

■ Corporate Banking

Enhancing Services for Midsized Companies and SMEs

Initiatives to Strengthen Products and Services to Meet Diverse Corporate Needs

SMBC has a diverse lineup of services to meet the funding needs of midsized companies and small and medium-sized enterprises (SMEs). These include the *Business Select Loan*, which does not require collateral or a third-party guarantee. In addition, in September 2007, SMBC launched the *Wide Support Loan* to meet the needs of customers wishing to use their real estate holdings as collateral for raising funds. This was followed in November 2007 by the introduction of *Asset Value*, a loan secured with movable assets.

Additionally, in April 2008, we introduced the *Asset Value Truck & Bus Loan*, which is secured by commercial vehicles, and the *Certified Corporate Support Loan*, which is targeted to corporate customers that have obtained official certifications or won awards from national and local government entities specified by SMBC or obtained certifications under management qualification systems. Moreover, in June 2008, we began to offer the *Web Report Loan*, which is for customers who use the national electronic tax return filing system ("e-Tax") and SMBC Web-based data acceptance service (under the service, documents sent using e-Tax, such as financial data and certificate of tax payment, can be sent to SMBC via the Internet).

To support midsized companies and SMEs with a commitment to environmental preservation, we began to offer the *SMBC-ECO Loan* in February 2006. Then in October 2008, we introduced the *SMBC-ECO Loan eco value up*, which is a loan product that offers preferential interest rates for companies that have obtained qualifications under the Fujitsu Group Environmental Management System (FJEMS), which is an environment management certification system operated independently by the Fujitsu Group for its business partners. In addition, SMBC has developed an assessment system for ranking the environmental friendliness of corporations based on its own criteria, and sets loan terms and conditions based on the assessment results. Also, beginning in October 2008, we introduced the SMBC Environmental Friendliness Assessment Finance System, which provides customers with a simplified diagnosis of those areas where their activities could be improved from an environmental perspective.

Among other activities, in response to strong customer interest, we have strengthened the promotion structure of our Business Matching service and increased group matching organized by SMBC's Head Office. In group matching, a number of customers are introduced at the same time to the procurement and other sections of a large company. In addition, we have expanded the content of our Business Information Service, which is available free of charge and now used by more than 10,000 companies, and taken other initiatives to broaden the range of value-added services we offer to accurately meet customer needs. These have included increasing the number of Trade Consultants, who have

been offering a diverse range of trade-related consulting services since the inauguration of this advisory service in February 2008.

Structuring Systems that Respond in Depth to a Wide Range of Requirements

Our branches and other business offices offer a broad spectrum of in-depth advice and support especially tailored to meeting a diversity of customer needs and helping them address the issues they face.

In October 2008, we established Business Support Offices in Akabane, Ohta, Sapporo, Shin-Osaka, and Keihan Kyobashi as well as a Corporate Business Office in Okazaki in Aichi Prefecture. As of November 30, 2008, there were 182 Corporate Business Offices and 23 Business Support Offices throughout Japan to assist our corporate clients.

By expanding the previously mentioned product and service offerings as well as upgrading and realigning corporate business offices, we will continue to put our midsized and SME customers first, listen carefully to their opinions, and respond in depth to their needs.

Offering Stronger Capabilities for Assisting Companies with Global Operations

To offer assistance going beyond financing for corporations that are expanding their activities globally, in April 2008, SMBC formed its Global Advisory Department, which has the mission of responding to the management issues and needs that customers are confronting, including dealing with overseas systems, business customs, and cultures.

To carry out the work of this new department, we have stationed about 60 experts with experience in various countries overseas in our offices around the world, including Tokyo, Osaka, and Nagoya in Japan, and in such overseas locations as China, including Hong Kong, and Singapore. Their responsibilities include

Examples of Principal Services of the Global Advisory Department

■ Support for Overseas Business Operations
The department offers the consulting services of staff with extensive overseas experience and knowledge to assist customers in developing their international operations, including entering overseas markets, expanding and financing existing operations, and conducting other activities.
■ Offering Various Kinds of Information
The department also provides information on the overseas investment climate, the financial system, economic conditions, and other matters, including economic development zones, industrial parks, and other related matters.
■ Assistance for Managing Global Organizations
The department also assists customers in enhancing the efficiency of their global cash management systems, strengthening corporate governance, and realigning overseas operations.
■ Overseas Business Seminars
The department holds seminars led by outside specialists on topics of particular interest to customers.
■ Offering Overseas Information via an E-mail Network
The department distributes an e-mail magazine containing articles on the latest economic and financial matters written by the staff of SMBC's overseas offices, research institutes, and other sources as well as notices of upcoming seminars.

offering support for the development of the overseas operations of our customers and the formulation of sophisticated solutions to the needs of individual companies. Through these activities and the dissemination of information on overseas markets through seminars, we have created an effective framework for supporting the global development of our customers.

