

■ Services for Corporate Clients

Providing funding to medium-sized corporations and SMEs

SMBC established its “Area” system in April 2014 in order to enhance its response to the needs for comprehensive corporate and consumer banking transactions of medium-sized and SME clients, including increasing business succession needs. The “Area” system enables us to provide specialized services taking advantage of the respective networks of SMFG/SMBC group companies, in addition to providing consultation services to corporate and individual clients. In addition to providing loans for business, SMFG/SMBC group companies provide meticulous support for clients’ diverse needs, including consultations on overseas business development or business-matching, business succession, corporate system reform; and consultations for the individual client’s asset management, loans, inheritance, and asset succession.

SMBC continues to work to accommodate diverse needs of medium-sized corporations and SMEs clients and their owners who continue to support the Japanese economy.

Support for the establishment of new industry, new businesses and growing company

At SMBC, a department specializing in supporting clients of growing companies has been established at its head office. By cooperating with group companies including SMBC Venture Capital Co., Ltd. and SMBC Nikko Securities, we provide solutions appropriate to the specific growth stage, such as providing loans especially made for growing companies, supporting the initial public offering of shares, or supporting the alliance with the major company. We provided loans to companies engaged in cloud computing and life science businesses through the “Growth Potential Evaluation Loan” which was launched for the purpose of strengthening lending to clients of growing companies. SMBC and the NEC group jointly established a venture fund in April 2012 for the purpose of supporting technology venture companies since their establishment; and in July 2013, we invested in the SMBC Agricultural Fund investing in agricultural companies.

Furthermore, SMBC and the Group continue to support growing companies while cooperatively working with diverse external entities by establishing business cooperation with Japan Finance Corporation in July 2014 for the support of growing companies.

Support for IPOs (IPO Navigator)

SMBC and SMBC Nikko Securities jointly started providing free information service exclusively for the registered members of the “IPO Navigator” since July 2010, for consistently and comprehensively supporting clients who are considering going public. The IPO Navigator has become the one-stop platform for enabling clients to access any necessary information for

IPO, enhanced by information provided by ten affiliated advisory companies and one sponsoring company. As of March 2015, the IPO Navigator is registered by clients of approximately 1,000 companies. IPO Seminars, which have been regularly held since February 2011 by inviting business managers of IPO companies to speak at the seminars, have been received positively by participants who plan to make an initial public offering. In fiscal 2014, we held seminars in the three cities of Tokyo, Osaka, and Nagoya; and Mr. Yoshiyuki Sankai, the president of CYBERDYNE Inc. (SMBC Nikko Securities acted as the lead manager for its share offering) and Mr. Minoru Nishimura, the president of ENBIO HOLDINGS, INC. (listed on the Tokyo Stock Exchange Mothers market in March 2014) were guest speakers. The seminars were well received by participants. SMBC and SMBC Nikko Securities continue to support clients who wish to go public.



Development of solutions for clients dealing with environment, risk management and food safety issues

SMBC develops solutions for clients dealing with diverse social issues, such as of environmental problems for resource and energy conservation, or global warming; countermeasures for natural disasters; or ensuring food safety.

In 2006, SMBC started to offer the “SMBC-ECO Loan” for SMEs which obtained the certification for environment management system; and Japan Research Institute subsequently developed the “SMBC Environmental Assessment Loans and Private Placement Bonds” to assess and rate the measures taken by clients for environment, and determine terms and conditions for loans according to the rating.

Subsequently, we derived from the similar arrangement to enhance the assessment-type loan products such as “SMBC Sustainable Building Assessment Loans and Private Placement Bonds,” “SMBC Food and Agriculture Assessment Loans and Private Placement Bonds,” “SMBC Business Sustainability Assessment Loans and Private Placement Bonds” and “SMBC Sustainability Assessment Loans and Private Placement Bonds,” for financially supporting clients of their initiatives for social issues.

We will continue to support clients for their further advancement through development of these solutions.

