

Customer-Oriented Initiatives

Basic Approach

“We grow and prosper together with our customers by providing them with services of greater value.” Making this commitment a component of “Our Mission,” we work toward the enhancement of Customer Experience (CX) and quality through collaboration among Group companies.

Promotion Structure

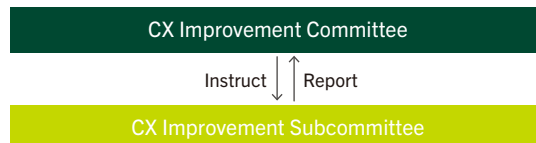
We have established the CX Improvement Subcommittee and the CX Improvement Committee as bodies through which we advance initiatives, reinforce management systems, and promote Group coordination related to customer-oriented business operation.

The CX Improvement Subcommittee invites external experts as advisors and engages in exchanges of opinions for further entrenchment of customer orientation. The CX Improvement Committee, which has members of the Group Management Committee as its members, deliberates on measures based on reports from the CX Improvement Subcommittee.

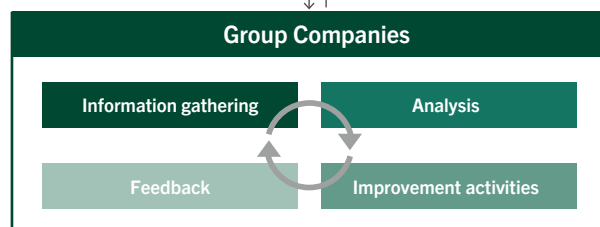
The appropriateness and efficacy of customer-oriented business operation is reviewed and assessed by the Audit Department, which reports its findings regularly to the Audit Committee, a subcommittee of the Board of Directors, and to the Group Management Committee. Customer feedback, including complaints, is also regularly reported to the Audit Committee.

Incorporation of Customer Feedback into Management

Holding Company (Sumitomo Mitsui Financial Group)



Verify ↓ Report/Share ↑



Customer

Declaration of Compliance with ISO 10002

SMBC, SMBC Nikko Securities, and SMBC Consumer Finance have declared their intent to comply with the ISO 10002 (JIS Q 10002) international standard with regard to their processes for incorporating customer feedback into management.



Initiatives to Improve Product and Service Quality

To provide products and services grounded in a customer-oriented approach, SMBC Group always confirms that a customer need for the products and services exists, and that adequate assessments and responses to potential risks are taken during the planning and development stages. We also carry out periodic quality reviews of existing services. The CX Improvement Subcommittee, composed of external experts and heads of relevant departments, reviews and discusses the efforts of Group companies to improve the quality of products and services.

Customer-Oriented Business Conduct

Based on the “Principles for Customer-Oriented Business Conduct” guidelines on fiduciary duties released by the Financial Services Agency, SMBC Group has formulated its “Basic Policy for Customer-Oriented Business Conduct” and “Basic Policy for Customer-Oriented Business Conduct in the Retail Business Unit.”

Basic Policy for Customer-Oriented Business Conduct* (excerpt)

■ **Initiatives for Customer-Oriented Business Conduct**
SMBC Group will implement the following initiatives to enforce customer-oriented business conduct.

1. Provision of Products and Services Suited to the Customer
2. Easy-to-Understand Provision of Important Information
3. Clarification of Fees
4. Management of Conflicts of Interest
5. Frameworks for Properly Motivating Employees, etc.

Through such initiatives, SMBC Group aims to facilitate the shift from savings to asset formation in Japan. To facilitate customers' understanding of SMBC Group's initiatives, we will regularly disclose information on the status of initiatives under our basic policy. To achieve better business operation, we verify the status and outcomes of initiatives, undertake revisions as necessary, and disclose details.

* **Group companies subject to the basic policy:**
Sumitomo Mitsui Banking Corporation, SMBC Trust Bank Ltd., SMBC Nikko Securities Inc., Sumitomo Mitsui DS Asset Management Company, Limited



See pages 170 and 171 of the Appendix for more information on the “Basic Policy for Customer-Oriented Business Conduct.”

Policy on Specific Initiatives in the Retail Business Unit

Based on Sumitomo Mitsui Financial Group's “Basic Policy for Customer-Oriented Business Conduct,” the Retail Business Unit further sets policy on specific initiatives for offering service as a retail company engaged in asset management and asset formation for retail customers. The Retail Business Unit acts under a Plan–Do–Check–Act (PDCA) cycle that entails disclosing specific “Integrity Indicators,” confirming and analyzing their status, and utilizing them to improve business operation.

● Policy on Initiatives

1. Customer-Oriented Wealth Management Proposals

Based on Medium- to Long-Term Diversified Investment

With a focus on accurately addressing customers' wealth management needs for asset protection and formation, we will offer customer-oriented wealth management proposals based on medium- to long-term diversified investment. Through this approach, we will focus on the customer-oriented provision of financial products.

