

## ■ Corporate Banking

### Improving Products and Services for Mid-sized Companies and SME's

#### ●Initiatives to facilitate financing

SMBC believes that facilitating the efficient supply of funds to its clients is one of its main social responsibilities as a financial institution. We are making our best efforts, under increasingly difficult global financial conditions, to proactively facilitate financing appropriate to the needs of our mid-sized and SME corporate clients. To this end, SMBC established its Middle Market Facilitating Financing Department in December 2009 under the Planning Department of the Middle Market Banking Unit.

We will continue to implement initiatives to identify the constantly changing needs and issues of our corporate clients, and offer customized products and services in order to support their business development.

#### ●Development of solutions to meet corporate clients' needs in the areas of environmental protection, risk management and food safety

The issues faced by companies are becoming more diversified every year, including natural resources, energy-saving and global warming of environmental issues; disaster countermeasures; and food safety, etc. The bank develops various solutions to assist and support clients who have promptly responded to such issues.

SMBC's Environmental Assessment Loan/Private Placement Bond, which was offered in 2008 to support environmental management for our clients, initiated SMBC to develop a number of financial products such as the SMBC Environmental Assessment Loan/Private Placement Bond eco value up which supports mid-sized companies and SMEs in their commitment to environmental management, launched in 2010; and the SMBC Sustainable Building Assessment Loan/Private Placement Bond launched in 2011, which includes appraisals of environmental performance and risk readiness in office and condominium buildings built or owned by clients. The SMBC Business Continuity Assessment Loan package supports measures taken by clients to ensure business succession. The SMBC Food and Agriculture Assessment Loan/Private Placement Bond evaluates measures undertaken by food products-related companies to ensure food safety and healthy and safe agriculture.

We will continue to assist and support clients who proactively implement forward-looking measures for diverse issues by developing these solutions.

#### ●Service of providing Information

SMBC's "Intermediary Services" provide services to meet the needs of our clients to be referred to new business partners, and the "One-time Matching" of a large number of clients for procurement purposes for major corporations.

We also held our fourth SMFG Environmental Business Forum in December 2011, which was a part of "Eco-Products 2011" in Tokyo Big



Sight, for the promotion of environmental businesses. At this annual event, we arranged approximately 1,000 business meetings to match the increasing energy and environmental procurement needs of major corporations with the growing needs of SMEs for new distribution channels. At this event, our Group companies exhibited diverse environmental solutions, held panel discussions, and provided environmental information.



Furthermore, the bank and SMBC Nikko Securities made an announcement for the new system of the "IPO Navigator" in July 2010, an online information providing service offered free of charge to registered clients considering an IPO. This is a platform for delivering information required for an IPO. As of March 31, 2012, 431 companies were registered for this service. In February 2012, the third IPO seminar was held in Tokyo. The guest speaker for the seminar was Kentaro Takamura, the president of 3-D Matrix, Ltd. which was listed on the "JASDAQ Growth" market in October 2011 and for whom SMBC Nikko Securities served as the lead manager for its IPO. He spoke on his experience of listing the company. He was warmly received by the participants of the seminar.



### Enhancing Services for Companies Expanding Overseas

An increasing number of our corporate clients are expanding their businesses overseas. As such, they are faced with growing needs to address not limited to such issues as fund procurement and management but also including different business practices, cultures and interpretation of legal, accounting, and taxation systems.

SMBC has strengthened its integrated system for domestic and international branch offices to properly respond to its clients in providing solutions for cross-border issues.

SMBC organizes and holds seminars for individual countries such as China, other countries in Asia, and South America, to provide information on a regular basis on economy and investment environment in each country. For clients considering to expand their businesses overseas, the bank provides the latest information on local conditions, regulations and business trends, etc. For clients who are already operating their businesses globally, we provide high-quality support and solutions tailored to their needs for business expansion and reorganization, etc.

## Strengthening Measures for Greater China

As the economic integration continues in Greater China (PRC, Hong Kong and Taiwan), and the renminbi is becoming more an international currency, we still anticipate that more Japanese companies may enter into the Chinese market or develop their business to capture growing business opportunities.

In order to strengthen the integrated support system for clients whose business covers both Japanese and Chinese markets, SMBC transferred its business responsibilities for the planning, promotion, and management of transactions between its Chinese subsidiary of Sumitomo Mitsui Banking Corporations (China) Limited and Japanese corporate clients from the International Banking Unit to the Corporate Banking Unit in fiscal 2010. The same was done for the Hong Kong and Taipei branches in fiscal 2011.

