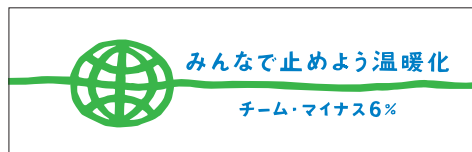


Environmental Preservation Initiatives

The Group recognizes environmental preservation to be one of its most important management issues. Based on our Group Environmental Policy, we are implementing initiatives to preserve and achieve harmony with the natural environment in our corporate activities. SMFG is a signatory to the "Statement by Financial Institutions on the Environment and Sustainable Development" of the United Nations Environment Programme (UNEP) and participates in the national movement "Team Minus 6%," which is sponsored by the Japanese government.



The Group Environmental Policy

Basic Concepts

Recognizing the importance of realizing a sustainable society, SMFG is making continuous efforts to harmonize environmental preservation and corporate activities, in order to support the economy and contribute to the general well-being of society as a whole.

Specific Environmental Policies

- We provide environment-friendly financial products, information, and solutions that help our customers in their efforts to preserve the eco-system.
- We devise ways to reduce levels of environmental risk posed by our own activities and those of society at large.
- We are determined to fulfill our social responsibilities through the conservation of resources, energy saving, and the reduction of waste.
- We enforce a policy of strict adherence to environment-related laws and regulations.
- We practice a high level of disclosure of information relating to the Group's environmental activities, and make ceaseless efforts to improve our contribution to environmental preservation, incorporating the views of our staff and concerned persons from outside the Group.
- We place a high priority on thoroughly educating our staff in our environmental principles, and in ensuring that they conform to these principles in the performance of their work.
- We actively and effectively conduct environmentally aware management, and make continuous efforts to improve our system for tackling environmental issues, including by setting targets for each business term and reviewing them when deemed advisable.
- These policies are published on the Group's website, and are also available in printed form upon request.

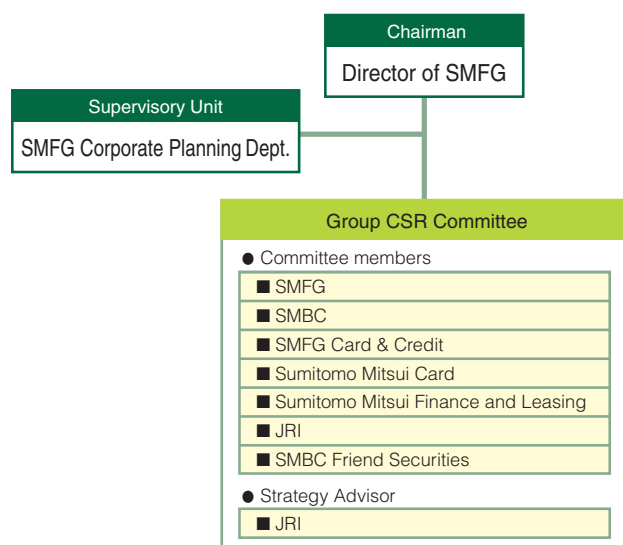
June 29, 2005
Teisuke Kitayama
President

Sumitomo Mitsui Financial Group, Inc.

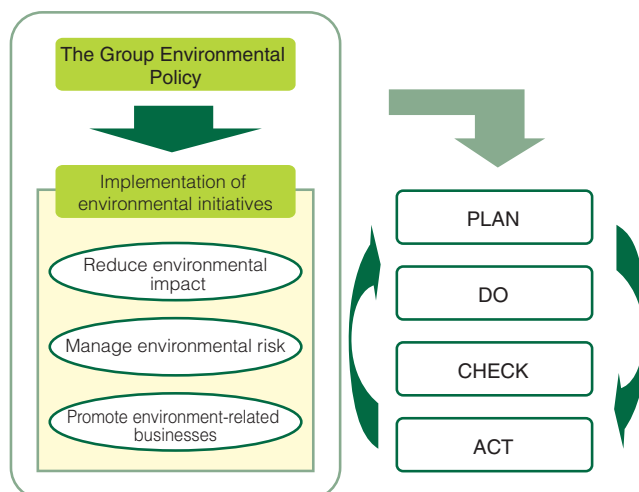
Three Pillars of Group's Activities

The three pillars of our environmental action plan are to "reduce environmental impact," "manage environmental risk," and "promote environmental businesses." The Group CSR Committee systematically sets environmental objectives for various activities and follows the PDCA (plan, do, check, and act) cycle in these environmental activities. SMFG and principal Group companies have obtained ISO 14001 certification, the international standard for environmental management systems.

