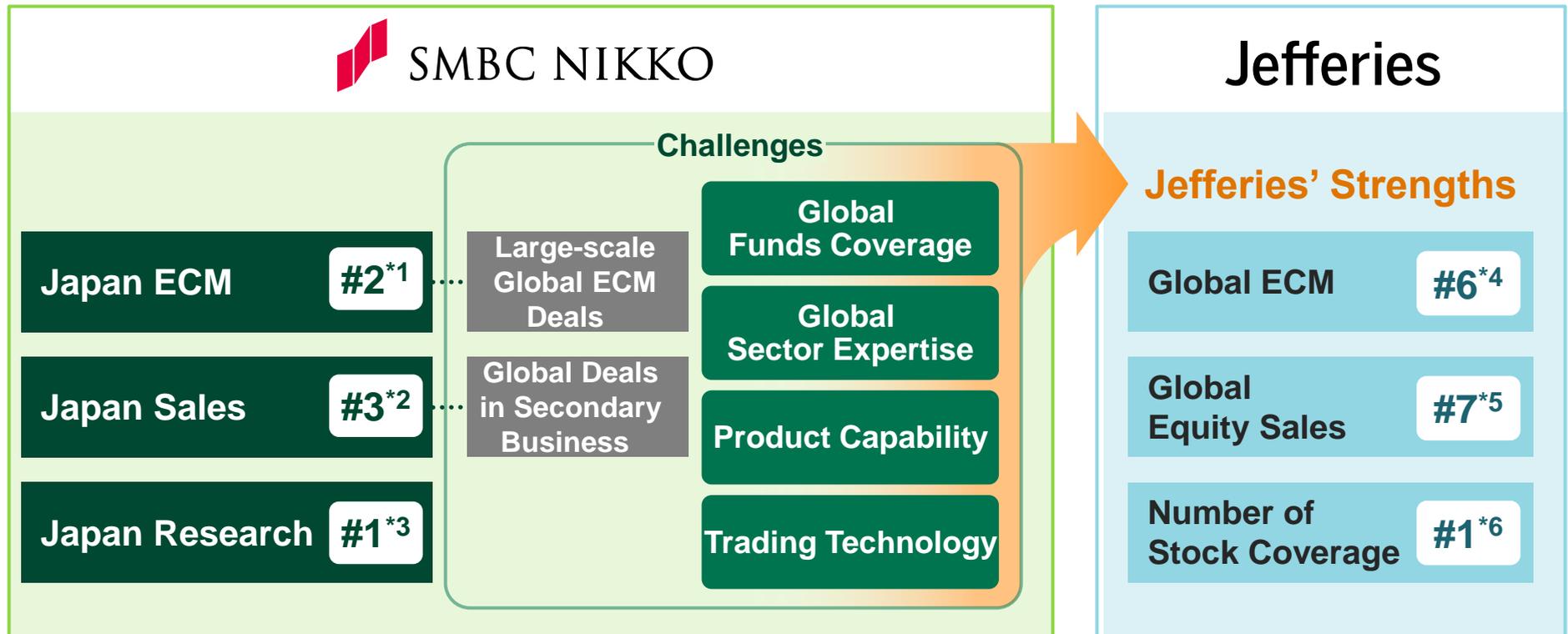
- Provide new credit facilities of USD 2.5 bn
- ✓ EMEA leveraged lending
- ✓ U.S. pre-IPO lending.

*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: Extel (Feb.25) *3Source: NIKKEI VERITAS(2025)

*4 Source : Dealogic (as of Nov.24) *5 Calculated by Jefferies based on a third-party market survey (as of Sep.24)

