

## ■ Services for corporate clients

### Providing funding to medium-sized companies and SMEs

SMBC proactively implements appropriate measures for finance facilitation and economic vitalization by meticulously understanding circumstances of each client and making diverse proposals for finance facilitation, as we strongly believe that our social responsibilities are to proactively provide funding to meet the needs of our medium-sized and SME clients and to support measures for their management improvement.

Specifically, our product of “*Business Select Loan*,” which offers unsecured or unguaranteed loans to clients, is being utilized by many clients.

Additionally, in conjunction with the *Business Select Loan*, as for the loans guaranteed by the National Federation of Credit Guarantee Corporations, SMBC accommodates the funding needs of clients by offering our specially-designed loans jointly guaranteed by SMBC and the local credit guarantee corporation of each region.

We continue to proactively provide funds and support the management of medium-sized companies and SMEs which support the Japanese economy.

### Support for the establishment of new industry, new businesses and growing company

At SMBC, a department specializing in supporting clients of growing companies has been established at its head office. By cooperating with SMBC Venture Capital Co., Ltd. and SMBC Nikko Securities, we provide solutions appropriate to the specific growth stage, such as providing loans especially made for growing companies, supporting the initial public offering of shares, or supporting the alliance with the major company.

In April 2012, SMBC and the NEC group jointly established a venture fund for the purpose of supporting technology venture companies. We have invested in companies that develop the packaging business of next-generation semi-conductors, provide advanced solutions for the Machine-to-Machine and Mobile Device Management, and develop advanced distributed processing technology for the game cloud service. Further, SMBC and the Osaka University jointly established a “Cooperative Unit for Creating New Industry” in November 2012, for the purpose of creating and developing new venture businesses initiated by the Osaka University.

SMBC and the Group companies are all committed to supporting growing companies while cooperatively working with diverse external entities.

### Support for IPOs (IPO Navigator)

SMBC and SMBC Nikko Securities jointly started providing free information service exclusively for the registered members of the “IPO Navigator” since July 2010, for consistently and comprehensively supporting clients who are considering going

public. The IPO Navigator has become the one-stop platform for enabling clients to access any necessary information for IPO, enhanced by information provided by ten affiliated advisory companies and two sponsoring companies. As of March 2013, the IPO Navigator is registered by clients of approximately 600 companies. In February 2013, SMBC and SMBC Nikko Securities held their fifth “IPO Seminar.”

Mr. Mitsuru Izumo, the president of euglena Co., Ltd., spoke on his “experience for listing” at the seminar, invited by SMBC Nikko Securities, the lead manager for the euglena listing for Mothers on the Tokyo Stock Exchange in December 2012. Mr. Tomotaka Goji of the University of Tokyo Edge Capital (“UTECH”) also spoke on the “Points to bear in mind for the growth of venture company.” SMBC and SMBC Nikko Securities continue to support clients who wish to go public.



### Development of solutions responding to the corporate needs such as environment, risk and food safety

The issues for clients, such as measures for environmental problems of resource and energy conservation or global warming, countermeasures for natural disasters, or ensuring food safety, are yearly becoming diversified.

SMBC developed and offered a series of products since 2006, as follows, for supporting clients who promptly respond to such issues: 1) “SMBC-ECO Loan” which support the measures taken by SMEs which obtained the certification for environment management system; 2) “SMBC Environmental Assessment Loans and Private Placement Bonds” which assess the measures taken by clients for environment; 3) “SMBC Environmental Assessment Loans and Private Placement Bonds, eco Value-Up” which assess the measures taken by clients of medium-sized companies and SMEs for environment; 4) “SMBC Sustainable Building Assessment Loans and Private Placement Bonds” which assess environment-friendliness and measures taken for risk management for the building owned or to be constructed by clients; 5) “SMBC Business Sustainability Assessment Loans and Private Placement Bonds” which assess the measures taken by clients for business sustainability in the event of emergencies such as earthquakes, floods, etc.; and 6) “SMBC Food and Agriculture Assessment Loans and Private

Placement Bonds” which assess measures taken by clients for safety and security of food, and agriculture. In 2013, SMBC began offering “SMBC Sustainability Assessment Loans and Private Placement Bonds” which assess the measures taken for environment, society and governance, and appropriateness of information disclosure.

