

■ Services for corporate clients

Providing funding to medium-sized companies and SMEs

SMBC 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 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.

We provided loans to companies engaged in cloud computing and recycling businesses through the “Growth Potential Evaluation Loan” which was launched for the purpose of strengthening lending to clients of growing companies. A venture fund, which was jointly established in April 2012 by SMBC and NEC group for the purpose of supporting technology venture companies since their establishment, invested in venture companies of communications of next generations and of life science-related businesses.

SMBC and the Group are committed to supporting growing companies while cooperatively working with diverse external entities by investing agricultural companies through SMBC Agricultural Fund invested in July 2013.

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 one sponsoring company. As of March 2014, the IPO Navigator is registered by clients of approximately 750 companies.

IPO Seminars, which have been regularly held since February 2011 by inviting business managers of IPO companies to speak at the seminars, have been received positively by participants who plan to make an initial public offering.

In fiscal 2013, Mr. Shuichi Takenaga, the president of Aucfan Co., Ltd. (SMBC Nikko Securities acted as the lead manager for the listing on the Tokyo Stock Exchange Mothers market in April 2013) and Mr. Norimichi Soga, the president of Nitta Gelatin Inc. (listed on the Tokyo Stock Exchange, Second Section and First Section in December 2011 and December 2012, respectively) were invited as speakers at the seminars. The seminars were well received by participants.

SMBC and SMBC Nikko Securities continue to support clients who wish to go public.



Development of solutions for clients dealing with environment, risk management and food safety issues

SMBC develops solutions for clients dealing with diverse social issues, such as of environmental problems for resource and energy conservation, or global warming; countermeasures for natural disasters; or ensuring food safety.

In 2006, SMBC offered the “SMBC-ECO Loan” for SMEs which obtained the certification for environment management system; and Japan Research Institute subsequently developed the “SMBC Environmental Assessment Loans and Private Placement Bonds” to assess and rate the measures taken by clients for environment, and determine terms and conditions for loans according to the rating.

Subsequently, we derived from the similar arrangement to enhance the assessment-type loan products such as “SMBC Sustainable Building Assessment Loans and Private Bonds,” “SMBC Food and Agriculture Assessment Loans and Private Placement Bonds,” “SMBC Business Sustainability Assessment Loans and Private Placement Bonds” and “SMBC Sustainability Assessment Loans and Private Placement Bonds,” for supporting clients to promote their initiatives for social issues.

As of March 2014, the amount of assessment-type loans provided has exceeded JPY 1 trillion.

We will continue to support clients for their further advancement through development of these solutions.

FY2008:	"SMBC Environmental Assessment Loans and Private Placement Bonds"	which assess the measures taken by clients for environment
FY2010:	"SMBC Environmental Assessment Loans and Private Placement Bonds, eco Value-Up"	
FY2011:	"SMBC Food and Agriculture Assessment Loans and Private Placement Bonds"	which assesses the measures taken by clients for safety and security of food, and agriculture
	"SMBC Sustainable Building Assessment Loans and Private Placement Bonds"	which assesses environment-friendliness and measures taken for risk management for the building owned or to be constructed by clients
	"SMBC Business Sustainability Assessment Loans and Private Placement Bonds"	which assesses the measures taken by clients for business sustainability in the event of emergencies such as earthquakes, floods, etc.
FY2013:	"SMBC Sustainability Assessment Loans and Private Placement Bonds"	which assesses and supports the measures taken for Environment, Society, and Governance (ESG) and appropriateness of information disclosure



Measures for finance facilitation

Basic policy

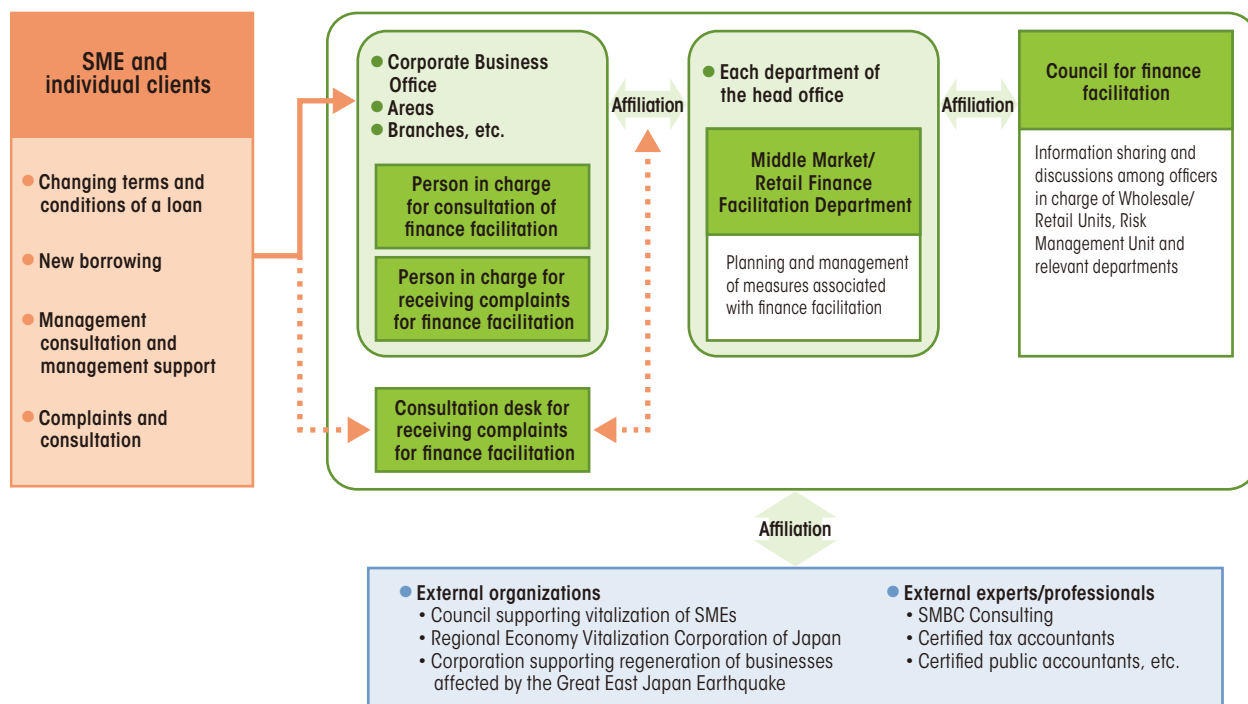
SMBC strives to provide sincere and meticulous services to clients, facilitate funding, and enhance consultation services, in accordance with SMBC's "Basic Policy for Finance Facilitation."