The "South China Department" was established in Japan in October 2011 in order to respond promptly and flexibly to the needs of mostly Japanese corporations operating in southern China. Following the opening of the Shenzhen Branch in May 2011, the bank plans to reopen the Chongqing office as the locally-incorporated branch office in the first six months of 2012.

The bank is also proactively enhancing offshore renminbi products and services as the needs of clients for these transactions associated with cross-border renminbi settlements are increasing, not limited to in Hong Kong market but also in Japan, as a result of the increased trade settlements with China.

We continue to comprehensively provide our customized services to our clients by supporting their head offices in Japan and business operations in China.

## Enhanced Initiatives for Public and Financial Sectors

As the Japanese economy continuously evolves, the responsibilities of local government and financial institutions are becoming more sophisticated and diversified. We believe that an extensive international network, and accurate and timely collection of information are necessary for supporting regional industrial promotion, attracting companies, building social infrastructure, creating environmental measures, and supporting local companies to expand their businesses into overseas markets.

In order to respond to the needs of our clients, the Group provides diverse services by using its networks in Japan and overseas, while pursuing alliances with local government agencies and financial institutions. We executed an alliance agreement with the city of Kita-Kyushu in June 2011 for the industrial promotion of Kita-Kyushu, which plans to further develop its growing industries strategically. Since fiscal 2010, we have also established operational alliances with the Kansai Urban Banking Corporation, Mie Bank, Ltd. and five other banks to better support companies expanding their businesses into overseas markets.

Our initiatives for the current fiscal year are focused on supporting local public corporations which have incurred substantial damages due to the Great East Japan Earthquake for their recovery, in accordance with the recovery plan submitted by each prefecture, including Miyagi Prefecture, with which we executed a Cooperative Agreement for the Promotion of Industry in fiscal 2008.

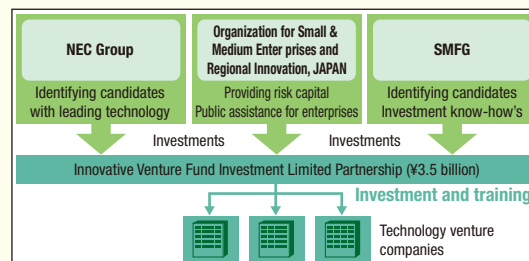
## Topics

### ◆ Establishment of joint venture fund with NEC Group

NEC Capital Solutions Limited and SMBC Venture Capital Co., Ltd. jointly established the Innovative Venture Fund Investment Limited Partnership in April 2012, invested by the Organization for Small & Medium Enterprises and Regional Innovation, JAPAN and SMBC Strategic Fund NO.1 Investment Limited Partnership.

We leverage the synergy generated from NEC Group's technology and SMBC's financial solution providing capabilities to support technology venture companies from their start-up stage.

#### Fund structure



### ◆ SMBC Business Continuity Assessment Loan/Private Placement Bond

Lately, we have seen an increasing number of companies which have been unable to continue to operate their business due to extraordinary events of swine flu, epidemics and major floods. Concurrently, the diversification and globalization of companies and the increasing supply chains have been adversely affected by unexpected events. The needs for risk management seem to have increased especially after the Great East Japan Earthquake on March 11, 2011. In light of such social background and based on the evaluation standards jointly developed by SMBC and InterRisk Research Institute & Consulting, Inc.\*, in November 2011, SMBC began to offer the "SMBC Business Continuity Assessment Loan/Private Placement Bonds" which advises on planning for business continuity plans (BCP), development of business continuity management system (BCMS) and promoting measures; SMBC is setting forth the business continuity planning (BCP); evaluating the development and operations status of business continuity management system (BCMS); and providing loans or determining purchasing terms and conditions according to such evaluation results. There have been approximately ten issues of "SMBC Business Continuity Assessment Loan/Private Placement Bonds" since June 2012 for companies including Nippon Flour Mills Co., Ltd., the first company to concur with the concept of the said bonds.

In March 2012, SMFG organized free business succession plan seminars participated in by approximately 660 clients in Tokyo and Osaka for providing measures to assist clients with their business succession issues.

The bank supports establishing of organizational structures for assisting companies to deal with business succession-related issues if and when they are faced with major events. The bank contributes to realization of a sustainable society by supporting measures to improve financial risk management for companies.

\*InterRisk Research Institute & Consulting, Inc.

MS&AD Insurance Group Holdings, Inc., the consulting company engaged in the risk management business.