

SMFG's policy regarding strategic shareholdings of other listed companies and standards as to appropriate response in executing voting rights of the holdings

Policy regarding strategic shareholdings

- In principle, SMFG does not hold the shares of other listed companies where "the rationale" to hold those shares cannot be recognised. This policy is in place in order to help maintain SMFG's financial soundness, taking into consideration the standards of globally operating financial institutions and our proactive response to global regulation.
- We determine "the rationale to hold" as where the shareholding will contribute to increase SMFG's corporate value in the medium to long term. We determine this with comprehensive consideration based on (a) the profitability - through an appropriate assessment and understanding of relevant factors, such as associated risks, costs and returns of the holding; (b) the objectives to hold - such as maintaining and strengthening our relationship, capital and business alliance, restructuring support, and (c) other relevant factors.
- We examine "the rationale to hold" on a regular basis. We will continue to hold shares where we recognise there is good rationale for doing so. Where an appropriate rationale no longer exists, we will sell them by taking into consideration various factors, such as market impact and the financial strategy of the issuers.

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Standards as to appropriate response in executing voting rights of strategic shareholdings

- In principle, SMFG executes voting rights on all proposals.
- From the perspective of increasing the corporate value over the medium to long term of the corporation in which we hold strategic shareholdings, we determine whether to vote for or against each individual proposal, taking into account the issuer's management situation.
- If there is any concerns about a conflict of interests occurring, we implement measures in accordance with the Management Policy Concerning Conflicts of Interests.

(as of July 3rd, 2015)