

SMFG and the Group companies strive to create a workplace for their human resources where each and every employee can take pride in and be highly motivated about his or her work. In the following pages, we would like to introduce some of initiatives in the human resources area taken by SMBC, as well as by other Group companies including Sumitomo Mitsui Card, Sumitomo Mitsui Finance and Leasing, the Japan Research Institute, SMBC Friend Securities, and Nikko Cordial Securities.

## Five Goals of SMBC's Human Resource Management

1. Maintain and strengthen sound business management to enable SMBC to compete in global markets
2. Develop staff with specialized professional skills who can provide customers with higher-value-added products and services
3. Motivate employees even more strongly by respecting their individuality based on understanding of the inherent value of diversity and encouraging them to seek personal fulfillment
4. Foster a corporate culture that encourages a forward-looking and creative attitude and places value on mutual collaboration
5. Be mindful of the social responsibilities of the Group, and nurture a corporate culture that will contribute to the healthy development of society

## Training Staff with Specialized Professional Skills

To provide a higher level of motivation for growth and development among younger personnel, SMBC provides basic practical training programs in consumer banking, corporate banking, and operations under separate programs known as the Retail Banking College, Corporate Banking College, and Banking Operations College. Employees acquire the necessary business knowledge and skills through a combination of on-the-job training and classroom courses. SMBC is currently reinforcing its training system by assigning mentors to new recruits at the workplace and placing regional and head-office mentors at the Training Institute.



Corporate Banking College

Following the amendment of the Money Lending Business Law, Sumitomo Mitsui Card has been putting increased effort into the development of staff with professional expertise in the credit business. Measures taken include active support for employees to become registered money lending officers, and regularly holding in-house workshops on products and other topics.

Sumitomo Mitsui Finance and Leasing (SMFL) has established "SMFL Standards," which sets forth a human resources development plan and methods for realizing its human resources goal for each year. This is targeted principally at *sogoshoku*

(management-track) staff up to their fifth year in the company. SMFL has created "Young Employees' Growth Plan & Guide," based on the SMFL Standards and has also opened an in-house business school that will be used to supplement on-the-job training from the current fiscal year onward.

The credo of Japan Research Institute (JRI) on human resources is that its staff is the source of added value in its solutions and proposals. In line with this, JRI has set up the Staff Development Department within the Computer System Division, and the Human Resources Incubation Center within the Comprehensive Research Division for well-planned development of human resources.

To improve young employees' knowledge and raise their skills so as to enable the company to cope effectively with the diversification and increasing sophistication of the securities business, SMBC Friend Securities has started a course of classes for acquisition of in-house skill accreditation. It has also introduced a tutor system to raise the effectiveness of on-the-job training for new employees.

As a full-line securities company which needs to nurture a wide variety of financial professionals, Nikko Cordial Securities is working to provide enhanced training to impart the necessary knowledge and skills in each specialist area. It has designated the first three years after entering the company as the crucial training period for young staff members, and is putting its full corporate resources into creating an effective employee development program.

In these ways, all Group companies are taking measures to reinforce their human resources development systems.



Staff training at Nikko Cordial Securities

## Creating a Corporate Culture that Derives Strength from Diversity

### ● Human Resources Diversity

The Group is implementing initiatives to create diversity (e.g. gender, nationality) in the workplace. At SMBC, 40% of the new university graduates hired for fiscal 2010 for *sogoshoku* and consumer services positions were women, and the number of women holding managerial positions has been increasing. In fiscal 2008, the Diversity and Inclusion Department was established within the Human Resources Department and other initiatives were launched for creating a corporate culture that derives strength from diversity.

### ● Revision of Personnel System

To enable motivated employees to take on the challenge of performing more difficult work in a higher-level post, SMBC has introduced a new workplace hierarchy system in which job rankings are more finely subdivided. This should make it easier for talented individuals to be quickly promoted to mid-management levels. We are also aiming to create a more seamless organizational system in which an employee's performance is evaluated not simply in terms of a single year's achievements on the job,

but also from the perspective of contribution to the company as a whole.