We continue to support clients who take innovative measures by developing solutions such as the above.

## Measures for finance facilitation

### Basic policy

SMBC strives to provide sincere and meticulous services to clients, facilitate funding, and enhance consultation services, in accordance with SMBC’s “Basic Policy for Finance Facilitation.”

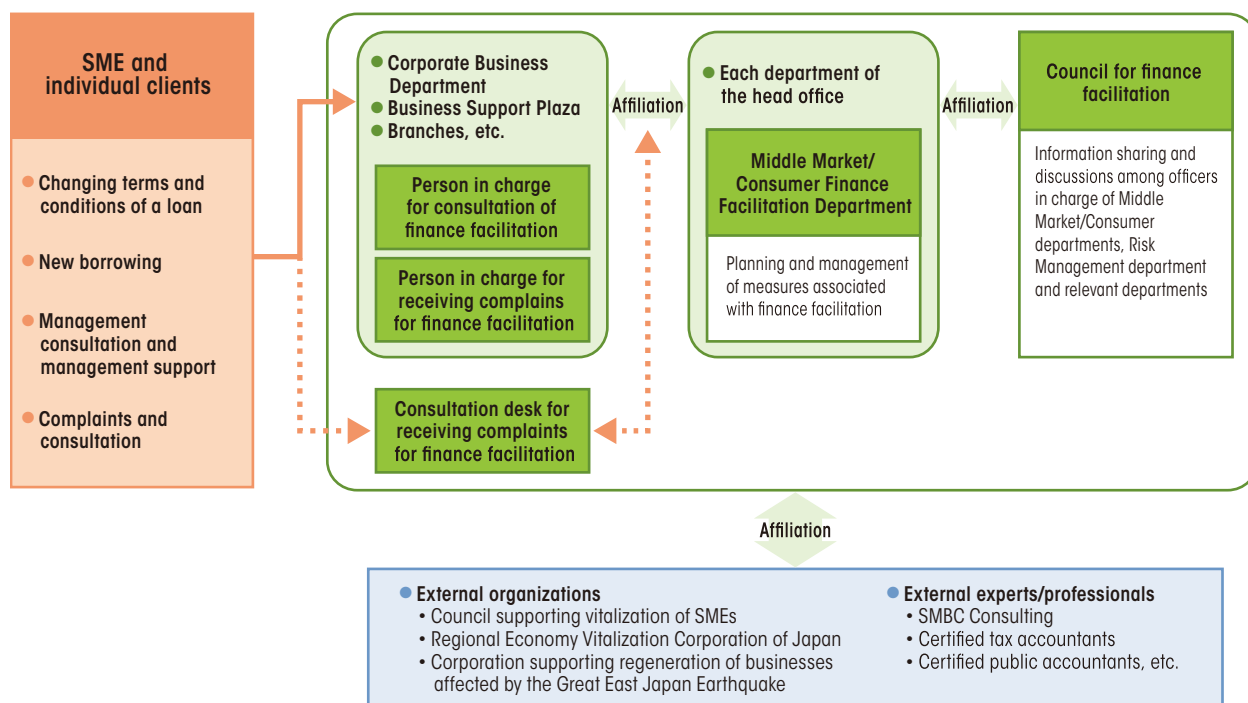
In particular, we put all of our efforts for facilitating finance by providing thorough explanations for clients to feel assured regarding our position for financing, especially after the expiry of the SME Financing Facilitation Act (March 2013).

