

Support for Mid-Sized Corporations and SMEs, Vitalization of Local Regions in Japan

Services for Corporations

Through the Area Corporate Office, SMBC provides services to mid-sized corporations and SME clients. The Area Corporate Office has in place a system for providing specialized services utilizing the networks of SMBC Group companies to address customers' funding needs, wide-ranging financial needs, and management issues. We are also supporting customers' business continuity through funding assistance via means such as setting up a special fund specifically for mid-sized corporations and SME clients that continue to be impacted by factors including the COVID-19 pandemic, the Ukraine crisis and higher oil prices.

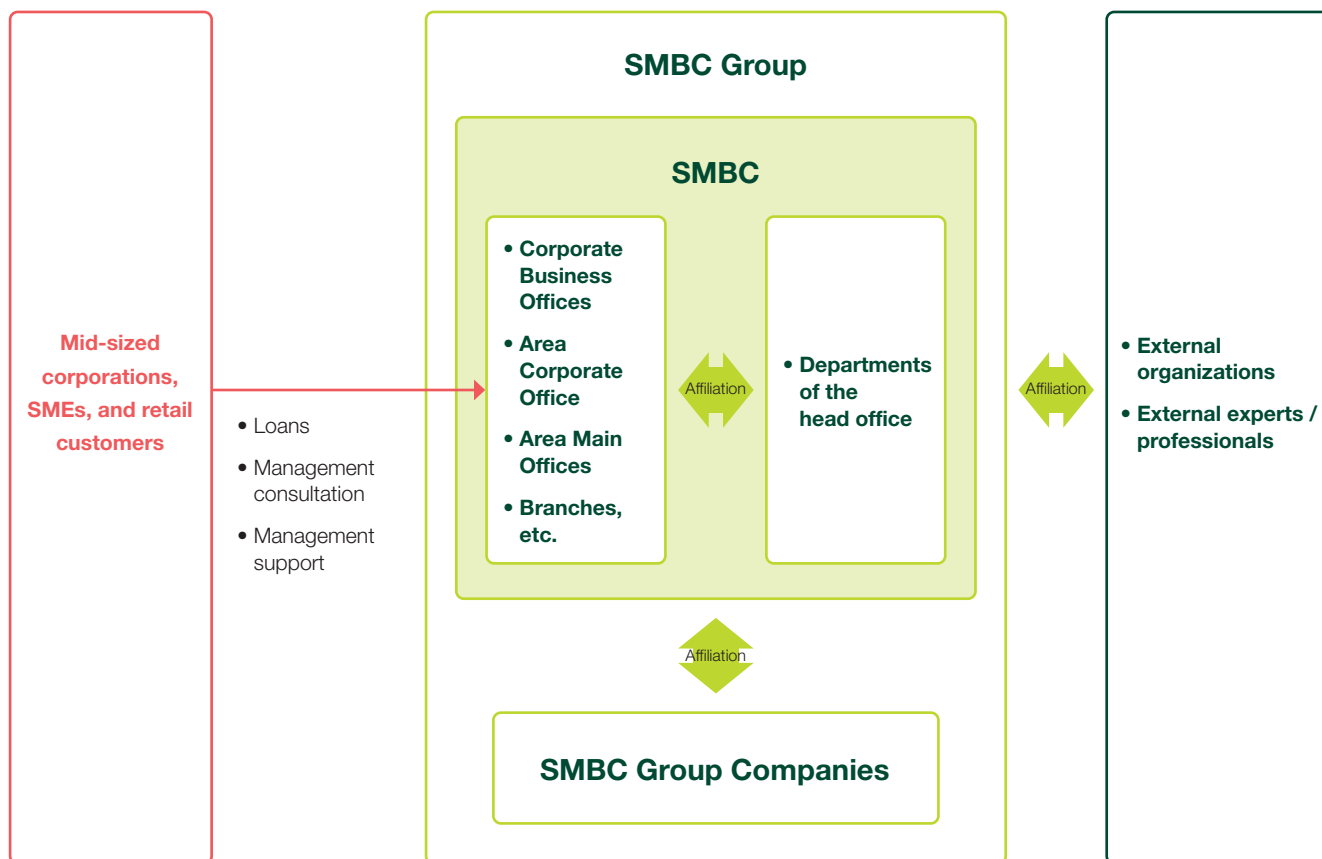
Going forward, we will continue to fulfill our social responsibility as a financial institution by providing support based on the customer's standpoint.