Group CSR Committee



Environmental Action Plan and the PDCA Cycle



Reducing Environmental Impact

SMFG sets objectives each year for the reduction in its use of electric power and other sources of energy and is actively engaged in reaching these energy conservation goals. We conduct "Is conservation visible?" campaigns to lower energy use along with autonomous energy use reduction efforts. In addition, SMBC has made its Head Office "carbon neutral" through the procurement of "green" sources of energy and purchases of carbon credits.* Moreover, Sumitomo Mitsui Card has attained carbon neutral status for its Osaka Head Office, and Sumitomo Mitsui Finance and Leasing has reached this status for its Tokyo Head Office, both through the purchase of carbon credits.

* Carbon credits are also referred to as "Kyoto credits," "emission allowances," and "Certified Emission Reductions (CER)." In this annual report, we use "carbon credits" to refer to these and the other concepts recognized under the Kyoto Protocol.

Managing Environmental Risk

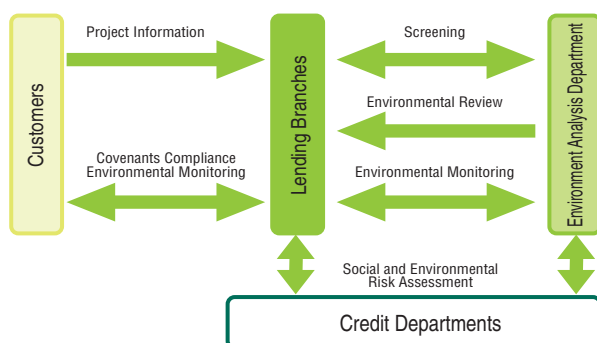
● Dealing with Soil Contamination and Asbestos Risk

To deal with the risk that land pledged as collateral by borrowers may be contaminated, SMBC requires contamination risk assessment for land meeting certain criteria. When the risk is judged to be high, the assessed value of the potential risk is subtracted from the value of the collateral. In addition, similar measures are taken regarding asbestos risk. When there is a concern about possible asbestos pollution, risk assessments are conducted for asset collateral meeting certain criteria, and SMBC encourages its customers to implement assessment surveys of such risk. Regarding its own premises, SMBC conducts surveys of asbestos risk and takes appropriate removal measures.

● Adoption of the "Equator Principles"

SMBC has adopted the Equator Principles, a set of guidelines for financial institutions to conduct assessment and management of social and environmental impacts related to the financing of large-scale development projects. The Environment Analysis Department (EAD) has established its own internal procedures for social and environmental risk assessment in accordance with the Equator Principles, and EAD keeps updating its risk assessment operation.

■ Flow Chart of SMBC's Social and Environmental Risk Assessment



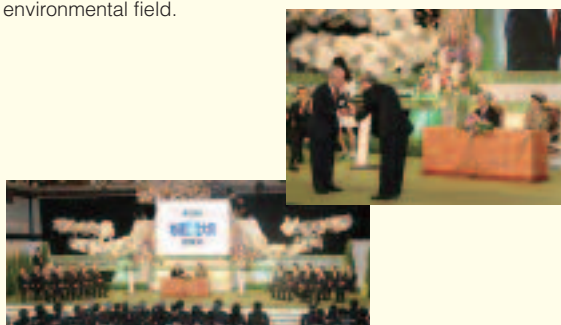
Promoting Environmental Businesses

The Group considers helping companies engaged in environmental business as an effective way of supporting society and the international community through its business activities. SMBC, in particular, formed the cross-organizational Eco-Biz Promotion Council in fiscal 2005 to discuss periodically the development of sophisticated and efficient products and services that contribute to environmental maintenance and improvement.

Topics

◆ SMBC Receives Fuji Sankei Group Award

At the ceremony for the 18th Global Environment Awards, sponsored by the Fuji Sankei Group, SMBC received the Fuji Sankei Communications Group Prize for excellence in developing advanced environmentally responsible products and services. This was the first time a major bank has received this award, which is one of Japan's most prestigious honors in the environmental field.



◆ "Fight Global Warming Campaign" Honored at 2008 Nikkei Superior Products and Services Awards

SMBC received the 2008 Nikkei Veritas Award for Superiority for its "Fight Global Warming Campaign" at the Nikkei Superior Products and Services Awards ceremony. During the campaign, part of the earnings from the sales of Japanese government bonds (JGBs) for individuals is used to purchase carbon credits. SMBC then gives these credits to the Japanese government. The first of its kind, this program has generated a strong response as a way to allow customers to combat environmental issues while earning a return from investing in JGBs.