2. Improvement of our Products Lineup Based on Customer-Oriented Business Conduct

We will enhance our product lineup through ongoing revisions, utilizing third-party evaluations of our products and Group companies' products as necessary, to accurately address customers' needs for asset protection or formation. We will also enhance the information we provide to customers and take steps to make it easy to understand.

3. Enhancement of Customer-Oriented After-Sales Services

We will strive for attentive after-sales services to support long-term holding of our wealth management products with confidence.

4. Improvement of Customer-Oriented Performance Evaluation Systems

We will improve our performance evaluation systems to encourage employees in carrying out effective customer-oriented sales activities.

5. Initiatives for the Improvement of Consulting Capabilities

We will continuously enhance our consulting capabilities to ensure that we propose optimal solutions to customers' wide-ranging needs.

Rebuild Corporate Infrastructure

Customer-Oriented Initiatives

Integrity Indicator*

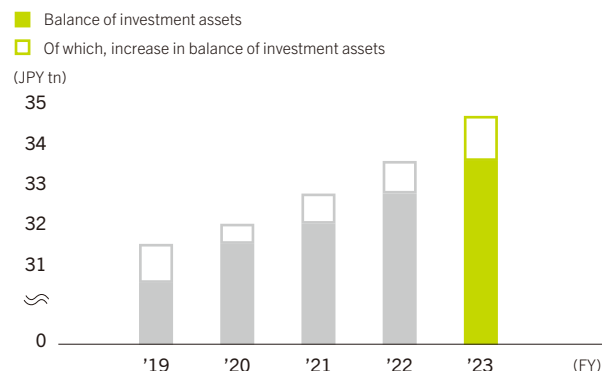
- ① Increase in balance of investment assets
- ② Balance of investment trusts and fund wraps
- ③ Number of customers holding wealth management products
- ④ Sales ratio by wealth management product
- ⑤ Investment trust cancellation rate
- ⑥ Fund wrap contract and cancellation amounts
- ⑦ Amount of fixed-term foreign currency deposits, foreign currency balance
- ⑧ Number of investment trust and automatic foreign currency deposit accounts
- ⑨ Investment trust and automatic foreign currency deposit amounts
- ⑩ Number of NISA Accounts
- ⑪ Lump-sum insurance product sales amounts by product
- ⑫ Ratio of investment trust products of Group companies
- ⑬ Investment trust (including fund wraps) sales (contract) amounts (by monthly payment type or other)
- ⑭ Customer ratio by investment trust/fund wrap operation gain/loss
- ⑮ Cost and return of top-ranked (by balance) investment trust products
- ⑯ Risk and return of top-ranked (by balance) investment trust products
- ⑰ Customer ratio by foreign currency-denominated insurance management rating
- ⑱ Cost and return by foreign currency-denominated insurance products
- ⑲ Status of FP qualification holding

* As of June 2024

● Progress of main Integrity Indicators

Increase in balance of investment assets (Integrity Indicator ①)

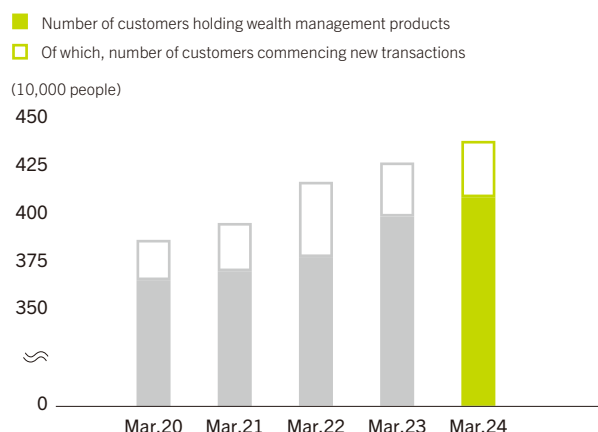
In FY2023, the total balance of investment assets for SMBC, SMBC Nikko Securities, and SMBC Trust Bank continued to grow due in part to the continuation of customer-oriented initiatives focused on medium- to long-term diversified investment.



* Combined results for Sumitomo Mitsui Banking Corporation Retail Business Unit and SMBC Nikko Securities Sales Division (Retail)
The balance of investment assets before FY2021 is calculated by deducting the increase in the balance from the balance in FY2022."

Number of customers holding wealth management products (Integrity Indicator ③)

We continue to increase the number of customers holding wealth management products by working to accurately address customers' needs for asset protection or formation.



Number of investment trust and automatic foreign currency deposit accounts (Integrity Indicator ⑧)

To respond to the needs of customers seeking to begin acquiring assets, we have been aggressively proposing investment trust products that allow for small-sum investments as well as time-dispersed investments in automatic foreign currency deposits. As a result, there has been steady growth in the number of investment trust and automatic foreign currency deposit accounts.

