

Third-Party Opinion



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In response to major changes in the operating environment—the financial crisis and economic downturn—that began in autumn 2008, SMFG has designated fiscal 2009 as a year for “establishing the next foundation for future growth, while continuing to strengthen businesses consistent with our philosophy of ‘follow the basics,’” and has launched strategic initiatives to “strengthen targeted growth business areas” and “fortify the platform for supporting sustainable growth.”

The current fiscal year is the final year of the medium-term management plan launched in 2007. Through the LEAD THE VALUE plan, SMFG has been integrating CSR initiatives into its business operations. In particular, the Group has adopted the practice of examining CCF (Customer Comes First & Compliance Comes First) Action Plans, as well as business plans, of all units (business and administrative) at the Management Committee’s review of the previous year’s business activities and the setting of goals for the following fiscal year. Further, in implementing the CCF Action Plans, the PDCA (plan-do-check-act) cycle is established for each unit’s priority policies, and “branch management and customer focus” is given equal weight with “single-year business results” in the assessment of unit’s/manager’s performance.

Incorporating CSR policies into the management process is the departure point. I expect CSR initiatives to permeate the workplace, helping foster organizational cohesion and ensuring a firmer competitive footing.

There are also increasing signs of greater activities to enhance customer satisfaction as well as product and service quality, including initiatives to review basics such as further improving business etiquette. A system for

incorporating customer opinions into products and services is also taking shape. Information is collected from branches and other business offices, input into a database, verified by the relevant departments, and fed back to the branches for response and follow-up measures. In particular, SMFG has been taking measures to improving the effectiveness of monitoring and the efficiency of compliance systems. For these activities to truly become embedded in the corporate culture, it will be necessary for SMFG to commit to ongoing initiatives, not in a top-down way, but by drawing heavily on the front-line knowledge of managers and employees themselves, continually mindful of the need to further deepen customer trust.

In the section on social contribution activities, SMFG appears to have decided to create a separate category for “social enterprises and investments.” For financial institutions, the importance of addressing social issues has increased steadily. SMFG is already involved in a range of initiatives to foster environmental businesses. As a responsible provider of investment and finance, high hopes are placed in its role of initiating and fostering businesses that seek to tackle social and environmental issues. I have expectations for real progress in the area of social innovation, which is likely to grow more important in the future.

Finally, I want to say a few things about striking a balance between consolidation and expansion (defense and attack) from a slightly different perspective. The CCF Action Plan seems at first glance to be consolidatory, but if it really takes root, it will become a tool of expansion. For CCF to work, it needs to be based on an organizational climate enabling effective communication between the customer and the employees, and employees and other employees and their superiors, and a dedication on the part of each employee to his or her work. In an organization where everybody can express their opinions in a spirit of respect and diversity, compliance awareness will also be strong, and new ideas will emerge more readily. In other words, I hope to see a model of business in which consolidation and expansion aims are integrated, and contributions are made to the sustainable development in society on a basis of public and market trust.

Response to the Third-Party Opinion

Takeshi Kunibe

Director of CSR, Sumitomo Mitsui Financial Group



This is the fifth year since SMFG began fully-fledged CSR activities. During that time, we have set a vision for each category of stakeholder with regard to CSR and established policy measures accordingly, based on the PDCA cycle. Over the last few years, SMFG has made a groupwide effort to strengthen its CSR systems through establishment of a marketing approach that puts the customer first and creation of a compliance framework, steadily implementing the CCF Action Plan.

As a result, we have reconfirmed the correctness of our policy

orientation on the basis of Professor Tanimoto’s approval of our measures to “fortify the platform for supporting sustainable growth.” While continuing to strike a suitable balance between consolidation and expansion, we will continue to refine our proposals for social solutions that lead to the building of a new society.

Effective communication—reflecting stakeholder views in our management and ensuring understanding and shared commitment by employees—is a priority for us. As a financial services group with a significant public role, we are committed to further strengthening our CSR activities in order to meet the expectations of the public.