

## ■ Corporate Banking

### Improving Products and Services for Midsized Companies and SMEs

#### ●Initiatives to provide easier access to financing

SMBC believes that smooth and efficient supply of funds to customers is its main social responsibility as a financial institution. This mission is particularly vital today as companies face severe challenges caused by the global financial crisis. This is why we are working even harder to serve as an intermediary for financing in a manner that is both responsible and proactive.

We are committed to helping customers expand their businesses. To accomplish this, we will continue to focus on offering products and services that reflect a thorough understanding of their needs and issues.

#### ●Products and services to meet fund-raising needs

Amid the economic uncertainty, a broad range of fund-raising needs is emerging among companies of all sizes. To meet these needs, SMBC is continually expanding its lineup of loans for corporate clients. In April 2008, we introduced the *Asset Value Truck & Bus Loan*, which uses commercial vehicles as collateral, and the *Certified Company Support Loan*, offered to corporate customers who have received official certifications or awards specified by SMBC from national or local government entities. Companies that have earned certification recognized by SMBC for their management systems are also eligible. In June 2008, we started offering the *Web Report Loan* to customers that use online tax reporting services to transmit electronically to SMBC their tax return data and certificates of tax payment made using the Japanese national tax authorities' "e-Tax" service.

#### ●Environmentally responsible products and services

For midsized companies and SMEs that show a strong commitment to protecting the environment, and have received ISO14001 and other environmental management certifications, SMBC in February 2006 introduced the *SMBC-ECO Loan*, which offers preferential interest rates. Since then, we have added other versions of this loan. In December 2007, we launched the *KES Support Loan* for companies that have obtained KES Environmental Management System Standard certification. This loan is offered in conjunction with the non-profit KES Environmental Organization. In October 2008, the *SMBC-ECO Loan eco value up* made its debut, targeting companies that are certified under the environmental standards of a major corporation. As a first step, this new loan is being offered to companies that have been certified under the Fujitsu Group Environmental Management System (FJEMS). We added the *SMBC Environmental Friendliness Assessment Loan* in October 2008. To be eligible, an applicant company must undergo an environmental evaluation using SMBC's own assessment standards. Loan terms depend on the results of this evaluation.

To support the growth of environmental businesses, SMBC and SMBC Consulting held an environmental business forum in December 2008 at Eco Products 2008. Sponsored by Japan Environmental Management Association for Industry (JEMAI) and Nikkei Inc., this exhibition is one of the largest environmental exhibitions in Japan. SMBC set up a booth along with 43 of its corporate clients. At the forum, we announced the 2008 winners of the "eco japan cup" contest that recognizes start-up eco businesses with much potential. Other events at the forum were a seminar on our environmental businesses and business match-up meetings for pre-registered companies.

All these activities demonstrate our commitment to deepening our support for the environmental business operations of midsized companies and SMEs.

#### ●Information services

Assistance in locating suitable business partners is a field where demand is very strong. To provide even better services, SMBC is reinforcing its organization for matching customers with potential partners and has expanded its "all-in-one matching" program. Conducted by the Head Office, this service matches many corporate clients at once with the purchasing departments of large corporations. We distribute a periodical called *Business partner* at no charge to give in-depth information about these services and describe new initiatives. Another service we are expanding at SMBC is the Trade Consultant Program, launched in February 2008. This has already generated a strong response from customers. Through activities like these, we will continue to expand our range of value-added services that target the diversifying needs of customers.



#### ●Responses tailored to a broad spectrum of corporate needs

SMBC has been enhancing its network of business offices and Business Support Offices in order to offer a broad spectrum of in-depth advice and support especially tailored to meeting a diversity of corporate customer needs and helping customers address the issues they face. We expanded the network by opening five Business Support Offices and a Corporate Business Office in October 2008, and 14 Business Support Offices in April 2009.