FY2008:	"SMBC Environmental Assessment Loans and Private Placement Bonds"	which assess the measures taken by clients for environment
FY2010:	"SMBC Environmental Assessment Loans and Private Placement Bonds, eco Value-Up"	
FY2011:	"SMBC Food and Agriculture Assessment Loans and Private Placement Bonds"	which assesses the measures taken by clients for safety and security of food, and agriculture
	"SMBC Sustainable Building Assessment Loans and Private Placement Bonds"	which assesses environment-friendliness and measures taken for risk management for the building owned or to be constructed by clients
	"SMBC Business Sustainability Assessment Loans and Private Placement Bonds"	which assesses the measures taken by clients for business sustainability in the event of emergencies such as earthquakes, floods, etc.
FY2013:	"SMBC Sustainability Assessment Loans and Private Placement Bonds"	which assesses and supports the measures taken for Environment, Society, and Governance (ESG) and appropriateness of information disclosure



Measures for finance facilitation

Basic policy

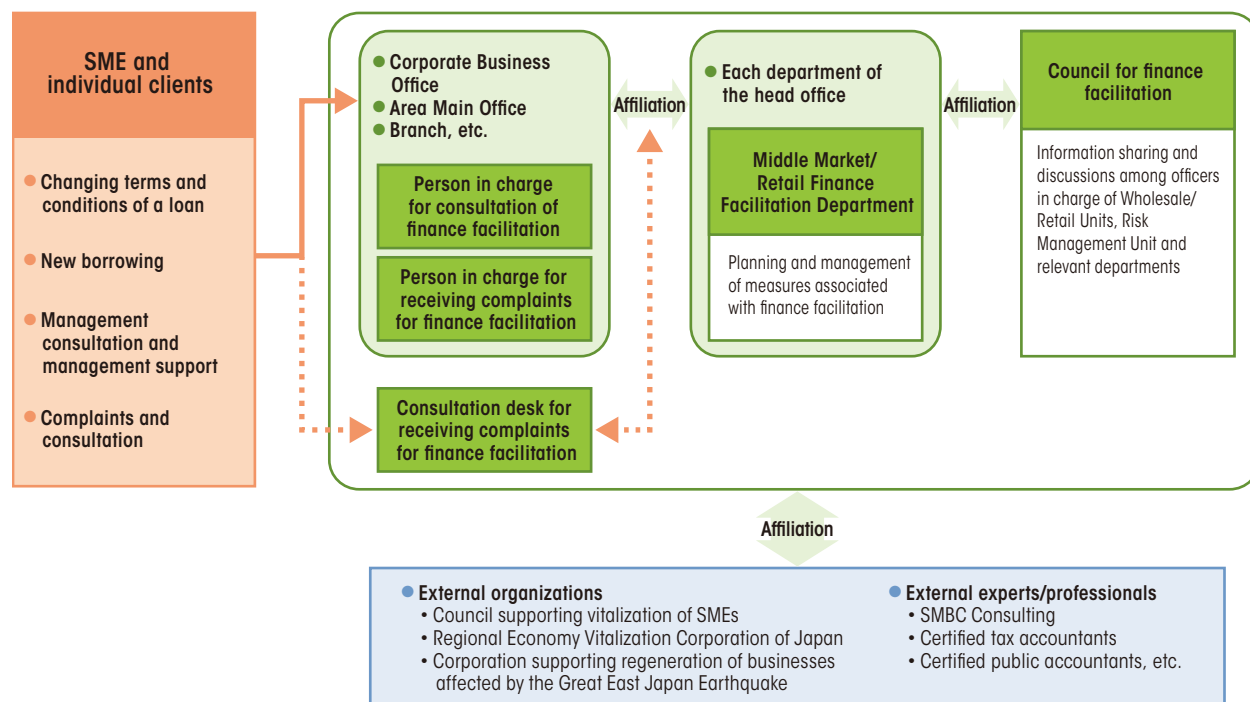
SMBC strives to provide sincere and meticulous services to clients, facilitate funding, and enhance consultation services, in accordance with SMBC's "Basic Policy for Finance Facilitation."