#### ● Creation of New Job Titles

SMBC has launched a new title, "Senior," for *ippanshoku* (general work) employees on the Business Career Path working in front-office positions at the Middle Market Banking Unit. Sumitomo Mitsui Card has likewise instituted a new *ippanshoku* employee position using the term "Leader." In this way, we are expanding the playing field for *ippanshoku* staff so that they can be promoted to managerial positions.

#### ● Developing Staff Needed for Global Operations

As a result of the growth of SMBC's operations on the global stage, proficiency in foreign languages is becoming increasingly vital. To answer this need, SMBC is expanding its programs for employees to study at language schools, and is assigning more young employees to overseas offices.

SMBC is strongly committed to training national staff at its overseas operations. The training facility established in Singapore by the Asia Pacific Training Department covers a broad range of subjects for employees in this region. Sessions are focused primarily on business training and the development of capabilities and skills. Furthermore, SMBC is taking steps to develop human resources on a global scale by providing education in the history of the bank and its management philosophy to newly-hired national staff during their training courses.

#### ● Employing Persons with Disabilities

SMBC has established a special company called SMBC Green Service Co., Ltd. that provides employment opportunities for people with physical disabilities. In December 2008, the company opened the Kobe Branch, and in February 2009 the Unagidani Office in Osaka for the purpose of creating jobs not only for physically but also for mentally impaired persons. In addition, to upgrade their skills, SMBC encourages its employees to participate actively in skill competitions for the disabled. Over the years, a number of its employees have participated in the National Skill Competition for the Disabled (known as the "Abilympics"), three of whom were winners in the fiscal 2008 and 2009 competition. As of March 2010, disabled people accounted for 1.90% of our employees, above the legally mandatory level of 1.8%.

#### ● Providing Support for a Good Work-Life Balance

The Group has an employee support program that provides a range of assistance for achieving a proper balance between work and home. In fiscal 2008, Sumitomo Mitsui Card, SMFL, SMBC Friend Securities, and JRI all drew up their own Work-Life Balance Guidebook, based on actual experiences at SMBC. All Group companies, including Nikko Cordial Securities, already operate systems for parental leave, leave for taking care of sick children, shorter working hours, restricted overtime work, and exemption from late-night work. All these systems provide employee benefits exceeding those mandated by law. In addition, SMBC, Sumitomo Mitsui Card, and JRI provide child-care subsidies, while SMBC, Sumitomo Mitsui Card, and SMFL operate a system for the rehiring of former employees. These systems all help realize a good work-life balance for the Group's employees.

There are also annual Children's Visitation Day and Family Visitation Day to give employees' family members a better understanding of employees' work at SMBC, Sumitomo Mitsui Card, SMFL, JRI, and SMBC Friend Securities. JRI also holds "Mama & Papa Lunches" as forums for information exchange between employees who are raising children while working. SMBC has instituted a "Go Home Early to the Family Day," while SMFL is pursuing a campaign to encourage employees to reduce the amount of overtime work. Nikko Cordial Securities has introduced an online support system for employees returning to work after parental leave. SMBC, Sumitomo Mitsui Card, and JRI have all received the *Kurumin* certification from the Japanese Ministry of Health, Labour and Welfare in recognition of their activities in support of child rearing.

All Group companies are doing their utmost to create systems that ensure a good work-life balance, as well as workplaces where employees can fully demonstrate their abilities. We plan to pursue such measures still further in the future.



Children's Visitation Program

### Heightening Awareness of Individual Rights

At SMBC, we have included in our principles of action the concepts that "we will respect the individual human dignity of our customers and employees" and "we will not permit discrimination of any kind." We are implementing the following initiatives to heighten the awareness of all employees regarding individual rights.

- Conducting training meetings for manager-level staff (once a year), and personnel newly appointed to management positions and staff who have recently joined the bank
- Holding study meetings to discuss individual rights issues, with manager-level personnel leading these sessions (twice a year)
- Soliciting slogans promoting individual rights from management and staff (once a year)

#### ◆ SMBC Named as One of the Best 25 Companies in Japan in the "Great Place to Work" Rankings

In March 2010, SMBC was selected for the third year running as one of the best companies in Japan as a place to work in the survey conducted by Great Place to Work® Institute Japan.

