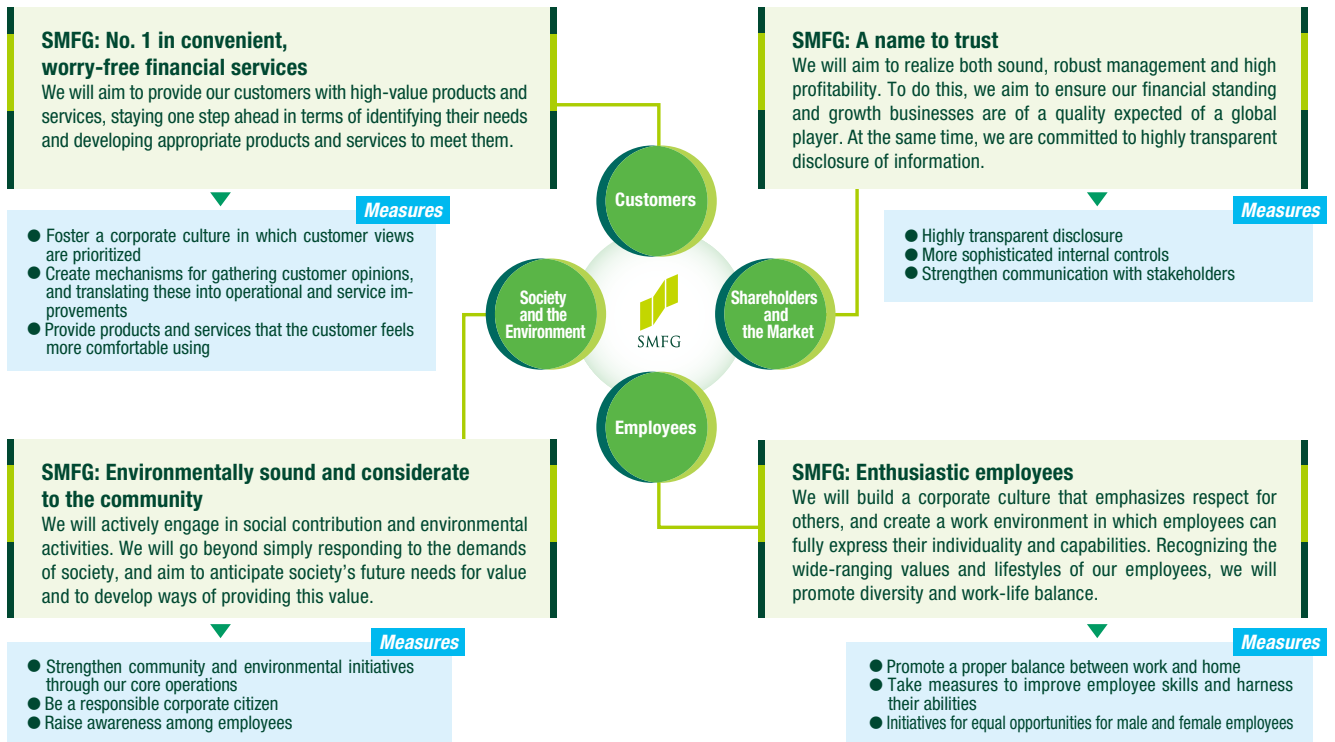


CSR Management at SMFG

SMFG's Stakeholders and Target Identity

We have classified the stakeholders of the Group into four categories: (i) customers, (ii) shareholders and the market, (iii) society and the environment, and (iv) employees. Through our CSR activity we aim to provide added value while balancing the interests of these stakeholders. To do this, it is essential to appreciate and understand the concerns and needs of our stakeholders, and that is why we actively maintain two-way communication with our stakeholders.



Management Approach for Target Achievement

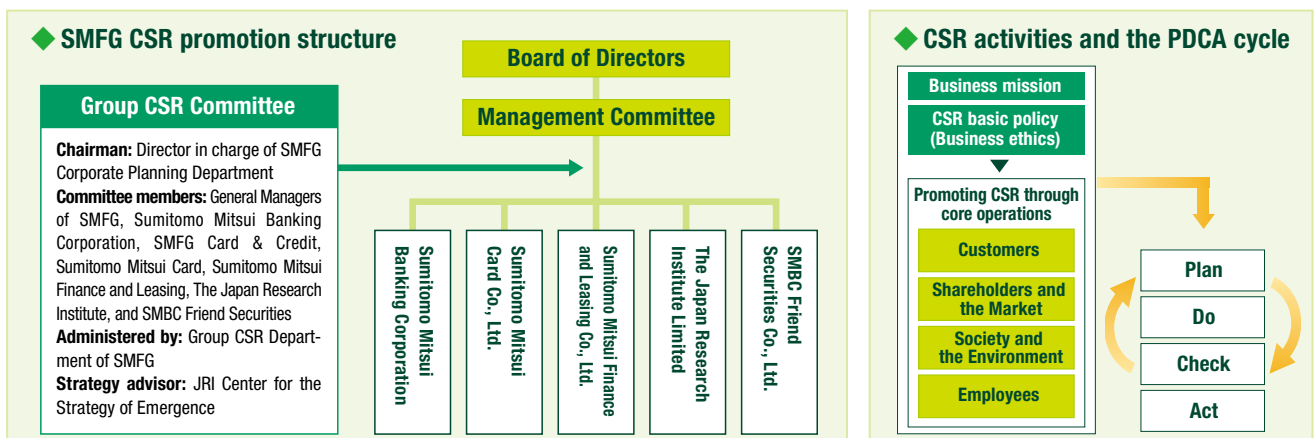
We have established the Group CSR Committee, administered by the Group CSR Department, to assess the CSR implementation plans of the whole Group, and manage progress.