Basic policy for finance facilitation

1. Conduct appropriate review of applications submitted to apply for a new loan or request to ease loan conditions
2. Provide support appropriate to the measures taken by clients for management consultation, management guidance and management improvement
3. Strive to improve the ability to appropriately assess the value of client's business
4. Provide appropriate and thorough explanations to clients for the consultation and application for new loans or for easing loan conditions
5. Respond appropriately and adequately to clients for their requests or complaints regarding the consultation or application for a new loan or for easing loan conditions
6. In case that there are other relevant financial institutions involved in the consultation for easing loan conditions or any other requests, we maintain close liaison with such financial institutions
7. We appropriately respond as to guarantee for business manager in accordance with the "Guidelines for Guarantee for Business Manager."

System improvement

Head office and branches of SMBC continue to provide consultation services in an integrated manner.



Support for management improvement, business regeneration and business conversion

Even after the expiry of the SME Financing Facilitation Act, SMBC continues to provide efficient financial intermediary services and focus on management issues which clients are faced with, and to propose solutions appropriate to respective management issues or life phase in the client's perspective. We strive to improve our consultation services by spending adequate time with the clients. Specifically, we provide numerous and diverse loan products in order to accommodate the needs of clients for financing and resolving management issues; and we also provide solutions for business referrals (as explained below), overseas business development, or support for business succession (please refer to p.12 for "Support for business and asset succession.") Further, we also support clients for management improvement or business regeneration, while cooperating with external experts/professionals*¹ or external organizations*², by supporting measures for the plan of management improvement or giving advices for management improvement issues such as expense reduction or sale of assets.

*¹ SMBC Consulting, certified tax accountants, certified public accountants, etc.

*² Council supporting revitalization of SMEs, Regional Economy Vitalization Corporation of Japan, etc.

In particular, we continue to propose the most appropriate solutions and provide support for execution, while cooperating with the corporation supporting regeneration of businesses affected by the Great East Japan Earthquake or industrial restoration organizations, in order to provide solutions for clients affected by the Great East Japan Earthquake.

Measures for business referrals

SMBC strives to refer or introduce new business partners appropriate to the needs of clients by utilizing SMBC's "business referral service" for individually referring and introducing clients individually, in addition to referring or introducing a group of clients to the purchasing department of major corporations, and holding the "Business Negotiation Session"* of specific subject matter to refer or introduce a group of clients.

* In December 2014, the "Agribusiness-Matching" was held.

Under the current trend of globalization, the needs are even more diversified such as expanding distribution channels to a new overseas market or increasing suppliers mainly in the emerging countries.

In fiscal 2012, SMBC started to offer the "global business referral" service which is the business-matching with non-Japanese companies overseas to provide support and solutions for clients' overseas business development through the process of business referral with non-Japanese companies overseas.

Currently, the business-referral is limited in certain areas of Asia; however, we are in the process of expanding the service by making an alliance with the Industrial Technology Research Institute in Taiwan, in order to appropriately accommodate the diverse needs of clients, through the global business-referral by taking advantage of SMFG's domestic and overseas network.

Support for career education

As each university is required to enhance its "Career Education/Guidance Program" in accordance with the policies set forth by the Ministry of Education, Culture, Sports, Science and Technology, SMBC puts its efforts into connecting the "needs of career education of universities" and "industrial affiliated needs of clients." Specifically, SMBC cooperates with each university to support career education, and we also ask our clients to become instructors for the education programs to support the program. For instance, there is a problem-solving program that the client presents the business issue of "marketing of a new product development" and students and the person in charge of the company discuss in the program to jointly come up with a proposal for a resolution; or we offer lectures given by the client, including a founder of the venture company who speak on the trends in the industry and business from the perspective of developing entrepreneurs. Students commented that through practical learning with participating companies, they can work on to improve the competencies required in the society such as "problem solving," "presentation skills" and "team work." On the other hand, clients commented that innovative concepts and ideas of students may give them clues for new business opportunities, in addition to enhancing their CSR initiatives. We continue to contribute to our clients' business development by providing assistance and support while cooperating beyond our business framework.

Support for overseas development

In the midst of clients' increasing needs for overseas development, SMBC's Global Advisory Department provides detailed information on business sectors and respective laws and regulations to clients who are actually considering the overseas development, in addition to holding seminars providing information on such as global economic conditions or economic and financial developments of respective countries, and trends of overseas development made by Japanese companies. We provide clients with the up-to-date information of local conditions, relevant regulations and industrial trends. As for clients who have already developed their business overseas, we provide high-quality support and solutions for their business expansion and business reorganizational needs. Further, the Global Business Promotion Department also supports clients' general foreign exchange transactions by giving advice with respect to their trading transactions or holding practical seminars.