\* Great Place to Work® Institute, Inc., a U.S. company, is a survey organization that supplies data for the annual list of the "100 Best Places to Work" published by Fortune magazine. The survey has two major components: a survey of the internal systems and corporate culture of respondent companies, and a questionnaire survey of the employees of these companies. The survey of employees receives a weighting of two-thirds in determining the final results.



## Staff Profile

### ◆ SMBC

March 31	2008	2009	2010
Number of employees*	20,273	23,543	25,122
Male	13,457	13,669	13,793
Percentage of total	66.38%	58.06%	54.90%
Female	6,816	9,874	11,329
Percentage of total	33.62%	41.94%	45.10%
Average age	38 yrs 7 mths	36 yrs 9 mths	36 yrs 2 mths
Male	40 yrs 10 mths	40 yrs 5 mths	40 yrs 2 mths
Female	34 yrs 2 mths	31 yrs 8 mths	31 yrs 3 mths
Average years of service	15 yrs 11 mths	13 yrs 10 mths	13 yrs 3 mths
Male	17 yrs 5 mths	16 yrs 11 mths	16 yrs 8 mths
Female	12 yrs 11 mths	9 yrs 6 mths	9 yrs 0 mths
Ratio of employees with disabilities (% of total)**	2.05%	1.95%	1.90%

\* The number of full-time employees, including employees seconded to other companies and organizations. The following have all been excluded from this total: executive officers, employees on short-term contracts, part-time employees, employees of temporary employment agencies, and national staff at overseas branches.

\*\* As of March 1 of the respective years

April 1	2008	2009	2010
Number of new hires	1,254	962	569
Number of newly employed female graduates***	518	388	204
Ratio of newly employed females to total new employees	41.3%	40.3%	35.9%

\*\*\* Includes *sogoshoku* staff and consumer service staff. Business Career Path employees are excluded.

Fiscal	2007	2008	2009
Number of women in managerial positions****	354	456	584
Number of employees taking leave for child-rearing	163	222	331
Men taking such leave	22	27	29
Number of career hires	500	136	11

\*\*\*\* As of the end of the fiscal year

### ◆ Sumitomo Mitsui Card

March 31	2008	2009	2010
Number of employees*	1,989	2,156	2,247
Male	1,075	1,112	1,133
Percentage of total	54.05%	51.58%	50.42%
Female	914	1,044	1,114
Percentage of total	45.95%	48.42%	49.58%
Average age	36 yrs 4 mths	36 yrs 2 mths	36 yrs 4 mths
Male	39 yrs 8 mths	39 yrs 8 mths	39 yrs 10 mths
Female	32 yrs 2 mths	32 yrs 6 mths	32 yrs 10 mths
Average years of service	10 yrs 3 mths	10 yrs 3 mths	10 yrs 7 mths
Male	10 yrs 9 mths	11 yrs 2 mths	11 yrs 6 mths
Female	9 yrs 6 mths	9 yrs 4 mths	9 yrs 7 mths

\* The number of full-time employees, including employees seconded to other companies and organizations. The following have all been excluded from this total: executive officers, employees on short-term contracts, part-time employees, employees of temporary employment agencies, and national staff at overseas branches.

April 1	2008	2009	2010
Number of new hires	114	98	84
Number of newly employed female graduates**	79	66	46
Ratio of newly employed females to total new employees	69.3%	67.3%	54.8%

\*\* Includes contract employees

### ◆ Sumitomo Mitsui Finance and Leasing

March 31	2008	2009	2010
Number of employees*	1,575	1,640	1,666
Male	1,022	1,023	1,035
Percentage of total	64.89%	62.38%	62.12%
Female	553	617	631
Percentage of total	35.11%	37.62%	37.88%
Average age	37 yrs 2 mths	37 yrs 1 mths	37 yrs 3 mths
Male	40 yrs 2 mths	40 yrs 2 mths	40 yrs 3 mths
Female	31 yrs 9 mths	32 yrs 0 mths	32 yrs 4 mths
Average years of service	12 yrs 1 mths	12 yrs 1 mths	12 yrs 5 mths
Male	14 yrs 6 mths	14 yrs 10 mths	15 yrs 2 mths
Female	7 yrs 8 mths	7 yrs 6 mths	8 yrs 0 mths

\* The number of full-time employees, including employees seconded to other companies and organizations. The following have all been excluded from this total: employees seconded from other companies and organizations, executive officers, employees on short-term contracts, part-time employees, employees of temporary employment agencies, and full-time employees of affiliates (including overseas subsidiaries).