Specifically, departments are assigned responsibility for each target, and the Group CSR Department and assigned departments jointly conduct annual reviews of progress made in these initiatives. The results of these

reviews are reported to the Group CSR Committee. The Group CSR Department and assigned departments also conduct a joint examination of plans for the following financial year, the findings of which are subsequently assessed by the Group CSR Committee.

In this way, we use the PDCA cycle in our CSR initiatives.

From page 13 of this report, readers will find diagrams showing progress in PDCA activities for each stakeholder category.



Improvements to the CSR Report and Our CSR Activities

◆ Comments from our stakeholders regarding CSR initiatives and SMFG's responses

In publishing the CSR Report 2008, we received a lot of suggestions from our stakeholders, in the form of the third-party opinions, a readers' questionnaire and internal feedback. Based on these comments and suggestions, we have made the following changes.

Comments on CSR Report 2008	Changes in CSR Report 2009	Page
<p>Third-party opinion (page 30) One issue is creating a system for ensuring that opinions and experiences cited by people outside and inside the Company are reflected in operational management.</p>	<ul style="list-style-type: none"> In the Commitment from the Top, we have discussed the importance of stakeholder engagement (proactively reflecting opinions of stakeholders in our management). 	3-4
<p>Third-party opinion (page 30) I would expect to see fewer differences in disclosure performance between different companies and departments of the Group.</p>	<ul style="list-style-type: none"> We have included a year-by-year breakdown of progress in CSR issues for each stakeholder group. Please see below for details of our communication record with stakeholders as a whole. We have reported on customer satisfaction policies at Group companies. 	13, 15, 18, 19, 22, and 25 14
<p>Third-party opinion (page 30) With regard to social contribution activities, I would like to see more on benefits for and appraisals from the community, not just a description of activities and targets of contributions.</p>	<ul style="list-style-type: none"> We have overhauled targets and categories in our social contribution activities to better clarify benefits for and appraisals from the community, inasmuch as this is feasible. We have also included a world map with actual projects to make it easier for our readers to keep track of our global CSR activities. 	25-29
<p>Questionnaire on CSR Report 2008 I would like to have learned more about CSR activities by employees.</p>	<ul style="list-style-type: none"> We have added more information on diversity (for example, a column on employees who change position within the company). We have reported employee perspectives on social contribution activities (charity concerts). 	19-21 29
<p>Questionnaire on CSR Report 2008 and employee opinions There should be more information on approaches taken towards shareholders and markets.</p>	<ul style="list-style-type: none"> We have included a new page on this subject in this year's report. 	18
<p>Employee voices There should be more disclosure of activities of each company in the Group and overseas activities.</p>	<ul style="list-style-type: none"> We have established pages in our website detailing CSR undertakings by each Group company and overseas unit. We have increased our coverage of overseas initiatives. 	27-28
Comments on CSR Report 2007	Changes in CSR Report 2009	Page
<p>Stakeholder dialogue I think SMFG should develop and provide financial products giving individual deposit holders the option to contribute to environmental protection.</p>	<ul style="list-style-type: none"> We report on this in the environment activities report (section: Examples of initiatives targeting environmental businesses at a glance). For individual customers, we have launched environment-related commercial marketing of Japanese government bonds and mortgage loans. 	24

We will continue to use this CSR Report as a tool for communication with our stakeholders, and as a basis for future SMFG activities.

◆ Stakeholder communication: Performance in fiscal 2008 and policies for fiscal 2009

For each class of stakeholder—customers, shareholders and the market, society and the environment, and employees—we have included a summary of developments in relevant pages. Detailed reports can be found at our website.

Topic	Performance in fiscal 2008	Policies for fiscal 2009
<ul style="list-style-type: none"> Arranging wide-ranging stakeholder dialogues Adding more information on overseas initiatives and strengthening communication targeting overseas stakeholders 	<ul style="list-style-type: none"> Dialogue focused on aspects of "universal design" and "universal services" with qualified Service Care Attendants (temporary agency staff) and others Dialogue with other companies on protection of biodiversity Dialogue on Green New Deal and the finance industry 	<ul style="list-style-type: none"> Strengthen external communications Arrange continuous stakeholder dialogue Strengthen communication with socially responsible investment (SRI) research institutions and individual investors, etc. Strengthen internal communications Expand training for overseas employees Compile diversity report (for external and internal use)