【NEWS RELEASE】

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Sumitomo Mitsui Banking Corporation
SMBC Nikko Securities Inc.

Signing of a Memorandum of Understanding with Climate Bonds Initiative on Climate Adaptation and Resilience and Receipt of an Alignment Opinion on the SMBC Sustainable Finance Framework

TOKYO, September 25, 2026 --- Sumitomo Mitsui Banking Corporation (President & CEO: Akihiro Fukutome; "SMBC") and SMBC Nikko Securities Inc. (President & CEO: Shuji Yoshioka; "SMBC Nikko") today announced that they have signed a memorandum of understanding (the "MOU") with Climate Bonds Initiative (Chief Executive Officer and Co-founder: Sean Kidney; "Climate Bonds") concerning cooperation toward the sound, credible and sustainable development of markets for financing activities that contribute to climate change adaptation and resilience.

In addition, SMBC has obtained an alignment opinion (the "Alignment Opinion") from Climate Bonds regarding the alignment of certain eligible use-of-proceeds categories under the SMBC Sustainable Finance Framework (the "Framework"), published in March 2026. The Alignment Opinion confirms the alignment of these categories with the relevant Climate Bonds criteria for climate mitigation, adaptation and resilience, including the Climate Bonds Sector Criteria and the Climate Bonds Resilience Taxonomy.

1. Background

As physical risks associated with climate change—including heavy rainfall, floods, droughts, extreme heat and sea-level rise—become increasingly evident, the importance of promoting adaptation to reduce the impacts of climate change, alongside mitigation efforts to reduce greenhouse gas emissions, and of strengthening the sustainability and resilience of social and economic systems is growing.

However, projects and investments that contribute to climate change adaptation and resilience span a wide range of sectors and use diverse assessment approaches. This has created a need for a credible and transparent common framework covering the eligibility of uses of proceeds, contributions to climate objectives, and impact measurement and reporting.

Climate Bonds is an international non-profit organization that works to mobilize capital for climate action. Through the development and administration of the Climate Bonds Standard and Climate Bonds Resilience Taxonomy, among other initiatives, Climate Bonds supports the development of global sustainable finance markets.

In March 2026, SMBC published the Framework to facilitate access to sustainable finance for corporate customers in Japan. The Framework covers green loans and other financing instruments and supports a broad range of eligible uses of proceeds, including projects that contribute to climate change adaptation.

SMBC Nikko leverages its expertise and networks in domestic and international capital markets to support the structuring of sustainable finance transactions and the development of sustainable finance markets.

Against this backdrop, the three parties signed the MOU to enhance the credibility of, and expand the market for, financing activities that contribute to climate change adaptation and resilience.

2. Areas of Cooperation under the MOU

Under the MOU, SMBC and SMBC Nikko will cooperate with Climate Bonds primarily in the following areas.

(1) Market development

The parties will exchange views and explore potential initiatives to promote financing for projects that contribute to climate change adaptation and resilience in Japan and internationally, and to support the sound, credible and sustainable development of related financial markets.

(2) Sharing of knowledge and expertise

The parties will share information, knowledge and expertise, and exchange views on relevant domestic and international principles, standards, taxonomies, certification approaches, assessment methodologies, impact measurement and reporting practices relating to climate change adaptation and resilience.

By leveraging their respective expertise, financial capabilities and domestic and international networks, the three parties will support the development of markets for financing activities that contribute to climate change adaptation and resilience through dialogue and external communications with financial institutions, companies, investors and other market participants.

3. Overview of the Alignment Opinion

SMBC has obtained from Climate Bonds an Alignment Opinion covering certain eligible use-of-proceeds categories relating to climate change adaptation and resilience under the Framework, as listed under "Eligible Projects" in the Appendix.

This marks the first case in Japan in which Climate Bonds has confirmed the alignment of certain eligible use-of-proceeds categories under a financial institution's self-developed sustainable finance framework with the relevant Climate Bonds criteria for adaptation and resilience.

Consequently, SMBC has confirmed the alignment of these eligible use-of-proceeds categories relating to climate change adaptation and resilience with international standards, thereby further enhancing their credibility and transparency.

4. Looking Ahead

Through cooperation with Climate Bonds under the MOU, SMBC and SMBC Nikko will work to enhance the credibility and transparency of financing activities that contribute to climate change adaptation and resilience, promote greater understanding among market participants, and expand financing and investment opportunities.

By combining Climate Bonds' global expertise and standard-setting capabilities with SMBC Group's financial solutions, customer base and domestic and international networks, SMBC and SMBC Nikko will support customers' climate change adaptation and resilience initiatives and contribute to the realization of a sustainable society.

Appendix

Eligible Projects

Measures to minimize damage from extreme weather and other events caused by climate change

- River improvement works
- Development of sediment disaster prevention facilities
- Development of coastal protection facilities, etc.
- Flood countermeasures for facilities and equipment
- Installation of emergency power sources
- Installation of cooling systems such as heat pumps and high-efficiency air conditioning
- Construction and renewal of transportation infrastructure that contributes to enhanced resilience
- Technological development and introduction of crop varieties adapted to climate change
- Projects related to meteorological observation, monitoring and early warning systems, and businesses that provide ICT solutions contributing to climate change adaptation