### Basic policy for finance facilitation

1. Conduct appropriate review of applications submitted to apply for a new loan or request to ease loan conditions
2. Provide support appropriate to the measures taken by clients for management consultation, management guidance and management improvement
3. Strive to improve the ability to appropriately assess the value of client’s business
4. Provide appropriate and thorough explanations to clients for the consultation and application for new loans or for easing loan conditions
5. Respond appropriately and adequately to clients for their requests or complaints regarding the consultation or application for a new loan or for easing loan conditions
6. In case that there are other relevant financial institutions involved in the consultation for easing loan conditions or any other requests, we maintain close liaison with such financial institutions

### System improvement

Head office and branches of SMBC continue to provide consultation services in an integrated manner.



## Support for management improvement, business regeneration and business conversion

Even after the expiry of the SME Financing Facilitation Act, SMBC continues to provide efficient financial intermediary services and focus on management issues which clients are faced with, and to propose solutions appropriate to respective management issues or life phase in the client's perspective. We strive to improve our consultation services by spending adequate time with the clients.

Specifically, we provide numerous and diverse loan products in order to accommodate the needs of clients for financing and resolving management issues; and we also provide solutions for business referrals (as explained below), overseas business development, or support for business succession (please refer to p.12 for "Support for business and asset succession"). Further, we also support clients for management improvement or business regeneration, while cooperating with external experts/professionals<sup>\*1</sup> or external organizations<sup>\*2</sup>, by supporting measures for the plan of management improvement or giving advices for management improvement issues such as expense reduction or sale of assets.

<sup>\*1</sup> SMBC Consulting, certified tax accountants, certified public accountants, etc.

<sup>\*2</sup> Council supporting revitalization of SMEs, Regional Economy Vitalization Corporation of Japan, etc.

In particular, we continue to propose the most appropriate solutions and provide support for execution, while cooperating with the corporation supporting regeneration of businesses affected by the Great East Japan Earthquake or industrial restoration organizations, in order to provide solutions for clients affected by the Great East Japan Earthquake.

## Measures for business referrals

SMBC strives to refer or introduce new business partners appropriate to the needs of clients by utilizing SMBC's "business referral service" for individually referring and introducing clients individually, in addition to referring or introducing a group of clients to the purchasing department of major corporations.

Under the current trend of globalization, the needs are even more diversified such as expanding distribution channels to a new overseas market or increasing suppliers mainly in the emerging countries.

In fiscal 2012, SMBC started to offer the "global business referral" service which is the business-matching with non-Japanese companies overseas. We provide support and solutions for clients' overseas business development through the process of business referral with non-Japanese companies overseas. Currently, the business-referral is limited in certain areas of Asia; however, we are in the process of expanding the service in order to appropriately accommodate the diverse needs of clients, through the global business-referral by taking advantage of SMFG's domestic and overseas network.

## Support for career education

In accordance with the amendment adopted for the University Establishment Criteria in April 2011, the "Career Education/Guidance Program" of each university is being enhanced. SMBC puts its efforts into connecting the "needs of career education of universities" and "industrial affiliated needs of clients." Specifically, SMBC cooperates with each university to support career education, and we also ask our clients to become instructors for the education programs to support the program. For instance, our client presents the business issue of "marketing of a new product development." Students and the person in charge of the company discuss in the program to jointly come up with the proposal for resolving such issue. Our clients also speak on the trends of industry or business.

Through this practical experience of working with participating companies, students may be able to increase their social awareness and develop their abilities required in the society for "working as a team, such as expressing and listening abilities," "the ability to think to identify an issue, and creativity." On the other hand, our clients appreciate unconventional concepts and ideas of students which may give our clients new ideas or perspectives for their businesses.

We continue to contribute to our clients' business development by providing assistance and support while cooperating beyond our business framework.

## Support for overseas development

As the number of clients moving into overseas markets increases, so their need for fund procurement and management solutions, and also for help in understanding local business customs, cultures and systems, has grown. SMBC's Global Advisory Department responds, in an integrated manner, to resolving issues for clients by transmitting overseas information of respective economy and holding seminars prepared for respective country in China, Asia, Europe and U.S.