Measures for the Greater China region (People's Republic of China, Hong Kong and Taiwan)

In order to provide attentive services for integrated domestic and overseas offices by taking advantage of knowhow accumulated in Japan for the Greater China region where many Japanese companies have expanded, SMBC's domestic department has proceeded to plan and promote transactions with Japanese companies for Sumitomo Mitsui Banking Corporation (China) Limited, and Hong Kong and Taipei branches since 2010 and 2011, respectively.

The Free Trade Experimental District was established in Shanghai in September 2013 to proceed with liberalization in the areas of finance and trading. SMBC (China) established a representative office in that district in February 2014, and we are accommodating clients' new needs for such as cross-border fund management and support for new investments in deregulated businesses.

In February 2014, a representative office was also opened in Kunshan in Jiangsu Province. This brought our total number of offices in China to 16 offices, consisting of 9 branches, 6 representative offices and the Dalian Representative Office of SMBC. Together with the Hong Kong and Taipei branches, we continue to develop a solid network in the Greater China region. As for additional internationalized renminbi business, the South China Department of Transaction Business Division established in Hong Kong mainly handles such business, the business results of which are steadily increasing. We will continue to provide up-to-date information and services in Japan and overseas, and focus to promote renminbi businesses.

SMBC strives to further improve its integrated services in Japan and overseas while cooperating with the SMFG Group companies that have expanded into the Greater China region such as SMBC Nikko Securities, Sumitomo Mitsui Finance and Leasing, and Sumitomo Mitsui Card.

Measures taken for vitalization of local regions in Japan

Measures taken jointly with local government entities and regional financial institutions

As the economy changes, the responsibilities and roles of local government entities and regional financial institutions are also diversifying. Consequently, the expectation for the support for local industrial development and overseas development of local companies continues to increase. The extensive network overseas and accurate and timely information collection will become necessary for such local government entities and regional financial institutions. To serve such needs, we are forming partnerships with local governments and regional financial institutions using SMFG networks within Japan and overseas to provide a wide range of services.

Furthermore, as of April 2015, SMBC has executed business alliance agreements to support overseas businesses with THE MINATO BANK, LTD., Kansai Urban Banking Corporation, Mie Bank, Ltd. and seven other banks. As local recreation is being considered as an important policy issue, respective

local governments developed their "Regional Comprehensive Strategy" to work on initiatives for local revitalization. SMBC continues to support initiatives of the respective local governments, including the Hyogo Prefecture which executed the industrial development cooperation agreement with SMBC. We continue to work with clients on initiatives for local recreation by developing contacts between local governments and private companies which are proactive for local business development.

Topics

◆Japan Growth Strategy Cross-Functional Team

SMBC established the "Japan Growth Strategy Cross-Functional Team" ("CFT") in April 2014, as a cross-departmental team to support, through financial businesses, the "industries" which continue to support Japan in 5 and 10 years through financial businesses and to contribute to the growth of the Japanese economy. The CFT collects information and knowledge related to growing sectors as considered by SMBC and the Group, and it specifically supports clients' businesses in terms of finance and management by assisting with origination through execution of the projects. In the foreseeable future, the CFT will support sectors which are subject to the Japanese Government's Japan Revitalization Strategy, focusing on such as agriculture, healthcare, energy, and infrastructure. SMBC continues to contribute to the growth of clients and development of Japanese economy through these CFT's activities, and it also accelerates creating the reputation that SMBC/SMFG is strong in growth areas.

◆SMBC Nadeshiko Loan and Private Placement Bonds

SMBC began offering "SMBC Nadeshiko Loan and Private Placement Bonds" in January 2015 to support clients who promote initiatives for participation and advancement of women in business. When the loan is executed, the Japan Research Institute will measure in its own criteria and disclose conditions of the initiatives taken by the client for women's participation and advancement in business, and it also provides information on precedents resolving issues of such initiatives. SMBC continues to financially support clients' initiatives for promoting participation and advancement of women in business.