April 1	2008	2009	2010
Number of new hires	48	40	28
Number of newly employed female graduates	5	2	1
Ratio of newly employed females to total new employees	10.4%	5.0%	3.6%

### ◆ Japan Research Institute

March 31	2008	2009	2010
Number of employees*	2,060	2,215	2,322
Male	1,618	1,732	1,792
Percentage of total	78.54%	78.19%	77.17%
Female	442	483	530
Percentage of total	21.46%	21.81%	22.83%
Average age	39 yrs 1 mths	38 yrs 11 mths	39 yrs 0 mths
Male	40 yrs 0 mths	39 yrs 8 mths	39 yrs 11 mths
Female	36 yrs 0 mths	35 yrs 11 mths	35 yrs 9 mths
Average years of service	9 yrs 8 mths	9 yrs 7 mths	9 yrs 11 mths
Male	10 yrs 0 mths	9 yrs 11 mths	10 yrs 3 mths
Female	8 yrs 8 mths	8 yrs 7 mths	8 yrs 8 mths

\* The number of full-time employees, including employees seconded to other companies and organizations. The following have all been excluded from this total: executive officers, employees on short-term contracts, part-time employees, employees of temporary employment agencies, and national staff at overseas branches.

April 1	2008	2009	2010
Number of new hires	139	147	50
Number of newly employed female graduates**	39	46	14
Ratio of newly employed females to total new employees	28.1%	31.3%	28.0%

\*\* Includes only *sogoshoku* staff. *Ippanshoku* staff are excluded.

### ◆ SMBC Friend Securities

March 31	2008	2009	2010
Number of employees*	1,911	2,011	2,072
Male	1,354	1,434	1,462
Percentage of total	70.85%	71.31%	70.56%
Female	557	577	610
Percentage of total	29.15%	28.69%	29.44%
Average age	36 yrs 9 mths	36 yrs 9 mths	36 yrs 11 mths
Male	39 yrs 3 mths	39 yrs 1 mths	39 yrs 4 mths
Female	30 yrs 9 mths	31 yrs 1 mths	31 yrs 4 mths
Average years of service	13 yrs 3 mths	13 yrs 2 mths	13 yrs 3 mths
Male	15 yrs 4 mths	15 yrs 1 mths	15 yrs 4 mths
Female	8 yrs 1 mths	8 yrs 3 mths	8 yrs 5 mths

\* The number of full-time employees, including employees seconded to other companies and organizations. The following have all been excluded from this total: employees on short-term contracts, part-time employees, employees of temporary employment agencies, and national staff at overseas branches.

April 1	2008	2009	2010
Number of new hires	280	232	148
Number of newly employed female graduates**	132	117	68
Ratio of newly employed females to total new employees	47.1%	50.4%	45.9%

\*\* Both non-area specified and area specified staff

### ◆ Nikko Cordial Securities

March*	2008	2009	2010
Number of employees**	7,137	6,004	6,584
Male	4,184	3,578	4,057
Percentage of total	58.62%	59.59%	61.62%
Female	2,953	2,426	2,527
Percentage of total	41.38%	40.41%	38.38%
Average age	37 yrs 8 mths	37 yrs 2 mths	38 yrs 1 mths
Male	38 yrs 11 mths	38 yrs 11 mths	39 yrs 6 mths
Female	36 yrs 0 mths	34 yrs 7 mths	35 yrs 9 mths
Average years of service	11 yrs 7 mths	12 yrs 0 mths	12 yrs 1 mths
Male	12 yrs 6 mths	13 yrs 0 mths	12 yrs 9 mths
Female	10 yrs 4 mths	10 yrs 7 mths	11 yrs 1 mths

\* As of March 1 of the respective years

\*\* The number of full-time employees, including employees seconded to other companies and organizations. The following have all been excluded from this total: executive officers, employees on short-term contracts, part-time employees, employees of temporary employment agencies, and national staff at overseas branches.