Reinforcing Services for the Public Sector and Financial Institutions

In fiscal 2007, SMBC formed its Public & Financial Institutions Banking Department to offer solutions to address the issues faced by regional governments, public corporations, and financial institutions. Also, to reinforce services for customers in regional areas, it is working more closely with those regional entities.

As part of its joint efforts with regional public-sector entities and financial institutions, in July 2008, SMBC concluded a Cooperative Agreement for Promotion of Industry with the Miyagi Prefectural Government and The 77Bank, Limited, which is based in Miyagi Prefecture. Under this agreement, SMBC supports the development of new supply chains that will tap into the capacity of companies in the automobile- and sophisticated electronics-related industries that are increasingly concentrating in the Miyagi area. Through the agreement, SMBC will also work to assist those companies in the region that are interested in expanding their sales channels to and enter overseas markets.



From left, Masayuki Oku, the president of SMBC; Yoshihiro Murai, the governor of Miyagi Prefecture, and Hiroshi Kamata, the president of The 77Bank.

This tripartite agreement, involving a regional government, a regional financial institution, and a megabank, is the first of its kind in Japan. SMBC, with its broad network covering Japan and overseas markets, and The 77Bank, which has close transactions relationships with the regional community, will be drawing on their respective strengths, and, working in partnership with the prefectural government, the parties to the agreement are expected to promote highly effective industrial development policies.

In September 2008, SMBC also concluded a cooperative agreement for promotion of industry with the Hokkaido Government. Under this agreement, SMBC supports the activities of the Hokkaido International Business Center, which was established by the Hokkaido Government to assist Hokkaido companies in developing business operations overseas.

In its collaborative activities with regional financial institutions, during March 2008, SMBC concluded comprehensive agreements on business succession services with First Bank of Toyama, Limited, The Bank of Nagoya, Limited, and Biwako Bank, Limited. Under these agreements, SMBC supports the business

succession services promotion systems of these banks and assists customers requiring such services.

Moving forward, SMBC will continue to implement such initiatives and offer customers based in regional areas high-value-added services and contribute to the development of local economies.

Topics

◆ Strengthening Cooperation between Industry and Academia

In June 2008, SMBC concluded agreements for cooperation between industry and academia with the University of Tsukuba and Nagoya University. These agreements were followed by another, concluded with Tohoku University in July 2008, which brought the total network of universities covered by such cooperative arrangements to 23 (as of July 2008).

These activities to encourage cooperation between industry and academia are conducted from two perspectives. The first, or “corporate needs,” perspective involves introducing the technological requirements of our customers to universities, and the second, or “university technology seeds,” perspective is to introduce the intellectual property and other assets of universities.

By helping to build bridges between companies and universities and encouraging joint R&D, we are assisting companies that have technological issues to address and those companies that are concerned with the development of new products. Through these activities to bring industry and academia closer together, we are taking the initiative in helping to develop new solutions.

◆ SMBC Environmental Business Forum

As part of Eco-Products 2008, Japan's largest environment-related exhibition, which was held over a three-day period from December 11 through 13 and organized by the Japan Environmental Management Association for Industry and *Nikkei Inc.*, SMBC and SMBC Consulting Co., Ltd., held the SMBC Environmental Business Forum. The Environmental Business Forum is a combination of the SMBC Environmental Seminar and the Environmental Business Exchange Meeting held in fiscal 2007.

On the day of the event, we hosted a number of activities that attracted strong interest from participants. These included setting up booths with 43 customers, the *eco japan cup 2008* award presentation ceremony, a seminar on SMBC environmental business activities, and a business matching event for pre-registered companies.

SMBC will continue to support the further development of environmental business in Japan.