Environmental Initiatives by Group Companies

Customers	Program/Product	Description	Company
Corporate	SAFE environmental magazine	Started in 1996, this bimonthly magazine contains interviews with top management of companies, analyses of business trends and other useful information for corporate environmental activities.	Sumitomo Mitsui Financial Group
	Signatory to Carbon Disclosure Project (CDP)	SMFG participates in the CDP, in which institutional investors and financial institutions ask companies to disclose environmental policies and information at their own initiative to prepare reports.	
	SMBC-ECO Loan	This loan offers reductions on loan interest rates of up to 0.5% for SMEs with environmental management systems certified by any of more than 20 sources, including certification systems of NPOs and local governments. In October 2008, the <i>SMBC-ECO Loan eco value up</i> was added to include environmental certification systems of large companies, to support a broader range of corporate environmental activities. Loans extended: Approximately ¥47 billion to 800 companies (as of March 31, 2009)	Sumitomo Mitsui Banking Corporation (SMBC)
	SMBC Environmental Friendliness Assessment Loan	Terms and conditions of this loan depend on the results of an assessment of a company's environmental friendliness using standards prepared by The Japan Research Institute, Limited (JRI). Once the loan is provided, JRI submits a simplified diagnosis sheet to notify the borrower of the assessment results. Loans extended: ¥18.5 billion to eight companies (as of March 31, 2009)	
	Global ECOBIZ Assist	This program supports the globalization of Japanese companies with environmental technologies by offering preferential fees and interest rates on loans for international trade. It offers these to midsize and SME companies that develop and manufacture equipment related to water, waste materials, new energy, the atmosphere, energy conservation and other areas (soil pollution remediation, greening, recovery of natural areas, etc.).	
	eco japan cup	This is a contest for selecting companies that have practical environmental technologies and ideas. SMBC gives assistance to those venture companies jointly with Japanese universities and thereby provides support for their R&D activities.	
	SMBC Environmental Business Forum	SMBC and SMBC Consulting Co., Ltd. jointly held multifunctional events at Eco-Products, one of Japan's largest environmental exhibitions. This forum combined many types of events such as environmental seminar, business matching etc. PICK UP	
	Eco-Products International Fair	At the fifth (March 2009) fair, SMFG president Teisuke Kitayama chaired the planning committees and oversaw the booths, international conferences and other activities. He will have the same role at the 2010 fair. PICK UP	
	Carbon-credit related business activities (matching, advisory, trust and consulting activities)	SMBC serves customers with needs involving carbon credits by using overseas offices, trust functions and other resources to offer products and services such as introduction of sellers in developing countries, advisory service to support transactions, trust products, and financing. SMBC established a consulting company in Brazil to assist in development of Clean Development Mechanism (CDM) projects.	
	Carbon credit trading	SMBC started direct purchases and sales of Kyoto credits in June 2009.	
	Assistance in using the domestic credit system	SMBC and Group companies are working on a program for assisting emission reduction activities by using the domestic credit system that began in October 2008.	
	"Climate & Children Supporters"	SMBC and UNICEF started this program to target both the causes and results of climate change. When participating companies buy carbon credits to fight global warming, monetary contributions to the program are also made to aid a developing country (Mozambique) that is suffering from the effects of global warming.	
	Carbon-neutral leases	Started in August 2007, this is a new service that renders the greenhouse gases released by leased assets neutral through the allocation of carbon credits to these assets. The goal is to provide more support to companies that protect the environment through their own activities.	Sumitomo Mitsui Finance and Leasing Co., Ltd. (SMFL)
	Consulting business for the amended Energy Conservation Law	SMFL is enhancing environmental advisory services for companies in response to the enactment of Japan's amended Energy Conservation Law. This includes comprehensive energy conservation proposals that utilize leases. PICK UP	
	Environmental advisory business	This business is involved in many projects centered on waste treatment and energy. The objective is to combat global warming and support the growth of environmental companies by creating new businesses.	The Japan Research Institute, Limited (JRI)
	Consulting for construction of Tianjin Eco-city	JRI is providing consulting services for a national project near Tianjin, China to construct an environmentally-friendly city. The city is based on the concept of harmony with the environment, including conserving, recycling and efficient use of resources.	
Individuals	Carbon offset mortgage loans	Between April and September 2008, SMBC conducted a campaign targeting customers who purchased an environmentally responsible house with loans provided by SMBC. For each household, SMBC purchased a one-ton carbon credit and then gave the credits to the Japanese government.	Sumitomo Mitsui Banking Corporation (SMBC)
	DWS New Resource Technology Fund	To adapt to global shifts and growth in demand patterns, this fund invests mainly in stocks of companies worldwide with excellent growth prospects involving businesses associated with three themes of infrastructure, food and clean energy.	
	Environmental campaign using JGBs for individuals	SMBC has been conducting environmental campaigns for every issue of these bonds since June 2008. Starting with the "Fight Global Warming Campaign," for each purchase of at least ¥1 million, SMBC purchases a 0.5-ton carbon credit and gives the credit to the Japanese government. SMBC also carried out a tree-planting campaign with the cooperation of an NPO, and an "energy of the future" campaign.	
	Web Meisai Eco-Toku Campaign	By December 2008, over a million people had joined our campaign to cut paper use by distributing credit card statements online.	Sumitomo Mitsui Card Company, Limited