April 1	2008	2009	2010
Number of new hires***	408	182	159
Number of newly employed female graduates	136	53	54
Ratio of newly employed females to total new employees	33.3%	29.1%	34.0%

\*\*\* Professional staff (Classes I-II) and FA

• The combined employment ratio for persons with disabilities for the above six companies was 1.88% as of March 2010.

## Principal Work-Life Balance Systems (Employee Support Programs)

	SMBC	Sumitomo Mitsui Card	Sumitomo Mitsui Finance and Leasing	SMBC Friend Securities	Japan Research Institute	Nikko Cordial Securities
Parental leave	18 months or maximum of 2 years in case of inability to place in daycare center	18 months or maximum of 2 years in case of inability to place in daycare center	1 year or maximum of 18 months in case of inability to place in daycare center	18 months or maximum of 2 years in case of inability to place in daycare center	18 months or maximum of 2 years in case of inability to place in daycare center	Up to 3 years old
Leave for taking care of sick children	Up to March 31 in the 6th grade of elementary school (10 days per annum for one child; 20 days for two or more children)	Up to March 31 in the 6th grade of elementary school (5 days per annum for one child; 10 days for two or more children)	No restrictions on children's age or number of days leave	Up to March 31 in the 3rd grade of elementary school (5 days per annum for one child; 10 days for two or more children)	Up to March 31 in the 6th grade of elementary school (5 days per annum for one child; 10 days for two or more children)	Up to entry into elementary school
Shorter working hours	Employees can choose shorter working hours for each day or fewer days worked per week, both applicable up to March 31 in the 6th grade of child's elementary school.	Employees can choose shorter working hours for each day or fewer days worked per week, both applicable up to March 31 in the 3rd grade of the child's elementary school.	Employees can reduce daily working hours to a minimum of 5 hours 30 minutes up to March 31 in the 6th grade of the child's elementary school.	Employees can reduce daily working hours to between 6 hours and 6 hours 50 minutes up to March 31 in the 3rd grade of the child's elementary school.	Employees can choose to work 6 hours per day (9:30 to 16:30) up to March 31 in the 3rd grade of the child's elementary school (this system can be combined with flextime).	Up to child's entry into junior high school, employees can reduce working hours in increments of 30 minutes for a maximum reduction of 2 hours 30 minutes per day.
Restrictions on overtime	Up to March 31 in the 6th grade of elementary school	Up to March 31 in the 3rd grade of elementary school	Up to entry into elementary school	Up to March 31 in the 3rd grade of elementary school	Up to entry into elementary school	Up to entry into junior high school
Exemption from late-night work	Up to March 31 in the 6th grade of elementary school	Up to March 31 in the 3rd grade of elementary school	Up to entry into elementary school	Up to March 31 in the 3rd grade of elementary school	For employees who are pregnant or have given birth within 1 year	Up to entry into junior high school
Other principal systems	<ul style="list-style-type: none"> <li>• Work relocations</li> <li>• Child-care subsidies</li> <li>• Leave to care for sick family members</li> <li>• Shorter working hours to care for sick family members</li> <li>• System for rehiring former employees</li> </ul>	<ul style="list-style-type: none"> <li>• Work relocations</li> <li>• Child-care subsidies</li> <li>• Leave to care for sick family members</li> <li>• System for rehiring former employees</li> </ul>	<ul style="list-style-type: none"> <li>• Work relocations</li> <li>• System for rehiring former employees</li> </ul>	<ul style="list-style-type: none"> <li>• Leave to care for sick family members</li> <li>• Shorter working hours to care for sick family members</li> </ul>	<ul style="list-style-type: none"> <li>• Child-care subsidies</li> <li>• Leave to care for sick family members</li> <li>• Shorter working hours to care for sick family members</li> </ul>	<ul style="list-style-type: none"> <li>• Use of designated day-care center at discounted rates</li> <li>• Leave to care for sick family members</li> <li>• Special days off to care for sick family members</li> <li>• Staggered working hours (shift system)</li> </ul>