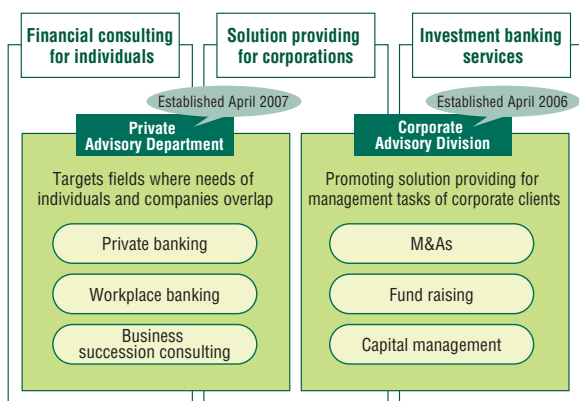


## ■ Targeting Issues Involving Companies and Individuals



### Private Advisory Department

SMBC established its Private Advisory Department in April 2007. It targets growing business opportunities in private banking services, assistance in securing and retaining human resources, and business succession advisory services for retiring SME owners in Japan. These three trends accompany the emergence of a class of wealthy entrepreneurs, and the ongoing retirement of the baby boomer generation with the resultant difficulty companies are now experiencing in hiring qualified new employees against the backdrop of the dearth of young job seekers.

At its offices in Tokyo and Osaka, SMBC's Private Advisory Department deploys some 150 specialist staff, including consultants in such fields as personalized asset management, human resources strategy consulting, advice on the design of employee benefits and pension programs, business succession plans, and related asset inheritance plans.

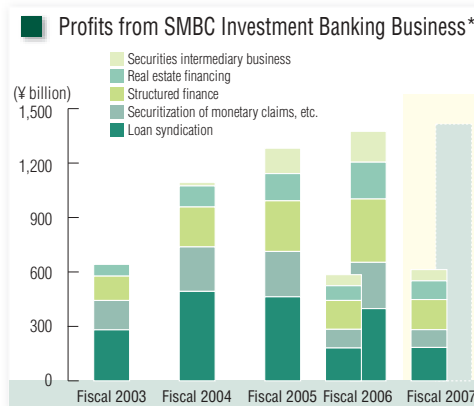
The Private Advisory Department works closely with other SMBC departments and companies under the umbrella of SMFG, aiming to provide corporate customers with even more effective services by optimally combining their differing areas of expertise to create new business processes.

- In the Department's private banking business, during the six-month reporting period, the lineup of financial products targeted at high net worth individuals was enhanced by the addition of four new investment vehicles featuring alternative assets such as commodities. To enable the staff at SMBC branches to propose sophisticated and highly effective solutions to customers' asset investment needs, they are assisted by head office specialist staff at our regional corporate banking divisions, which have supervisory authority over all branches within their own region.
- The Corporate Employees Business provides support for the discovery and application of new solutions to corporate clients' personnel-related issues that go beyond traditional banking services. The Department employs seminars to help clients identify the issues they need to address prior to the creation of employee benefit programs that will enable them to retain the qualified staff they need. The department also offers consulting services to help them select the optimum solutions, including referral to welfare agencies. In the field of defined-contribution pension plans, SMBC has increased its investment in the pension fund management company Japan Pension Navigator Co., Ltd. to upgrade the company's services.
- A large number of customers have come to us for advice on matters relating to business succession. In these cases, we carefully take into account not only the situations of individual business owners, but also those of their family, the intended successor, and of the business itself. We propose detailed, tailor-made solutions and provide follow-up support, taking into consideration the needs and feelings of all parties involved.

## ■ Investment Banking

In recent years, the management issues faced by our corporate clients have become increasingly diverse and complex. This stems from the rapid globalization of business markets and institutions. Consequently, we now need to develop more advanced financial engineering methods to be able to propose solutions to such issues.

SMFG effectively leverages the resources of SMBC's Investment Banking Unit and other Group companies to provide corporate clients with optimal solutions to their wide-ranging needs, including financing, asset management, corporate reorganizations, risk hedging, company-to-company settlement, and so on. In these ways, we help clients develop their businesses and raise their enterprise value still further.



\*Figures for the securities intermediary business represent total fees and commissions received from individuals and corporate clients. For other businesses, the figures represent the net profits used for SMBC's managerial accounting, which includes miscellaneous fees and commissions as well as interest income.

### Topics

#### New fund procurement methods for growth companies

The Merchant Banking Department has been set up within the Investment Banking Unit to enable SMBC to offer more diversified fund procurement methods to companies with high growth potential. This new department strengthens our ability to facilitate corporate growth through the provision of funds derived from direct private equity and mezzanine debt investments. Through collaboration with other Group companies, or joint investment ventures arranged with private investment funds, SMBC responds to the needs of its clients for diversification of their fund procurement methods. These investments are combined with consulting and data-provision services offered to the investment-target companies.

#### Environmental Products Office set up

SMBC has set up an Environmental Products Office within its Structured Finance Department. Centered on the emissions trading system aimed at preventing global warming, the Office works with SMBC's branches and the offices of other Group companies in countries all around the world to devise and propose solutions to clients' varied environmental needs.