

■ Corporate Banking

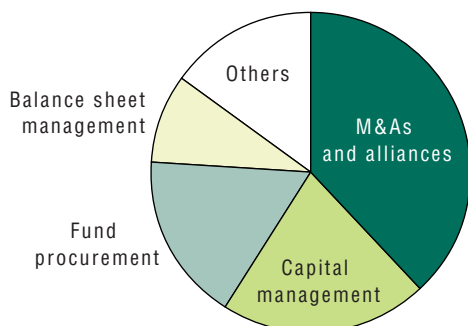
Enhancing Services for Listed Companies

Corporate Advisory Division

SMBC established its Corporate Advisory Division in early fiscal 2006 for the purpose of enhancing relationships with companies both listed and non-listed. The division has industry-specific groups that collect knowledge and information concerning their respective industries. The division takes advantage of collaboration with many partners: the business offices of the Middle Market Banking Unit and Corporate Banking Unit; the Investment Banking Unit, research departments and other SMBC divisions; and Daiwa Securities SMBC and other SMFG companies. These resources enable the Corporate Advisory Division to meet needs involving customers' diverse management issues.

The Corporate Advisory Division has made effective use of its ability to conduct an exhaustive analysis of customer management issues and actively proposes tailored solutions drawn up in collaboration with Group companies. Now, 18 months after its creation, it has accumulated a track record of over 2,000 projects, including M&As, capital-strengthening measures for heading off hostile takeovers, and balance sheet management. This track record has resulted in a solid earnings performance. The Corporate Advisory Division will continue to concentrate on offering customers many types of proposals. Furthermore, the division plans to reinforce its ability to supply comprehensive solutions to customers' management issues.

Projects by category*



*As of September 2007

Upgrading Services for Midsized Companies and SMEs

SMBC offers a diverse lineup of services targeting midsized companies and small and medium-sized enterprises (SMEs).

Recognizing the strong demand among SMEs for unsecured loans, SMBC became a trendsetter among Japanese banks by developing the *Business Select Loan*, which requires no third-party guarantee. In addition to the *Business Select Loan*, the *Wide Support Loan* was included in the lineup as a loan product requiring collateral in September 2007. The conditions on this product differ according to the nature of the real estate put up as collateral, and it aptly meets the needs of customers wishing to use their real estate holdings to raise funds.

In November 2007, we began offering *Asset Value*, a loan secured with movable equipment. We offer *Asset Value* loans through collaborative arrangements with a leasing company, accepting as collateral such movable assets as machine tools and construction machinery. This loan product is an effective tool for customers to procure funds necessary for their capital investment strategies.

In addition, in September 2007 we upgraded our free Business Information Service, which was originally launched



Business Select Loan poster



Wide Support Loan poster



Asset Value loan product poster

in November 2006. We expanded the range of information supplied to customers and started sending bulletins on a weekly basis, as opposed to periodic announcements. This service, which is now used by more than 10,000 companies, is just one example of our many value-added services that go beyond the simple provision of loans.

Environmental Business Activities

SMBC began offering the *SMBC-Eco Loan* in February 2006. The loan features preferential interest rates for midsize companies and SMEs with a strong commitment to the environment. In January 2007, the eligibility for the loan was extended to companies that were already using *Business Select Loans* and also to companies that had received environmental certifications from local governments and other organizations. With a wider range of customers, SMBC had extended a total of about ¥20 billion of *SMBC-Eco Loans* by the end of September 2007.

In 2007, SMBC once again sponsored, jointly with the Ministry of the Environment and others, an environmental preservation contest under the name of *eco japan cup 2007* for venture businesses in environment-related fields. In October 2007, for the second year in a row, SMBC held a business matching event in Osaka called the Environmental Business Networking Event. SMBC remains dedicated to assisting customers' environmental activities in a variety of ways.



Poster advertising the *Eco Loan*, for environmentally aware companies



Poster advertising the *eco japan cup 2007*

Topics

IPO Consulting Services

SMBC Consulting Co., Ltd., a subsidiary of SMBC, has concluded a business tieup agreement with a number of specialist IPO consulting enterprises, and began offering services to companies wishing to go public in August 2007. In one such service—the IPO Preparation Plan—the staff (principally CPAs) of specialist IPO companies collaborating with SMBC Consulting visit the customer companies, which are mainly members of the IPO Business Club operated by SMBC Consulting. They identify issues that need to be addressed prior to application for an IPO, and speedily propose simple and inexpensive solutions. The IPO Advisory Plan, a supplementary service, proposes individually-tailored and detailed solutions to the issues identified by the IPO Preparation Plan.

Through these services, SMBC Consulting accurately meets the needs of business enterprises wishing to list their shares on the stock market.

IPO Preparation Plan

Contents of an IPO preparation report

- ① Projections of company's growth potential and business performance
- ② Analysis of corporate governance structure and operational methods
- ③ Data on significant stakeholders and affiliated companies
- ④ Degree of transparency in disclosure of business activities
- ⑤ Method of capital procurement
- ⑥ Scheduled procedures in preparation for IPO



IPO Advisory Plan

Main Consulting Services

- for drawing up business plans
- for drafting capital procurement policy
- for projecting likely share price
- Financial analysis
- for drafting in-house regulations
- for creating cost calculation system
- for completing IPO application forms