SMBC Environmental Business Forum in Eco-Products 2008

SMBC and SMBC Consulting held the SMBC Environmental Business Forum in Eco-Products 2008, one of Japan's largest environmental exhibitions. The forum combined three types of events: environmental business matching, environmental seminars, and a hands-on environmental event experience. Forty-three SMEs that are SMBC customers set up booths. The matching service arranged a total of 540 matches for environmental businesses during the forum.

Visitors to the forum saw presentations by SMFG companies and departments on environmental products and initiatives. Our customers also conducted presentations to explain their most advanced environmental initiatives and university researchers explained the results of their studies. In addition, the forum included a hands-on event experience for the general public. With this multitude of activities, going well beyond the normal scope of an



The front of the SMBC booth

exhibition, the SMBC Environmental Business Forum attracted much attention at Eco-Products 2008.

Many visitors to Eco-Products 2008 came to the SMBC Environmental Business Forum, enabling us to attract some 2,000 visitors over the three days of seminars and other events. The Forum was a great success.



A wide range of stakeholders held environmental seminars.



Hundreds of companies found prospective business partners at the matching booth.

Eco-Products 2008

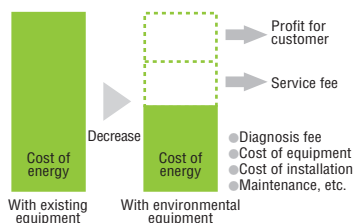
- Name: The 10th Eco-Products 2008 — Eco Style Fair
- Dates: December 11 to 13, 2008
- Venue: Tokyo International Exhibition Center "TOKYO BIG SIGHT" (East Hall)
- Organized by: Japan Environmental Management Association for Industry (JEMAI), Nikkei Inc.
- Exhibitors: 750 companies and organizations, 1,700 booths
- Number of visitors: 173,917 (164,903 in previous year)

Advisory Services for Compliance with Amended Energy Conservation Law

There are signs of increased capital investment in environmental and energy conservation measures ahead of the entry into effect of the amended Energy Conservation Law in April 2010.

To meet these needs, Sumitomo Mitsui Finance and Leasing (SMFL) is offering customers comprehensive energy conservation proposals centered on methods for lowering energy consumption. SMFL provides leases for environmental equipment and devices that cut greenhouse gas emissions or conserve energy. It is also enhancing its advisory services. Conserving energy using methods such as energy service company (ESCO) leasing, is one field of expertise. SMFL also provides extensive information on legally mandated environmental reports. SMFL will continue to refine its expertise in assisting customers to obtain the economic advantages of leasing environmental equipment — leasing eliminates the lump-sum initial investment required for equipment purchases and the leased equipment reduces emissions, energy consumption and operating expenses.

■ Example of Cost Saving



Eco-Products International Fair 2009

The fifth Eco-Products International Fair 2009 took place in March 2009 in Metro Manila, Philippines. SMFG president Teisuke Kitayama chaired the preparations committee and assisted in the operation of the fair.

This international fair is held every year in order to contribute to the growth of environmental businesses in the Asia-Oceania region and making these businesses more competitive. In 2009, 36 Japanese companies took part along with 128 companies and associations from the Philippines, Singapore and Malaysia, setting a new record for participation. More than merely a business exhibition, the fair was an international conference that brought together government representatives, including ministers, and prominent members of the academic and business communities — key front-line players in politics and economics.



President Kitayama explains SMBC's local environmental programs to Philippines President Maria Macapagal-Arroyo.



Representatives of SMBC and JRI took part in the Environment and Finance conference that was held on the fair's second day.