*6 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

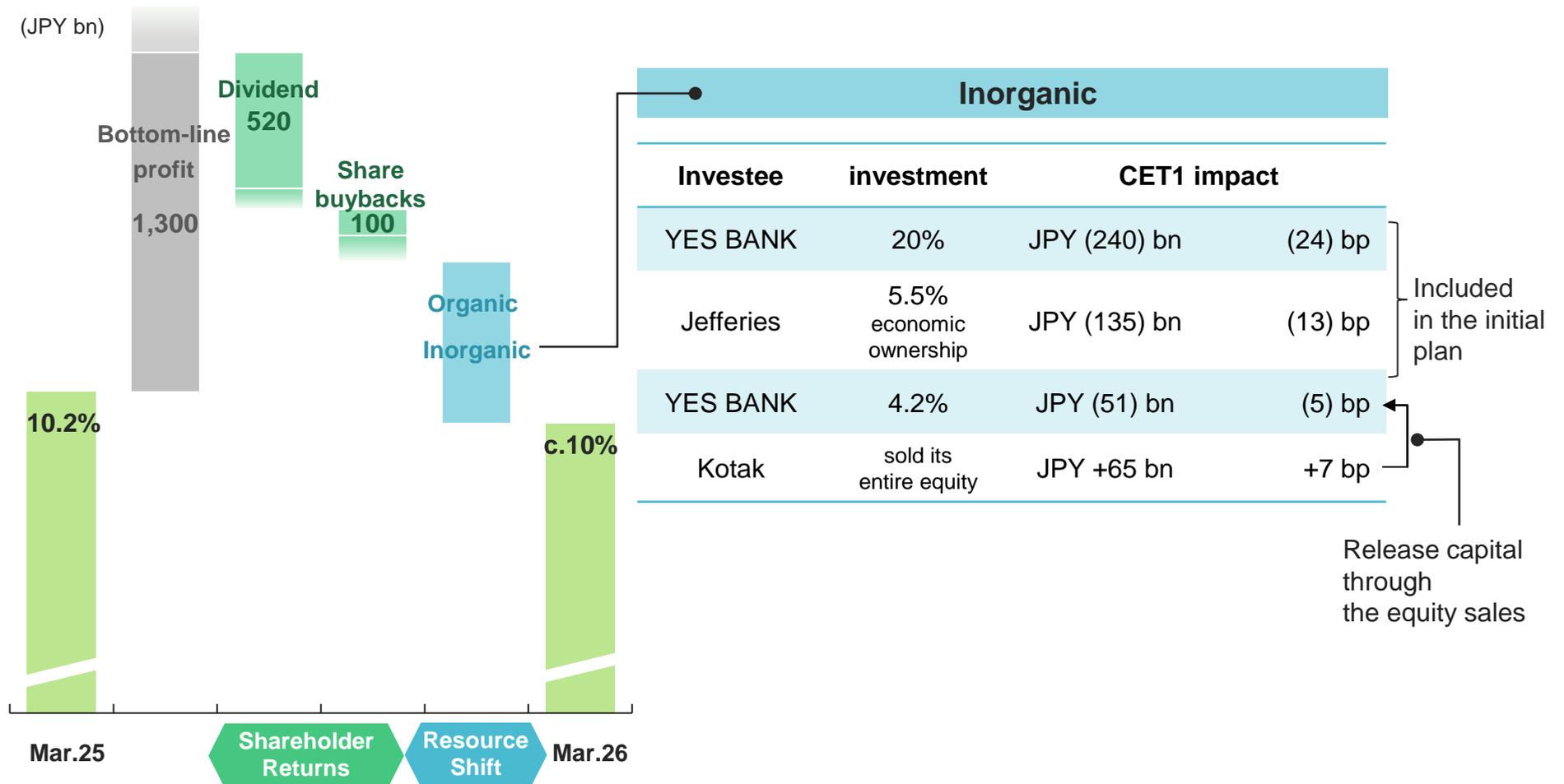
Enhance product capabilities for corporates and institutional investors (HF etc.)

Corporates : corporate equity derivatives

Institutional investors : synthetics prime brokerage

4. Capital Allocation

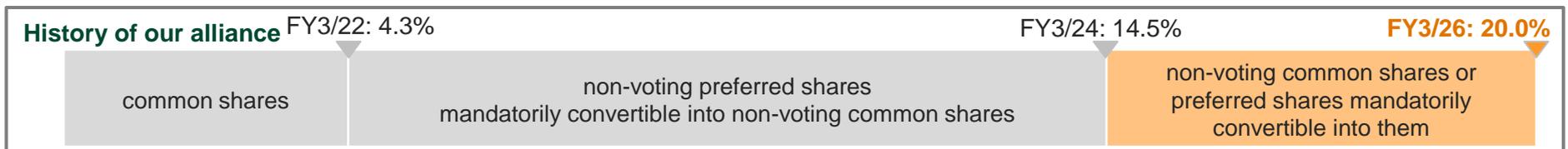
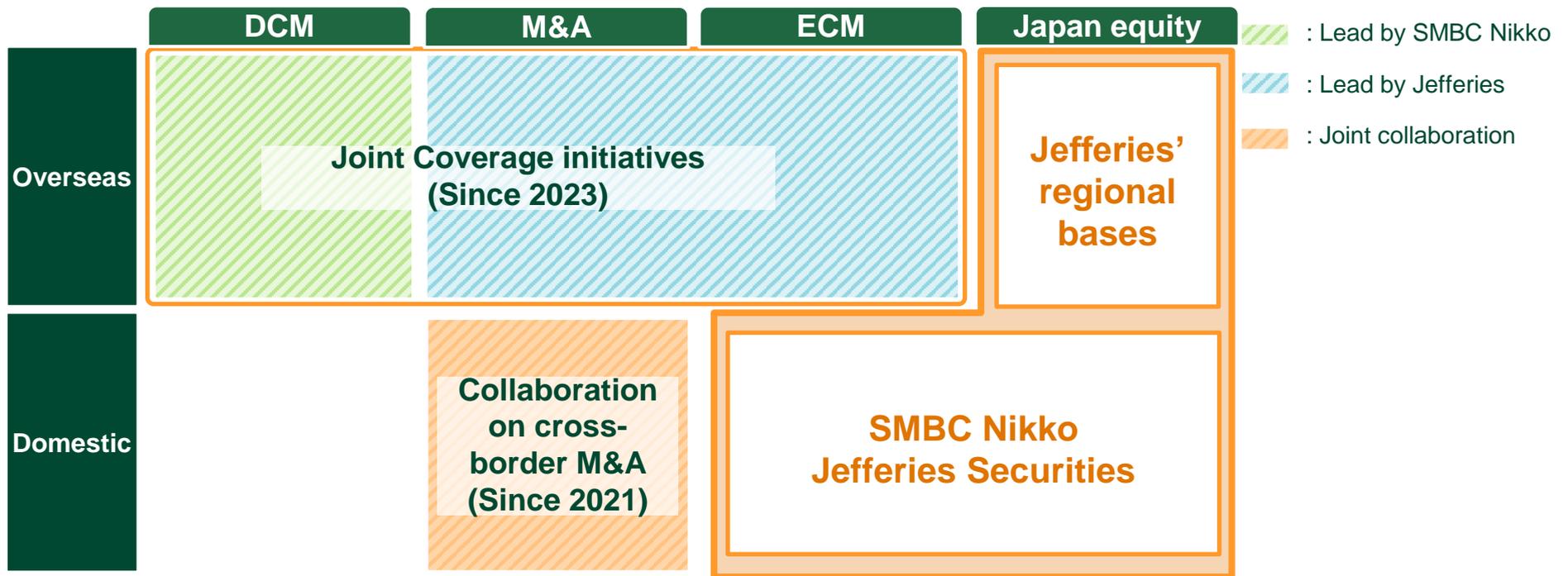
The CET1 ratio impact of the announced inorganic investments is included in our initial plan
Expect to maintain the CET1 ratio at around 10% for FY3/26.