Collaboration with Local Credit Guarantee Corporations

SMBC offers Business Select Loans, a loan service that offers unsecured and unguaranteed financing, and also provides jointly guaranteed loans and support for using prefectural financing systems in Japan through collaboration with local credit guarantee corporations, enabling it to meet the funding needs of customers that continue to be impacted by factors including the COVID-19 pandemic, the Ukraine crisis and higher oil prices.

Credit Guarantee Corporation	Name
Credit Guarantee Corporation of Tokyo	SMBC Strengthen Management Base Guarantee (SDGs, electronic contracts)
Credit Guarantee Corporation of Kanagawa	Kanagawa Asset 200
Credit Guarantee Corporation of Osaka	CS Next Guarantee
Credit Guarantee Corporation of Hyogo-Ken	HIYAKU

Support System for Mid-Sized Corporations and SMEs



Support for Improved Management, Business Turnaround, and Business Transformation

Along with its efforts to fulfill its financial intermediary function smoothly, SMBC seeks to provide solutions to management issues, putting itself in the position of the client to devise optimum proposals based on the nature of the issues and the client's stage in life. Examples include offering a full range of loan products designed to meet funding needs and address management issues. We also provide solutions in such areas as business matching, overseas business development, and business succession.

In addition, based on the "Guidelines for Business Revitalization, etc. of Small- and Medium-sized Enterprises" released in March 2022, we are coordinating with external experts^{*1} and external organizations^{*2} as appropriate to support customers to improve and revitalize their businesses. This includes, for example, support to formulate business improvement plans and advice on cost reduction and asset sales.

We are also proposing solutions and providing implementation support to our customers who have been affected by natural disasters, COVID-19, the situation in Ukraine as well as rising oil prices to help them rebuild their lives and businesses.

^{*1} SMBC Consulting, certified tax accountants, certified public accountants, etc.

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

Involvement in Regional Revitalization

It is becoming more important for regions to exercise their overall capabilities. There are thus high expectations for contributions that financial institutions can make by leveraging their wide-reaching information networks.

In September 2020, SMBC Group set up hoops link kobe in the SMBC Kobe head office building. This innovation center is operated together with KIP Hyogo, an entrepreneur-support organization based in Hyogo Prefecture.

We followed this up with the opening of the adjacent UNOPS Global Innovation Center Japan, an international organization aimed at contributing to the accomplishment of the United Nations Sustainable Development Goals through collaboration with domestic and international start-ups and global companies, in November 2020. This organization is utilized by many seeking to promote open innovation and industry-academia collaboration within the region.

Furthermore, the Kansai Growth Strategy Department was established in April 2021, to create new businesses in order to contribute to the ongoing growth of the Kansai region by utilizing SMBC Group's information and network in preparation for Expo 2025 Osaka, Kansai, Japan.

At the same time, we will continue to work with local government entities and regional financial institutions across Japan, drawing on SMBC Group's network to contribute to local economies through regional revitalization.



Closing ceremony of the SDGs FutureCity Yokohama project

Measures for Finance Facilitation

SMBC's "Basic Policy for Finance Facilitation" underlies efforts to be diligent and thorough in the provision of funding and consultation.

"Basic Policy for Finance Facilitation"

1. Conduct appropriate review of applications submitted for a new loan or requests to modify loan conditions
2. Provide appropriate management consultation and guidance for clients and appropriate support for management improvements
3. Strive to improve the ability to assess the value of a client's business appropriately
4. Provide appropriate and thorough explanations to clients in consultations and applications for new loans or modification of loan conditions
5. Respond appropriately and adequately to client inquiries regarding new loan and modification consultations and applications and to consulting requests or complaints
6. Liaise closely with other financial institutions involved in applications for modifying loan conditions, applications for support through public and third-party institutions, or other applications
7. Respond appropriately in respect of personal guarantees in accordance with the "Guidelines for Personal Guarantee Provided by Business Owners"