We provide clients with the up-to-date information of local conditions, relevant regulations and industrial trends. As for clients who have already expanded their business to overseas, we provide high quality support and solutions tailored to each of their needs. We also support foreign exchange transactions for clients by giving advices on their trading business or holding seminars.



## Enhancement of measures for the Greater China region

Due to the economic slowdown in China, financial results of certain Japanese companies seem to be adversely affected; however, the importance of the Greater China market (PRC, Hong Kong and Taiwan) has not declined and the company's entry to the market and business development seem to continue.

SMBC designates Greater China region as an important market, and we have improved our domestic and overseas structure to be able to integrally and efficiently provide high-quality services, while cooperating with SMFG group companies, in order to respond to the diverse needs of clients of the region.

In China, Sumitomo Mitsui Banking Corporation (China) Limited ("SMBCCN"), SMBC's subsidiary in China, became the first Japanese bank's subsidiary to establish a branch in Chongqing in August 2012 in order to provide meticulous services for clients to develop their businesses to the inland of the mainland China.

As a result, the number of offices in the mainland China has grown to fifteen, consisting of SMBCCN's eight branches, including the Shanghai Head Office, four representative offices, and two SMBC branches\*. Together with SMBC's Hong Kong and Taiwan branches, we have established a very adequate office network in China.

\*Representative office in Dalian and Shanghai Branch

Our South China Dept, which was established two years ago, promptly and consistently provides information regarding relevant regulations and trends in south China. As the needs of clients for renminbi-related services are growing steadily, we thoroughly respond to such needs by cooperating with the transaction business department established in Tokyo in April 2012.

Our domestic and overseas offices integrally continue to further enhance their services provided in Greater China, in order to appropriately respond to the confidence of clients.

## Measures taken for vitalization of local regions in Japan

### Measures taken jointly with local government entities and regional financial institutions

As the economy changes, the responsibilities and roles of local government entities and regional financial institutions are also diversifying. Consequently, the expectation for the support for local industrial development and overseas development of local companies continues to increase. The extensive network overseas and accurate and timely information collection will become necessary for such local government entities and regional financial institutions. To serve such needs, we are forming partnerships with local governments and regional financial institutions using SMBC group networks within Japan and overseas to provide a wide range of services.

SMBC has been proactively involved since the conceptual phase of the industrial development for accumulation of

medical-related industries in Kobe city and for strategic development of growing industry in Kita-Kyushu. In fiscal 2008, Miyagi Prefecture became the main prefecture in Japan with which we signed an industrial development cooperation agreement. We continue to financially assist local governments affected by the Great East Japan Earthquake for their restoration plan. Furthermore, SMBC has executed a business alliance agreement to support overseas businesses with THE MINATO BANK, LTD., Kansai Urban Banking Corporation, Mie Bank, Ltd. and six other banks.

## Topics

### ◆Kobe Medical Industrial City

Kobe City is promoting the "Kobe Medical Industrial City (Kobe Cluster)" project for medical-related industries. This project started as the restoration business after the Kobe earthquake, and it consolidates "highly-specialized hospital facilities," "advanced medical research facilities," and "sophisticated computation and science facilities, as represented by the super-computer 'K'," to the Port Island in Kobe. It works on the clinical application and commercialization of pharmaceutical products, regeneration medicine and medical equipment. It is also a national project and designated as one of the areas for the "Kansai Special District of Integrated International Strategy for Innovation."

SMBC has been deeply involved since the conceptual phase of the "Kobe Medical Industrial City" project, and it has participated in the project as one of the members of the local company. In fiscal 2013, we financially supported by providing the start-up capital for the establishment of the "Kobe minimally invasive cancer medical center," a major medical center for the advanced cancer medical treatment which may significantly reduce the burdens for the cancer patient. The development of medical industries is an important measure taken not only for, the improvement of medical standards, but also for vitalization of the local economy. SMBC continues to cooperate for the promotion of the "Kobe Medical Industrial City" project.