(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



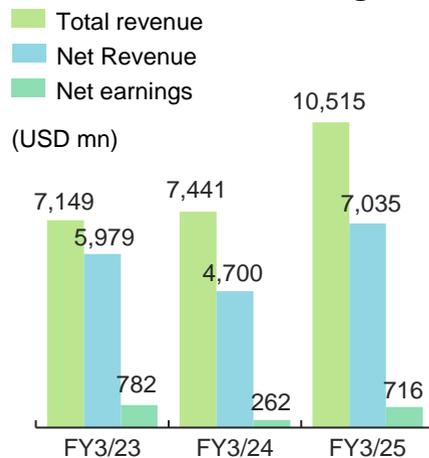
(Ref.) Overview of Jefferies

Basic information

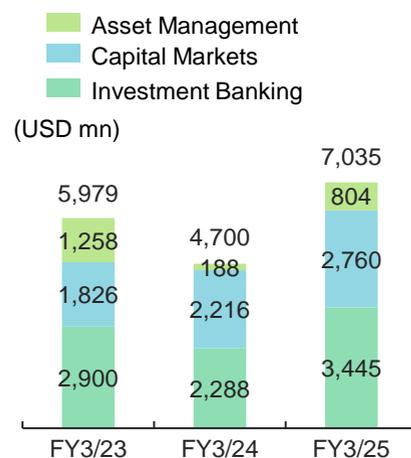
Name	Jefferies Financial Group Inc.
Listing	NYSE (Market cap: JPY 2 tn*1)
Rating	BBB (S&P Global)
Establishment	1962
Representative	Joseph Steinberg (Chairman) Richard Handler (CEO) Brian Friedman (President)
# of Employees	7,671 (as of May.25)

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

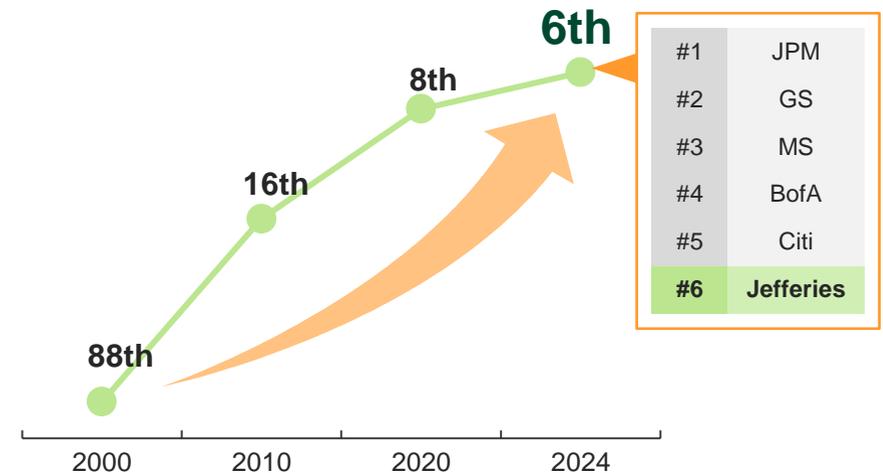
Equity Capital Markets

- ✓ 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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This document contains “forward-looking statements” (as defined in the U.S. Private Securities Litigation Reform Act of 1995), regarding the intent, belief or current expectations of Sumitomo Mitsui Financial Group, Inc. (“the Company”) and its management with respect to the Company’s future financial condition and results of operations. This document also contains “sustainability statements” related to the sustainability activities of the Company concerning the environmental, social, and governance matters.

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.