### Reinforcing services for globalizing corporations

In Japan, there is much interest in capitalizing on the immense opportunities presented by the emergence of a "5 billion population market" and a "pan-Asian market," as discussed in the White Paper on International Economy and

Trade 2008 (Trade Policy Bureau, METI). One result has been a major shift in the geography of earnings of Japanese companies aiming to increase overseas sales. As these companies pursue global expansion strategies, they must resolve fund-raising issues as well as gain a deeper understanding of foreign business practices and cultures, and legal and political systems.

SMBC established the Global Advisory Department in April 2008 specifically to help devise solutions for cross-border issues of customers with overseas operations. In April 2009, we combined this department with the International Business Promotion Department. This department straddles the three units of SMBC that do business with corporate clients — Middle Market Banking Unit, Corporate Banking Unit, and International Banking Unit — to support seamlessly the foreign operations of client companies. Based in Tokyo, the Global Advisory Department has staff members at overseas SMBC offices, chiefly in Asia. With a staff of about 200 professionals in foreign trade and global business operations, the department maximizes synergies by integrating issue-solving skills in Japan, expertise in collecting and analyzing information, and relationships with customers and business partners worldwide. With this infrastructure, SMBC can put together customized solutions from a global perspective to serve companies in Japan and their overseas subsidiaries.

We hold overseas business-related seminars with themes of particular interest to our customers, and distribute the latest information on overseas markets, enabling companies considering launch of an overseas business to gain insight into markets, regulations, industry trends and other matters involving other countries. Our services are useful for companies with established overseas operations too. They can count on SMBC for valuable assistance in areas such as growth issues and reorganizations.

### Intensifying initiatives in the public and financial sectors

SMBC established the Public & Financial Institutions Banking Department in fiscal 2007. One central role is creating solutions for issues at regional governments, public corporations and financial institutions. Moreover, to upgrade services for regional customers, the department undertakes joint initiatives with regional governments and financial institutions.

A Cooperative Agreement for Promotion of Industry that was entered into in July 2008 with the Miyagi Prefectural Government and The 77 Bank, Ltd., which is based in Miyagi Prefecture, is a prime example. Developing new supply chains for the auto industry in the prefecture is one of the objectives of the agreement. This cooperation also provides a framework for helping customers to start overseas operations or expand their sales channels in overseas markets.

This type of collaboration encompassing a regional government, a regional financial institution and a megabank is a first in Japan. It enables the enormous domestic and

overseas network of SMBC to tap into the deep roots of The 77 Bank in its home region. Building ties with regional governments makes this cooperative structure even more effective at promoting the growth of various industries.

Under the tripartite agreement, two seminars were held during fiscal 2008: Automotive Industry Seminar for New Entries and Overseas Business Seminar and Consultation. Collaboration also includes participation in various local organizations and activities that bring together companies, universities and governments. In all cases, the goal is to increase points of contact with customers.

SMBC also concluded an industrial promotion agreement with the Hokkaido Government in September 2008. Under it, we support the operations of the Hokkaido International Business Center, which the Hokkaido Government formed to support Hokkaido companies with their overseas operations. In March 2009, this center held a China Business Seminar and is now working on more ways to help Hokkaido companies do business overseas.

Collaboration with regional financial institutions is growing, too. In March 2008, we signed comprehensive agreements concerning business succession services with three banks: The First Bank of Toyama, Ltd., The Bank of Nagoya, Ltd., and The Biwako Bank, Ltd. SMBC supports the business succession regimes of these banks and directly assists companies with succession issues.

Moving forward, we will continue to intensify initiatives that will contribute to regional economic growth and supplying of high value-added services to customers throughout Japan.



### Topics

#### ◆ Campaign to Fight Global Warming

SMBC launched the *SMBC-ECO Loan*, Fight Global Warming Campaign in May 2009. During the campaign period, SMBC purchased carbon credits in Japan that are equivalent to five tons of greenhouse gas emissions per borrower. This campaign allows midsize companies and SMEs to contribute to the national program to prevent global warming through emission rights obtained by SMBC. The campaign demonstrates SMBC's dedication to increasing support for environmental businesses.