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
7. We appropriately respond as to guarantee for business manager in accordance with the "Guidelines for Guarantee for Business Manager."

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^{*1} or external organizations^{*2}, by supporting measures for the plan of management improvement or giving advices for management improvement issues such as expense reduction or sale of assets.

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

^{*2} 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, and holding the "Business Negotiation Session"^{**} of specific subject matter to refer or introduce a group of clients.

^{*} In December 2013, the "Agribusiness-Matching" was held.

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 to 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 by making an alliance with the Industrial Technology Research Institute in Taiwan, 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 expanding into overseas markets increases, clients' needs for not limited to fund procurement and management but also for understanding of the local business customs, cultures and respective systems are further increasing.

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 developed their business in overseas, we provide high-quality support and solutions for their business expansion and business reorganizational needs. Further, we also support clients' general foreign exchange transactions by giving advices with respect to their trading transactions or holding practical seminars.



Measures for the Greater China region (People's Republic of China, Hong Kong and Taiwan)

In order to be able to provide attentive services for integrated domestic and overseas offices by taking advantage of know-how accumulated in Japan for the Greater China region where many Japanese companies have expanded into, SMBC's domestic department has proceeded to plan and promote transactions with Japanese companies for Sumitomo Mitsui Banking Corporation (China) Limited, and Hong Kong and Taipei branches since 2010 and 2011, respectively.

The Free Trade Experimental District was established in Shanghai in September 2013 to proceed with liberalization in the areas of finance and trading. SMBC (China) established a representative office in that district in February 2014, and we are accommodating clients' new needs for such as cross-border fund management and support for new investments in deregulated businesses.

In February 2014, a representative office was also opened in Kunshan in Jiangsu Province. This brought our total number of offices in China to 16 offices, consisting of 9 branches, 6 representative offices and the Dalian Representative Office of SMBC. Together with the Hong Kong and Taipei branches, we continue to develop a solid network in the Greater China region. As for additional internationalized renminbi business, the South China Department of Transaction Business Division established in Hong Kong mainly handles such business, the business results of which are steadily increasing. We will continue to provide up-to-date information and services in Japan and overseas, and focus to promote renminbi businesses.

SMBC strives to further improve its integrated services in Japan and overseas while cooperating with the SMFG Group companies that have expanded into the Greater China region such as SMBC Nikko Securities, Sumitomo Mitsui Finance and Leasing, and Sumitomo Mitsui Card.

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 SMFG 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 the accumulation of medical-related industries in Kobe and other areas.

We continue to financially assist the restoration plan of local governments affected by the Great East Japan Earthquake,

including the Miyagi Prefecture which has executed the industrial development cooperation agreement with SMBC; and we also support economic recovery of the affected areas through transactions with clients who utilize the special reconstruction district system.

Furthermore, since 2010, SMBC has executed business alliance agreements to support overseas businesses with THE MINATO BANK, LTD., Kansai Urban Banking Corporation, Mie Bank, Ltd. and six other banks.

Topics

◆SMBC Agricultural Fund

In response to the measures taken by the government in easing regulations in the agriculture sector, agricultural corporations are expanding and the number of companies newly entering into the agriculture sector are increasing. As SMBC considers agriculture as a growing sector, SMBC and SMBC Venture Capital invested in the "SMBC Agricultural Fund" in July 2013.

In November 2013, an investment was made to Kajitsudo Co., Ltd, in Kumamoto Prefecture as the first project for the "SMBC Agricultural Fund."

In addition to investments made to the fund, SMBC enhances support for fund procurement by setting credit lines for growth sectors including agriculture and utilizing public loan insurance system.

SMBC provides support to increase competitiveness for Japanese agriculture not only in financing but also in management by providing solutions such as business-matching and consultation provided by the Japan Research Institute.

